

ENGLISH TRANSLATION



Annual Report 2022

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Report of the Supervisory Board

Dear Shareholders,

2022 was an important year for Jumia Technologies AG (“Jumia” or the “Company”). While implementing changes in its strategic plans to reduce losses and move to profitability, the Company has remained focused on its mission to improve the quality of everyday life in Africa by leveraging technology to deliver innovative, convenient and affordable online services to consumers, while helping businesses grow as they use our platform to reach and serve consumers. The Supervisory Board appointed a new Management Board in November 2022 to effect the changes in the Company’s strategy and has worked closely with the new Management Board on a number of changes in the Company’s scope of operations, strategic priority and resource allocation.

Below, we would like to inform you about the work of the supervisory board and its committees in fiscal year 2022 to support Jumia in its mission:

Cooperation between Supervisory Board and Management Board

In the financial year 2022, the supervisory board of Jumia has cooperated with the management board on a basis of trust. The main focus was on the financial position of Jumia and review of the Company’s overall strategic priorities including to consider changes to the scope and nature of certain of the company’s operations including its first-party grocery business, food delivery business in certain markets, its third party delivery services and its JumiaPay business line. The supervisory board of Jumia, and especially the audit committee of the Supervisory Board, continued to focus special attention on the coordination and monitoring of the company’s system of internal controls and SOX compliance. The supervisory board has on a regular basis supervised, and accompanied in an advisory capacity, the work of the management board in compliance with the laws, the company’s articles of association and the German Corporate Governance Code [Deutscher Corporate Governance Kodex].

The management board has on a regular basis informed the supervisory board promptly and comprehensively, in writing and orally, about the state of Jumia and discussed with it in detail the development of the business and decisions. The management board has fully complied with its duties to inform the supervisory board.

Monitoring of the management board’s management activities and other main areas of activity of the supervisory board

The supervisory board has ensured that legal regulations, the articles of association and the rules of procedure of both the supervisory board and the management board have been complied with. It has taken the decisions required by any law and the articles of association. Where a business transaction required the approval of the supervisory board, it has discussed it thoroughly with the management board before adopting a resolution. The cooperation between the supervisory board and the management board always was constructive and target-oriented.

As part of its supervisory functions, the supervisory board dealt with the following focal topics, among others:

- Business development during the year
- Individual and consolidated annual financial statements for the financial year 2022
- Audit planning and reporting of the internal accounting control system, in particular compliance with the provisions of the *Sarbanes-Oxley Act of 2002*
- Composition of the management board of the Company
- Assessment and adjustment of the remuneration components of the former and new management board
- Budget planning of the Jumia group for the financial year 2022
- Declaration of compliance with the German Corporate Governance Code

Changes to the supervisory board

The supervisory board of Jumia Technologies AG had eight (8) members as of 31 December 2022, which is in line with the articles of association, that the Supervisory Board consists of eight members. There were no changes to the Supervisory Board in the year under report.

Composition of the supervisory board and the committees

All members of the supervisory board are elected by the general meeting to be representatives of the shareholders. The supervisory board is not subject to the German Co-determination Act [*Gesetz über die Mitbestimmung der Arbeitnehmer*].

In the financial year 2022, the supervisory board had three committees:

- Audit committee
- Remuneration committee
- Corporate governance and nominations committee

Meetings of the supervisory board

In 2022, the supervisory board held three ordinary supervisory board meetings to exercise its functions. Seven (7) of eight (8) supervisory board members were represented in the meeting held on 19 April, seven (7) of eight (8) in the meeting held on 20 July and seven (7) of eight (8) in the meeting held on 20 October.

In the year under report, the supervisory board primarily dealt with the development of the business and the general financial and strategic position of the company, the planning and definition of the budget targets for the year 2023 and the reports of the committees. The management board also informed the supervisory board in detail about the development of the business and financial situation, the risk situation, the market and competitive situation and the human resources situation. The reports of the management board complied with

the legal requirements, the principles of good corporate governance and the requirements defined by the supervisory board.

Activities of the supervisory board committees

The supervisory board has appointed three committees.

- The **compensation committee** deals with the contracts of employment and personnel matters of the management board. The meetings were attended by all committee members in the course of the financial year. The committee convened three (3) times during the year. Among other things, it dealt with the structure of the management board's remuneration. As regards this, particular attention is given to compliance with the requirements of the German Corporate Governance Code.
- The **audit committee** in particular deals with questions regarding the accounting process, risk management and audit planning, the company's system of internal controls over financial reporting, and communication with the internal audit department. The committee convened seven (7) times during the year, one meeting serving to prepare the approval of the annual financial statements and the approval of the consolidated annual financial statements. The meetings were attended by all committee members.
- The **corporate governance and nominations committee** controls compliance with the rules of the German Corporate Governance Code, nominates members of the management board and proposes members for election to the supervisory board. At the recommendation of the corporate governance and nominations committee, the supervisory board issued the declaration of compliance in accordance with Section 161 AktG [German Stock Corporation Act] on 22 December 2022. The company complies with most of the recommendations of the Code. The few deviations are also explained in the corporate governance report that has been published in connection with the corporate governance declaration on the website www.investor.jumia.com/Corporate_Governance.

Audit of the consolidated annual financial statements of Jumia Technologies AG

The general meeting of Jumia Technologies AG held on 13 July 2022 adopted a resolution to appoint Ernst & Young GmbH Wirtschaftsprüfungsgesellschaft as auditor of the consolidated annual financial statements. That audit firm has audited the consolidated annual financial statements and the group management report for the period 1 January to 31 December 2022 and issued an unqualified audit opinion for both.

All supervisory board members have been provided with the auditor's audit report upon preparation and in due time before the meeting in which the annual financial statements were approved. Following preparatory deliberations and approval by the audit committee, the full supervisory board dealt with these documents on 30 June 2023. In addition to the members of the management board, the representatives of the auditor attended the audit committee meeting on 22 June 2023. They reported on the audit generally, the audit focal points they had defined, the essential findings of the audit and the services that the auditor had provided in addition to the auditing services and answered the questions of the members of the supervisory board. The supervisory board had no objections. Accordingly, it acknowledged and agreed with the findings of the audit.

The supervisory board has examined the consolidated annual financial statements and the group management report for the year 2022 and also the auditor's audit findings. It has not raised any objections after the final results of these audits and has approved the consolidated annual financial statements on 30 June 2023.

Berlin, in June 2023

The supervisory board

Jonathan D. Klein

Chairman of the supervisory board

2022 Group Management Report

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1. Group fundamentals

1.1 Business model and legal basis of financial reporting

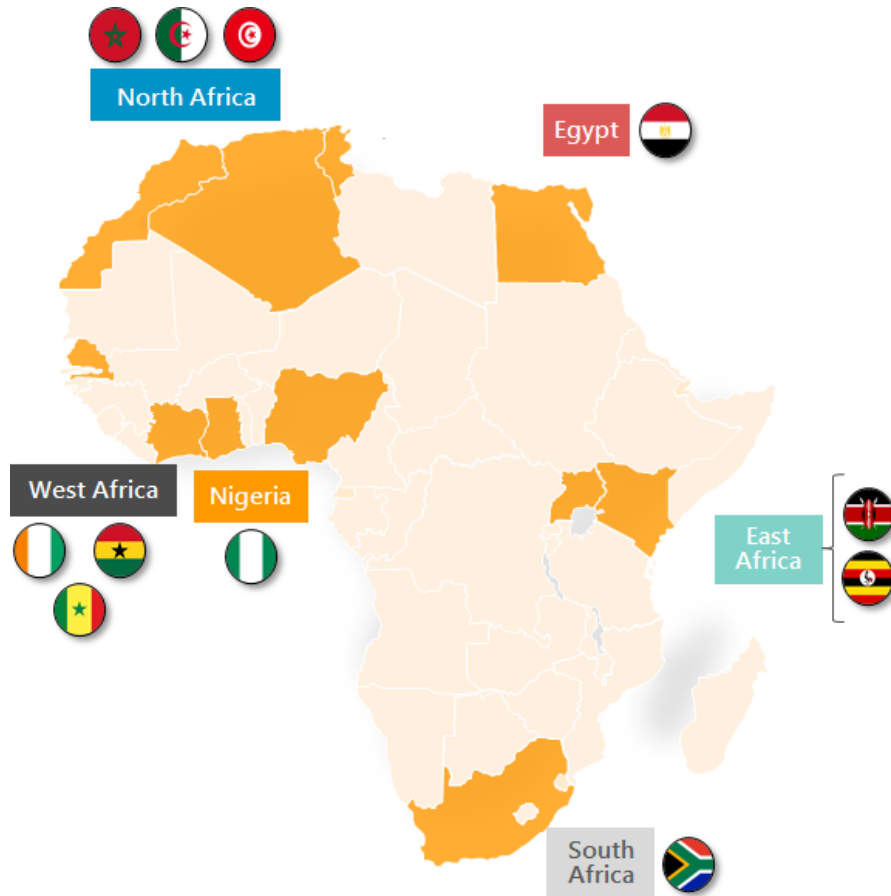
Jumia Technologies AG, with registered offices at Skalitzer Strasse 104, 10997 Berlin, Germany, was founded in 2012. Below, Jumia Technologies AG and its affiliates is also referred to as “Jumia”, the “Company” or the “Group”. The Group operates the leading pan-African e-commerce platform. The platform consists of a marketplace, which connects sellers with consumers, a logistics service, which enables the shipment and delivery of packages from sellers to consumers, and a payment service, JumiaPay, which, together with its network of licensed payment service providers and other partners, facilitates transactions among participants active on our platform in selected markets.

The Company’s American Depositary Shares, (“ADS”) have been listed on the New York Stock Exchange (NYSE) under the symbol JMIA since April 2019. The Company thus qualifies as a listed corporation within the meaning of Section 3 (2) Corporation Act (“AktG”) but for want of a listing on an exchange pursuant to Section 2 (11) Securities Trading Act (“WpHG”) is not a capital market-oriented company within the meaning of Section 264d Commercial Code (“HGB”).

Under Section 267 (1) HGB, the Company counts as a small incorporated company. Accordingly, the individual financial statements under commercial law, which the Company draws up in compliance with Section 264 (1) HGB, are not subject to the auditing duty pursuant to Section 316 (1) HGB and are produced taking advantage of all commercial-law simplification options. The Jumia Technologies AG consolidated financial statements were drawn up exercising the option under Section 290 in combination with Section 319e (3) HGB in compliance with the International Financial Reporting Standards adopted by the European Union. Pursuant to Section 315 HGB, the Company’s consolidated financial statements are supplemented by a group management report which contains all the compulsory information envisaged for listed corporations under the provisions of Sections 289 to 289f HGB. In so far as those provisions give Jumia a legal opportunity to publish information on its homepage and cite this in the group management report, that opportunity is taken up.

The Company is currently doing business in 11 countries. On 31 December 2022, Jumia comprised 71 legal entities (prior year: 71).

