

1.5 The Zalando Share – 2017 in Review

- Positive business development reflected in Zalando share performance
- High capital market awareness: 28 covering research analysts across Europe and US, regularly reporting on Zalando
- Increase in free float to 58.31% (YE 2016: 49.47%)

1.5.1 Capital Markets and Share Price Development

The development of international capital markets continued to be driven by the low-interest rate environment in 2017. Compared to other asset classes, equity capital markets remained highly attractive to investors, which was reflected in the positive development of international stock indices, including the German index DAX. The latter reached a new all-time high of 13,479 points in November. Political events, such as federal elections in Germany or France, uncertainty over Catalan independence and the tense relationship between the US and North Korea, were frequently discussed topics on the trading floors.

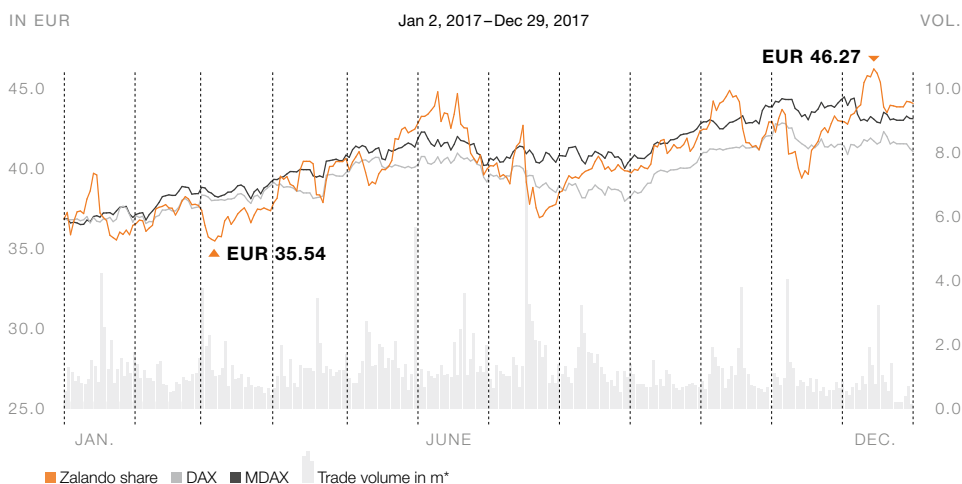
The Zalando share started 2017 at EUR 36.44 and developed positively in the first quarter, in line with German stock markets. A rise in government bond yields and a related appreciation of the euro weighed on the German stock market in the summer months. Consequently, the DAX traded at its summer low in August at 11,946 points. This trend was also reflected in the development of the Zalando share and resulted in a temporary low at the end of July with a share price of EUR 36.99. This was followed by a recovery period of the German stock market and a positive stock price development of the Zalando share, marked by the all-time high of EUR 46.27 on December 13. Zalando closed the trading year at EUR 44.12. The market capitalization as of December 31 amounted to EUR 10.9bn (basic).



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Development of the Zalando Share, DAX and MDAX

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*) Based on trading on XETRA, German stock exchanges, electronic communication networks ("ECNs") and over-the-counter ("OTC") trading. Source: Bloomberg

1.5 THE ZALANDO SHARE – 2017 IN REVIEW

Share Performance 2017

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Opening price on Jan 2, 2017	EUR 36.44
High 2017 (Dec 13)	EUR 46.27
Low 2017 (March 7)	EUR 35.54
Closing price on Dec 29, 2017	EUR 44.12
Performance 2017	21.1%
Average daily trading volume 2017 (shares)*	1.3m
Average daily trading volume 2017 (EUR)*	EUR 50.8m

*) Based on trading on XETRA, German stock exchanges, electronic communication networks ("ECNs") and over-the-counter ("OTC") trading.
Source: Bloomberg

The Zalando Share

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Type of shares	Ordinary bearer shares with no par value ("Stückaktien")
Share capital	EUR 247,384,898
Total numbers of shares outstanding (Dec 31, 2017)	247,384,898
ISIN	DE000ZAL1111
WKN	ZAL111
Bloomberg	ZAL GR
Thomson Reuters	ZALG.F

1.5.2 Shareholder Structure: Increase in Free Float

Free float as defined by Deutsche Börse AG amounted to 58.31%¹³ at year-end (year-end 2016: 49.47%) due to Zerena GmbH reduction below the five percent threshold. Apart from that, the stake of Anders Holch Povlsen increased slightly from 10.05% to 10.09% in April, and Allianz Global Investors GmbH increased its stake to 3.02% in September, exceeding the reporting threshold of 3%.

