STRATEGY MILESTONES SINCE 2012

/ INTEGRATION OF THE STORES AND ONLINE

/ DEPLOYMENT OF THE UNIQUE RFID SYSTEM

/ LAYERING OF ADVANCED TECHNOLOGY SOLUTIONS DESIGNED TO IMPROVE THE SHOPPING EXPERIENCE

/ STORES WITH LARGER FLOOR AREAS AND BROADER PRODUCT RANGES

/ DEVELOPMENT OF THE INTEGRATED STORE AND ONLINE NETWORK BETWEEN 2012 AND 2019
  · OVER €2.5 BILLION INVESTMENT IN TECHNOLOGY
  · COMMERCIAL SPACE EXPANSION AND UPDATE

<table>
<thead>
<tr>
<th></th>
<th>OPENINGS</th>
<th>ENLARGEMENTS AND REFURBISHMENTS</th>
<th>ABSORPTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012-2016</td>
<td>2,470</td>
<td>2,645</td>
<td>705</td>
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<tr>
<td>2017-2019</td>
<td>1,201</td>
<td>1,017</td>
<td>1,024</td>
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<td><strong>TOTAL 12/19</strong></td>
<td><strong>3,671</strong></td>
<td><strong>3,672</strong></td>
<td><strong>1,729</strong></td>
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HIGHLIGHTS

2020-2022 PLAN

1. CAPEX OF €2.7 BILLION, €1BN DEDICATED TO ONLINE

2. DEVELOPMENT OF 'INDITEX OPEN PLATFORM', THE GROUP’S PROPRIETARY DIGITAL OPERATING SYSTEM

3. ONLINE SALES TO ACCOUNT FOR >25% OF TOTAL IN 2022

4. NEW CUSTOMER EXPERIENCE DRIVEN TECHNOLOGY SOLUTIONS

5. PERSONALISED ENGAGEMENT WITH FASHION

6. INTEGRATED, FLEXIBLE, NIMBLE, SUSTAINABLE AND DIGITAL SALES FOOTPRINT

7. COMMITMENT TO AMBITIOUS SUSTAINABILITY TARGETS

8. STRATEGIC COMMITMENT TO INTERNAL TALENT DEVELOPMENT

9. SUSTAINABLE EARNINGS GROWTH
1.

€2.7 BILLION INVESTMENT

/ €1bn earmarked to boosting online capabilities

/ €1.7bn million dedicated to upgrading the integrated store platform by rolling out new advanced technology solutions
2. ‘INDITEX OPEN PLATFORM’ DEVELOPMENT

/ Development of a proprietary technology platform as the basis of the online operating system over which all of the integrated digital operations related with the Group’s e-commerce will run

/ Minutely adapted to respond to the business model's need for flexibility

/ The project was defined in 2018 and will be fully implemented along the 2020-2022 Plan

/ 60% of all planned functionality is already operational

/ Flexible and scalable to ensure excellent service during periods of peak traffic

/ Microservice architecture. Enables the development of made-to-measure tailored projects in response to specific business needs
3.

> 25% OF SALES GENERATED ONLINE BY 2022

The online sales will account for over one-quarter of all sales by 2022, compared to 14% today.
ADVANCED TECHNOLOGY POWERING THE CUSTOMER EXPERIENCE ENABLED BY THE ‘OPEN PLATFORM’

Unique shopping experience. ‘Store Mode’:

The “Store Mode” will let customers check stock in real time through Zara App and web, so they can purchase and pick-up their selection immediately. The APP will also let fitting room pre-booking and locate garments exactly where they are displayed in the store. Key upsides of this system are:

- **Fast Sint**
  Customer can select a store through the app or Website. Then the whole selection of items actually available on this specific store is seamlessly displayed in the feed. Customer can purchase online and pick-up in store same day. As a result, experience is improved and inventory keeps updated in real time.

- **Click&Find**
  Item ‘geolocation’ in store in real time, throughout the app

- **Click&Try**
  Fitting room booking. Once available, the customer receives notification into the app.

- **QR order delivery**
  Orders can be picked-up showing just the QR code generated during the online purchase.

- **Direct purchase**
  Through the APP, the customer will be able to directly purchase and pay in store and clear the alarm tag in a dedicated space.

- **Click&Go**
  Order pick-up in the automatic online orders points, upon notification.
4. ADVANCED TECHNOLOGYPOWERING THE CUSTOMER EXPERIENCE ENABLED BY THE 'OPEN PLATFORM' PLATFORM' 

Other features related to IOP:

- Track stock movements in real time:
  - High-capacity RFID reader for store inventory with high item volumes
  - Management system for the distribution of the mixed integrated stock (parcel and hanging garment)
  - Transport optimization

- Item availability:
  - Machine learning models to determine the optimal stock
  - Analytical engine developed with MIT, to estimate the distribution of new products
5. PERSONALISED ENGAGEMENT WITH FASHION

/ Value creation for customers
   - A new and personalised store-customer relationship
     1. ‘Store mode’, new way of engaging with
     2. Shopping using QR codes
     3. ‘See Now Buy Now’ via social media apps
     4. New customer service features and channels

/ 170 million social media followers

/ All brands to boost their online sales capabilities
   - New www.zara.com audiovisual studios spanning 64,000m2
PERSONALISED ENGAGEMENT WITH FASHION

PROXIMITY
A fashion close to the customer with updated coordination proposals

LOCATION
Mapping of garments in-store from customer mobile app complemented by targeted fashion trend info

SPEED
Ability to book fitting rooms from mobile app ahead of time.

CONVENIENCE
Systems designed to reduce till queues / Self-checkout / Automated in-store pick-up points for online orders
GLOBAL AND INTEGRATED SALES NETWORK

- 100% integration of stores (6,700 to 6,900 stores) and online stockrooms in 96 markets
- All brands available to purchase all over the world
  - Unique technology deployed across the entire sales network
  - Shopping experience excellence
- Each store acts as a customer service-driven and integrated distribution hub
- Privileged locations on the finest shopping streets around the world
- Agile, sustainable, integrated and digital network
7. **A NEW APPROACH TO SUSTAINABILITY**

- The store as a “reinforced sustainability hub”
- Energy savings (Innergy project)
- Renewable energy consumption
- Management and recycling of materials used in-store
- Take-back programme to be completed in 2020
- Strategic focus on garment reuse and recycling, alongside academic and R&D entities and institutions such as the MIT
- Elimination of single-use plastics to customers
- Commitment to ambitious targets for the use of sustainable and/or recycled fibres by 2025
  - Full engagement of suppliers in sustainable production effort
8. STRATEGIC COMMITMENT TO INTERNAL TALENT DEVELOPMENT
/
- Internal promotions viewed as the best way of harnessing talent
- Store staff - key to the personalised online experience
  - Online order personalisation tasks thanks to the integrated stock management (SINT) project
- In-house promotions and training to cover new customer relations-related roles
  - Reinforced ability to capture and transmit customer feedback
- New high-skills jobs for execution of online and sustainability strategies
  - Data engineers
  - Software engineers
  - Online buyers | Online designers
  - Biodiversity experts
  - Emissions control experts
9. SUSTAINABLE EARNINGS GROWTH

/ Model that responds uniquely to customer preferences
/ Strong business performance
/ Flexible, nimble and sustainable supply chain
/ Enhanced profitability
/ Stable, predictable and sustainable dividend policy: payout of 60%
/ Free cash-flow generation for reinvestment in business growth
INDITEX