The following graphic shows the 11 African countries as of 31 December 2022 in which the Group is active:



1.2 Research and development

We continuously invest in our technology, data collection and analytics capabilities. Our main technology centers are located in Porto, Portugal, and in Cairo, Egypt, which provide the centralized and harmonized technology backbone for our operations across our three regions. We see our technology and content expense as an investment in future growth and improved experience and satisfaction for our ecosystem participants. We continue to focus on information technology and systems to protect the security, integrity and confidentiality of our data in addition to investments that contribute to improved user experience of our platforms and higher conversion rates.

2. Economic report

2.1 General economic and sector-specific conditions

General economic conditions

Comprised of 54 countries and with a total population of 1.4 billion people, Africa is the second-largest continent in the world by land mass and population. According to the IMF, in 2022, the 11 countries in which we operate counted 649 million people and accounted for approximately 70% of Africa's GDP. Internet penetration continues to grow in Africa

with 71% of Africa's internet users based in the countries in which we operate, according to Internet World Stats, a site of the Miniwatts Marketing Group.

The African e-commerce landscape is characterized by favorable macroeconomic and demographic conditions, including strong expected real GDP growth over the medium term, a young population and an expected rapid increase in mobile internet penetration.

Attractive Fundamentals

Africa represents a large and growing consumer market that is positioned for growth, driven by the following key macroeconomic facts and trends:

- ***Economic development:*** Despite a challenging environment, growth across all five African regions was positive in 2022. According to the IMF, Africa's real GDP is estimated to have grown 3.7% in 2022, faster than global GDP which is estimated to be 3.2%. Africa is expected to grow by 3.9% in 2023, and averaging 4.4% for 2022-2027. This compares to global averages of 2.7% in 2023 and 3.3% for 2022-2027. In parallel, household spending is expected to grow at robust rates. According to Brookings Institution, household spending in sub-Saharan Africa has grown 150% faster than the population over the past 20 years and expects household consumption in Sub-Saharan Africa alone to reach \$2.1 trillion by 2025 and \$2.5 trillion by 2030.
- ***Infrastructure investments:*** Investments in infrastructure are a key driver of growth in Africa. According to United Nations Conference on Trade and Development, in 2021, foreign direct investments reached a record high of \$83 billion. This represents more than double the amount of investments generated in 2020, when the COVID-19 pandemic weighed heavily on investment flows.
- ***Large, fast-growing and young population:*** As of 2022, Africa comprised approximately 18% of the world's population, according to data from the IMF. According to the United Nations World Population Prospects Report from 2019, the population of sub-Saharan Africa is projected to double by 2050 and the populations of Northern Africa and Western Africa are expected to grow by 46% by 2050. The United Nations also projects that Nigeria will become the third most populated country in the world by 2050, after India and China. The average age across the African continent was 18.7 years in 2022, more than ten years younger than the global average of 30.2 in 2022, according to the United Nations. We believe that this younger generation, born into an "online" world is increasingly seeking access to a wider choice of food, consumer goods and entertainment options as it becomes increasingly connected to, and aware of, global consumer trends.
- ***Increasing urbanization:*** Urban centers play a critical role in driving economic growth. As of 2022, it is estimated that only 44% of Africans lived in urban centers, compared to 83% in North America and 52% in Asia, according to a report from Statista. However, Africa has the fastest urban growth in the world with 60% of Africans expected to be living in urban areas by 2050, indicating an organic and migration-driven growth of over 920 million people to urban centers during that period, according to a 2019 report from the United Nations.

Sector-specific conditions

Africa is rapidly becoming a "connected" market, representing a large opportunity for internet-based businesses. According to Internet World Stats, as of December 2021, Africa had an estimated 590 million internet users and 290 million Facebook users across the continent. 71% of internet users and 74% of Facebook users lived in the regions in which we operate. Some of the key factors driving this evolution are:

- ***Investments in mobile network infrastructure:*** Africa has emerged as a "mobile-first" market, in which many consumers access the internet for the first time using a mobile device. According to GSMA, in 2022, telecommunication operators invested \$8.4 billion in Sub-Saharan Africa, and telecommunication operators

across the continent are committed to making additional significant investments in cellular network infrastructure in order to meet rising demand. GSMA estimates the total investments in cellular network infrastructure within Sub-Saharan Africa to be \$21 billion between 2023 and 2025.

- ***Growing mobile internet penetration:*** Mobile broadband penetration in Africa, which was estimated at 64%, or 901 million subscribers in 2022, is expected to increase to 77% by 2025, according to the market research firm Ovum. This increase represents approximately 250 million new subscribers, bringing the total number of Africans with 3G or 4G connections to over 1.1 billion, according to the same source.
- ***Increasing smartphone adoption:*** While feature phones remain popular in Africa, smartphone penetration as a percentage of the total mobile connections is growing, amounting to 64% in 2021 in Sub-Saharan Africa, and is expected by GSMA to increase to 75% by 2025. The growth in smartphone adoption is driven by decreasing average selling prices and the availability of lower cost data plans, according to the Alliance for Affordable Internet and IDC, respectively. We believe that smartphones, with larger screens, more intuitive user interfaces and wider availability of apps are a strong driver of mobile e-commerce adoption.

Evolving Shopping Trends from Offline to Online

As Africa becomes more affluent and “connected,” we believe that African consumers will increasingly become aware of online shopping. Moreover, organized retail is underdeveloped across most of the continent, making the distribution of goods less efficient than in other regions in the world. Against this backdrop, we believe that e-commerce is an attractive alternative to the general lack of organized retail outlets. We believe that the expansion and success of e-commerce solutions across Africa will be driven by the following factors:

- ***Increasing consumer awareness and trust:*** As e-commerce and the internet are both relatively new to Africa, educating African consumers about the benefits of online shopping (including for “non-standard” items such as apparel) will be a key factor driving consumer adoption.
- ***Availability and quality of logistics infrastructure:*** Outside of certain major cities, many Africans live in areas that lack clear addresses, including in rural areas that are often far from the nearest warehouse or distribution center. As infrastructure continues to improve across Africa and urbanization rates increase, we expect increasing availability of reliable, high-quality and cost effective delivery solutions to contribute to the rise of e-commerce in Africa.
- ***Consumer adoption of mobile and digital payments:*** Electronic payments in the form of mobile phone-based solutions, credit, debit or prepaid card or other similar methods are already an important form of payment in Africa. In fact, Africa is the leading continent in terms of mobile money technology adoption. According to data from GSMA, Africa was home to 621 million registered mobile money accounts in 2021, 46% of mobile money accounts globally, with a transaction value of \$701 billion, 70% of global mobile money transaction volume. Mobile payment allows consumers to participate in the formal economy while enabling electronic payment of e-commerce orders, driving higher delivery success rate vs. cash on delivery transactions, thus increasing the overall efficiency of e-commerce.

2.2 Course of business

We remain committed to taking the business to profitability, through a combination of fundamentals-led growth, enhanced cost discipline and balanced monetization. Despite a challenging macroeconomic backdrop in 2022, we delivered growth across all usage metrics.

Annual Active Consumers increased to 8.4 million Annual Active Consumers as of December 31, 2022, up from 8.0 million Annual Active Consumers as of December 31, 2021. Our Orders increased from 34.0 million in 2021 to 38.9

million in 2022. Our gross merchandise value (“GMV”) increased from €837.3 million in 2021 to €996.3 million in 2022. These developments fell within the Group’s prior-year forecast.

JumiaPay Transactions and Total Payment Volume (“TPV”) have both increased since the launch of JumiaPay. The number of JumiaPay Transactions reached 12.5 million in 2022 compared to 12.1 million in 2021. TPV reached €271.3 million in 2022, compared to €222.6 million in 2021. This development was in line with the prior-year forecasts.

Adjusted EBITDA loss increased by 18.4% from €166.3 million in 2021 to €196.9 million in 2022 primarily as a result of increased growth investments in the form of consumer incentives, sales and advertising and technology and content expenses. This development was in line with the prior-year forecasts.

2.2.1 Operating results

<i>In EUR k</i>	01.01. – 31.12.2022	01.01. – 31.12.2021 <i>Restated</i>
Revenue	211,030	150,479
Cost of revenue	(85,996)	(57,342)
Gross profit	124,034	93,137
Fulfillment expense	(94,011)	(75,539)
Sales and advertising expense	(71,983)	(69,283)
Technology and content expense	(52,549)	(33,149)
General and administrative expense	(119,700)	(119,853)
Other operating income	1,984	1,197
Other operating expense	(82)	(236)
Termination benefits	(3,525)	-
Operating loss	(215,832)	(203,726)
Finance income	14,507	20,943
Finance costs	(18,658)	(8,737)
Loss before income tax	(219,983)	(191,520)
Income tax expense	(6,637)	(373)
Loss for the year	(226,620)	(191,893)

The Company’s geographical distribution of revenue was as follows:

<i>In EUR k</i>	01.01. – 31.12.2022	01.01. – 31.12.2021
West Africa ⁽¹⁾	105,122	70,501
North Africa ⁽²⁾	60,059	51,160
East and South Africa ⁽³⁾	37,387	27,130
Europe	281	279
United Arab Emirates	8,157	1,409
Other	25	-
Total	211,030	150,479

¹ West Africa comprises Nigeria, Ivory Coast, Senegal and Ghana.

² North Africa comprises Egypt, Tunisia, Morocco and Algeria.

³ East and South Africa comprises Kenya, Uganda and South Africa.

Revenue increased by 40.2% from €150.5 million in 2021 to €211.0 million in 2022. This increase was driven by strong growth in both marketplace revenue and first-party revenue

Cost of revenue increased by 50.0% from €57.3 million in 2021 to €86.0 million in 2022, driven largely by the increase in first-party sales in the first half of 2022. Cost of revenue primarily includes the purchase price of consumer products sold in first-party sales. Certain expenses associated with third-party sales, such as compensation paid to sellers for lost, damaged or late delivery items are also included in cost of revenue.

Gross profit increased by 33.2% from €93.1 million in 2021 to €124 million in 2022, primarily as a result of the acceleration in marketplace revenue.

Fulfillment expense increased by 24,5% from €75.5 million in 2021 to €94 million in 2022, as a result of volume growth as well as inflationary pressures on fuel and wages. On a per Order basis, fulfillment expense decreased from €2.42 to €2.22 as we generated fulfillment efficiencies through better freight and shipping pricing with our third-party logistics partners by leveraging increased volumes. We remain committed to further improving fulfillment economics by driving scale efficiencies and enhancing productivity in our physical infrastructure.

Sales and advertising expense increased by 3.9% from €69.3 million in 2021 to €72 million in 2022, mostly as a result of a significant decrease in marketing spend in the second half of 2022 compared to the second half of 2021 as we shifted our focus on the marketing channels that we believe drive the best returns on investment. This led to an improvement in marketing efficiency ratios with Sales and Advertising expense per Order decreasing by 9.2% to €2.04 in 2022, compared to €1.85 in 2021. As a percentage of GMV, Sales and Advertising expense improved from 8.3% in 2021 to 7.2% in 2022.

