Roadshow presentation

June 2020
Agenda

Our vision:
The Starting Point for Fashion

Platform as key lever
to become the Starting Point

Our business model of the future

Executing our strategy in times of Covid-19

Q1/2020 Results
Our vision: To become the Starting Point for Fashion
In 2019, we have delivered towards our ambition

<table>
<thead>
<tr>
<th>Year</th>
<th>Visits in bn #</th>
<th>App GMV in bn €</th>
<th>GMV in bn €</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>2.6 +0.5 2.6</td>
<td>1.7 1.7 1.7</td>
<td>5.5 5.5 5.5</td>
</tr>
<tr>
<td>2018</td>
<td>3.1 +0.5 3.1</td>
<td>2.5 2.5 2.5</td>
<td>6.6 6.6 6.6</td>
</tr>
<tr>
<td>2019</td>
<td>4.2 +1.1 4.2</td>
<td>3.9 3.9 3.9</td>
<td>8.2 8.2 8.2</td>
</tr>
</tbody>
</table>

Visits +33%  App GMV +56%  GMV +24%
Our vision is build on two key levers - Deep Customer Relationships and our Platform Strategy

Key lever 1

Deep Customer Relationships

- Assortment
- Digital Experience
- Convenience
- Loyalty program
- Sustainability & Circularty

Key lever 2

Platform Strategy

- ZMS Zalando Marketing Services
- ZFS Zalando Fulfillment Solutions
- Partner Program

Starting Point for Fashion

Superior & Holistic Customer Experience

Bottom Line Growth

Operating Leverage & Gross Margin Expansion

Topline & Market Share growth
Cohort analysis shows that we are creating a healthy customer base

Total GMV per Cohort¹ and Order Year

1. Old cohorts grow again over time
2. Customer churn goes down
3. Every new cohort is bigger than the previous one

(1) Cohort refers to customers grouped by the calendar year in which they first placed an order with Zalando.
Agenda

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**Platform as key lever to become the Starting Point**

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Q1/2020 Results
The platform strategy is one key lever towards being the Starting Point

**Brand Benefits**

- Direct access to European digital consumer
- Leverage Zalando capabilities (tech, data, logistics)

**Zalando Benefits**

- Platform adds scale to Zalando
- Less inventory risk – while improving customer offering (50% of PP volume incremental)

**Customer Benefits**

- Offer desirable and comprehensive assortment
- High availability

The Starting Point for Fashion.
Only in partnership with our brand partners, we are able to offer a superior experience for our customers to enjoy.

Partner Program offers growth opportunities and advantages to all parties.

- **ZMS**
  - Zalando Marketing Services

- **ZFS**
  - Zalando Fulfillment Solutions
  - Partner Program

- **Commission 5%-25%**

- **Cost-Plus**

- **Auction-bid pricing & campaigns**

- **ZFS**

- **Zalando Fulfillment Solutions**

- **Zalando Marketing Services**

- **ZFS**

- **Partner Program**

Direct-to-Consumer

- Control of Product, Content & Pricing
- Superior Order Economics, Convenience to Consumer & Physical Access to Consumer
- High Sell-Through & Brand Building
In 2019, we achieved important milestones in driving the Platform Transition

1) Partner Program share of 40% refers to our business model mix ambition for 2023/24. In our long-term target model, we aim for a 50% Partner Program share.
2) Refers to our long-term target model ambition.
ZFS leveraging our European logistic network to enable PP success

Create the capacity for future growth:
12 warehouses allow > 14bn GMV

Get closer to our customers:
We will deliver 30% of orders on the next day by 2020¹

Scale a differentiating asset which we can open up to brand partners

¹ 3pm cutoff time

1. ERFURT
   Start in 2012

2. BRIESELANG
   Start in 2011

3. MÖNCHENGLADBACH
   Start in 2013

4. LAHR
   Start in 2016

5. PARIS
   (Moissy-Cramayel)
   Start in 2016

6. STOCKHOLM
   Start in 2018

7. SZCZECIN (Gryfino)
   Start in 2017

8. OLSZTYNEK
   Start in 2019

9. LODZ (Gluchow)
   Start in 2019

10. VERONA (Nogarole Rocca)
    Start in 2020

11. MILANO (Stradella)
    Start in 2016

12. ROTTERDAM (Bleiswijk)
    Start in 2021
We offer a broad range of payment methods and logistic partners to satisfy local customer preferences.

