

## QUESTIONS AND ANSWERS

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On the 17<sup>th</sup> of February 2021, Kinnevik announced that the Board of Directors intends to, at the Annual General Meeting 2021, propose a distribution of Kinnevik's shareholding in Zalando to Kinnevik's shareholders through an automatic share redemption program, as well as a following, free of cost, re-registration of the distributed shares. Below follows questions and answers related to how the distribution of the Zalando shares is planned to be executed. Please note that no resolution proposal regarding the distribution has been published, but that the Board of Director's proposal regarding the distribution will be included in the notice to the Annual General Meeting 2021. For the distribution to be executed it is required that the Annual General Meeting 2021 resolves on among others the share split and mandatory redemption of shares.

### SOME DEFINITIONS

In the text with questions and answers, the following definitions are used:

**"Directly Registered Shareholder"** refers to a shareholder that holds Kinnevik shares through a securities account directly registered with Euroclear

**"Euroclear"** refers to the Swedish central securities depository Euroclear Sweden AB

**"Frankfurt Stock Exchange"** refers to Frankfurter Wertpapierbörse

**"Fractions"** refers to excess fractions of Swedish Zalando Shares

**"Nominee Registered Shareholders"** refers to shareholders that hold their Kinnevik shares through an account or custody account with a bank or other nominee

**"Share Redemption Plan"** refers to the automatic share split and redemption process through which Kinnevik might distribute its Zalando holding to the shareholders

**"Kinnevik"** refers to Kinnevik AB (publ.) (organisation number 556047-9742)

**"Re-registration"** refers to the free of charge re-registration of Swedish Zalando Shares to German Zalando Shares during a limited time period after the Share Redemption Plan

**"Stockholm Stock Exchange"** refers to Nasdaq Stockholm

**"Swedish Zalando Shares"** refers to shares that Zalando will register with Euroclear, and which cannot be used to carry out transactions on the Frankfurt Stock Exchange or any other marketplace.

**"German Zalando Shares"** refers to shares that Zalando has registered with the German central securities depository Clearstream Banking Aktiengesellschaft, and which can be traded on the Frankfurt Stock Exchange

**"The Distribution"** refers to Kinnevik's distribution of the Zalando holding through the Share Redemption Plan and the Re-registration

**"Zalando"** refers to Zalando SE (organization number HRB 158855 B)

### GENERAL QUESTIONS

#### **Why does the Board of Kinnevik intend to propose the Distribution of Kinnevik's Zalando holding?**

Through the Distribution of the Zalando shareholding, Kinnevik makes it possible for its shareholders to directly participate in Zalando's future shareholder value creation. Furthermore, the Distribution makes Kinnevik's portfolio more well balanced and to a higher extent invested in Kinnevik's younger growth companies. The Distribution of the Zalando shareholding is therefore a step in the execution of Kinnevik's strategy to be a leading European growth investor, which is a contrast to managing a portfolio that to a large extent is invested in one specific listed company.

### **Why will the Distribution be organised through several steps instead of through a dividend?**

To ensure that all Kinnevik's shareholders can receive the distribution of the shareholding in Zalando, the Zalando shares will be distributed in the form of Swedish Zalando Shares, i.e. shares that the holder cannot trade on the Frankfurt Stock Exchange or any other marketplace. Those who want and can own German Zalando Shares after the Share Redemption Plan will therefore, during a limited period, be able to re-register the Swedish Zalando Shares, free of charge, to German Zalando Shares that can be traded on the Frankfurt Stock Exchange.

Furthermore, from a tax perspective, to execute the Distribution through the Share Redemption Plan is more advantageous for certain shareholders compared to a direct dividend.

### **What does the Share Redemption Plan entail for me as a shareholder?**

If the Annual General Meeting were to resolve on the Share Redemption Plan (i.e. in accordance with the intent published by Kinnevik), each ordinary share will be divided into two new shares where one is a redemption share. The redemption shares will be tradeable on the Stockholm Stock Exchange during a limited time period and will later be automatically redeemed by Kinnevik for payment in the form of Swedish Zalando Shares.

If you are a calendar year taxpayer, the Share Redemption Plan may result in an obligation to declare the sale or redemption of redemption shares in the tax return for the income year 2021 (i.e. in 2022). Please note that if your taxation year is not the calendar year, the obligation to declare the sale or redemption may arise earlier or later.

### **Do I have to do anything to participate in the Share Redemption Plan?**

If the Annual General Meeting were to resolve on the Share Redemption Plan (i.e. in accordance with the intent published by Kinnevik) participation in the Share Redemption Plan will be fully automatic and requires no action from you as a shareholder. If you do not actively sell your redemption shares, you will automatically receive Swedish Zalando Shares when the redemption shares are redeemed. Please note that the shares you then will receive will be Swedish Zalando Shares that you cannot trade with on the stock exchange, see more under "**How can I re-register my Swedish Zalando Shares as German Zalando Shares?**"

### **When will more information about the Distribution be published?**

More information regarding Kinnevik's Distribution of the Zalando shareholding will be included in the notice to the Annual General Meeting and in a separate information brochure that will be available on Kinnevik's website from the end of March.