Technology and content expense increased by 58.6% from €33.1 million in 2021 to €52.5 million in 2022. This increase was driven by an expansion of our technology headcount, mostly as a result of the opening of the Cairo tech hub, as we remain focused on developing more products and features to improve user engagement and experience.

General and administrative expense decreased slightly from €119.9 million in 2020 to €119.7 million in 2021, primarily due to the reversal of stock grant expenses related to performance targets that were not met or not expected to be met. Share based compensation expense decreased from €29.2 million in 2021 to €7.8 million in 2022.

Termination benefits are related to significant action in the fourth quarter of 2022 to streamline our organization structure and reduce our headcount. The implementation of these organizational changes resulted in €3.5 million in one-off restructuring costs booked in the fourth quarter of 2022. We expect these headcount reductions to allow us to generate staff costs savings in 2023 compared to 2022.

2.2.2 Financial situation

<i>In EUR k</i>	01.01.– 31.12.2022	01.01.– 31.12.2021
Net cash flows used in operating activities	(228,431)	(144,768)
Net cash flows (used in) / from investing activities	201,867	(342,346)
Net cash flows from financing activities	(8,330)	281,142
Net increase in cash and cash equivalents	(34,894)	(205,972)
Effect of exchange rate changes on cash and cash equivalents	(1,447)	4,285
Cash and cash equivalents at the beginning of the year	103,214	304,901
Cash and cash equivalents at the end of the year	66,873	103,214

As in the prior year, cash and cash equivalents comprise the balance sheet items cash in hand, bank credit balances and short-term deposits.

Net cash flows used in operating activities increased by 57.7% from a cash outflow of €144.8 million in 2021 to a cash outflow of €228.4 million in 2022, primarily driven by an increase in our loss before income tax adjusted for non-cash items. An increase in trade and other receivables, prepaid expenses and other tax receivables, led to net cash impact of €37.6 million in 2022 compared to a net cash impact of €2.6 million in 2021.

Net cash flows used in investing activities increased significantly from a cash outflow of €342.3 million in 2021 to a cash inflow of €201.9 million in 2022 mainly due to the sale of other financial assets, in the form of listed bonds.

Net cash flows from financing activities decreased significantly from a cash inflow of €281.1 million in 2021 to a cash outflow of €8.3 million in 2022. The prior year cash inflow is related to an equity offering amounting to approximately €287.4 million.

On 31 December 2022, cash and cash equivalents amounted to €66.9 million (prior year: €103.2 million).

2.2.3 Asset situation

Assets

<i>in EUR k</i>	31 December 2022	%	31 December 2021	%
Non-current assets	36,222	11,74	22,115	4.34
Current assets	272,294	88,26	487,486	95.66
Total	308,516	100.00	509,601	100.00

Equity capital & liabilities

<i>in EUR k</i>	31 December 2022	%	31 December 2021	%
Equity	162,797	52,77	363,686	71.37
Liabilities	145,719	47,23	145,915	28.63
Total	308,516	100.00	509,601	100.00

The asset side of the balance sheet is shaped largely by term deposits and other financial assets (€145.6 million; prior year: €348.8 million), cash and cash equivalents (€66.9 million; prior year: €103.2 million), trade and other receivables of €21.6 million (prior year: €16.2 million), prepaid expenses of €19.9 million (prior year: €5.0 million) and inventories (€10.7 million; prior year: €9.7 million). The increase in trade and other receivables is due to higher trade notes and accounts receivable (€22.8 million; prior year €15.9 million). Prepaid expenses were comprised of prepaid server hosting fees and software licenses €13.5 million (2021: €1.5 million), advance payments to the Group's partners for online payment services amounting to €1.1 million (2021: €1.0 million) and prepaid rent represents €2.8 million (2021: €0.5 million).

Consolidated equity fell by €200.1 million from €363.69 million in 2021 to €162.80 million in 2022. In total, in 2022, the Group received no capital contributions (prior year: EUR 293.3 million). As of the balance-sheet date, the equity base reflects a lower year-on-year equity capital ratio of 52.8% (prior year: 71.4%).

Liabilities contain mainly of short-term liabilities, comprising trade and other payables (€60.01 million; prior year: €67.06 million) and provisions for liabilities and other charges (€33.54 million; prior year: €32.10 million). The decrease is in general due to lower business activities.

2.2.4 Overall representations concerning the Group’s development of earnings, financial situation and net assets

Jumia Technologies AG and its subsidiary companies addressed multiple challenges in fiscal year 2022. The overall business development can be seen as in line with our forecast.

2.3 Financial and non-financial performance indicators

We assess the success of our business through a set of key performance indicators such as the number of Annual Active Consumers, Quarterly Active Consumers, orders, GMV, TPV and JumiaPay Transaction, as well as Adjusted EBITDA. Our key performance indicators may not be comparable to similarly named indicators used by our competitors and are not verified by an independent third-party.

The most important performance indicators at the group level are:

Annual Active Consumers

“Annual Active Consumers” means unique consumers who placed an order for a product or a service on our platform, within the 12-month period preceding the relevant date, irrespective of cancellations or returns. On a quarterly basis, we report Quarterly Active Consumers, which refer to unique consumers who placed an order for a product or a service on our platform, within the 3-month period preceding the relevant date, irrespective of cancellations or returns. We believe that Annual Active Consumers is a useful indicator for adoption of our offering by consumers in our markets.

Orders

“Orders” corresponds to the total number of orders for products and services on our platform, irrespective of cancellations or returns, for the relevant period. We believe that the number of orders is a useful indicator to measure the total usage of our platform, irrespective of the monetary value of the individual transactions.

GMV

“Gross Merchandise Value” (“GMV”) corresponds to the total value of orders for products and services, including shipping fees, value added tax, and before deductions of any discounts or vouchers, irrespective of cancellations or returns for the relevant period. We believe that GMV is a useful indicator for the usage of our platform that is not influenced by shifts in our sales between first-party and third-party sales or the method of payment. We use Annual Active Consumers, Orders and GMV as some of many indicators to monitor usage of our platform.

Total Payment Volume

“Total Payment Volume” (“TPV”) corresponds to the total value of orders for products and services for which JumiaPay was used including shipping fees, value-added tax, and before deductions of any discounts or vouchers, irrespective of cancellations or returns, for the relevant period. We believe that TPV, which corresponds to the share of GMV for which JumiaPay was used, provides a useful indicator of the development and adoption by consumers, of the payment services offerings we make available, directly and indirectly, through JumiaPay.

JumiaPay Transactions

“JumiaPay Transactions” corresponds to the total number of orders for products and services on our marketplace for which JumiaPay was used, irrespective of cancellations or returns, for the relevant period. We believe that JumiaPay Transactions provides a useful indicator of the development, and adoption by consumers, of the cashless payment services offerings we make available for orders on our platform irrespective of the monetary value of the individual transactions. We use TPV and the number of JumiaPay Transactions to measure the development of our payment services and the progressive conversion of cash on delivery orders into prepaid orders.

Adjusted EBITDA

Adjusted EBITDA corresponds to loss for the period, adjusted for income tax expense (benefit), finance income, finance costs, depreciation and amortization and share-based payment expense.

Adjusted EBITDA is a supplemental non-IFRS measure of our operating performance that is not required by, or presented in accordance with IFRS. Adjusted EBITDA is not a measurement of our financial performance under IFRS and should not be considered as an alternative to loss for the year, loss before income tax or any other performance measure derived in accordance with IFRS. We caution investors that amounts presented in accordance with our definition of Adjusted EBITDA may not be comparable to similar measures disclosed by other companies, because not all companies and analysts calculate Adjusted EBITDA in the same manner. We present Adjusted EBITDA because we consider it to be an important supplemental measure of our operating performance. Management believes that investors’ understanding of our performance is enhanced by including non-IFRS financial measures as a reasonable basis for understanding our ongoing results of operations. By providing this non-IFRS financial measure, together with a reconciliation to the nearest IFRS financial measure, we believe we are enhancing investors’ understanding of our business and our results of operations, as well as assisting investors in evaluating how well we are executing our strategic initiatives.

Management uses Adjusted EBITDA:

- as a measurement of operating performance because it assists us in comparing our operating performance on a consistent basis, as it removes the impact of items not directly resulting from our core operations.
- for planning purposes, including the preparation of our internal annual operating budget and financial projections.
- to evaluate the performance and effectiveness of our strategic initiatives; and
- to evaluate our capacity to expand our business.

Items excluded from this non-IFRS measure are significant components in understanding and assessing financial performance. Adjusted EBITDA has limitations as an analytical tool and should not be considered in isolation, or as an alternative to, or a substitute for analysis of our results reported in accordance with IFRS, including loss for the year. Some of the limitations are:

- Adjusted EBITDA does not reflect our share-based payments, income tax expense (benefit) or the amounts necessary to pay our taxes.
- although depreciation and amortization are eliminated in the calculation of Adjusted EBITDA, the assets being depreciated and amortized will often have to be replaced in the future and such measures do not reflect any costs for such replacements; and
- other companies may calculate Adjusted EBITDA differently than we do, limiting its usefulness as a comparative measure.

Due to these limitations, Adjusted EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business. We compensate for these and other limitations by providing a reconciliation of Adjusted EBITDA to the most directly comparable IFRS financial measure, loss for the year.

The following table provide a reconciliation of loss for the year to Adjusted EBITDA for the periods indicated:

	For the year ended December 31,		
	2020	2021	2022
	EUR	EUR	EUR
	(in millions)		
Loss for the year	(161.0)	(191.9)	(226.6)
Income tax expense	2.6	0.4	6.6
Net Finance costs / (income)	9.1	(12.2)	(-4.2)
Depreciation and amortization	8.1	8.2	11.1
Share-based compensation	21.6	29.2	7.8
Adjusted EBITDA⁽¹⁾	(119.5)	(166.3)	(196.9)

Unaudited.

The development of the performance indicators is shown in the following table:

	For the year ended December 31,		
	2020	2021	2022
	(in millions)		
Annual Active Consumers	6.8	8.0	8.4
Orders	27.9	34.0	38.9
GMV	EUR 836.5	EUR 837.3	EUR 996.3
TPV	EUR 196.4	EUR 222.6	EUR 271.3
JumiaPay Transactions	9.6	12.1	12.5
Adjusted EBITDA	EUR (119.5)	EUR (166.3)	EUR (196.9)

3. Outlook, opportunities and risks report

3.1 Outlook

Our new management board of Jumia, appointed in November 2022, has a clear mandate of accelerating the progress of Jumia towards profitability. As part of that, we have developed a strategy that includes a number of levers that have important financial implications:

We are working on increasing our business focus by allocating capital and resources to core areas where we see attractive returns on investments and clear ecosystem benefits. As part of that, we have ceased a number of projects during the fourth quarter of 2022 that do not meet these capital allocation criteria. For instance, we have scaled back our first-party grocery business across a number of countries to support our unit economics and reduce business complexities, allowing management to focus on a more streamlined offering of relevant categories and products.