<table>
<thead>
<tr>
<th>Payment Methods</th>
<th>Countries</th>
<th>Logistic partners</th>
</tr>
</thead>
<tbody>
<tr>
<td>22 different payment methods</td>
<td>Our presence in 17 countries requires localization</td>
<td>25 domestic carrier integrations, 2 express carrier, 14 same day destinations</td>
</tr>
</tbody>
</table>
Connecting brands to consumers with Zalando Marketing Services

Brands

Zalando Marketing Services

- Influencer Products (Collabary)
- Consumer Insights
- Media Products

Consumers

- >1000m visits per quarter
- >31m active customers

No. of campaigns

2016 2017 2018 2019

>37m female unique visitors

>1000m visits per quarter

>31m active customers
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Q1/2020 Results
We remain convinced that online fashion is a long-term growth opportunity

We are targeting a massive opportunity in 5-10 years¹...

Total fashion >450bn

>25%

>5%

Online fashion

Zalando

...with low online share compared to other categories

Fashion

Consumer Electronics²

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>15%</td>
<td></td>
<td></td>
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<tr>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>36%</td>
<td>45%</td>
<td></td>
</tr>
</tbody>
</table>

(1) Source: Company estimates and Euromonitor International forecasts, February 2019. Euromonitor forecasts the overall European Fashion Market to grow to roughly 450bn EUR over the next 5-10 years. Values based on actuals and estimates; fixed exchange rates.

Fashion data incl. apparel and footwear, bags and luggage, jewelry and watches. Data for Europe (excluding Russia) inclusive of sales tax.

(2) Source: United States online penetration, Statista, last update 2018-10
We aim to achieve a scale of 20bn EUR GMV by 2023/24

Growth Ambition 2023/24
in €bn GMV\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>GMV in €bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td></td>
</tr>
<tr>
<td>'15</td>
<td></td>
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<tr>
<td>'16</td>
<td></td>
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<td>'17</td>
<td></td>
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<tr>
<td>'18</td>
<td></td>
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<tr>
<td>'19</td>
<td></td>
</tr>
<tr>
<td>'20</td>
<td></td>
</tr>
<tr>
<td>2023/24</td>
<td>~20bn GMV by 2023/24</td>
</tr>
</tbody>
</table>

Business Model Mix 2023/24
in €bn

- Partner program: ~40%
- Wholesale: ~60%
- GMV: 20 €bn
- Revenue: 13 €bn
- CAGR\(^2\):
  - Partner program: +20-25%
  - Wholesale (GMV): +20-25%
  - Revenue: +15-20%

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1. GMV (Gross Merchandise Volume) incl. VAT
2. 5-year CAGR (2018-2023): high end of range, 6-year CAGR (2018-2024): low end of range
Platform model to drive higher long-term profitability at scale

<table>
<thead>
<tr>
<th>In % of revenue</th>
<th>Wholesale¹</th>
<th>Partner Program</th>
<th>Group margin impact ²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross margin</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fulfillment costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing costs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Admin expense</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adj. EBIT margin</td>
<td>6-8%</td>
<td>20-25%</td>
<td>10-13%</td>
</tr>
</tbody>
</table>

**Key assumptions:**
- PP share ~50% of GMV
- ZFS share ~75% of PP items
- ZMS revenue 3-4% of GMV
- Operating leverage and fixed cost degression
- Cash Flow: WC neutral and CapEx slightly above D&A

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(1) Wholesale includes Offprice and Private label
(2) Trend vs. 2018 cost lines
## Financial profile during transition to platform model

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>Transition Phase 2019 – 2021</th>
<th>Years Following</th>
<th>Target Model</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GROWTH</strong></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Continued high GMV growth of 20-25% until 2023/24</td>
<td>Growth in line with / slightly above online market</td>
<td></td>
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<tr>
<td><strong>PROFITABILITY</strong></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Margins between 2-4%, driven by growth investments and platform transition</td>
<td>Margins start to increase as platform transition progresses (e.g. impact of ZMS)</td>
<td>Target margin of 10-13%</td>
</tr>
<tr>
<td><strong>CASH</strong></td>
<td></td>
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<tr>
<td></td>
<td>✔️</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>● Cash flow negative</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>● NWC neutral</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>● Capex of 4-5% of revenue</td>
<td></td>
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</table>
Investment Highlights - The Starting Point for Fashion

1. Our vision is to become the **Starting Point for Fashion**, the destination that consumers gravitate to for all their fashion needs.

