Report by the Management Board

to the Annual General Meeting of

Zalando SE on May 24, 2023

regarding

the utilization of Authorized Capital 2020

to create 1,011,665 new shares

in Zalando SE in exchange for a contribution in kind

I.

By resolution at the Annual General Meeting of June 23, 2020, the Management Board was authorized to increase the share capital of Zalando SE (the ***Company***) on one or more occasions in the period up to June 22, 2025 by a total of up to EUR 100,266,384.00 and by issuing up to 100,266,384 new no-par value bearer shares in exchange for contributions in cash and/or in kind, subject to the approval of the Supervisory Board (***Authorized Capital 2020***) (§ 4 (3) of the previous version of the Company's Articles of Association). In principle, shareholders are to be granted subscription rights under the same resolution. On July 27, 2020, the Authorized Capital 2020 was entered in the commercial register (*Handelsregister*) of the local court (*Amtsgericht*) of Charlottenburg (Berlin), where the Company is registered under HRB 158855 B.

The Management Board was also authorized to exclude shareholder subscription rights on one or more occasions, subject to the approval of the Supervisory Board, including where the new shares are issued in exchange for contributions in kind, in particular in the form of companies, parts of companies, equity interests in companies, receivables, or other assets. The total shares to be issued under the authorization granted in § 4 (3) of the previous version of the Company's Articles of Association with the exclusion of subscription rights for capital increases in exchange for contributions in cash and/or in kind must not exceed 20 % of the Company's share capital either at the time the authorization becomes effective or at the time it is exercised.

Finally, the Management Board was also authorized to determine any further details relating to the capital increase, the further content of the rights arising from the shares, and the conditions of the share issue, all subject to the approval of the Supervisory Board.

II.

On June 13, 2022, the Company's Management Board resolved, with the approval of the Supervisory Board, to make partial use of the authorization and to increase the share capital of the Company, excluding shareholder subscription rights, by EUR 1,011,665.00 by issuing 1,011,665 new no-par value bearer shares, each representing EUR 1.00 of the share capital (***New Shares***) in exchange for a contribution in kind in the form of 8,041 shares in the share capital of Titel Media GmbH, Berlin, registered in the commercial register of the local court of Charlottenburg (Berlin) under HRB 125489 B (***Highsnobiety***), with a registered share capital of EUR 42,091.00 (***Contribution in Kind***) pursuant to an agreement between the Company, DJ Fischer Venture UG (haftungsbeschränkt), an entity with limited liability, and Mr. Jürgen Hopfgartner (DJ Fischer Venture UG (haftungsbeschränkt) and Mr. Jürgen Hopfgartner are collectively referred to as the ***Management Sellers***), which was made on June 13, 2022 (***Capital Increase***). This is equivalent to an increase of less than 0.4 % in the share capital existing at the time the authorization becomes effective. There was thus compliance with the above limit for capital increases with an exclusion of subscription rights. The Contribution in Kind represented a share of approximately 19.1 % of the total share capital of Highsnobiety. On July 1, 2022, the Company acquired a total of 86.83 % of the shares in Highsnobiety. There is a mutual call and put option with a term of three years for the remaining 13.17 % of the shares.

The New Shares created as a result of the Capital Increase were issued at an issue price of EUR 1.00 per New Share. The total issue price for the New Shares is thus EUR 1,011,665.00. The New Shares carry dividend rights for the fiscal year beginning January 1, 2022. To the extent that the value of the Contribution in Kind exceeded the total issue price of all New Shares, the excess amount was allocated to the free capital reserve in accordance with section 272 (2) no. 4 of the German Commercial Code (HGB) as what is known as a 'debt premium'.

Only DJ Fischer Venture UG (haftungsbeschränkt) (980,841 New Shares) and Mr. Jürgen Hopfgartner (30,824 New Shares) were permitted to subscribe for and acquire the New Shares. Shareholders were excluded from receiving subscription rights in line with the authorization granted under § 4 (3) sentence 6 (iv) of the previous version of the Company's Articles of Association.

On July 4, 2022, the implementation of the Capital Increase, including the relevant amendments to the Articles of Association, was entered in the commercial register of the local court of Charlottenburg (Berlin), where the Company is registered under HRB 158855 B. The Company's registered share capital increased by EUR 1,011,665.00 and thus to EUR 263,033,759.00 as a result of the implementation of the Capital Increase being entered in the Commercial Register. On the basis of the continued validity of the resolution at the Annual General Meeting of June 23, 2020, the Management Board is still authorized to increase the Company's share capital on one or more occasions up to June 22, 2025 by a total of up to EUR 99,254,719.00 and by issuing up to 99,254,719 new no-par value bearer shares in exchange for contributions in cash and/or in kind, subject to the approval of the Supervisory Board.

III.

A contribution agreement dated June 13, 2022 between the Company and the Management Sellers on the sale of the Contribution in Kind forms the legal basis for the Capital Increase. The value of the Contribution in Kind negotiated between the parties comes to approximately EUR 35,000,000.00.

IV.