We seek to enhance the fundamentals of our platform to drive sustainable usage growth. Historically, usage growth was primarily fueled by higher promotional intensity and marketing spend leading to a deterioration of unit economics in phases of growth acceleration. Instead, to drive usage growth, our new management board is focused on further enhancing platform fundamentals including by strengthening supply and improving pricing while adopting a much more disciplined approach to marketing spend.

A key focus of our new management board is to further strengthen supply on our platform, building stronger relationships with key brands and local distributors across core e-commerce categories on our platform, including phone and electronics, fashion, beauty and home & lifestyle.

The pace of consumer acquisition and level of repurchase tend to be closely related to the strength of our consumer value proposition and relevance of our marketing strategy. In addition to further enhancing our consumer value proposition, including enhancing the depth and quality of supply and improving pricing and customer experience, we are working on increasing the relevance and effectiveness of our marketing strategy. In particular, we intend to shift an increased share of our marketing investments to local marketing channels to support brand awareness and consumer education with tailored activation campaigns on the ground.

As part of our strategy to accelerate progress towards profitability, we are working on a comprehensive plan to drive fulfillment cost efficiencies. This includes a number of actions such as optimizing our footprint and logistics routes, improving warehousing staff management and productivity, and reducing packaging costs.

We intend to further drive the business towards breakeven and have made meaningful progress towards improving our unit economics over the past couple of years. Although Adjusted EBITDA loss for the full year 2022 increased by 18% from €166.3 million to €196.9 million, we drove a significant reduction in the second half of 2022, both on quarter-over-quarter and year-over-year basis. In 2023, we expect to further reduce Adjusted EBITDA loss in absolute terms compared to 2022.

The management board expects the Group to remain a going concern beyond 2023, because it has adequate liquidity position of €212.5 million as of December 31, 2022. The liquidity position includes cash and cash equivalents of €66.9 million and current financial assets, mainly in the form of high-rated listed bonds of €145.6 million.

3.2 Risk report including a description of the accounting-related internal control and risk management system

General description

The early identification, analysis and control of potential risks is a fundamental part of Jumia's corporate strategy. In order to identify risks and opportunities at an early stage and handle them consistently, Jumia uses a risk management system that also includes the early detection system in accordance with Section 91 (2) AktG. The risk management system facilitates the identification, recording, assessment, documentation and reporting of risks across our operations.

Jumia takes a holistic, integrative approach that combines the topics of risk management system, internal control system and compliance management system in one management approach (governance, risk & compliance approach). The structure of the risk management system and internal control system ensures that control and monitoring activities are aligned with corporate goals and their inherent risks.

The internal control system encompasses all regulations, measures, principles and procedures to achieve corporate goals. In particular, it is intended to ensure the security and efficiency of business transactions, the effectiveness, cost-effectiveness and correctness of accounting and compliance with the relevant legal regulations, and to ensure the reliability of financial reporting.

The Management Board is responsible for the risk management, compliance management and internal control systems. The Supervisory Board and Audit Committee, with the involvement of the Internal Audit department, monitor their effectiveness.

3.2.1 Structure of risk management

Our risk management and compliance structure was implemented in 2019 and our centralized team supports risk management and compliance initiatives across our geographical footprint and the various business lines. Our group-wide risk management and compliance program is aimed at preventing corruption, fraud and other criminal or other forms of non-compliance by our management, employees, consultants, agents and sellers.

The aim of Jumia's risk management program is the systematic recording and evaluation and thus the conscious and controlled handling of risks and opportunities in the company in order to identify unfavorable developments at an early stage and to take prompt action to mitigate and actively monitor identified risks. Jumia's risk management program focuses on those activities that are important for Jumia's future earnings and future business operations.

Our risk management system includes processes for identification, assessment, management and mitigation, monitoring, reporting and documentation of risks. These processes are designed centrally and implemented across the Group, and are described more fully below:

Risk identification. Risks are identified and recorded periodically as part of our ongoing risk management and internal audit processes.

Risk assessment. The company conducts a risk assessment of identified risks according to the potential impact and the probability of occurrence. Risks are assessed on an inherent risk basis (before mitigation measures are in place) and a residual risk basis (considering mitigation measures already existing).

Risk management and implementation of mitigation procedures. Identification of early warning indicators and threshold values, determination of mitigation tactics and procedures and definition of communication lines for ongoing and ad hoc reporting.

Risk monitoring. The company continually monitors identified risks to ensure the implementation of the mitigation measures as well as the systematic recording and reporting of identified risks.

Risk reporting. Risk reporting is subdivided into standard reporting as part of regular risk management and ad hoc reporting in the event of sudden risks that have a significant impact on the assets, financial position and results of operations. The Supervisory Board has ultimate authority to oversee the Company's risk management practices and has delegated to the Audit Committee responsibility to oversee the effectiveness of our risk management system (framework) through the Management Risk Committee. The risk function reports to the Management Risk Committee and to the Board at least on a quarterly basis.

Documentation. Jumia has implemented an integrated enterprise risk management system, within its enterprise risk function under the legal and compliance department, to document and record each identified risk and to monitor mitigation efforts.

All existing risks are divided into five risk levels according to the estimated impact of the risk (Severe, Material, Important, Moderate and Minor). The level of the risk was determined on the basis of the estimated impact on our operations, financial performance, profitability and cash flows. Each identified risk is also evaluated and assigned an estimated likelihood of occurrence (Expected, Highly Likely, Likely, Not Likely, Remote).

The risk assessment assigns each identified risk into a risk class (Critical, Very High, High, Medium, Low) described in the following matrix:

		Likelihood of Occurrence				
		Remote	Not Likely	Likely	Highly Likely	Expected
		<ul style="list-style-type: none"> Occurs in exceptional circumstances or in the distant future 0% - 4.9% likelihood of occurrence 	<ul style="list-style-type: none"> A small chance of occurring 5% - 24.9% likelihood of occurrence 	<ul style="list-style-type: none"> Occurs from time to time 25% - 49.9% likelihood of occurrence 	<ul style="list-style-type: none"> Highly likely to occur in the near future 50% - 74.9% likelihood of occurrence 	<ul style="list-style-type: none"> Expected to occur in the near future 75% - 100% likelihood of occurrence
Impact Levels	Severe	Medium	High	Very High	Critical	Critical
	Material	Medium	High	High	Very High	Critical
	Important	Low	Medium	High	High	Very High
	Moderate	Low	Medium	Medium	Medium	High
	Minor	Low	Low	Low	Medium	Medium

The risk matrix facilitates the comparison of each risk’s relative priority and increases transparency of our overall risk exposure. The classification of risks from “low” to “critical” is used to determine the required priority of remediation actions as described in the chart below.

Risk Classification	Action Priority
Critical	<ul style="list-style-type: none"> Immediate risk mitigation plan required as risk has materialized or is imminent Defined alternative plans and mitigation procedures also need to be in place
Very High	<ul style="list-style-type: none"> Risk action plan must be developed and approved Defined alternative plans and mitigation procedures also need to be in place
High	<ul style="list-style-type: none"> Risk action plan must be developed and approved Contingency plans and procedures must also be in place
Medium	<ul style="list-style-type: none"> Additional controls to be considered to reduce the level of risk
Low	<ul style="list-style-type: none"> Manage within routine procedures

Risks were managed centrally for the entire Jumia Group in 2022. The continuous updating and further development of risk management represents an ongoing management task that is pursued with high priority.

3.2.2 Key features of the accounting-related internal control and risk management system

In the light of the major impact of the internal control and risk management system, the Jumia management board has decided to include the information called for under Section 289 (4) HGB in the consolidated financial statements on a voluntary basis.

The objective of the accounting-related internal control and risk management system is to ensure the regularity of the financial reporting in the sense of the consolidated financial statements and the group management report being in compliance with all pertinent provisions.

The accountability for setting up and effective maintenance of reasonable controls over the financial reporting lies with the Jumia management board, which assesses the reasonableness and effectiveness of the control system as of every fiscal year end.

The framework for drawing up the consolidated financial statements is formed in the main by the group-wide uniform accounting policies, which are consistently applied by all group companies. New statutes, accounting standards and other official pronouncements are routinely analysed for their relevance and effects on the consolidated financial statements and the group management report. As and when required, accounting policies are adapted accordingly.

The data basis for drawing up the consolidated financial statements is formed by the accounting information reported by Jumia and its subsidiaries, which in turn is based on the postings entered at the company level. The reported accounting information is used to draw up group financial statements in the consolidation system. The consolidation adjustments and also the monitoring of compliance with concept and deadline requirements are carried out at the group level.

The steps to be carried out for drawing up the consolidated financial statements are subjected to both manual and also system-based checks at all levels. This involves automating the accounting information supplied and checking it for accounting-specific relationships and consistency.

The employees deployed in the accounting process are checked for their technical competence and undergo regular training. Every level applies the fundamental approach of the »two-heads principle«. In addition, the accounting information at every level has to pass through certain release processes. Other control mechanisms include target-actual comparisons and analyses of the content composition and changes in individual items, not only for the accounting information reported by group units but also the consolidated financial statements.

Access authorisations are defined in the accounting-related IT systems so as to ensure that accounting-related data are protected against unauthorised access, use and changes. Every company included in the consolidated financial statements is subject to the centrally specified rules for information security. This helps to ensure that users of such IT systems only have access to information and systems which they need to carry out their tasks.

The supervisory board is likewise involved in the control system via the audit committee. The audit committee monitors in particular the accounting process, the effectiveness of the control system, the risk management system and the auditing. In addition, it is responsible for reviewing the records for Jumia's individual and consolidated financial statements; and it discusses the consolidated financial statements and the group management reports with the management board and the auditor.

3.2.3 Risks

The risks described below are among the highest risks identified in our risk assessment program. All of the risks described below are deemed to be either “*Critical*” or “*Very High*”. You may also refer to our Annual Report on Form 20-F, filed with the US Securities and Exchange Commission (the “SEC”) on May 16, 2023, for a detailed discussion of risks that may affect our business. It is available on the SEC’s website at www.sec.gov/edgar and on our website at investor.jumia.com.

We assign risks to each of the following principal risk categories:

- Strategic Risks
- Operational Risks
- Compliance Risks
- Financial Risks

The critical risk area of each “*Critical*” or “*Very High*” risk is described in the chart below and each risk is described in detail in the text that follows.

Risk	Critical Risk Area	Classification
<i>We have incurred significant losses since inception and there is no guarantee that we will achieve or sustain profitability in the future.</i>	Strategic Risks	Critical
<i>We rely on external financing and may not be able to raise necessary additional capital on economically acceptable terms or at all.</i>	Strategic Risks	Critical
<i>We may experience malfunctions or disruptions of our technology systems.</i>	Operational Risks	Critical
<i>We may experience security breaches and disruptions due to hacking, viruses, fraud, malicious attacks and other circumstances.</i>	Operational Risks	Critical
<i>Our markets pose significant operational challenges that require us to expend substantial financial resources.</i>	Strategic Risks	Critical
<i>Any failure to maintain, protect and enhance our reputation and brand may adversely affect our business.</i>	Strategic Risks	Very High
<i>Failure to deal effectively with any fraud perpetrated and fictitious transactions conducted on our platform could harm our business.</i>	Operational Risks	Very High
<i>We do business in certain countries where corruption is considered to be widespread, and we are exposed to the risk of extortion and violation of anti-corruption laws and regulations.</i>	Compliance Risks	Very High
<i>We may be subject to allegations, enforcement proceedings, and lawsuits concerning anti-money laundering and anti-terrorist financing</i>	Compliance Risks	Very High

We have incurred significant losses since inception and there is no guarantee that we will achieve or sustain profitability in the future.

