



NEWS RELEASE

ABOUT YOU Holding SE: Zalando and ABOUT YOU Team Up to Lead the Way in European Fashion and Lifestyle E-commerce

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Zalando and ABOUT YOU Team Up to Lead the Way in European Fashion and Lifestyle E-commerce

- Zalando intends to submit a voluntary public tender offer to acquire up to 100% of ABOUT YOU's share capital. The ABOUT YOU management board and supervisory board intend to recommend that shareholders accept the offer
- The planned offer of 6.50 euros per share represents a premium of 12% to the median analyst target price of 5.80 euros and a premium of 107% to ABOUT YOU's 3-month volume-weighted average share price on 10 December 2024
- Major ABOUT YOU shareholders Otto Group, Otto Family, HEARTLAND and the ABOUT YOU Management entered into binding agreements to sell their ABOUT YOU shares, representing about 73 per cent of ABOUT YOU's share capital, to Zalando
- In B2C, the group will drive a dual-brand strategy, offering distinct shopping experiences to better serve the specific needs of customers and partners
- In B2B, ABOUT YOU's SCAYLE unit complements Zalando's e-commerce operating system ZEOS, to help enable brands and retailers to manage

- their multi-channel business across Europe within a unified platform featuring logistics, software and service offerings
- Transaction unlocks significant value-creation opportunities in areas such as B2B, logistics, payments and commercial collaboration. In the longer term, Zalando targets significant Group EBIT synergies of around 100 million euros per annum
- The combination brings together two founder-led teams with a strong cultural fit and complementary capabilities. ABOUT YOU's management board members Sebastian Betz, Tarek Müller and Hannes Wiese will continue their successful work in their current roles as part of the combined group

Berlin/Hamburg, 11 December 2024 // Zalando and ABOUT YOU agreed to team up to better serve the needs of customers and partners through their combined and distinct B2C and B2B offerings, enabling the combined group to cover a larger share of the European fashion and lifestyle e-commerce market. The companies have entered into a definitive business combination agreement under which Zalando intends to submit a voluntary public tender offer to acquire up to 100% of ABOUT YOU's share capital.

The management board and the supervisory board of ABOUT YOU welcome the strategic transaction, which brings together two founder-led teams with a strong cultural fit, entrepreneurial track record and highly complementary capabilities. Subject to the review of the offer document to be published by Zalando, the management board and supervisory board of ABOUT YOU intend to recommend shareholders to accept the offer. ABOUT YOU's three founders and management board members Sebastian Betz, Tarek Müller and Hannes Wiese are committed to accepting the offer and continuing their successful work in their current roles.

Major ABOUT YOU shareholders Otto Group, Otto Family, HEARTLAND and the ABOUT YOU Management entered into binding agreements to sell their ABOUT YOU shares, representing about 73 percent of ABOUT YOU's share capital, through accepting the public offer or separately, to Zalando.

"Redefining fashion and lifestyle shopping by creating the best possible experience for customers and partners has always driven both our teams. I'm excited about how together we'll be able to cover a larger share of the fashion and lifestyle market," said Robert Gentz, co-CEO and co-founder of Zalando. "In B2C, we can offer customers and brands distinct and rich shopping experiences. In B2B, combining our complementary software capabilities, Tradebyte and SCAYLE, will create an even more advanced e-commerce operating system that enables brands and retailers to manage their multi-channel business across Europe and beyond."

ABOUT YOU's operations add scale and complementary capabilities, and also play into Zalando's ecosystem strategy, communicated in March 2024, to build a pan-European fashion and lifestyle e-commerce ecosystem around two growth vectors, B2C and B2B, to deepen relationships with customers and partners. The transaction comes with compelling value creation opportunities that the two companies, operating in the same industry, can generate by collaborating in a wide range of areas such as B2B, logistics, payments and commercial collaboration. In the longer term, Zalando targets significant Group EBIT synergies of around 100 million euros per annum.

Underpinning management's conviction in the value creation of this transaction, Zalando is confirming its medium-term outlook also for the combined group. Zalando, including ABOUT YOU, is expected to grow GMV and revenue until 2028 at a 5-year compound annual growth rate of between 5% and 10%. The combined company expects an adjusted EBIT margin in 2028 in the corridor of 6% to 8%, yielding a significant increase in absolute profit by creating a combined group at a larger scale. Together, Zalando and ABOUT YOU aim to cover a larger share of the 450-billion-euro European fashion market in the long term than previously targeted.

In the B2C growth vector, adding ABOUT YOU will enable Zalando to implement a dual-brand strategy. Each brand will retain its distinct identity while leveraging synergies in logistics, payment infrastructure and commercial collaboration. This strategic move will allow the combined entity to provide tailored and separate shopping experiences, effectively meeting the unique needs and preferences of their customers.