The exclusion of shareholder subscription rights as part of the Capital Increase is in the Company's interests and is reasonable and justified for the following reasons:

The acquisition of the Contribution in Kind has a high strategic importance for the Company. Highsnobiety is an influential global media brand for fashion and lifestyle that includes a publishing division, a creative consultancy, and a curated online store. While Highsnobiety will continue to operate independently, it will serve as a strategic and creative consultant to the Company and will assist the Company in developing new inspirational spaces and formats on the Company's platform. The objective is to use Highsnobiety's core strengths and know-how to create a more inspiring shopping experience and a more exciting and engaging online environment for customers and brand partners. The acquisition of Highsnobiety will boost the wholesale and partner business in the Company's fashion store, primarily by developing new inspirational spaces and formats on the Company's platform. The integration of these more inspiring shopping experiences will create a more exciting and engaging online environment for the Company's customers and brand partners.

The acquisition of the Contribution in Kind is thus a major strategic step forward for the Company. The transaction is in the Company's interests, particularly given that the Management Sellers are themselves acquiring shares in the Company. This also allows the Management Sellers, who have expertise that is key for the long-term success of the transaction, to be part of the Company. It is the Management Board's view that creating a vested interest on the part of the Management Sellers in the form of holding shares in the Company is clearly preferable to any interest that could be created by means of an employment agreement.

Moreover, the Management Sellers had informed the Company's Management Board that they would be interested in receiving consideration (also) in the form of shares in the Company. Therefore, the (partial) utilization of the Authorized Capital 2020 in line with the Articles of Association fits squarely with the Company's interest in acquiring the Contribution in Kind. It was necessary to exclude shareholders from receiving a subscription right because the transfer of the shares in Highsnobiety to the Company could only be effected by means of a (partial) capital increase in exchange for a contribution in kind, by which solely the Management Sellers were permitted to subscribe for and acquire the New Shares. The acquisition of the shares in Highsnobiety was only made possible by the exclusion of shareholders' subscription rights.

The exclusion of subscription rights is also reasonable when considered against any resulting disadvantages for the Company's shareholders. The acquisition of the Contribution in Kind and the exclusion of subscription rights required for this purpose are, as stated above, in the overwhelming interest of the Company. Moreover, the legitimate interests of the (existing) shareholders are not significantly impaired by the implementation of the Capital Increase. In particular, given that the Capital Increase represents a volume of less than 0.4% of the Company's share capital existing at the time the authorization becomes effective, it is thus a small-scale increase. In addition, the interest in acquiring the Contribution in Kind as a significant step in the Company's strategic development outweighs any disadvantages for shareholders.

The shareholders will not experience any relevant economic dilution of their shareholding as a result of the transaction, especially since the capital increase component plays a minor role in the overall price structure and only has a limited impact in any event, due to its small scale. Following a critical review, the Management Board has come to the conclusion that the issue price for the New Shares is not unreasonably low. The Management Board deemed the consideration to be rendered to the Management Sellers for the Contribution in Kind, i.e. the 1,011,665 New Shares, to be reasonable, on an overall view, for the purposes of section 255 (2) of the German Stock Corporation Act (AktG). In the Management Board's business judgement, the value of approx. EUR 35,000,000.00 that was fixed for the Contribution in Kind is fair and takes reasonable account of the actual value of the Contribution in Kind. The market value of the New Shares was determined on the basis of the volume-weighted average share price in XETRA trading on the Frankfurt Stock Exchange in the period from May 5, 2022, up to, and including, June 10, 2022. The reason for the reference period beginning on May 5, 2022, is that the Company's first quarterly results for 2022 were released on the morning of May 5, 2022. The use of an average stock market price rather than a closing price is appropriate under aspects of reasonableness, as this approach compensates for typical volatility and thus reflects the shares' "real" stock market value (and not merely their "random value"). The Management Board considers the market valuation based on the stock market price to be plausible. On the basis of expert assessments, the Management Board concludes that the stock market price of the share accurately reflects its market value and that the stock market price is equivalent to its intrinsic value or, at most, falls below the intrinsic value to a negligible extent. In reaching its decision, the Company's Management Board also took account of the fact that the New Shares carry retroactive dividend rights from January 1, 2022. It also became apparent during the negotiations that a lower offer would not have been successful.

Therefore, in the opinion of the Management Board, the value of the Contribution in Kind is reasonably equivalent to the value of the New Shares issued, on an overall view. On June 28, 2022, the auditor for the present capital increase in exchange for a contribution in kind that was appointed by the local court of Charlottenburg (Berlin), DORNBACH GmbH Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, confirmed the value (*Werthaltigkeit*) of the Contribution in Kind for the purposes of the capital contribution requirements under company law.

In view of the foregoing considerations, the exclusion of shareholder subscription rights as part of the Capital Increase is thus ultimately reasonable, permitted by law, and in the Company's interests.

Berlin, April 2023

Zalando SE
The Management Board

signed Robert Gentz

Robert Gentz
Co-Chairperson of the Management Board

signed David Schneider

David Schneider
Co-Chairperson of the Management Board

signed Dr Sandra Dembeck

Dr Sandra Dembeck
Management Board Member

signed David Schröder

David Schröder
Management Board Member

signed Dr Astrid Arndt

Dr Astrid Arndt
Management Board Member