Jumia operates a pan-African e-commerce platform. Our platform primarily consists of our marketplace, which connects businesses with consumers, our logistics service, which enables the shipping and delivery of packages, and our payment service, JumiaPay, which, together with its network of licensed payment service providers and other partners, facilitates transactions among participants active on our platform. We primarily generate revenue from commissions, where third-party sellers pay us fees based on the goods and services they sell, and from the sale of goods where we act directly as seller. Our revenue is, however, not sufficient to cover our operating expenses. Accordingly, since we were founded in 2012, we have not been profitable on a consolidated basis. We incurred a loss for the year of €161 million in 2020, a loss for the year of €191.9 million in 2021 and a loss for the year of €226.6 million in 2022. As of December 31, 2022, we had accumulated losses of €1.7 billion.

There is no guarantee that we will generate sufficient revenue in the future to offset the cost of maintaining our platform and maintaining and growing our business. Furthermore, even if we achieve profitability in certain of our more mature markets, where e-commerce is growing rapidly, there is no guarantee that we will be able to break even and achieve profitability in other markets, where e-commerce adoption is slower. Our operating expenses may continue to increase as we intend to expend substantial financial and other resources on acquiring and retaining sellers and consumers, growing and maintaining our technology infrastructure and sales and marketing efforts and conducting general administrative tasks associated with our business, including expenses related to being a public company. These investments may not result in increased revenue growth. If we cannot successfully generate revenue at a rate that exceeds the costs associated with our business, we will not be able to achieve or sustain profitability or generate positive cash flow on a sustained basis and our revenue growth rate may decline.

If we fail to become and remain profitable, this could have a material adverse effect on our business, financial condition, results of operations and prospects.

We rely on external financing and may not be able to raise necessary additional capital on economically acceptable terms or at all.

Since our inception, we have had negative operating cash flows and have relied on external financing. While we received net proceeds of €249.0 million from our April 2019 initial public offering, a concurrent private placement with Mastercard Europe SA (“Mastercard”) and the issuance of shares to existing shareholders to protect them from dilution, net proceeds of €194.3 million from our December 2020 equity offering, and net proceeds of €286.8 million from our March 2021 equity offering, we may require additional capital to finance our operations and/or growth of our platform in the future. If we are not able to raise the required capital on economically acceptable terms, or at all, or if we fail to project and anticipate our capital needs, we may be forced to limit or scale back our operations, which may adversely affect our growth, business and market share and could ultimately lead to insolvency.

If we choose to raise capital by issuing new shares, our ability to place such shares at attractive prices, or at all, depends on the condition of equity capital markets in general, the performance of our business and the price of our ADSs in particular, and the price of our ADSs may be subject to considerable fluctuation.

Currently, debt financing from independent third parties is unlikely to be available to us due to our loss making history, negative operating cash flows and lack of significant physical assets and collateral. If debt financing were available, such financing may require us to post collateral in favor of the relevant lenders or impose other restrictions on our business and financial position. Such restrictions may adversely affect our operations and ability to grow our business as intended. A breach of the relevant covenants or other contractual obligations contained in any of our current or future external financing agreements may trigger immediate prepayment obligations or may allow the relevant lenders to seize collateral posted by us, all of which may adversely affect our business. In addition, if we raise capital through debt financing on unfavorable terms, this could adversely affect our operational flexibility and profitability.

An inability to obtain capital on economically acceptable terms, or at all, could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may experience malfunctions or disruptions of our technology systems.

We rely on a complex technology platform and technology systems to operate our websites and apps. While we analyze our technology systems regularly, we may not be able to correctly assess their susceptibility to errors, hacking or viruses. For example, certain software we use for our business is based on open-source software, which may expose our business to systemic problems if errors in the open-source code are not detected in a timely manner.

Our systems may experience service interruptions or degradation because of hardware and software defects or malfunctions, computer denial-of-service and other cyberattacks, human error, earthquakes, hurricanes, floods, fires, natural disasters, power losses, disruptions in telecommunications services, fraud, military or political conflicts, terrorist attacks, computer viruses, or other events. Our systems are also subject to break-ins, sabotage and intentional acts of vandalism. Some of our systems are not fully redundant, and our disaster recovery planning is not sufficient for all eventualities. In particular, as we have not yet completed a full disaster recovery check, we may not be aware of any material weaknesses in our disaster recovery systems. Any failure of or disruptions to our technology systems may lead to significant malfunctions and downtimes of our websites and apps. If our algorithms suffer from programing failures or our technology systems experience disruptions, we may be unable to deliver goods on time or misallocate goods, either of which could adversely affect our business. Furthermore, we do not have an adequate business continuity infrastructure, and any failure of a key piece of infrastructure may lead to extended outages and generally affect our business continuity. In addition, we may not adequately manage malfunctions. If we cannot fix any malfunction ourselves, we may have to pay third parties to fix the malfunction or to license functioning software, which may be costly.

We have experienced and will likely continue to experience system failures, denial-of-service attacks and other events or conditions from time to time that interrupt the availability or reduce the speed or functionality of our websites and mobile applications. Reliability is particularly critical for us because the full-time availability of our payment services is critical to our goal of gaining widespread acceptance among consumers and sellers, in particular with respect to digital and mobile payments. Frequent or persistent interruptions in our services could cause current or potential consumers to believe that our systems are unreliable, leading them to switch to our competitors or to avoid our sites, which could irreparably harm our reputation and brands. To the extent that any system failure or similar event results in damages to our consumers or their businesses, these consumers could seek significant compensation from us for their losses and such claims, even if unsuccessful, would likely be time consuming and costly to address.

In addition, we depend on certain third-party service providers to operate and maintain certain of our technology systems, such as cloud services. If such service providers experience malfunctions or disruptions of their technology or increase their prices, it could adversely affect our business. Furthermore, if we need to switch service providers, for example if certain software is no longer fully compatible with our technology platform or no longer available in any country in which we currently operate (e.g., due to sanctions), there is no guarantee that alternative service providers will be available to us or that we would manage the transition successfully.

As we continue to grow our business, we may be required to further scale our technology platform and technology systems, including by adding and migrating to new systems and proprietary software, replacing outdated hardware and increasing the integration of our technology systems. Such changes may, however, be delayed or fail due to malfunctions or an inability to integrate new software and functions with our existing technology platform, resulting in disruptions to our operations and insufficient scale to support our future growth. In addition, as a provider of payments solutions, we are subject to increased scrutiny by regulators that may require specific business continuity and disaster recovery plans and more rigorous testing of such plans. This increased scrutiny may be costly and time consuming and may divert our resources from other business priorities.

Any malfunctions and disruptions of our technology systems could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may experience security breaches and disruptions due to hacking, viruses, fraud, malicious attacks and other circumstances.

We operate websites, apps and other technology systems through which we collect, maintain, transmit and store sensitive information, such as credit or debit card information, about our consumers, sellers, suppliers and other third parties. We also store proprietary information and business secrets. Additionally, we employ third-party service providers that store, process and transmit such information on our behalf, in particular payment details. Furthermore, we rely on encryption and authentication technology licensed from third parties to securely transmit sensitive and confidential information. While we take steps such as the use of password policies and firewalls to protect the security, integrity and confidentiality of sensitive and confidential information, our security practices may be insufficient and third parties may access our technology systems without authorization – such as through trojans, spyware, ransomware or other malware attacks – which may result in unauthorized use or disclosure of such information. Such attacks might lead to blackmailing attempts, forcing us to pay substantial amounts to release our captured data or resulting in the unauthorized release of such data. Given that techniques used in these attacks change frequently and often are not recognized until launched against a target, it may be impossible to properly secure our technology systems. In addition, technical advances or a continued expansion and increased complexity of our technology platform could increase the likelihood of security breaches. For example, in early 2022, we experienced a cybersecurity incident in which an unauthorized third-party gained access to limited data within Jumia’s information technology systems. The incident did not impact our operations and we took remedial measures to contain it. While we intend to make additional investments into our information technology and systems to protect the security, integrity and confidentiality of our data, there can be no assurance that a similar incident will not happen in the future.

Security breaches may also occur as a result of non-technical issues, including intentional or inadvertent breaches by our employees or third-party service providers. Insufficient security practices, such as inadequate policies to enforce password complexity, the saving of username and password combinations on local browsers, any failure to update permissions granted to current or former employees, any weakness in access controls, the use of default credentials or their reuse coupled with the use of third-party cloud services, the use of unauthorized and unprotected software as well as inadequate physical protection against unauthorized access may make our technology systems vulnerable and lead to unauthorized disclosure of sensitive information.

Any leakage of sensitive information could lead to a misuse of data, including unsolicited emails or other messages based on spam lists fed with such data. Inefficient management of administrator and user accounts may increase the risk of fraud and malfunctions. In addition, any such breach could violate applicable privacy, data security and other laws, and cause significant legal and financial risks or negative publicity, and could adversely affect our business and reputation. We may need to devote significant resources to protect ourselves against security breaches or to address such breaches, and there is no guarantee that our resources will be sufficient to do so. Furthermore, we provide certain information to third-party service providers, such as Google, who help us assess the performance of our business. Consequently, we have only limited control over the protection of such information by the relevant third-party service providers and may be adversely affected by breaches and disruptions of their respective technology systems.

Security breaches and disruptions could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our markets pose significant operational challenges that require us to expend substantial financial resources.

We operate in emerging markets in Africa. While we believe that our markets offer opportunities for an e-commerce company, they are also characterized by fragmented and largely underdeveloped logistics, delivery, and digital payment landscapes, which can differ significantly in the consumer markets in which we operate. This underdeveloped infrastructure restricts and complicates the movement of people and goods, which may make our delivery service too expensive or our delivery times too long to effectively compete with offline stores, in particular outside of main urban centers. Underdeveloped infrastructure may also limit our growth prospects by obstructing access to potential consumers. Lack of an established, secure and convenient cashless payment system in many markets also poses significant challenges

for sellers. From our experience, we believe that a large percentage of our consumers either do not have a bank account or do not trust online payments, which is why cash on delivery is still a payment method used by many of our consumers.

In order to overcome the challenges posed by our markets, we have had to develop significant logistics, delivery and payment infrastructures, which include, for example, the operation of warehouses and drop-off centers, the integration of third-party logistics providers, the establishment of our own delivery and last-mile delivery fleet in certain cities, the design of our independent technology platform and the provision of unconventional payment options. These factors make our operations more complex than those of similar businesses in more developed markets and may place a higher risk on us, for example, due to a higher number of failed orders, the risk of fraud, increased regulatory risk or otherwise. The costs incurred by us to meet these challenges have, and may continue to, put a strain on our financial resources, may be unjustified in light of the benefits they bring us and may make it challenging for us to reach profitability. In particular, there is no guarantee that the markets in which we currently operate will prove to be as attractive as we currently believe them to be. The materialization of any of these risks could have a material adverse effect on our business, financial condition, results of operations and prospects.