13) In this annual report, we report the free float as defined by Deutsche Börse Group. In the 2016 annual report, we used a different definition and reported the free float using the 3% threshold method. The 2017 free float would translate to 31.63% applying the method from the prior year (prior year-end: 30.90%).

Shareholder Structure in Percent as of Dec 31, 2017*

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GRI 102-5

IN %

31.63

Other shareholders

31.70

Verdere S.à r.l.

3.02

Allianz Global Investors GmbH

3.02

Vanguard World Funds

10.09

Anders Holch Povlsen

3.70

Founders**

6.86

Baillie Gifford & Co.

4.98Tengelmann Verwaltungs-
und Beteiligungs GmbH**4.99**

Zerena GmbH

*) Voting rights held directly or by a subsidiary. The overview reflects the notifications pursuant to Section 21 WpHG (BaFin-notifications) and Section 26a WpHG (change in total voting rights) received by ZALANDO SE as of September 28, 2017.

**) Aggregate shareholding of the founders.

1.5.3 Research Coverage

Similar to 2016, by the end of 2017 the Zalando share was covered by 28 research analysts from Germany and abroad, resulting in a high capital market awareness of the Zalando share.

Institutions That Cover Zalando

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Arete	DZ BANK AG	Pareto Securities
Baader Bank	Equinet Bank	Quirin Bank
Bankhaus Lampe	Exane BNP Paribas	RBC Capital Markets
Barclays	Goldman Sachs	Redburn
Berenberg	Handelsbanken	Société Générale
Bryan, Garnier & CO	Hauck & Aufhäuser	Stifel
Citi	J. P. Morgan Cazenove	UBS
Commerzbank	Kepler Cheuvreux	Warburg
Credit Suisse	Macquarie Research	
Deutsche Bank	Morgan Stanley	

1.5.4 Stock Indices

The Zalando share belongs to various key indices (selection), thereby raising the visibility and trading volume in the Zalando share.

Selection of Stock Indices

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Index	Region
MDAX	Germany
STOXX Europe 600	Europe
STOXX Europe Mid 200	Europe
FTSE4GOOD	Global

1.5.5 Third Annual General Meeting

On May 31, 2017, ZALANDO SE hosted its third annual general meeting at Westhafen Event & Convention Center in Berlin. Shareholders in attendance, representing 89.2% of the voting share capital, approved all proposed resolutions put forward by the company's Management Board and Supervisory Board. Lothar Lanz, Jørgen Madsen Lindemann, Anders Holch Povlsen and Alexander Samwer were re-elected as members of the Supervisory Board. Shanna Prevé and Dominik Asam were elected as new members of the Supervisory Board. Lorenzo Grabau and Kai-Uwe Ricke did not seek re-election.



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From left to right:

Rubin Ritter member of the Management Board, **Robert Gentz** Co-founder and member of the Management Board and **David Schneider** Co-founder and member of the Management Board during the annual general meeting 2017.

1.5.6 Constant Exchange with Capital Markets

A key element of our external communication is a continuous and transparent dialogue with all capital market participants. We fostered and deepened existing relationships through extensive discussions at numerous conferences and roadshows about the Zalando strategy, business model and value drivers.

In fiscal year 2017, our Management Board, our Senior Vice President Finance and the Investor Relations Team spent 27 days on roadshows and attended nine national and international conferences in major European and North American financial hubs. We also granted interested analysts and investors access and insights into our tech and fashion hubs in Berlin as well as the fulfillment centers in Erfurt and Mönchengladbach.

Our third Capital Markets Day took place on June 20, 2017, in our Berlin fashion hub. Management Board and senior management presented our strategic initiatives and the current course of business to more than 100 participating investors and analysts. In addition, the participants had the opportunity to visit our fulfillment center in Mönchengladbach the day before. All presentations and audio webcasts are available on our Investor Relations website.



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Zalando showcasing fashion collection with catwalk during Capital Markets Day 2017.