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Report of the management board regarding agenda item 7 (resolution on cancelling the existing Authorized Capital 2019/I and creating an Authorized Capital 2020/I with the possibility to exclude subscription rights, as well as on the associated amendment to the Articles of Association)

Under agenda item 7 of the Virtual Annual General Meeting on 9 June 2020, the management board and supervisory board propose to cancel the existing Authorized Capital 2019/I and to create a new authorized capital 2020/I (Authorized Capital 2020/I). Pursuant to section 203(2), sentence 2 of the German Stock Corporation Act in conjunction with section 186(4) sentence 2 of the German Stock Corporation Act, the management board presents the following report to the general meeting of shareholders on the reasons for the authorization to exclude shareholders' subscriptions rights when issuing new shares under the proposed Authorized Capital 2020/I:

The extraordinary general meeting of the Company's shareholders of 9 April 2019 authorized the management board, with the consent of the supervisory board, to increase the share capital by a total amount of up to EUR 42,713,696.00 against contributions in cash and/or in kind ("**Authorized Capital 2019/I**"). So far, 4,050,000 new shares have been issued under Authorized Capital 2019/I in connection with the Company's initial public offering in 2019 (the "**IPO**").

In order to enable the Company to continue to react flexibly to financing requirements and to be able to strengthen its equity base comprehensively and at short notice, if required, and to respond quickly and successfully to advantageous offers or other opportunities and to take advantage of opportunities to expand the Company, as well as to continue recruiting qualified personnel, among other things through attractive remuneration, to bind them to the Company and to be able to flexibly settle resulting corresponding payment claims, the Authorized Capital 2019/I shall be cancelled and a new authorized capital shall be created in line with the limitations of the German Stock Corporation Act, taking into account the higher share capital, under the exclusion of, or with an option to exclude, shareholders' subscription rights. The authorized capital proposed under agenda item 7 of the Virtual Annual General Meeting on 9 June 2020 should authorize the Management Board to increase, once or repeatedly and each time with the consent of the supervisory board, the share capital by a total amount of up to EUR 71,096,455.00 (in words: Euro seventy-one million ninety-six thousand four hundred fifty-five) through the issuance of up to 71,096,455 new no-par value bearer shares against contributions in cash and/or in kind, including claims against the Company until 8 June 2025. The proposed new Authorized Capital 2020/I and the existing Authorized Capital 2018/I together would amount to 50% of the

Company's share capital as registered in the commercial register as of the date of the publication of this invitation in the German Federal Gazette (*Bundesanzeiger*).

The purpose of the Authorized Capital 2020/I is to allow the Company to continue to have access to equity capital markets upon short notice to obtain the capital needed for the further development of the Company through the issue of new shares and to quickly and flexibly be able to use a favorable market environment to cover future financing needs. As a company often needs to quickly take a decision whether to issue new shares, it is important for the Company to not be dependent on the schedule of annual general meetings or the long convocation period for an extraordinary general meeting of shareholders. The legislature has accounted for these needs through the instrument of "authorized capital."

Furthermore, the Authorized Capital 2020/I may be used to settle certain incentive awards, which have been and may be granted to the management and key employees of the Company and its subsidiaries, *inter alia*, to align their interests with shareholders' interests, in shares in lieu of cash. Prior to the Company's IPO, the management board and the supervisory board adopted a Virtual Restricted Stock Unit Program 2019 ("**VRSUP 2019**") and a Stock Option Program 2019 ("**SOP 2019**") in order to offer variable compensation elements to management and employees of the Jumia Group (collectively, the "**Participants**") and thereby align the Participants' interests with those of the Company's shareholders. Virtual restricted stock units ("**VRSUs**") under the VRSUP 2019 exclusively entitle Participants after a one-year vesting period to receive a cash payment, which the Company may, at its sole discretion, alternatively settle in shares. Thus, as opposed to a so-called restricted share award program, the beneficiaries do not obtain a right to receive shares in the Company, but rather a right to receive a cash payment, the total amount of which depends on the development of the Company's share price. Stock options ("**SOPs**") under the SOP 2019 have an exercise price equal to EUR 1.00 per option and may be exercised only after a four-year waiting period and subject to the fulfillment of certain performance targets. The extraordinary general meetings of shareholders of 15 February 2019 and of 9 April 2019 approved the SOP 2019 and the VRSUP 2019, as well as the optional settlement of virtual stock options in shares issued under the VRSUP 2019, respectively. So far, 1,142,524 VRSUs and 1,270,002 SOPs have been awarded to Participants and none of these awards have been settled.