Any failure to maintain, protect and enhance our reputation and brand may adversely affect our business.

The recognition and reputation of our brand among our platform participants are critical for the growth and continued success of our business and for our competitiveness in the markets in which we operate. Any loss of trust in our platform could harm the value of our brand and result in consumers and sellers ceasing to transact business on our marketplace or participants reducing the level of their commercial activity in our ecosystem, which could materially reduce our revenue and profitability. As competition intensifies, we anticipate that maintaining and enhancing our reputation and brand may become increasingly difficult and expensive, and investments to improve our reputation and increase the value of our brand may not be successful. Many factors, some of which are beyond our control, are important for maintaining and enhancing the reputation of our platform and brand, including our ability to:

- maintain and improve the reliability and security of our platform;
- maintain and improve the popularity, attractiveness, diversity, quality and value of the goods and services offered on our platform;
- increase brand awareness through marketing and brand promotion activities;
- preserve our reputation;
- maintain and improve our relationships with sellers;
- maintain and improve consumer satisfaction and loyalty;
- maintain and improve the efficiency, reliability and quality of our payment and logistics services; and
- manage new and existing technologies and sales channels, including our mobile applications.

Any failure to offer high quality goods and excellent consumer service could subject us to legal action or damage our reputation and brand and lead to a loss of consumers. For example, administrative agencies in several countries in which we operate require certification for various consumer goods before they can be offered for sale on our marketplace. Our third-party sellers are responsible for obtaining these certifications. If we allow third-party sellers to place their goods on our marketplace without proper certification, we might project to our consumers that they cannot always rely on goods available on our marketplace, we might be subject to fines or sanctions and we might face complaints from other compliant sellers. We also have procedures in place to ensure pre-shipping quality control checks, but, there can be no assurance that we will be able to catch all products that do not meet our quality standards, which could result in a loss of consumer confidence and harm our reputation. Our policy of delisting the sellers of noncompliant and/or low-quality goods until they produce the proper certificates and licenses or until their products meet our high-quality standards allows us to respond to complaints from administrative agencies and sellers. However, any delisting of sellers limits the total number of sales on our marketplace.

A large percentage of our products are offered by third-party sellers and delivered by third-party companies and are not completely within our control. Consequently, we may receive negative publicity, and in some cases may share liability, in cases of inappropriate actions of such sellers and delivery companies such as violations of product safety regulations, environmental standards, tax compliance, import rules, labor laws or incidents involving drivers and/or consumers that may make it more difficult for us to recruit new employees or may require us to change our business model. We also rely on third parties for information, including product characteristics and availability of goods we offer, which may be inaccurate. While our policy is to delist goods or sellers that fail to meet certain standards, there is no guarantee that we are capable of delisting these goods and sellers in a timely manner, or at all.

We may be the target of anti-competitive behavior, harassment, or other detrimental conduct by third parties, including from our competitors. Such conduct may include complaints, anonymous or otherwise, to regulatory agencies, which may arise from actions taken by third parties or our own commercial actions. As a result of such conduct, we may be subject to government or regulatory investigation and may be required to expend significant time and incur substantial costs to address such conduct. There is no guarantee that we will be able to conclusively refute each of the allegations within a reasonable period of time, or at all.

Any failure to maintain, protect and enhance our reputation and brands, whether as a result of our own actions or those of third parties, could have a material adverse effect on our business, financial condition, results of operations and prospects.

Failure to deal effectively with any fraud perpetrated and fictitious transactions conducted on our platform could harm our business.

We face risks with respect to fraudulent activities on our platform. Given the countries in which we operate, the number of participants on our platform and the fragmentation of our business, it is a challenge to anticipate, detect and address fraudulent activities. Although we have implemented various measures to detect and reduce the occurrence of fraudulent activities on our platform, there can be no assurance that such measures will be effective in combating fraudulent transactions or improving overall satisfaction among sellers, consumers and other participants. Additional measures that we take to address fraud could also negatively affect the attractiveness of our platform to sellers or consumers.

For example, we may receive complaints from consumers who may not have received goods that they had purchased, or complaints from sellers who have not received payment for the goods ordered. In addition to fraudulent transactions with legitimate consumers, sellers may also engage in fictitious or “phantom” transactions with themselves or collaborators in order to artificially inflate their own ratings on our marketplace, reputation and search results rankings. This activity may harm other sellers by enabling the perpetrating seller to be favored over legitimate sellers and may harm consumers by deceiving them into believing that a seller is more reliable or trusted than the seller actually is.

We have experienced improper sales practices, including practices engaged in by our independent sales consultants and a small number of our employees. Illegal, fraudulent or collusive activities by our employees could have a material adverse effect on our business, financial condition, results of operations and prospects and could subject us to liability or negative publicity. Allegations of employee misconduct have led us to improve our internal controls and our cash reconciliation system. We routinely monitor our internal controls, processes and procedures at a country and group level, but we can provide no assurances that such controls, processes and procedures will prove effective. Any illegal, fraudulent or collusive activity conducted by our employees could adversely affect our profitability and could severely damage our brand and reputation as an operator of a trusted marketplace, which could drive sellers, consumers and other participants away from our marketplace.

Negative publicity and consumer sentiment generated as a result of actual or alleged fraudulent or deceptive conduct on our platform or by our employees could severely diminish consumer confidence in us and in our services, reduce our ability to attract new or retain current consumers, sellers and other participants, discourage banks and card issuers from allowing their payment instruments to be used to conduct transactions on our platform, harm investor confidence, negatively affect our ability to raise additional capital, damage our reputation and diminish the value of our brand; any of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition to seller fraud and fraud committed by our employees, partners or other third parties, we face the risk of fraud perpetrated directly by our consumers. Consumer fraud may harm seller confidence in the integrity of our marketplace and the certainty of payment.

We do business in certain countries where corruption is considered to be widespread, and we are exposed to the risk of extortion and violation of anti-corruption laws and regulations.

Anti-corruption laws and regulations in force in many countries generally prohibit companies from making direct or indirect payments to civil servants, public officials or members of governments for the purpose of entering into or maintaining business relationships. In addition, we are subject to certain provisions of the U.S. Foreign Corrupt Practices Act of 1977 (“FCPA”). The FCPA prohibits providing, offering, promising, or authorizing, directly or indirectly, anything of value to government officials, political parties, or political candidates for the purposes of obtaining or retaining business or securing any improper business advantage. We conduct business in, or may expand our business to, certain countries where there is a high risk of corruption and extortion and in some cases, where corruption and extortion are considered to be widespread and where our companies may have to obtain approvals, licenses, permits, or other regulatory approvals from public officials.

Therefore, we are exposed to the risk that our employees, consultants, agents, or other third parties working on our behalf, could make, offer, promise or authorize payments or other benefits in violation of anti-corruption laws and regulations, especially in response to demands or attempts at extortion. We have implemented prevention and training programs as well as internal policies and procedures designed to promote best practices and detect and prevent such violations. However, these prevention and training measures may prove to be insufficient, and our employees, consultants and agents may have been or could be engaged in activities for which we or the relevant officers could be held liable. We can make no assurance that the policies and procedures, even if enhanced, will be followed at all times or effectively detect and prevent all violations of the applicable laws and every instance of fraud, bribery and corruption.

In addition, some anti-corruption laws and regulations, including the FCPA, require that we maintain accurate books and records that reflect the disposition of company assets in reasonable detail, and that we implement appropriate internal controls, to ensure that our operations do not involve corruption, illegal payments or extortion. The great diversity and complexity of these local laws and regulations and the decentralized nature of our business in various countries and markets create a risk that, in some instances, we may be deemed liable for violations of applicable laws and regulations, in particular, in connection with a failure to comply with those laws and regulations relating to books and records, financial reporting, or internal controls, among others.

Any actual or perceived violation or breach of these anti-corruption laws and regulations, including any potential governmental or internal investigations of perceived or actual misconduct, could affect our overall reputation and, depending on the case, expose us to administrative or judicial proceedings, which could result in criminal and civil judgments, including fines and monetary penalties, a possible prohibition on maintaining business relationships with suppliers or consumers in certain countries, and other negative consequences which could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may be subject to allegations, enforcement proceedings, and lawsuits concerning anti-money laundering and anti-terrorist financing.

As cash payments continue to be the most trusted and most widely used payment method in the countries in which we currently operate, our operations mainly depend on our “cash on delivery” payment option, where consumers pay for their order in cash upon delivery. We have implemented and aim to improve our various group-wide policies and procedures, including internal controls and “know-your-customer” procedures, and to comply with all applicable anti-money laundering and anti-terrorist financing laws and regulations for preventing money laundering and terrorist financing. However, our policies and procedures may not be completely effective in preventing other parties from using our platform, or any financial institutions we collaborate with, as a conduit for money laundering (including illegal cash operations) or terrorist financing without our knowledge. Although we take steps to conduct due diligence on our sellers, we cannot guarantee that our ecosystem is void of individuals and entities (collectively, “persons”) who are the target of U.S.

sanctions, including persons designated on the U.S. Department of the Treasury’s Office of Foreign Assets Control’s (“OFAC”) Specially Designated Nationals and Blocked Persons List or other international sanctions. In addition to our own internal procedures, we rely on certain payment and lending service providers, including banks and other financial institutions, to have their own appropriate anti-money laundering compliance policies and procedures. Any strengthening of our know-your-customer efforts as well as penalties for non-compliance with our policies, may deter certain sellers from doing business with us or may cause a number of our existing seller accounts to close, which may negatively affect the development of our business.

We have not been subject to fines or other penalties or suffered business or other reputational harm as a result of actual or alleged money laundering or terrorist financing activities. However, if we were to be associated with money laundering or terrorist financing, our reputation could suffer and we could become subject to regulatory fines, sanctions, potential criminal charges for failure to report such activity, or other forms of legal enforcement, including being added to any “blacklists” that would prohibit certain parties (for example, U.S. banks and financial institutions) from engaging in transactions with us, all of which could have a material adverse effect on our business, reputation, financial condition and results of operations. Even if we and any financial institutions with whom we collaborate continue to seek to comply with applicable anti-money laundering and anti-terrorist financing laws and regulations, we and such financial institutions may not be able to ensure full compliance with anti-money laundering and anti-terrorist financing laws and regulations in light of their complexity and the secrecy of these activities.

Any negative perception of us or our industry, such as that arising from any failure of us or others in our industry to detect or prevent money laundering or terrorist financing activities, even if factually incorrect or based on isolated incidents, could compromise our reputation, undermine the trust and credibility we have established, and negatively impact our business, financial condition, results of operations and prospects.