2. The number 1 priority is to **focus on growth** with **20-25% topline CAGR** to achieve a scale of 20bn EUR GMV by 2023/24.

3. The most important building block on that journey is to transition our business towards a **true platform business**.

4. At scale our strategy will result in an **attractive financial profile**, characterized by double-digit margin profile and strong cash generation.

5. To become the starting point **we aim to invest** our economic surplus in our **customer experience across assortment, digital experience and convenience** to drive customer satisfaction and retention.
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**Executing our strategy in times of Covid-19**

Q1/20 Results
Our #1 priority is to ensure the safety of our employees

All colleagues who can work from home are in home office.

For colleagues who cannot work from home, we do everything possible to create a safe working environment.

We are focused on ensuring business continuity despite high absence rates and struggling carrier networks.
Our #2 priority is to safeguard our financial success

Developed different demand scenarios for the year and stress-tested our financial health

Initiated cost savings and drew our revolving credit facility to remain flexible also in worst case

Adjusted our trading routines to the new environment (preponed mid-season sale, adjusted marketing steering and messaging to customers)

Daily GMV development (in % YoY)

-8% YoY GMV growth between Mar 9-30
Our #3 priority is to find the right strategic response

Opportunity to be part of the solution for the fashion industry

Accelerate our Starting Point strategy, specifically platform transition

Adjust our priorities for the year accordingly
We see first signs that customers may shift to online even faster: highest number of new customers ever achieved in month of April

New customer groups discover e-commerce

Growing new customer numbers

Starting Point strategy

Shift towards social first

Accelerating new customer growth in # new customers in April for each year

+39%

2017 2018 2019 2020
Brands need to shift towards digital even faster - and we are supporting them by accelerating the platform transition

**Our offer to the brands**

- Faster integration
- Early pay-out to support cash needs
- Matching ZMS investments
- Increased visibility in shop
- Dedicated partner sales event on May 10-12

**Signing-up new brands**

+50 partners in last 3 weeks

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**Starting Point strategy**

**Accelerating Partner Program growth**

Items shipped (in m)

- Feb: 4.1
- Mar: 4.6
- Apr: 8.0

ZFS items: +140% YoY

+94%
We are supporting bricks and mortar retail by accelerating our Connected Retail program, driving offline/online convergence

Bricks and mortar store revenues suffer significantly

Promote Connected Retail Program and increase visibility

Starting Point strategy

Our offer to the stores

• Zero commission for April and May
• Weekly pay-out of revenues
• Accelerated integration speed
• High visibility onsite

Connected Retail items shipped (in #k)

Up to ~5% GMV share in DE

CW 13  CW 14  CW 15  CW 16  CW 17
21     32     48     114    110
We have the right assets and the right strategy to grow stronger throughout this crisis

We have the right assets...

- **Customer Reach**
  - 32m Active Customers

- **Strong Partnerships**
  - 2500+ brand relationships

- **European Logistics Network**
  - 11 sites in 4 countries

- **Cash Balance**
  - >1bn EUR

...and the right strategy...

- **Our Vision:**
  - to become the Starting Point for Fashion

...to grow stronger throughout this crisis.