The participation of the management and key employees of the Company and its subsidiaries in the economic risks and opportunities of the relevant business operation is an important component of an internationally competitive remuneration system in order to strengthen the commitment to the Company, to attract and retain competent and dedicated individuals whose efforts will result in the growth and profitability of the Company and to align their interests with the interests of the shareholders in order to increase the value of the Company.

However, the remaining available authorization to issue new awards under the VRSUP 2019 and the SOP 2019 is not sufficient for the currently estimated needs. Therefore, following a comparison of remuneration models of similar companies and on the basis of the recommendation of external remuneration consultants, the management board and the supervisory board revised the existing remuneration model for executives in 2020 and, among other things and subject to the approval of the general meeting of shareholders, adopted a new Virtual Restricted Stock Unit Program 2020 (the "**VRSUP 2020**") and a new Stock Option Program 2020 (the "**SOP 2020**") in order to be able to continue to grant variable compensation elements to the Participants. VRSUP 2020 and SOP 2020 do not affect awards already granted under the existing programs and these programs remain open for further issuances within the limits of the remaining authorization.

Under the VRSUP 2020, the Company may allocate up to 1,850,000 VRSUs to Participants through the end of 2023. Each VRSU entitles a Participant to a claim against the Company for a cash payment depending on the value of the Company's shares as represented by American Depositary Shares ("**ADSs**"). The number of VRSUs granted to a Participant will be determined by the Company's management board, or, for members of the Company's management board, the Company's supervisory board. The VRSUs vest after a one-year period subject to a continuing and unterminated service or employment relationship with Jumia. The amount of the cash payment entitlement from a VRSU corresponds to the value of one share of the Company as represented by ADSs on the first ten days of trading on the New York Stock Exchange after the publication by the Company of its most recent quarterly financial report, half year report or press release announcing the Company's annual financial results; the cash payment entitlement may be capped in individual grant agreements. The terms of the VRSUP 2020 allow the Company to settle the resulting payment claims by delivering shares of the Company, subject to approval by the Virtual Annual General Meeting of the Authorized Capital 2020/I. Except for the program volume, the material terms of the VRSUP 2020 and the VRSUP 2019 are identical.

When new shares are issued under Authorized Capital 2020/I, in principle, shareholders must be granted the right to subscribe for these shares. The shares may also be subscribed for by one or more credit institution(s) or one or more enterprise(s) operating pursuant to sections 53(1) sentence 1, 53b(1) sentence 1 or 53b(7) of the German Banking Act (*Gesetz über das Kreditwesen*) with the obligation to offer the shares to the shareholders of the Company pursuant to section 186(5) of the German Stock Corporation Act (indirect subscription right).

However, shareholders' subscription rights under Authorized Capital 2020/I are excluded if the utilization of the Authorized Capital 2020/I occurs in order to issue new shares of the Company to settle, at the discretion of the Company, claims from vested Virtual Restricted Stock Units granted under the VRSUP 2019, up to a maximum of 1,243,367 new shares, or under the VRSUP

2020, up to a maximum of 1,850,000 new shares, in each case against contribution of the claims for payments originated under the Virtual Restricted Stock Units to members of the management board of the Company and employees of the Company, as well as members of the management and employees of companies affiliated with the Company within the meaning of section 15 of the German Stock Corporation Act or their investment vehicles, subject to the details of the VRSUP 2019, or VRSUP 2020, respectively.

In this case, the pro rata amount of the share capital attributable to the new shares issued may not exceed 10% of the share capital of the Company existing at the time of the adoption of the resolution of the Conditional Capital 2020/I by the Virtual Annual General Meeting of 9 June 2020. Towards this limit shall count the pro-rata amount of the share capital attributable to any shares that were issued or transferred from authorized capital, conditional capital or from treasury shares to members of the management board of the Company and employees of the Company, as well as members of the management and employees of companies affiliated with the Company within the meaning of section 15 of the German Stock Corporation Act or their investment vehicles in the context of participation programs ever since the resolution on the Conditional Capital 2020/I was adopted.

The exclusion of shareholders' subscription rights in this context is in the shareholders' interest as it allows the Company to attract and retain competent and dedicated individuals as employees of the Company and its subsidiaries and to align their interests with the interests of the shareholders in order to increase the value of the Company. Furthermore, the Company is given an option to settle claims in equity instead of cash which preserves liquidity at the Company and provides for ongoing alignment of interests. At the same, the amount of shares which may be issued without subscription rights for existing shareholders is limited to 10% taking into account other issuances under participation programs. Overall, the exclusion of shareholders' subscription rights in these situations is therefore objectively justified and proportionate considering the Company's and the shareholders' interests as well as purpose and means.

