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**Report of the management board regarding agenda item 8 (resolution on cancelling the existing authorization and granting a new authorization to issue convertible bonds, options, profit rights and/or profit bonds (or combinations of these instruments) with the possibility of excluding subscription rights, on cancelling the existing Conditional Capital 2019/II and creating a new Conditional Capital 2020/II, as well as on the corresponding amendments to the Articles of Association)**

Under agenda item 8 of the Virtual Annual General Meeting of 9 June 2020, the management board and the supervisory board propose the cancellation of the existing authorizations for the issue of convertible bonds, options, profit rights and/or profit bonds (or a combination of these instruments) (hereinafter called "**Bonds**") as well as the corresponding Conditional Capital 2019/II, and to create a new authorization and a new Conditional Capital 2020/II. Pursuant to section 221(4), sentence 2 in conjunction with section 186(4), sentence 2 of the German Stock Corporation Act, the management board, in view of agenda item 8 regarding the reasons for authorizing the exclusion of shareholders' subscription rights when new bonds are issued, reports to the Virtual Annual General Meeting as follows:

The extraordinary general meeting of the Company's shareholders of 15 February 2019 authorized the management board, with the approval of the supervisory board, until 14 February 2024, once or several times, to issue bearer or registered convertible bonds, options, profit rights and/or profit bonds (or combinations of these instruments) (hereinafter together "**Bonds 2019**") in the total nominal amount of up to EUR 1,396,648.00 with or without a limited term and to grant the creditors or holders of Bonds 2019, conversion or option rights to shares in the Company with a proportional amount of the share capital of up to EUR 66,107.00 in accordance with the more detailed terms of the relevant convertible options or bonds or profit rights or profit bonds. The relevant terms of the Bonds 2019 can also provide for compulsory conversions at the end of the term or at other times, including the obligation to exercise the conversion or option right. The issue of Bonds 2019 can also take place against contributions in kind ("**Authorization 2019**").

Authorization 2019 has not been used and there are no option rights outstanding for shares under the Conditional Capital 2019/II. However, since the creation of the Authorization 2019, the Company's share capital has been increased in connection with the IPO as well as to settle exercised acquisition rights (option rights) that have been granted by the Company (or its legal predecessors) prior to its conversion into a German stock corporation (*Aktiengesellschaft*) to current and/or former managing directors and/or employees of the Company and/or its direct and indirect subsidiaries and to service providers, supporters or business partners of the Company and/or its direct and indirect subsidiaries.

The management board and supervisory board therefore consider it appropriate to cancel the existing authorization to issue bonds and the Conditional Capital 2019/II and replace it with a new authorization and a new conditional capital (Conditional Capital 2020/II) which take into account the higher share capital to the extent permitted by the German Stock Corporation Act (AktG).

Adequate capital resources are an essential basis for the development of the Company. By issuing convertible bonds and options, the Company can take advantage of attractive financing opportunities, depending on the market situation, to provide the Company with capital at low current interest rates. By issuing profit-sharing rights with conversion or option rights, for example, the interest rate can also be linked to the Company's current dividend. The conversion and option premiums achieved benefit the Company upon issue. Practice shows that some financing instruments can also only be placed by granting option or conversion rights.

In principle, shareholders shall be granted subscription rights to the Bonds. Hereto, in accordance with section 186(5) of the German Stock Corporation Act, the Bonds may be taken up by one or more credit institution(s) or one or several enterprise(s) operating pursuant to section 53(1) sentence 1 or section 53b(1) sentence 1 or 53b(7) of the German Banking Act (*Gesetz über das Kreditwesen*) with the obligation to offer them to the Company’s shareholders (*indirect subscription right*).

The management board is, however, with the approval of the supervisory board, authorized to exclude shareholders’ subscription rights to the Bonds:

- With the approval of the supervisory board, the management board will however be able to exclude subscription rights for fractional amounts. The objective of this market-standard exclusion of subscription rights is to simplify the procedure for an issue with shareholders' subscription rights, as this would permit a technically feasible subscription ratio. Typically, for each shareholder the fractional amount’s value is low, and therefore the possible dilution effect should be considered low as well. In contrast, the cost for the Company of an issue without such exclusion is significantly higher. Therefore, the exclusion improves the feasibility and ease of implementation of an issue. Shares for which shareholders' fractional subscription rights are excluded will either be sold on the market or otherwise used in the Company's best interest. For these reasons, the management board and the supervisory board consider the possible exclusion of the subscription rights to be in the best interests of the Company and its shareholders as well as objectively justified and proportionate considering the Company's and the shareholders' interests.

- Furthermore, the management board shall be authorized, with the approval of the supervisory board, to exclude the shareholders' subscription rights in order to grant holders of Bonds which were or will be issued by the Company or by a dependent company or by a direct or indirect majority-held company, subscription rights to the Bonds in an amount these bondholders would be entitled to (as shareholders) had they exercised the option or conversion rights or fulfilled the conversion or option obligations. This provides the opportunity, instead of a reduction of the option or conversion price, to grant a subscription right as dilution protection to owners or creditors of bonds already issued by this time or still to be issued. Equipping bonds with such dilution protection corresponds to the market standard.