Zalando appeals to fashion enthusiasts and is therefore more brand-led, differentiating itself by offering an unmatched selection of more than 6,000 lifestyle brands to its more than 50 million customers. It excites customers with the best possible quality shopping experience, relating to every part of the customer journey: a high-quality brand assortment, digital experience, sustainable and inclusive brand choices, as well as personalised and localized convenience. Zalando is also building on these high-quality relationships to expand its role in customers' lifestyle journeys by turning categories like Sports and Kids & Family into captivating experiences, and by integrating content and data into commerce to offer personalised inspiration and entertainment.

ABOUT YOU appeals to a young fashion audience and is therefore more style-led. It celebrates individual styles, sets trends and combines shopping with entertainment through live events, interactive formats and social media hosts to create a vibrant fashion community. With a network of over 27,000 content creators, ABOUT YOU offers over 12 million active customers access to 700,000 styles from renowned brands, innovative manufacturers, private labels and unique celebrity collections. Its collaborations with international talents from sports, music, film and modelling have led to 119 exclusive collections for its style-conscious customers.

In the B2B growth vector, ABOUT YOU's SCAYLE software unit will perfectly complement Zalando's e-commerce operating system ZEOS which enables brands and retailers to manage their multi-channel business across Europe within one unified platform, consisting of logistics infrastructure, software and service offerings, regardless of whether they take place on or off the Zalando platform.

Zalando's Tradebyte software unit is already helping retailers and brands sell their products via various online marketplaces. SCAYLE is now extending Zalando's offering with a bespoke solution to serve brands' and retailers' own webshops and apps, often the most important sales channels for many brands, even for the ones that are running multi-channel businesses.

SCAYLE is one of the fastest-growing Software-as-a-Service commerce platforms globally and already highly profitable. SCAYLE offers tailored enterprise software solutions for brands and retailers across verticals, with an especially large amount of features for the fashion and lifestyle segments serving more than 200 shops across Europe and North America.

"We are thrilled to team up with so many brilliant entrepreneurial colleagues and together move the success stories of Zalando and ABOUT YOU to the next level," said Tarek Müller, the co-founder and co-CEO of ABOUT YOU. "This transaction creates something truly unique, with two distinct and independent B2C businesses serving the specific needs of their customers. At the same time, the complementary strengths of the B2B businesses will seamlessly align to deliver a comprehensive and optimized offer for clients in logistics, software and services."

The deal will also help the joint group enable positive change for a more sustainable and inclusive future of the fashion and lifestyle industry, helped by its larger scale and higher relevance for customers and brands. Both companies share a long-standing partnership in this field and have jointly launched several initiatives to promote responsibility within the fashion industry, such as FASHION LEAP FOR CLIMATE and FASHION AGAINST FASCISM. In the future, Zalando and ABOUT YOU will also intensify their joint efforts to empower their customers to make informed shopping decisions.

The intended public tender offer by Zalando of 6.50 euros per ABOUT YOU share represents a premium of 12 percent to the median analyst target price of 5.80 euros and a premium of 107 percent to ABOUT YOU's 3-month volume-weighted average share price on 10 December 2024, enabling realisation of significant value for existing ABOUT YOU shareholders. The transaction is expected to close in summer of 2025, subject to obtaining relevant regulatory approvals.

The offer document and other information pertaining to Zalando's intended public tender offer will be prepared in accordance with the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz – WpÜG). The offer document will be published following approval by the German Federal Financial Supervisory Authority (BaFin).

The offer document, once approved for publication by BaFin, and further information will be accessible on the following website: www.the-perfect-fit.de. Zalando is being advised by J.P. Morgan as financial advisor, Sullivan & Cromwell as legal counsel, and FGS Global as communications advisor. ABOUT YOU is being advised in this transaction by Deutsche Bank and White & Case.

Zalando will host two webcasts today:

- Media conference: 9:30 am CET
- Investor and analyst conference: 10:30 am CET

The analyst and investor conference will be live-broadcasted and available for replay on the **Zalando Investor Relations** website.

ABOUT YOU will host an investor and analyst conference call at 11:30 am CET and publish the replay on the **Investor Relations** website.

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About Zalando

Founded in Berlin in 2008, Zalando is Europe's leading online multi-brand fashion destination. We are building a pan-European ecosystem for fashion and lifestyle e-commerce, along two growth vectors: Business-to-Consumer (B2C) and Business-to-Business (B2B). In B2C, we provide an inspiring, high-quality multi-brand shopping experience for fashion and lifestyle products to more than 50 million active customers across 25 markets. In B2B, we leverage our logistics infrastructure, software, and service capabilities to support brands and retailers in managing and scaling their entire e-commerce business, both on and off the Zalando platform. Through our ecosystem vision, Zalando aims to enable positive change in the fashion and lifestyle industry.