Further, the management board shall be authorized to exclude shareholders' subscription rights with the consent of the supervisory board for one or more capital increases in the context of the Authorized Capital 2020/I as follows:

- The management board shall be able to exclude fractional amounts from the subscription right with the approval of the supervisory board. 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.

- The management board, with the approval of the supervisory board, shall be able to exclude the subscription right to the extent necessary to grant holders or creditors of convertible bonds, options, profit rights and/or profit bonds (or combinations of these instruments) (hereinafter together "**Bonds**") with conversion or option rights, or conversion or option obligations, and which were or will be issued by the Company or a direct or indirect subsidiary, subscription rights to new no-par value bearer shares of the Company in the amount to which they would be entitled as shareholders after the exercise of the option or conversion rights, or after fulfilment of the conversion or option obligations or to the extent the Company exercises, with regard to such Bonds, its right to grant, totally or in part, shares of the Company in lieu of payment of the amount due.

  Such Bonds' terms and conditions regularly provide for a protection against dilution which grants holders or creditors a subscription right to new shares in subsequent share issues and certain other measures. They are thus placed in the same position as if they were already shareholders. In order to provide the Bonds with such protection against dilution, the shareholders' subscription rights to these shares must be excluded. This will facilitate the placement of the Bonds and thus serve the interests of the shareholders in an optimal financial structure of the Company. In addition, the exclusion of shareholders' subscription rights in favor of the holders or creditors of Bonds has the advantage that, if the authorization is exercised, the option or conversion price for the holders or creditors of existing Bonds does not need to be reduced in accordance with the respective terms of the Bonds.

- The subscription right can further be excluded in the case of cash capital increases, provided that the issue price of the new shares is not significantly lower than the stock exchange price and that the proportional amount of the registered share capital attributable to the new shares and such capital increase does not exceed a total of 10% of the registered share capital of the Company (facilitated exclusion of subscription rights in accordance with section 186(3) sentence 4 of the German Stock Corporation Act).

The authorization allows the Company to flexibly react to favorable capital market situations and also be able to very quickly place the new shares, *i.e.*, without the need for a subscription offer lasting at least two weeks. The exclusion of subscription rights makes it possible to act very quickly and perform placements close to the stock market price, *i.e.*, without the reduction that is usual in the case of a subscription issue. This creates the basis for reaching the highest possible sale amount and the greatest possible strengthening of own resources. Authorizing the facilitated exclusion of subscription rights is objectively justified not lastly by the fact that a higher cash inflow can often be generated.

The proportional amount of the registered share capital attributable to the new shares issued under the exclusion of subscription rights in accordance with section 186(3) sentence 4 of the German Stock Corporation Act, must not exceed a total of 10% of the registered share capital of the Company, whether at the time the Authorized Capital 2020/I comes into effect or – in case such amount is lower – is exercised. Towards the above threshold of 10% of the registered share capital shall also count the pro-rata amount of the share capital attributable to any shares, (i) that are sold during the term of the Authorized Capital 2020/I on the basis of an authorization to sell treasury shares pursuant to section 71(1) no. 8 sentence 5 second half sentence in conjunction with section 186(3) sentence 4 of the German Stock Corporation Act subject to the exclusion of shareholders' subscription rights; (ii) that are issued to satisfy Bonds with conversion or option rights, or conversion or option obligations, provided that such Bonds were issued in analogous application of section 186(3) sentence 4 of the German Stock Corporation Act during the term of the Authorized Capital 2020/I subject to the exclusion of the shareholders' subscription rights; or (iii) that are issued during the term of the Authorized Capital 2020/I on the basis of other authorized capital, provided that such shares are issued subject to the exclusion of the shareholders' subscription rights pursuant to section 203(2) sentence 1 in conjunction with section 186(3) sentence 4 of the German Stock Corporation Act or on the basis of other capital measures subject to the exclusion of the shareholders' subscription rights in analogous application of section 186(3) sentence 4 of the German Stock Corporation Act.

The facilitated exclusion of subscription rights requires that the issue price of the new shares is not significantly below the stock market price. Any deduction from the current stock market price or a volume-weighted stock market price during a reasonable number of trading days prior to establishing the final issue price will likely not exceed the corresponding stock market price, as represented by ADS, by more than approx. 5%, subject to special circumstances in individual cases. This also meets the protection needs of shareholders regarding a value based dilution of their participation. By establishing the issue price close to the stock market price, we ensure that the value any subscription right were to have would remain very low. Shareholders may maintain their relative participation via an additional purchase of ADS on the stock market which may be exchanged into shares at any time subject to the details of the depository agreement for the ADS.