- Pursuant to section 186(3) sentence 4 of the German Stock Corporation Act, the management board shall continue to be authorized to exclude the subscription right with the approval of the supervisory board when issuing bonds against cash payments, if the issue price of the bonds is not significantly below their market value. This may help in quickly perceiving favorable market conditions and being able to quickly and flexibly place a bond on the market under attractive conditions. Given that stock markets can be volatile, achieving an advantageous issue result often greatly depends on whether quick reactions to market developments are possible. Favorable conditions that are as close to the market as possible can generally only be established if the Company is not bound to them for a lengthy offering period. In the case of subscription right issues, a not insubstantial haircut is generally needed in order to ensure the issue's chances of success for the entire offering period. Section 186(2) of the German Stock Corporation Act allows for making the subscription price public (and thus, in the case of option and conversion bonds, the conditions of these bonds) until the antepenultimate day of the subscription period. However, given the volatility of stock markets, there is also a market risk covering several days, which leads to haircuts when establishing the bond conditions. Also, when granting a subscription right, alternative placement with third parties is made more difficult or linked to additional costs due to the uncertainty of the exercise (subscription behavior). Finally, when granting a subscription right, the Company cannot quickly react to a change in market conditions due to the length of the subscription period, which may lead to a less favorable capital procurement for the Company.

The interests of shareholders are protected by the fact that the bonds are not issued at a price that is significantly below market value. The market value shall be determined according to recognized actuarial principles. When establishing the price, and taking into account the current situation on the capital market, the management board shall keep the reduction from the market value as low as possible. This means the notional value of a subscription right is so low that shareholders will not incur any significant economic loss due to the exclusion of the subscription rights.

Establishing conditions that are in line with the market and the avoidance of a significant dilution of value may also be achieved by executing a so-called book building process. As part of this process, investors are asked to submit purchase orders on the basis of provisional bond conditions, and, for example, specify at the same time the interest rate considered in line with the market and/or other economic components. After completing the book building period, the conditions that had hitherto remained open, *e.g.*, the interest rate, can be established in line with the market according to offer and demand, based on the purchase orders submitted by investors. In this way, the total value of the bonds is established close to the market. Via such a book building process, the management board can make sure that a significant dilution of the value of shares does not occur to the exclusion of subscription rights.

In addition, shareholders also have the opportunity to maintain their share of the Company's Registered Capital under approximately the same conditions through purchase via the stock market. Thus, their pecuniary interests are properly protected. The authorization to exclude subscription rights pursuant to section 221(4) sentence 2 in conjunction with section 186(3) sentence 4 of the German Stock Corporation Act only applies to bonds with rights to shares with a pro rata amount of the Registered Capital that does not exceed 10% of the Registered Capital, neither on the effective date nor at the time of exercising this authorization.

Own shares that were disposed of during the validity period of this authorization excluding subscription rights, pursuant to section 71(1), no. 8, sentence 5, phrase 2 in conjunction with section 186(3) sentence 4 of the German Stock Corporation Act have to be included in this threshold. Furthermore, shares that were issued during the validity period of this authorization from the Authorized Capital under exclusion of subscription rights, pursuant to section 203(2) sentence 1 in conjunction with section 186(3) sentence 4 of the German Stock Corporation Act are included. This apportionment takes place in the shareholders' interest with a dilution of their participation that is as low as possible.

- Bonds may also be issued against contributions in kind, in as far as this is in the Company's interest. In this case, the management board has the right to exclude the subscription right of shareholders, with the approval of the supervisory board, if the value of the contribution in kind is proportional to the nominal value of the bonds to be determined by applying recognized actuarial principles. This provides the opportunity of using bonds in suitable individual cases also as acquisition currency, e.g., together with the acquisition of companies, interests in companies or other assets. Practice has determined that negotiations often require payment be made not in cash, but also, or exclusively, in a different form. The option of offering bonds in exchange creates a competitive advantage allowing us to benefit from interesting acquisition objects as well as the needed leeway to take advantage of emerging opportunities to acquire companies - even larger ones -, company shares, or other economic goods without putting a strain on liquidity. It may also make sense from the point of view of an optimal financing structure. The management board shall carefully verify in every individual case whether it shall make use of the authorization to issue bonds with conversion or option rights and conversion or option duties against contributions in kind with exclusion of subscription rights. It shall only do so if it is in the interest of the Company and thus of its shareholders.

If profit rights or profit bonds are issued without conversion or option rights or conversion or option obligations, the management board, with the approval of the supervisory board, is also authorized to exclude shareholders' subscription rights as a whole if these profit rights or profit bonds are subject to similar obligations, *i.e.*, do not establish a membership right in the Company, do not grant any participation in the liquidation proceeds and the amount of interest is not calculated on the basis of the amount of the annual surplus, the profit according to the balance sheet or the dividends. In this case, the interest and the issue amount of the profit rights or profit bonds must correspond to the actual market conditions for a comparable acquisition of funds at the time of issue.

The planned conditional capital is used to fulfil conversion and option rights or conversion or option duties on Company shares from issued bonds, or to grant Company shares to creditors or owners of bonds instead of paying the cash amount due. In addition, it is stipulated that the conversion or option rights and conversion or option duties may also be serviced via the delivery of own shares or of shares from conditional capital, or via other means.

If during a financial year the management board uses one of the above authorizations to exclude subscription rights as part of a bond issue, it shall report on it during the subsequent annual general meeting.

Berlin, May 2020

Jumia Technologies AG
The management board