3.3 Opportunities report

We are the leading pan-African e-commerce platform. Our platform consists of our marketplace, which connects sellers with consumers, our logistics service, which enables the shipment and delivery of packages from sellers to consumers, and our payment service, JumiaPay, which, together with its network of licensed payment service providers and other partners, facilitates transactions among participants active on our platform in selected markets.

We are active in three regions in Africa, which consist of 11 countries that together accounted for approximately 70% of Africa’s GDP of \$3.0 trillion in 2022, according to estimates by the International Monetary Fund. Though still nascent, we believe that e-commerce in Africa is well positioned to grow.

We intend to benefit from the expected growth of e-commerce in Africa through the investments that we have made and the extensive local expertise that we have developed since our founding in 2012. Through our operations, we have developed a deep understanding of the economic, technical, geographic and cultural complexities that are unique to Africa, and which vary from country to country. We believe that our deep understanding has enabled us to create solutions that address the needs and preferences of our sellers and consumers in the most comprehensive and efficient way. We possess extensive local knowledge of the logistics and payment landscapes in the markets in which we operate, which we consider to be a key component of the success of our company. In addition, we take full advantage of the mobile-centric aspects of the African market, having adopted a “mobile-first” approach in our product development and marketing efforts, which allows us to expand the audience for our goods and services, increase engagement and conversion and reduce our consumer acquisition costs.

On our marketplace, a large and diverse group of over 100 thousand sellers offer goods across a wide range of categories, such as fashion and apparel, beauty and personal care, home and living, fast moving consumer goods, smartphones and other electronics. We also provide consumers in selected markets with easy access to a range of on-demand services via our Jumia Food platform, including delivery, from restaurants, grocery shops and convenience outlets. On our JumiaPay app, we offer a number of digital lifestyle services including utility bills payment, airtime recharge, gaming and entertainment, transport ticketing as well as financial services such as micro-loans, insurance or savings products. We had

8.4 million Annual Active Consumers as of December 31, 2022. We believe that the number and quality of sellers on our marketplace, and the breadth of their respective offerings, attract more consumers to our platform, increasing traffic and orders, which in turn attracts even more sellers to Jumia, creating powerful network effects. Our marketplace operates with limited inventory risk, as the goods sold via our marketplace are predominantly sold by third-party sellers, meaning the cost and risk of inventory remains with the seller. In 2022, almost 80% of the items sold on our marketplace were offered by third-party sellers.

Our logistics service, Jumia Logistics, facilitates the delivery of goods in a convenient and reliable way. It consists of a large network of leased warehouses, pick up stations for consumers and drop-off locations for sellers and a significant number of local third-party logistics service providers, whom we integrate and manage through our proprietary technology, data and processes. In certain cities, where we believe it is beneficial to enhance our logistics service, we also operate our own last-mile fleet.

Traditionally, consumers across Africa rely on cash to transact. We have designed our payment service, JumiaPay, to facilitate cashless online transactions between participants on our platform, with the intention of integrating additional financial services in the future. JumiaPay encompasses a number of functionalities. JumiaPay, with its network of licensed payment service providers and other partners, provides digital payment processing on our platform allowing for a fast and secure payment experience at checkout. JumiaPay also has a dedicated payment app, the JumiaPay app, through which we offer consumers a number of digital lifestyle services from a broad range of third-party service providers. Lastly, through Jumia Lending, our sellers can access financing solutions provided by third-party financial institutions, leveraging data from the sellers' transactional activity on our platform for credit scoring purposes. As of December 31, 2022, one or more JumiaPay services were available in eight markets: Egypt, Ghana, Ivory Coast, Kenya, Morocco, Nigeria, Tunisia and Uganda. JumiaPay Transactions and Total Payment Volume ("TPV") have both increased substantially since its launch. The number of JumiaPay Transactions reached 12.5 million in 2022 compared to 12.1 million in 2021. TPV reached \$285.3 million in 2022, up 8.4% compared to 2021.

Our operations benefit from a uniform technology platform coupled with coordinated local presence. Our unified, scalable technology platform has been developed by our technology and data team, which is predominantly located in Portugal and Egypt. This technology platform covers all relevant aspects of our operations, from data management, business intelligence, traffic optimization and consumer engagement to infrastructure, logistics and payments. We constantly collect and analyze data to help us optimize our operations, make our consumer experience more personal and relevant, and enable us, selected sellers and logistics partners to make informed real-time decisions. Our local teams in each of our countries of operations have access to, and may benefit from, the centralized data collection and analytics and are empowered to use the insights gained from our platform in order to take action locally.

We remain committed to taking the business to profitability, through a combination of fundamentals-led growth, enhanced cost discipline and balanced monetization. Despite a challenging macroeconomic backdrop in 2022, we delivered growth across all usage metrics. Annual Active Consumers reached 8.4 million, up 4% year-over-year. Orders reached 38.9 million, up 14% year-over-year. GMV reached €1.00 billion, up 19% year-over-year. We also drove faster monetization with Gross Profit increasing by 33% from €93.1 million in 2021 to €124.0 million in 2022, the highest level in the past 4 years. Although Adjusted EBITDA loss for the full year 2022 increased by 18,4% from €166.3 million to €196.9 million, we drove a significant reduction in the second half of 2022, both on quarter-over-quarter and year-over-year basis. Adjusted EBITDA loss reached €89.9 million in the second half of 2022, a 13% decrease compared to the first half of 2022 and a 16% decrease compared to the second half of 2021.

3.4 Summary of the Group's risk situation

The management believes that the critical risks that may impact our business have been recorded in the context of our risk management program and that no risks, other than those identified in our risk assessment, are currently discernible by Jumia that could endanger the continued existence of the Group.

4. Declaration on corporate management / corporate governance report

Jumia exercises the opportunity to summarise the information required under Section 289f HGB in a separate corporate governance report and to publish this on the Company's homepage.

5. Events after the balance sheet date

Concerning events after the balance sheet date we cite the reporting in the notes.

Berlin, June 21, 2023

The Management Board

Francis Dufay

Antoine Maillet-Mezeray

Independent auditor's report

To Jumia Technologies AG

Opinions

We have audited the consolidated financial statements of Jumia Technologies AG, Berlin, and its subsidiaries (the Group), which comprise the group balance sheet as of 31. December 2022, the group income statement, the group statement of other comprehensive income, group statement of changes in equity and group statement of cash flows for the fiscal year from 1. January to 31. December 2022, and notes to the financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Jumia Technologies AG for the fiscal year from 1. January to 31. December 2022. In accordance with German legal requirements, we have not audited the contents of the corporate governance statement published on the website indicated in the Group management report, which forms part of the Group management report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as of 31. December 2022 and of its financial performance for the fiscal year from 1. January to 31. December 2022, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. We do not express an opinion on the content of the consolidated governance statement referred to above.

Pursuant to Sec. 322 (3) Sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with Sec. 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report" section of our auditor's report. We are independent of the Group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have

obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the group management report.

Other information

The supervisory board and the executive directors are responsible for the other information. The other information comprises the corporate governance statement in accordance with Sec. 315d HGB in conj. w. Sec. 289f (4) Sentence 1 HGB.

Our opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the executive directors and the supervisory board for the consolidated financial statements and the group management report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting, unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's responsibilities for the audit of the consolidated financial statements and of the group management report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sec. 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with law, and the view of the Group’s position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.”

Berlin, 6. July 2023

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Kausch-Blecken von Schmeling
Wirtschaftsprüfer

Marsel
Wirtschaftsprüfer



Group financial statements

Financial statement as of and for the years ended December 31, 2022 and 2021

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JUMIA TECHNOLOGIES AG
GROUP STATEMENTS OF FINANCIAL POSITION

<i>In thousands of EUR</i>		As of December 31,	
	Note	2021	2022
Assets			
Non-current assets			
Property and equipment	7	19,238	26,626
Deferred tax assets	8	586	663
Other taxes receivable	20	—	5,575
Other non-current assets	9	2,291	3,358
Total Non-current assets		22,115	36,222
Current assets			
Inventories	10	9,651	10,685
Trade and other receivables	13	16,176	21,577
Income tax receivables		1,294	1,675
Other taxes receivable	20	3,328	5,949
Prepaid expenses	14	5,000	19,932
Term deposits and other financial assets	12	348,823	145,603
Cash and cash equivalents	11	103,214	66,873
Total Current assets		487,486	272,294
Total Assets		509,601	308,516
Equity and Liabilities			
Equity			
Share capital	15	199,753	201,230
Share premium	15	1,480,737	1,480,737
Other reserves	16	150,766	175,117
Accumulated losses		(1,467,185)	(1,693,858)
Equity attributable to the equity holders of the Company		364,071	163,226
Non-controlling interests		(385)	(429)
Total Equity		363,686	162,797
Liabilities			
Non-current liabilities			
Non-current borrowings	19	7,608	8,137
Trade and other payables	18	678	195
Deferred tax liabilities	8	—	840
Other taxes payable	20	—	1,634
Provisions for liabilities and other charges	21	596	830
Deferred income	22	771	322
Total Non-current liabilities		9,653	11,958
Current liabilities			
Current borrowings	19	3,442	4,799
Trade and other payables	18	67,064	60,009

Income tax payables	29	11,707	12,133
Other taxes payable	20	16,707	19,571
Provisions for liabilities and other charges	21	32,095	33,538
Deferred income	22	5,247	3,711
Total Current liabilities		136,262	133,761
Total Liabilities		145,915	145,719
Total Equity and Liabilities		509,601	308,516

The accompanying notes are an integral part of these consolidated financial statements.

JUMIA TECHNOLOGIES AG
GROUP STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

<i>In thousands of EUR</i>	Note	For the years ended December 31,		
		2020 <i>Restated</i>	2021 <i>Restated</i>	2022
Revenue	23	139,623	150,479	211,030
Cost of revenue		(45,140)	(57,342)	(86,996)
Gross profit		94,483	93,137	124,034
Fulfillment expense	24	(72,034)	(75,539)	(94,011)
Sales and advertising expense	25	(32,472)	(69,283)	(71,983)
Technology and content expense	26	(27,844)	(33,149)	(52,549)
General and administrative expense	27	(114,586)	(119,853)	(119,700)
Other operating income		3,326	1,197	1,984
Other operating expense		(101)	(236)	(82)
Termination benefits	27	—	—	(3,525)
Operating loss		(149,228)	(203,726)	(215,832)
Finance income	28	4,923	20,943	14,507
Finance costs	28	(14,038)	(8,737)	(18,658)
Loss before Income tax		(158,343)	(191,520)	(219,983)
Income tax expense	29	(2,615)	(373)	(6,637)
Loss for the period		(160,958)	(191,893)	(226,620)
Attributable to:				
Equity holders of the Company		(160,928)	(191,859)	(226,585)
Non-controlling interests		(30)	(34)	(35)
Loss for the period		(160,958)	(191,893)	(226,620)
Other comprehensive income / (loss) to be classified to profit or loss in subsequent periods				
Exchange differences gain / (loss) on translation of foreign operations		73,569	14,236	195,967
Other comprehensive income / (loss) on net investment in foreign operations		(74,406)	(3,002)	(173,570)
Other comprehensive income / (loss) on financial assets at fair value through OCI		—	(3,333)	(5,395)
Other comprehensive income / (loss)		(837)	7,901	17,002
Total comprehensive loss for the period		(161,795)	(183,992)	(209,618)
Attributable to:				
Equity holders of the Company		(161,811)	(183,946)	(209,570)
Non-controlling interests		16	(46)	(48)
Total comprehensive loss for the period		(161,795)	(183,992)	(209,618)

Earnings per share (EPS) in EUR:

Basic and Diluted Loss for the period attributable to ordinary equity holders of the parent	30	(1.00)	(0.99)	(1.13)
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The accompanying notes are an integral part of these consolidated financial statements.

