



Report of the Management Board regarding agenda item 11 of the annual general meeting of Zalando SE on May 27, 2025 re the exclusion of shareholders' subscription rights pursuant to Section 203 (2) sentence 2 in conjunction with Section 186 (4) sentence 2 AktG

Under agenda item 11, it will be proposed to the general meeting that a new authorized capital (Authorized Capital 2025) be created.

The current Authorized Capital 2020 was resolved by the general meeting on June 23, 2020 for a period of five years. This authorization was exercised in the amount of EUR 1,011,665.00 at the time of convening of the general meeting being held on May 27, 2025.

Under agenda item 11 it is therefore proposed to the general meeting to create a new authorized capital in the amount of up to EUR 79,181,289 (corresponding to around 30% of the company's current registered share capital) by issuing up to 79,181,289 new no-par value bearer shares against contributions in cash and/or in kind (Authorized Capital 2025). However, the option of excluding subscription rights for capital increases against contributions in cash and in kind is to be limited in total to 10% of the registered share capital.

The proposed Authorized Capital 2025 is to provide the management of Zalando SE for the next five years with sufficient ability to raise equity, where needed, in a quick and flexible manner. The availability of financing instruments independently from the frequency of annual general meetings is of particular importance because it is not always possible to determine in advance the time at which the relevant funds need to be raised. In addition, some transactions can only be successfully completed in competition with other companies if the availability of financing instruments is secured already at the beginning of the negotiations. Legislation has addressed the need of the companies arising from the foregoing and gives stock corporations the possibility to authorize the management, for a fixed term and in a limited amount, to increase the registered share capital without any additional resolution by the general meeting.

When the authorized capital is used, the shareholders are in principle entitled to subscription rights. In this context, the shares can also be acquired by a credit



institution or securities institution to be determined by the Management Board or an equivalent undertaking pursuant to Section 186 (5) sentence 1 AktG (financial institution) or a consortium of such credit, securities and financial institutions with the obligation to offer them to the shareholders of the company for subscription (so-called “indirect subscription right”).

However, the subscription rights of the shareholders can be excluded in the cases described below.

The Management Board is to be authorized to exclude shareholders’ subscription rights with the consent of the Supervisory Board in the case of capital increases against cash contributions in order to exclude fractional amounts. The authorization to exclude shareholders’ subscription rights for fractional amounts serves to ensure a practicable subscription ratio with respect to the amount of the capital increase. Without the exclusion of subscription rights for fractional amounts, the technical implementation of the capital increase, particularly in the case of capital increases by round numbers, and the exercise of subscription rights would be considerably more complicated. The new shares excluded as “free fractional amounts” from subscription rights will be either sold on the stock exchange or realized otherwise in the best possible manner for the company.

In addition, it will be possible, with the consent of the Supervisory Board, to exclude subscription rights to the extent necessary to be able to grant holders or creditors of bonds with conversion and/or option rights or obligations, which exist at the time when the authorized capital is used, subscription rights for new shares as compensation for effects of dilution if this is provided for in the terms and conditions of the relevant bond. As a result, the authorization to exclude subscription rights – if exercised – means that the option or conversion price does not have to be reduced in accordance with what is referred to as the dilution protection clause in the option or conversion terms. Rather, the holders or creditors of the warrants and convertible bonds are to be offered subscription rights to the extent to which they would be entitled upon exercising the conversion or option rights or fulfilling the respective obligations.