- The subscription right can also be excluded when issuing shares for contributions in kind. In particular, the Company shall continue to be able to acquire companies, businesses, parts of companies, interests in companies or other assets, including claims against the Company or any of its group companies, or to satisfy Bonds issued for contributions in kind in order to strengthen its competitiveness and maximize its earnings power and enterprise value.

  Practice shows that the shareholders of attractive companies sometimes have a strong interest in acquiring no-par value shares of the Company as consideration (*e.g.*, to maintain a certain degree of influence on the acquired company or the object of the contribution in kind). From the point of view of an optimal financing structure, the possibility of providing the consideration not only in cash but also or solely in shares is also supported by the fact that, to the extent that new shares can be used as consideration for acquisitions, the liquidity of the company is preserved and borrowing is avoided, while the sellers participate in future price opportunities. This leads to an improvement in the Company's competitive position in acquisitions.

  The possibility of using shares of the Company as consideration for acquisitions gives the Company the necessary room for maneuver to seize such opportunities quickly and flexibly and enables it to acquire even larger companies in return for shares. It must be possible to exclude shareholders' subscription rights for both. Since such acquisitions often have to be made at short notice, it is important that they are not resolved by the annual general meeting, which only takes place once a year. Authorized capital is required, which the management board can quickly access with the approval of the supervisory board.

  The same applies accordingly to the servicing of conversion or option rights or conversion or option obligations from bonds which are also issued for the purpose of acquiring companies, businesses, parts of companies, interests in companies or other assets, including claims against the Company or any of its group companies, excluding the subscription right of shareholders. The new shares will be issued against contributions in kind, either in the form of the bond to be contributed or in the form of the contribution in kind made on the bond. This increases the Company's flexibility in servicing the conversion or option rights or conversion or option obligations. The offer of bonds instead of or in addition to the granting of shares or cash benefits can be an attractive alternative which, due to its additional flexibility, increases the Company's competitive chances in acquisitions.

If opportunities arise to acquire companies, businesses, parts of companies, interests in companies or other assets, including claims against the Company or any of its group companies, the management board will in each case carefully examine whether it should make use of the authorization to increase capital by granting new shares. In particular, this also includes examining the valuation ratio between the Company and the acquired equity interest or other assets and determining the issue price of the new shares and the further conditions of the share issue. The management board will only use the new Authorized Capital 2020/I if it is convinced that the respective acquisitions of companies, businesses, parts of companies, interests in companies or other assets, including claims against the Company or any of its group companies in return for the granting of new shares is in the well-understood interests of the Company and its shareholders. The supervisory board will only give its required approval if it also comes to the same conclusion.

- The subscription right may also be excluded in order to distribute a dividend in kind, in the context of which shares of the Company (also in part or subject to election) may be issued against contribution of dividend claims (*scrip dividend*). This should enable the Company to distribute a share dividend at optimal conditions. In the case of a share dividend, shareholders are offered the opportunity to deposit their claim to payment of the dividend, which has arisen from the resolution on the appropriation of profits by the annual general meeting, in whole or in part as a contribution in kind to the company in order to receive new shares in the company in return. The distribution of a share dividend can be carried out as a subscription right issue, in particular in compliance with the provisions of section 186(1) of the German Stock Corporation Act (minimum subscription period of two weeks) and section 186(2) of the German Stock Corporation Act (announcement of the issue price no later than three days before the end of the subscription period).

  In individual cases, however, depending on the capital market situation, it may be preferable to structure the distribution of a share dividend in such a way that the management board, while maintaining the general principle of equal treatment (within the meaning of section 53a of the German Stock Corporation Act), offers all shareholders entitled to dividends new shares for subscription against contribution of their dividend entitlement, thereby granting a subscription right to the shareholders in economic terms, legally excludes the shareholders' subscription right to new shares altogether. Such an exclusion of subscription rights enables the distribution of the share dividend without the aforementioned restrictions of section 203(1) of the German Stock Corporation Act in conjunction with section 186(1) and

(2) of the German Stock Corporation Act and thus at more flexible conditions. In view of the fact that the new shares will be offered to all shareholders and excess dividend amounts will be settled by cash payment of the dividend, an exclusion of subscription rights in such a case appears justified and appropriate.

On consideration of all these circumstances, the authorization to exclude subscription rights within the defined limits is necessary, appropriate, reasonable and in the interest of the Company.

If during a financial year the management board uses one of the above authorizations to exclude subscription rights as part of a capital increase from the Authorized Capital 2020/I, it shall report on it during the subsequent annual general meeting.

Berlin, May 2020

Jumia Technologies AG
The management board