

MIRA INFORM REPORT

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|----------------------|------------|
| Report No. : | 518298 |
| Report Date : | 03.07.2018 |

IDENTIFICATION DETAILS

| | |
|--------------------------------|-------------------------------------|
| Name : | ZLABELS GMBH |
| Registered Office : | Neue Bahnhofstr. 11-17 10245 Berlin |
| Country : | Germany |
| Financials (as on) : | 31.12.2016 |
| Date of Incorporation : | 16.11.2009 |
| Com. Reg. No.: | HRB 123975 B |
| Legal Form : | Private Limited |
| Line of Business : | Sale and design of clothing. |
| No. of Employees : | 300 (2017) |

RATING & COMMENTS

(Mira Inform has adopted New Rating mechanism w.e.f. 23rd January 2017)

| | |
|------------------------|---|
| MIRA's Rating : | B |
|------------------------|---|

| Credit Rating | Explanation | Rating Comments |
|---------------|-------------|---|
| B | Medium Risk | Business dealings permissible on a regular monitoring basis |

| | |
|----------------------------|------------------|
| Status : | Moderate |
| Payment Behaviour : | Slow but Correct |
| Litigation : | Clear |

NOTES :

Any query related to this report can be made on e-mail : infodept@mirainform.com while quoting report number, name and date.

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ECGC Country Risk Classification List

| Country Name | Previous Rating (31.12.2017) | Current Rating (01.04.2018) |
|--------------|---------------------------------|--------------------------------|
| Germany | A1 | A1 |

| Risk Category | ECGC Classification |
|----------------------|---------------------|
| Insignificant | A1 |
| Low Risk | A2 |
| Moderately Low Risk | B1 |
| Moderate Risk | B2 |
| Moderately High Risk | C1 |
| High Risk | C2 |
| Very High Risk | D |

GERMANY - ECONOMIC OVERVIEW

The German economy - the fifth largest economy in the world in PPP terms and Europe's largest - is a leading exporter of machinery, vehicles, chemicals, and household equipment and benefits from a highly skilled labor force. Like its Western European neighbors, Germany faces significant demographic challenges to sustained long-term growth. Low fertility rates and a large increase in net immigration are increasing pressure on the country's social welfare system and necessitate structural reforms.

Reforms launched by the government of Chancellor Gerhard SCHROEDER (1998-2005), deemed necessary to address chronically high unemployment and low average growth, contributed to strong economic growth and falling unemployment. These advances, as well as a government subsidized, reduced working hour scheme, help explain the relatively modest increase in unemployment during the 2008-09 recession - the deepest since World War II. The German Government introduced a minimum wage in 2015 that increased to \$9.79 (8.84 euros) in January 2017.

Stimulus and stabilization efforts initiated in 2008 and 2009 and tax cuts introduced in Chancellor Angela MERKEL's second term increased Germany's total budget deficit - including federal, state, and municipal - to 4.1% in 2010, but slower spending and higher tax revenues reduced the deficit to 0.8% in 2011 and in 2017 Germany reached a budget surplus of 0.7%. A constitutional amendment approved in 2009 limits the federal government to structural deficits of no more than 0.35% of GDP per annum as of 2016, though the target was already reached in 2012.

The German economy suffers from low levels of investment, and a government plan to invest 15 billion euros during 2016-18, largely in infrastructure, is intended to spur needed private investment. Following the March 2011 Fukushima nuclear disaster, Chancellor Angela MERKEL announced in May 2011 that eight of the country's 17 nuclear reactors would be shut down immediately and the remaining plants would close by 2022. Germany plans to replace nuclear power largely with renewable energy, which accounted for 29.5% of gross electricity consumption in 2016, up from 9% in 2000. Before the shutdown of the eight reactors, Germany relied on nuclear power for 23% of its electricity generating capacity and 46% of its base-load electricity production. Domestic consumption, investment, and exports are likely to drive German GDP growth in 2018, and the country's budget and trade surpluses are likely to remain high.

Source : CIA

COMPANY NAME AND ADDRESS

| | |
|------------------------|--|
| Company name | zLabels GmbH |
| Trading name | zLabels |
| Status | Active |
| Registered address | Neue Bahnhofstr. 11-17 10245 Berlin |
| Correspondence address | Neue Bahnhofstr. 11-17 10245 Berlin |
| Telephone number | (030) 200088520 |
| Fax number | (030) 40500736 |
| Email address | info@zlabels.de |
| Website | www.zlabels.de |

REGISTRATION

| | |
|--------------------------|-----------------|
| Registration number | HRB 123975 B |
| VAT-number | DE270699778 |
| Status | Active |
| Establishment date | 16-11-2009 |
| Legal form | Private Limited |
| Subscribed share capital | EUR 25.000 |

ACTIVITIES

Sale and design of clothing.

RELATIONS

| | |
|--------------|---|
| Shareholders | Zalando SE |
| Structure | Subsidiaries/participations: zLabels LP GmbH |
| Branches | No branches on record |

MANAGEMENT

| | |
|-----------|-------------------------------|
| Name | Christian Baier 29.12.1979 |
| Postition | Director |

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| | |
|----------|-------------------------------|
| Since | 26-03-2015 |
| Name | Robert Gentz 24.09.1983 |
| Position | Director |
| Since | 14-01-2010 |
| Name | David Schneider 29.07.1982 |
| Position | Director |
| Since | 14-01-2010 |
| Name | Jan Wilmking 31.01.1979 |
| Position | Director |
| Since | 15-11-2013 |

Remark
Source: public sources only.