In addition, the Management Board is to be authorized to exclude shareholders’ subscription rights with the consent of the Supervisory Board in the event of a capital increase against cash contributions, provided that the shares are issued in accordance with Section 186 (3) sentence 4 AktG at a price that is not significantly below the prevailing stock market price. The Management Board will try to keep any possible markdown on the stock market price as low as



possible, taking into account the prevailing market conditions. The authorization enables the company to cover capital requirements, if any, even at very short notice in order to use market opportunities in different business lines in a quick and flexible manner. The exclusion of the subscription rights allows the company to respond quickly and to place the shares close to the stock market price, i.e., without the usual discount in rights issues. Such capital increase must not exceed 10% of the registered share capital either at the time said authorization comes into effect or – in case such amount is lower – at the time it is exercised. Shares (i) disposed of or issued during the term of this authorization up to the time of it being exercised on the basis of other authorizations in direct or analogous application of Section 186(3) sentence 4 AktG with the exclusion of subscription rights or (ii) issued or to be issued to service bonds with conversion or option rights or conversion or option obligations insofar as the issue takes place during the term of this authorization up to the time of it being exercised with the exclusion of subscription rights in analogous application of Section 186(3) sentence 4 AktG are to be deducted from this limit.

This limit addresses the need of shareholders for protection against dilution of their shareholding. Due the issue price of the new shares that is close to the stock market price and the restricted volume of the capital increase with the exclusion of subscription rights, shareholders are able in principle to maintain their percentage shareholding by purchasing the required shares at almost identical conditions on the stock market. This guarantees that, in compliance with the legal interpretation of Section 186 (3) sentence 4 AktG, the shareholders' interests in the assets and voting rights are appropriately safeguarded when the authorized capital with the exclusion of subscription rights is used, while the company gains additional latitude to the benefit of all shareholders.

The proposed resolution provides for the restriction that any counting of shares towards this limit made in accordance with the above provisions due to an exercise of authorizations (i) to issue new shares pursuant to Section 203 (1) sentence 1, Section 203 (2) sentence 1, and Section 186 (3) sentence 4 AktG and/or (ii) to sell treasury shares pursuant to Section 71 (1) no 8 and Section 186 (3) sentence 4 AktG and/or (iii) to issue bonds pursuant to Section 221 (4) sentence 2 and Section 186 (3) sentence 4 AktG, is cancelled with effect for the future if and to the extent that the respective authorization(s) due to which the shares were counted towards the limit is/are granted again by the general meeting in accordance with statutory provisions. In these cases, the



general meeting has again decided on the power of a simplified exclusion of subscription rights, thereby eliminating the reason for the deduction once more. To the extent that (i) new shares are again authorized to be issued with a simplified exclusion of subscription rights under another authorized capital in accordance with the articles of association, (ii) bonds are authorized again to be issued with a simplified exclusion of subscription rights or (iii) treasury shares are authorized again to be sold with a simplified exclusion of subscription rights, this option is to exist again for the Authorized Capital 2025. The reason for this is that upon the effectiveness of the new authorization for a simplified exclusion of subscription rights, the restriction with regard to the Authorized Capital 2025 caused by the exercise of the authorization to issue new shares or to issue bonds or by the sale of treasury shares is no longer applicable. The majority requirements for such a resolution are identical to those applicable to a resolution on the creation of authorized capital, an authorization to issue bonds or an authorization to sell treasury shares, in each case with the option of a simplified exclusion of subscription rights. Therefore, to the extent the statutory requirements are complied with, a resolution adopted by the general meeting to grant (i) a new authorization to issue new shares pursuant to Section 203 (1) sentence 1, Section 203 (2) sentence 1, and Section 186 (3) sentence 4 AktG (i.e., new authorized capital), (ii) a new authorization to issue bonds pursuant to Section 221 (4) sentence 2 and Section 186 (3) sentence 4 AktG or (iii) a new authorization to sell treasury shares pursuant to Section 71 (1) no 8 and Section 186 (3) sentence 4 AktG, must at the same time also be considered an approval regarding the authorization resolution relating to the issue of new shares using authorized capital pursuant to Section 203 (2) and Section 186 (3) sentence 4 AktG. If an authorization to exclude subscription rights is again exercised in direct or analogous application of Section 186 (3) sentence 4 AktG, shares are again counted against this limit.