### **Why will I receive Zalando shares that cannot be traded on the Stockholm Stock Exchange?**

For technical reasons, Kinnevik must distribute securities that can be registered with Euroclear, which is why Kinnevik will distribute Swedish Zalando Shares that can be re-registered to German Zalando Shares.

Kinnevik regards the Distribution of the shareholding in Zalando as an important step-change in Kinnevik's strategic development and that it is positive for the shareholders to have the opportunity to hold the Zalando shares directly. In addition, it is nowadays possible for you as a private person, through a security deposits account, investment savings account or an endowment insurance, to own and trade with foreign shares on for instance the Frankfurt Stock Exchange in the same way as Swedish shares. If you, after the Share Redemption Plan, re-register your Swedish Zalando Shares to German Zalando Shares you will then be able to trade with the Zalando shares the same way you trade with your Kinnevik shares today. Please see more information under "**Why can I not sell my Swedish Zalando Shares on the stock exchange?**"

### **Why will not Zalando be listed on the Stockholm Stock Exchange?**

The Zalando share is traded on the Frankfurt Stock Exchange and neither Kinnevik nor Zalando believe that an additional listing is appropriate with regards to the additional administration and costs it would entail. In addition, it is nowadays possible for you as a private person, through a security deposits account, investment savings account or an endowment insurance, to own and trade with foreign shares on e.g. the Frankfurt Stock Exchange through the same channels, e.g. the internet bank, that you use to trade with the Kinnevik share, which is why an additional listing on the Stockholm Stock Exchange is difficult to justify.

### **Why can I not sell my Swedish Zalando Shares on the stock exchange?**

To make the Distribution of the Zalando shareholding possible, Kinnevik's shareholders will receive Swedish Zalando Shares. You cannot use the Swedish Zalando Shares that you receive through the

Nominee Registered Shareholders' holdings will be handled in accordance with the routines of the respective nominee. If your shares are nominee registered, follow the instructions you receive from your nominee.

Distribution to carry out transactions on the Frankfurt Stock Exchange where the German Zalando Shares are listed. Everyone who are registered as a shareholder with Euroclear, can at any time re-register their Swedish Zalando Shares to German Zalando Shares – please see more information under **“How can I re-register my Swedish Zalando Shares to German Zalando Shares?”**

#### **How can I re-register my Swedish Zalando Shares to German Zalando Shares?**

If you after the Share Redemption Plan own Swedish Zalando Shares you will be able to re-register these to German Zalando Shares if you have a custody account, an investment savings account or an endowment insurance. To re-register your Swedish Zalando Shares if you are Directly Registered Shareholder you therefore need to open a custody account, an investment savings account or an endowment insurance, and should transfer your shares thereto. Please note potential tax consequences if the shares are transferred to an investment savings account or an endowment insurance. See more information under **“How do I open a custody account, investment savings account or an endowment insurance, and how much does it cost?”**

You will also be able to re-register your Swedish Zalando Shares, free of charge, during a limited period after the Share Redemption Plan. Before and after the re-registration period you will also be able to, on your own initiative, re-register the Swedish Zalando Shares to German Zalando Shares, but you will probably be charged a fee for that re-registration. More information regarding the Re-registration will be made available in the information brochure.

#### **How do I know what kind of account I have my shares in?**

Contact your bank, stock broker or online broker where you have your shares for information on your type of account.

#### **What is the majority requirement for the Annual General Meeting's resolution?**

The resolutions in the Share Redemption Plan, that the Board of Kinnevik intends to propose, must be supported by shareholders holding at least two-thirds of the votes cast and the shares represented at the Annual General Meeting.

#### **Where can I find more information about Zalando and the Zalando share?**

For further information about Zalando and the Zalando share, please see Zalando's website <https://corporate.zalando.com/>. Zalando's historical financial reports are available under the heading "Financial Reporting" and information regarding Zalando's shares is available under the heading "Share" (the headings mentioned in this paragraph is available under the "Investor Relations" sections).

### **QUESTIONS REGARDING NOMINEE REGISTERED SHAREHOLDERS**

#### **What if I am a Nominee Registered Shareholder?**

The holdings of Nominee Registered Shareholders will be handled according to the respective nominee's routines. You should therefore contact your nominee as soon as possible if you have any questions regarding the Share Redemption Plan or the Re-registration.