Confident to finish 2020 with strong growth and profitability, remaining on track to our targets 2023/2024
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Q1/20 Results
Continued double digit growth in a highly challenging environment

**Revenue: Group (Q1)**

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q1/19 (€m)</th>
<th>Q1/20 (€m)</th>
<th>GMV (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fashion Store</td>
<td>1,269</td>
<td>1,392</td>
<td>+10.6%</td>
</tr>
<tr>
<td>Offprice</td>
<td>137</td>
<td>185</td>
<td>+35.1%</td>
</tr>
<tr>
<td>Other²</td>
<td>103</td>
<td>37</td>
<td>(63.5%)</td>
</tr>
</tbody>
</table>

**Fashion Store – DACH (Q1)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue (€m)</th>
<th>GMV (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/19</td>
<td>622</td>
<td>+6.7%</td>
</tr>
<tr>
<td>Q1/20</td>
<td>664</td>
<td>9.9%</td>
</tr>
</tbody>
</table>

**Fashion Store – Rest of Europe (Q1)**

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Revenue (€m)</th>
<th>GMV (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/19</td>
<td>647</td>
<td>+12.6%</td>
</tr>
<tr>
<td>Q1/20</td>
<td>728</td>
<td>+14.3%</td>
</tr>
</tbody>
</table>

1) Q1/20 (Q1/19) contains -€89.6m (-€129.7m) reconciliation of internal revenues
2) Other segments including various emerging businesses; private label offering zLabels no longer presented as separate unit since Q2/19
Underlying customer metrics largely proven to be resilient

1) Defined as GMV divided by the number of orders
2) Defined as GMV divided by the number of active customers

Active customers (in #m)

<table>
<thead>
<tr>
<th></th>
<th>Q1/19</th>
<th>Q1/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1 Traffic</td>
<td>+17.2%</td>
<td>+23.1%</td>
</tr>
<tr>
<td>27.2</td>
<td>31.9</td>
<td></td>
</tr>
</tbody>
</table>

Average orders per active customer (LTM in #)

<table>
<thead>
<tr>
<th></th>
<th>Q1/19</th>
<th>Q1/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/19</td>
<td>4.5</td>
<td>4.7</td>
</tr>
<tr>
<td>Q1/20</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Average basket size after returns¹ (LTM in €)

<table>
<thead>
<tr>
<th></th>
<th>Q1/19</th>
<th>Q1/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/19</td>
<td>57.0</td>
<td>56.1</td>
</tr>
<tr>
<td>Q1/20</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

GMV per active customer² (LTM in €)

<table>
<thead>
<tr>
<th></th>
<th>Q1/19</th>
<th>Q1/20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1/19</td>
<td>255.7</td>
<td>264.8</td>
</tr>
<tr>
<td>Q1/20</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

+3.6%

+23.1%
Short-term adjustments in commercial steering and continued improvements in overhead efficiency could not compensate for the deterioration in gross margin.

### Costs and savings (in % of revenue, unadjusted)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost of sales</strong></td>
<td>(60.1%)</td>
<td>(64.7%)</td>
<td>4.6pp</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>39.9%</td>
<td>35.3%</td>
<td>(4.6pp)</td>
</tr>
<tr>
<td><strong>Fulfillment costs</strong></td>
<td>(28.7%)</td>
<td>(29.9%)</td>
<td>1.2pp</td>
</tr>
<tr>
<td><strong>Marketing costs</strong></td>
<td>(7.0%)</td>
<td>(8.1%)</td>
<td>1.1pp</td>
</tr>
<tr>
<td><strong>Administrative expenses &amp; Other</strong></td>
<td>(5.4%)</td>
<td>(4.7%)</td>
<td>(0.7pp)</td>
</tr>
<tr>
<td><strong>EBIT</strong></td>
<td>(1.3%)</td>
<td>(7.4%)</td>
<td>(6.2pp)</td>
</tr>
<tr>
<td><strong>Adj. EBIT(^1)</strong></td>
<td>0.5%</td>
<td>(6.5%)</td>
<td>(6.9pp)</td>
</tr>
</tbody>
</table>

1) Excluding equity-settled share-based payment expense (“SBC”), restructuring costs and non-operating one-time effects.
Our strong cash position allows us to navigate confidently through this challenging time.