It will also be possible, with the approval of the Supervisory Board, to exclude shareholders' subscription rights in the event of capital increases against contributions in kind. This will enable the Management Board to use shares of the company to acquire companies, parts of companies, equity interests in companies, receivables or other assets where appropriate in individual cases. For example, the need may arise in negotiations to offer shares in payment instead of cash. The ability to use the company's shares as a form of payment is necessary particularly in the international competition for attractive acquisition targets and creates the scope needed to utilize opportunities presenting



themselves for the acquisition of companies, parts of companies, equity interests in companies or other assets while protecting the company's liquidity. The use of shares may therefore also be appropriate to achieve an optimized financing structure. The authorization also enables the company to acquire larger companies or equity interests in companies in suitable cases insofar as this is in the interest of the company and thus of its shareholders. In many cases, the sellers of attractive acquisition targets insist in receiving shares as payment because this may be more advantageous for them. Also in case of assets and receivables from the company, it should be possible to acquire such assets or receivables under certain circumstances in exchange for shares. For both purposes, it must be possible to exclude shareholders' subscription rights. As a rule, such acquisitions cannot be resolved by the general meeting which is held once per year because they must be implemented at short notice. Authorized capital is needed that can be quickly used by the Management Board with the consent of the Supervisory Board. The Authorized Capital 2025 proposed above is also to be used for such purpose. This does not lead to any disadvantages for the company because the issue of shares in exchange for contributions in kind is subject to the condition that the value of the contribution in kind is commensurate with the value of the shares. In determining the valuation ratio, the Management Board will ensure that the interests of the company and its shareholders are safeguarded and an appropriate issue price for the new shares is achieved. In each individual case of a possible acquisition of companies, company parts, shares in companies or other assets, the Management Board will carefully examine whether it should make use of the authorization to increase the capital with subscription rights excluded and – in doing so – consider carefully whether the shares granted as consideration should (wholly or partly) stem from a capital increase or – provided that the legal requirements for this are met – from the acquisition of treasury shares.

Finally, it should also be possible to exclude the subscription right in order to implement what is known as a scrip dividend. Here shareholders are offered the opportunity to contribute their dividend entitlement (in whole or in part) as a contribution in kind to the company against new shares. This gives shareholders a simple and straightforward way of reinvesting their dividends into the company. Normally, a scrip dividend is implemented as a genuine rights issue in compliance with shareholders' subscription rights and the principle of equal treatment. However, in certain situations, it may make sense in specific cases to structure the implementation of the scrip dividend in such a way that the



Management Board offers new shares from the Authorized Capital 2025 to all shareholders entitled to dividends in return for the assignment of their dividend right, but formally excludes the subscription right entirely. This means that the scrip dividend can be implemented under more flexible conditions, in particular without being tied to the minimum subscription period or the legally prescribed date for the announcement of the issue price. As the new shares are offered to all shareholders in such a case and any excess partial dividend amounts are settled by payment of the cash dividend, the exclusion of subscription rights is appropriate and legitimate in this respect. The Management Board will be guided solely by the interests of the company and the shareholders when deciding whether and how such a scrip dividend should be implemented.

The total shares issued under the aforesaid authorizations with the exclusion of subscription rights for capital increases against contributions both in cash and in kind must not exceed 10% of the registered share capital either at the time the authorization becomes effective or at the time it is exercised. Any shares which are sold or issued or are to be issued with the exclusion of subscription rights under other authorizations, which must be explicitly identified, are counted toward this 10% limit. This capital limit caps the total volume for an issue of shares using authorized capital with the exclusion of subscription rights, as well as for the sale of treasury shares with the exclusion of subscription rights and the issue of bonds with the exclusion of subscription rights. This provides shareholders with an additional safeguard against a dilution of their shareholdings.

The Management Board will only exclude subscription rights if making the acquisition against the issuance of shares in the company is in the interests of the company. The Supervisory Board will only give its required approval to the use of the authorized capital with the exclusion of the subscription right if the described and all legal requirements have been fulfilled. The details of each use of the authorized capital will be reported by the Management Board in the general meeting next following any issue of shares of the company using the authorized capital. There are currently no plans to use the authorized capital.

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