EMPLOYEES

| | |
|------|-------------|
| Year | 2017 300 |
|------|-------------|

BANK

Deutsche Bank

PAYMENTS

Slow but Correct

REMARKS

Auditor: Ernst & Young

FINANCES

Financial Year

| | 31.12.2016 | [%] | 31.12.2015 | [%] |
|---------------------------|------------|-----|------------|-----|
| Number of Weeks | 52 | - | 52 | - |
| Currency | EUR | | EUR | |
| Consolidated Accounts | No | | No | |
| Financial Accounting Type | HGB | | HGB | |

Assets

| | | | | |
|--|------------|---------|-----------|--------|
| A. Assets | 283.390 | 174,64% | 103.187 | -3,57% |
| I. Intangible assets | 192.184 | 999,99% | 833 | - |
| | | | | 78,91% |
| II. Fixed Assets (long-term-assets) | 85.151 | -14,25% | 99.299 | -3,64% |
| III. Financial Assets | 6.055 | 98,21% | 3.055 | - |
| B. Current Assets | 9.894.207 | 57,13% | 6.296.682 | 70,19% |
| I. Inventory | 1.339.579 | 102,23% | 662.408 | - |
| II. Receivables and other assets | 5.857.796 | 53,28% | 3.821.667 | 55,36% |
| therefrom trade receivables | 821.931 | 999,99% | 9.297 | - |
| | | | | 85,41% |
| IV. Liquid Assets | 2.696.833 | 48,78% | 1.812.607 | 46,18% |
| C. Prepaid Expenses | 30.233 | 999,99% | 1.158 | - |
| | | | | 91,46% |
| D. Deferred Tax | 394.000 | -31,95% | 579.000 | - |
| | | | | 38,54% |
| F. Deficit not covered by capital | 1.190.766 | -20,90% | 1.505.444 | - |
| | | | | 35,41% |
| Balance sheet total | 11.792.596 | 38,97% | 8.485.471 | 19,63% |

Liabilities

| | | | | |
|------------------------------|------------|--------|------------|---------|
| A. Equity | 0 | - | 0 | - |
| I. Subscribed capital | 25.000 | - | 25.000 | - |
| IV. Retained Earnings | -1.530.444 | 35,03% | -2.355.700 | 15,14% |
| V. Net Income | 314.678 | - | 825.256 | 96,37% |
| | | 61,87% | | |
| B. Accruals | 2.822.547 | -6,65% | 3.023.491 | 115,46% |
| therefrom accruals for tax | 39.400 | - | 39.400 | - |
| C. Liabilities | 8.970.048 | 64,23% | 5.461.980 | -4,00% |
| therefrom trade payables | 1.244.630 | 57,20% | 791.771 | 172,47% |
| Balance sheet total | 11.792.596 | 38,97% | 8.485.471 | 19,63% |

Profit & Loss

| | | | | |
|----------------------------------|------------|---------|------------|---------|
| Turnover | 45.301.274 | 46,18% | 30.990.523 | 43,12% |
| Other Operational Revenue | 478.141 | -58,66% | 1.156.710 | 317,34% |
| Material | 3.873.543 | 564,34% | 583.069 | - |

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| | | | | |
|---|------------|---------|------------|---------|
| Staff | 22.130.905 | 36,77% | 16.180.656 | 25,12% |
| Amortisation | 79.363 | 164,85% | 29.965 | -11,53% |
| Other Costs | 19.000.510 | 35,25% | 14.048.953 | 66,89% |
| Operational Result | 695.093 | -46,72% | 1.304.591 | 138,98% |
| therefrom other interest and similar income | - | - | - | - |
| therefrom Interests and similar expenses | 195.416 | 154,00% | 76.935 | 51,87% |
| Financial Result | -195.416 | - | -76.935 | -51,88% |
| | | 154,00% | | |
| Ordinary operational result (operational - and financial result) | 499.677 | -59,30% | 1.227.656 | 147,88% |
| Tax | 184.999 | -54,03% | 402.400 | 436,53% |
| Net Income | 314.678 | -61,87% | 825.256 | 96,37% |

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FOREIGN EXCHANGE RATES

| Currency | Unit | Indian Rupees |
|-----------|------|---------------|
| US Dollar | 1 | INR 68.62 |
| UK Pound | 1 | INR 90.43 |
| Euro | 1 | INR 79.96 |
| Euro | 1 | INR 80.02 |

Note : Above are approximate rates obtained from sources believed to be correct

INFORMATION DETAILS

| | |
|-----------------------------|-----|
| Analysis Done by : | NIS |
| Report Prepared by : | TRU |

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RATING EXPLANATIONS

| Credit Rating | Explanation | Rating Comments |
|---------------|------------------|--|
| A++ | Minimum Risk | Business dealings permissible with minimum risk of default |
| A+ | Low Risk | Business dealings permissible with low risk of default |
| A | Acceptable Risk | Business dealings permissible with moderate risk of default |
| B | Medium Risk | Business dealings permissible on a regular monitoring basis |
| C | Medium High Risk | Business dealings permissible preferably on secured basis |
| D | High Risk | Business dealing not recommended or on secured terms only |
| NB | New Business | No recommendation can be done due to business in infancy stage |
| NT | No Trace | No recommendation can be done as the business is not traceable |

NB is stated where there is insufficient information to facilitate rating. However, it is not to be considered as unfavourable.

This score serves as a reference to assess SC's credit risk and to set the amount of credit to be extended. It is calculated from a composite of weighted scores obtained from each of the major sections of this report. The assessed factors are as follows:

- Financial condition covering various ratios
- Company background and operations size
- Promoters / Management background
- Payment record
- Litigation against the subject
- Industry scenario / competitor analysis
- Supplier / Customer / Banker review (wherever available)