<table>
<thead>
<tr>
<th>(in €m)</th>
<th>Q4/19 Liquidity(^1)</th>
<th>Operating CF</th>
<th>Investing CF(^2)</th>
<th>Other Changes(^3)</th>
<th>Q1/20 Liquidity</th>
<th>Short-term investments</th>
<th>Q1/20 Cash &amp; cash equivalents</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1002</td>
<td>(261)</td>
<td>(42)</td>
<td>360</td>
<td>1059</td>
<td>(25)</td>
<td>1034</td>
</tr>
</tbody>
</table>

Free cash flow: €(303)m

Includes RCF draw of €375m

(1) Both Q1/20 and Q4/19 liquidity include investments into short-term deposits with maturity of more than 3 and less than 12 months of €25m, respectively.
(2) Includes investments in fixed and intangible assets and payments for acquisitions and change in restricted cash (+€0.0m)
(3) Includes financing cash flow (€359.6m) and effect of exchange rate on cash and cash equivalents (+€0.5m).
Updated FY/2020 outlook

GMV and Revenue growth of 10-20%

Adj. EBIT\(^1\): €100 – 200m

Negative net working capital and €230-280m in Capex\(^2\)

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1) Excluding equity-settled share-based payment expense ("SBC") of ~€50m, restructuring costs and non-operating one-time effects for FY/20E
2) Excludes M&A transactions
Appendix

Management Board

The Zalando Share

Zalando Investor Relations Team
Management Board

Robert Gentz
Co-CEO
- Marketing / Sales
- Human Resources

David Schneider
Co-CEO
- Fashion Offer (Assortment)

Rubin Ritter
Co-CEO
- Strategy

Jim Freeman
CTO
- Product
- Technology

David Schröder
CFO
- Finance
- Operations
The Zalando Share

Shareholder structure¹,²

- Kinnevik AB (publ): 25.82%
- Anders Holch Povlsen: 10.14%
- Other shareholders (free float): 62.38%
- Treasury shares: 1.65%

Share information¹

- Type of Shares: Ordinary bearer shares with no-par value (Stückaktien)
- Stock Exchange: Frankfurt Stock Exchange
- Market Segment: Regulated Market (Prime Standard)
- Index Listings: MDAX, STOXX600, FTSE4Goods
- First day of trading: October 1, 2014
- Issue price: EUR 21.50
- Total Number of Shares Outstanding: 254,109,220
- Issued Share capital: EUR 254,109,220

¹ The above information includes additional details regarding the share structure and issuance of Zalando SE.
### Upcoming events

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wednesday, May 13</td>
<td>UBS Pan European Small and Mid-Cap Conference 2020</td>
</tr>
<tr>
<td>Thursday, May 14</td>
<td>Exane BNP Paribas Frankfurt E-Commerce Day</td>
</tr>
<tr>
<td>Thursday, May 14</td>
<td>Roadshow Frankfurt, Hamburg &amp; Austria</td>
</tr>
<tr>
<td>Monday/Tuesday, May 18-19</td>
<td>US-Roadshow</td>
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<tr>
<td>Monday/Tuesday, May 18-19</td>
<td>Roadshow Scandinavia</td>
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<tr>
<td>Wednesday, May 20</td>
<td>Roadshow Zurich</td>
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<tr>
<td>Thursday, May 28</td>
<td>Morgan Stanley Annual Berlin Internet Field Trip</td>
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<tr>
<td>Tuesday, June 2</td>
<td>Roadshow Paris</td>
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<tr>
<td>Monday, June 15</td>
<td>Barclays Internet Day</td>
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<tr>
<td>Tuesday/Wednesday, June 16-17</td>
<td>Erste Consumer Conference</td>
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<tr>
<td>Tuesday, June 23</td>
<td>Annual General Meeting</td>
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<tr>
<td>Tuesday, August 11</td>
<td>Q2/2020 Results</td>
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All events are virtual.
Disclaimer

Certain statements in this communication may constitute forward looking statements. These statements are based on assumptions that are believed to be reasonable at the time they are made, and are subject to significant risks and uncertainties.

You should not rely on these forward-looking statements as predictions of future events and we undertake no obligation to update or revise these statements.

Our actual results may differ materially and adversely from any forward-looking statements discussed on this call due to a number of factors, including without limitation, risks from macroeconomic developments, external fraud, inefficient processes at fulfillment centers, inaccurate personnel and capacity forecasts for fulfillment centers, hazardous material / conditions in production with regard to private labels, lack of innovation capabilities, inadequate data security, lack of market knowledge, risk of strike and changes in competition levels.