### **QUESTIONS REGARDING DIRECTLY REGISTERED SHAREHOLDERS IN KINNEVIK**

#### **I do not have a custody account, investment savings account or endowment insurance, and do not wish to open such an account. What should I do?**

You can have your received Swedish Zalando Shares on your security deposit account registered with Euroclear. It is possible to re-register your Swedish Zalando Shares to German Zalando Shares at a later point, but a fee will probably be charged. If you want to avoid the extra cost, you have the following options:

- Sell your redemption shares that you receive before these are redeemed for Swedish Zalando Shares. The redemption shares will be traded on the Stockholm Stock Exchange during a certain time period. When you sell the redemption shares, you will receive cash instead of Swedish Zalando Shares.
- Open a security deposits account, investment savings account or an endowment insurance and transfer your Kinnevik shares, redemption shares or Swedish Zalando Shares in good time before the Re-registration to be able to participate in the Re-registration

Please note that the distribution is subject to taxation regardless of whether you keep your Swedish Zalando Shares or sell them during the trading period as well as potential tax consequences if shares are transferred to an investment savings account or an endowment insurance. Please see more information under **“Questions relating to taxation”**.

### **How do I open a custody account, an investment savings account or an endowment insurance, and how much does it cost?**

Banks, stock brokers and online brokers such as Avanza and Nordnet offer customer custody accounts, investment savings accounts and endowment insurances. It is normally free of charge and a quick procedure to open these.

## **TECHNICAL QUESTIONS**

### **When will the Swedish Zalando Shares be delivered?**

Shortly after the redemption shares are redeemed, the Swedish Zalando Shares will be distributed to your security deposit accounts, custody account, investment savings account or endowment insurance (i.e. the account where your Zalando shares are held in connection to the redemption). This will happen after the Annual General Meeting on the 29<sup>th</sup> of April 2021, and in such time that the distribution can be executed during the second quarter of 2021. In connection with the delivery of Swedish Zalando Shares, the redemption shares will be removed from the shareholders security deposit accounts, custody accounts, investment savings accounts or endowment insurances (without notice).

Shareholders can also choose to sell all or some of their redemption shares on the Stockholm Stock Exchange during the trading period, to the prevailing market price.

## **QUESTIONS RELATING TO TAXATION<sup>1</sup>**

### **What are the tax consequences for me as a Swedish shareholder upon redemption of the redemption shares?**

If you are a tax resident in Sweden, you must report the redemption of the redemption shares. A capital gain or capital loss is calculated based on the value of Swedish Zalando Shares and Fractions you are entitled to, which means that a shareholder may deduct part of the acquisition cost of the original share from the redemption amount.

If you represent a legal person that is a Kinnevik shareholder, or a shareholder non-resident in Sweden, you should contact a tax advisor for information on the specific tax consequences triggered by the Share Redemption Plan.

### **What are the tax consequences for me as a Swedish shareholder upon a disposal of redemption shares?**

The tax consequences are the same as for redemption of shares. Please see the answer to the previous question.

### **What are the tax consequences if I participate in the Re-registration?**

Participation in the Re-registration do not give rise to any tax obligation. If you have opened an investment savings account or an endowment insurance to participate in the Re-registration, taxes will be incurred since the transfer of Swedish Zalando Shares from a security deposit account or custody account is viewed as a divestment that give rise to capital gains taxes.

### **What are the tax consequences if I hold my shares through an investment savings account or an endowment insurance?**

The Share Redemption Plan should typically not result in any immediate taxation as investment savings account and endowment insurance holdings are subject to notional taxation.

### **What are the tax consequences for me as a non-Swedish shareholder upon redemption of the redemption shares?**

If you are not a tax resident in Sweden and you participate in the Share Redemption Plan and your shares are redeemed, you are normally subject to Swedish withholding tax. Withholding tax will be levied on an amount equal to the value of the Swedish Zalando Shares including Fractions distributed to the shareholders (as determined by the Swedish Tax Agency in their recommendation).

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<sup>1</sup>The tax treatment of each individual shareholders depends on the shareholder's specific situation and tax residency. Regarding the tax consequences that the Share Redemption Plan might entail, each shareholder should consult a tax advisors, including the applicability as well as the consequence of foreign tax treaties and rules.

**What are the tax consequences for me as a non-Swedish shareholder upon a sale of the redemption shares?**

No Swedish withholding tax is imposed if the redemption shares are sold on the Stockholm Stock Exchange during the trading period.

**Are there advantages of selling or keeping the redemption shares?**

If you are not a tax resident in Sweden there may be tax related advantages in selling your redemption shares. More information will be made available in the information brochure.

**What are the tax consequences for me as a Swedish shareholder as an owner of German shares?**

For Swedish shareholders, dividends and capital gains upon divestment will be taxed in the income category capital with a tax rate of 30 percent. German withholding tax will arise upon a potential dividend. The withholding tax should be at maximum 15 percent of the dividend through applying the double taxation treaty. Shareholders might have to apply for a refund of the excess tax with the German Tax Agency if the withholding tax exceeds 15 percent of the dividend. The German withholding tax can thereafter be deducted from the shareholder's Swedish tax. If the shareholder own the German share through an investment savings account or an endowment insurance, the holding is subject to a notional tax and the deduction of foreign tax cannot be larger than the notional tax amount. Potential exceeding foreign tax amount can be deducted a later taxation year under certain circumstances.