About ABOUT YOU

The ABOUT YOU Group is an internationally operating e-commerce group, divided into two strategic business units: The online fashion store ABOUT YOU forms the Group's business-to-consumer business. With over 12 million active customers, ABOUT YOU is one of the largest online retailers for fashion and lifestyle in Europe and the leading provider of a personalised shopping experience on smartphones. In the award-winning ABOUT YOU app and on ABOUT YOU.com, customers can find inspiration and a range of more than 700,000 items from around 4,000 brands. The Group's business-to-business operations are largely handled by SCAYLE GmbH. SCAYLE offers a modern, cloud-based enterprise store system that enables brands and retailers to scale their digital businesses quickly and flexibly, and adapt to growing customer needs. Over 200 online stores choose SCAYLE's Commerce technology as a license model, including leading brands and retailers such as Harrods, Manchester United, Deichmann, Fielmann, and FC Bayern.

Disclaimer

This announcement is for information purposes only regarding the intended voluntary public takeover offer (the "Takeover Offer") of Zalando SE ("Zalando") for all shares of ABOUT YOU Holding SE ("ABOUT YOU" or the "Company") and does not constitute a solicitation to sell or an offer to buy any of the securities of ABOUT YOU. The final terms and conditions and other provisions relating to the intended Takeover Offer will be communicated in the offer document ("Offer Document") after the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) has permitted publication. Zalando reserves the right to deviate from the key data presented here in the final terms and conditions of the Takeover Offer to the extent legally permissible. Investors and holders of securities of ABOUT YOU are strongly advised to read the Offer Document and all other announcements relating to the Takeover Offer as soon as they have been made public, as they contain or will contain important information.

The Takeover Offer is being implemented solely in accordance with the applicable laws of the Federal Republic of Germany, in particular the German Securities Acquisition and Trading Act (Wertpapiererwerbs- und Übernahmegesetz) ("WpÜG") in conjunction with the German regulation on the contents of offer documents, considerations related to tender offers and compulsory offers, and exemptions from the obligation to publish and submit an offer (WpÜG-Angebotsverordnung), and with certain provisions of the securities laws of the United States of America applicable to cross-border tender offers. The offer is not made or intended to be made pursuant to the provisions of any other jurisdiction. Accordingly, no notifications, registrations admissions or approvals of the Takeover Offer or of the Offer Document have been or will be applied for or initiated by Zalando or the persons acting in conjunction with Zalando outside of the Federal Republic of Germany. Zalando and the persons acting in conjunction with Zalando therefore do not assume any responsibility for compliance with law other than the laws of the Federal Republic of Germany or applicable securities laws of the United States of America.

The Takeover Offer will not be filed, published or publicly advertised pursuant to the laws of any jurisdiction other than the Federal Republic of Germany and the United States of America.

Zalando and the persons acting in conjunction with Zalando assume no responsibility for the publication, dispatch, distribution or dissemination of any documents connected with the Takeover Offer outside the Federal Republic of Germany being compatible with the applicable requirements of jurisdictions other than those of the Federal Republic of Germany. Furthermore, Zalando and the persons acting in conjunction with Zalando assume no responsibility for the non-compliance of third parties with any laws.

To the extent permissible under applicable law or regulation, Zalando may purchase, or conclude agreements to purchase, shares in the Company, directly or indirectly, or enter into derivative transactions with respect to the shares in the Company, outside of the Takeover Offer, before, during or after the period in which the Takeover Offer remains open for acceptance. This applies to other securities which are directly convertible into, exchangeable for, or exercisable for shares in the Company. These purchases may be completed via the stock exchange at market prices or outside the stock exchange in negotiated transactions. Any information about such purchases will be disclosed as required by law or regulation in Germany or any other relevant jurisdiction.

Insofar as this document contains forward-looking statements, such statements do not represent facts and are characterized by the words "expect", "believe", "estimate", "intend", "aim", "assume" or similar expressions. Such statements express the intentions, opinions or current expectations and assumptions of Zalando and the persons acting in conjunction with Zalando, for example with regard to the potential consequences of the Takeover Offer for the Company, for those shareholders of the Company who choose not to accept the Takeover Offer or for future financial results of the Company. Such forward-looking statements are based on current plans, estimates and forecasts which Zalando and the persons acting in conjunction with Zalando have made to the best of their knowledge, but which do not claim to be correct in the future. Forward-looking statements are subject to risks and uncertainties that are difficult to predict and usually cannot be influenced by Zalando or the persons acting in conjunction with Zalando. It should be kept in mind that the actual events or consequences may differ materially from those contained in or expressed by such forward-looking statements. Zalando and the persons acting in conjunction with Zalando assume no obligation to update forward-looking statements with respect to actual developments or events, conditions events, general conditions, assumptions or other factors.

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