JUMIA TECHNOLOGIES AG
GROUP STATEMENTS OF CHANGES IN EQUITY

<i>In thousands of EUR</i>	Attributable to equity holders of the Company					Non- controlling interests	Total Equity
	Share Capital	Share premium	Accumulated losses	Other reserves	Total		
As of January 1, 2020	156,816	1,018,276	(1,096,134)	104,114	183,072	(498)	182,574
Loss for the year	—	—	(160,928)	—	(160,928)	(30)	(160,958)
Other comprehensive loss	—	—	—	(883)	(883)	46	(837)
Total comprehensive loss for the year	—	—	(160,928)	(883)	(161,811)	16	(161,795)
Capital contribution	15,941	187,064	1	—	203,006	—	203,006
Capital contribution from exercised stock options	6,329	—	—	(5,649)	680	—	680
Share-based payments	—	—	—	11,110	11,110	—	11,110
Equity transaction costs	—	—	(11,402)	—	(11,402)	—	(11,402)
Change in Non-controlling interests	173	—	(256)	(69)	(152)	139	(13)
As of December 31, 2020	179,259	1,205,340	(1,268,719)	108,623	224,503	(343)	224,160
Loss for the year	—	—	(191,859)	—	(191,859)	(34)	(191,893)
Other comprehensive loss	—	—	2	7,911	7,913	(12)	7,901
Total comprehensive loss for the year	—	—	(191,857)	7,911	(183,946)	(46)	(183,992)
Capital contribution (Note 15)	17,926	275,394	—	—	293,320	—	293,320
Capital contribution from exercised stock options	2,568	—	—	(2,511)	57	—	57
Share-based payments (Note 17)	—	—	—	36,747	36,747	—	36,747
Equity transaction costs (Note 15)	—	—	(6,610)	—	(6,610)	—	(6,610)
Change in Non-controlling interests	—	3	1	(4)	—	4	4
As of December 31, 2021	199,753	1,480,737	(1,467,185)	150,766	364,071	(385)	363,686
Loss for the year	—	—	(226,585)	—	(226,585)	(35)	(226,620)
Other comprehensive loss	—	—	—	17,015	17,015	(13)	17,002
Total comprehensive loss for the year	—	—	(226,585)	17,015	(209,570)	(48)	(209,618)
Capital contribution (Note 15)	—	—	—	—	—	—	—
Capital contribution from exercised stock options	1,477	—	—	(1,452)	25	—	25
Share-based payments (Note 17)	—	—	—	8,785	8,785	4	8,789
Equity transaction costs (Note 15)	—	—	(87)	—	(87)	—	(87)
Change in Non-controlling interests	—	—	(1)	3	2	—	2
As of December 31, 2022	201,230	1,480,737	(1,693,858)	175,117	163,226	(429)	162,797

The accompanying notes are an integral part of these consolidated financial statements.

JUMIA TECHNOLOGIES AG
GROUP STATEMENTS OF CASH FLOWS

<i>In thousands of EUR</i>	Note	For the years ended December 31,		
		2020	2021	2022
Cash flows from operating activities				
Loss before Income tax		(158,343)	(191,520)	(219,983)
Depreciation and amortization of tangible and intangible assets	27	8,133	8,166	11,077
Impairment losses on loans, receivables and other assets	13	4,405	1,701	5,719
Impairment losses on obsolete inventories	10	471	352	1,852
Share-based payment expense	17	21,647	29,217	7,837
Net (gain)/loss from disposal of tangible and intangible assets		(17)	152	33
Change in provision for liabilities and other charges		5,455	(206)	449
Lease modification (income)/expense		(57)	(31)	22
Interest (income)/expense		613	(843)	(2,588)
Discounting effect (income) / expense		—	—	462
Net foreign exchange (gain)/loss		10,617	(6,475)	5,247
Net (gain)/loss on financial instruments at fair value through profit or loss	28	—	844	6,816
Impairment losses / (reversals) on financial assets at fair value through OCI		—	74	(33)
Net (gain)/loss recognized on disposal of debt instruments held at fair value through OCI	28	—	—	2,178
Share-based payment expense - settlement		—	(1,046)	(422)
(Increase)/Decrease in trade and other receivables, prepaid expenses and other tax receivables		5,356	(2,551)	(37,598)
(Increase)/Decrease in inventories		1,758	(3,172)	(3,839)
Increase/(Decrease) in trade and other payables, deferred income and other tax payables		2,587	22,276	(2,941)
Income taxes paid		(1,097)	(1,706)	(2,719)
Net cash flows used in operating activities		(98,472)	(144,768)	(228,431)
Cash flows from investing activities				
Purchase of property and equipment		(1,997)	(6,060)	(10,601)
Proceeds from sale of property and equipment		21	19	11
Purchase of intangible assets		(520)	(16)	(1)
Interest received		773	2,201	4,529
Movement in other non-current assets		49	(578)	(1,508)
Movement in term deposits and other financial assets	12	61,718	(337,912)	209,437
Net cash flows (used in) / from investing activities		60,044	(342,346)	201,867
Cash flows from financing activities				
Interest settled - financing		(34)	(63)	(39)
Payment of lease interest	19	(1,332)	(1,305)	(1,423)

Repayment of lease liabilities	19	(3,999)	(4,289)	(6,819)
Equity transaction costs		(11,193)	(6,579)	(76)
Capital Contributions		203,006	293,320	—
Proceeds from exercise of stock options		680	58	27
Net cash flows (used in) / from financing activities		187,128	281,142	(8,330)
Net (decrease)/increase in cash and cash equivalents		148,700	(205,972)	(34,894)
Effect of exchange rate changes on cash and cash equivalents		(13,820)	4,285	(1,447)
Cash and cash equivalents at the beginning of the period	11	170,021	304,901	103,214
Cash and cash equivalents at the end of the period	11	304,901	103,214	66,873

The accompanying notes are an integral part of these consolidated financial statements.

JUMIA TECHNOLOGIES AG
NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2020,
2021 AND 2022

1 Corporate information

The accompanying consolidated financial statements and notes present the operations of Jumia Technologies AG (the “Company” or “Jumia Tech”) and its subsidiaries (the “Group” or “Jumia”).

The Company was incorporated as Africa Internet Holding GmbH on June 26, 2012, and was transformed into Jumia Technologies AG, a German stock corporation on January 31, 2019. The Company is domiciled in Germany and has its registered office located at Skalitzer Strasse 104, 10997 Berlin, Germany. The Group operates in e-commerce across the African continent.

In April 2019 Jumia Tech became a listed company on New York Stock Exchange (NYSE), with ticker symbol “JMIA”.

Jumia is the leading pan-African e-commerce platform. Jumia’s platform consists of a marketplace, which connects sellers with consumers, a logistics service, which enables the shipping and delivery of packages from sellers to consumers, and a payment service, which facilitates transactions among participants active on Jumia’s platform.

The Group has incurred significant losses since its incorporation. The Group expects to continue generating losses as it makes the necessary investments to grow and/or rebalance its business. The Group will therefore continue to require additional funding either from existing or new shareholders.

The consolidated financial statements disclose all matters of which the Group is aware, and which are relevant to the Group’s ability to continue as a going concern, including all significant events and mitigating factors. Further details can be found in Note 33. The consolidated financial statements have been prepared on a basis which assumes that the Group will continue as a going concern, and which contemplates the recoverability of assets and the satisfaction of the liabilities and commitments in the normal course of business. The Group has sufficient resources to operate as a going concern for the next 12 months.

On June 30, 2023 the Supervisory Board authorized these consolidated financial statements for issuance.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

The consolidated financial statements of the Group (“consolidated financial statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the IASB.

The consolidated financial statements have been prepared on a historical cost basis except for certain financial assets, financial liabilities and share based compensation plan, which have been measured at fair value (as further disclosed within this Note). The consolidated financial statements are presented in EUR and all values are rounded to the nearest thousand (€000), except when otherwise indicated.

b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries are prepared for the same reporting year as the Company, using consistent accounting policies.

Subsidiaries are those investees that the Group controls because the Group (i) has power to direct relevant activities of the investees that significantly affect their returns, (ii) has exposure, or rights, to variable returns from its involvement with the investees, and (iii) has the ability to use its power over the investees to affect the amount of Group’s returns. The

existence and effect of substantive rights, including substantive potential voting rights, are considered when assessing whether the Group has power over another entity. For a right to be substantive, the holder must have practical ability to exercise that right when decisions about the direction of the relevant activities of the investee need to be made. The Group may have power over an investee even when it holds less than majority of voting power in an investee. In such a case, the Group assesses the size of its voting rights relative to the size and dispersion of holdings of the other vote holders to determine if it has de-facto power over the investee. Protective rights of other investors, such as those that relate to fundamental changes of investee's activities or apply only in exceptional circumstances, do not prevent the Group from controlling an investee. The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, revenue and expense of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognizes the related assets, liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognized in profit or loss. As of December 31, 2020, 2021 and 2022, the Group consolidated 66, 67 and 67 subsidiaries, respectively.

c) Current versus non-current classification

The Company presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is expected to be realized or intended to be sold or consumed in the normal operating cycle, held primarily for the purpose of trading or expected to be realized within twelve months after the reporting period. Cash and cash equivalents are presented as current unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current. A liability is current when it is expected to be settled in the normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period, or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. All other liabilities as non-current.

d) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment losses.

Costs of minor repairs and maintenance are expensed when incurred. The cost of replacing major parts or components of property and equipment items are capitalized and the replaced part is written off.

Whenever events or changes in market conditions indicate a risk of impairment of property and equipment, management estimates the recoverable amount, which is determined as the higher of an asset's fair value less costs to sell and its value in use. The carrying amount is reduced to the recoverable amount and the impairment loss is recognized in profit or loss for the year.

Depreciation on items of property and equipment is calculated using the straight-line method over their estimated useful lives, as follows:

	Useful life in years
Buildings	Up to 40
Transportation equipment	5 to 8
Technical equipment and machinery	3 to 10
Furniture and office equipment	5 to 15
Leasehold improvements	Shorter of useful life and the term of the underlying lease

The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. A recognized item of property and equipment and any significant part is derecognized upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of operations when the asset is derecognized.

e) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group only acts as a lessee.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are recognized in the statement of financial position as “Property and equipment” and are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Offices and Warehouses - 2 to 10 years
- Motor vehicles and other equipment 2 to 6 years

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including, in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

Lease expenses are primarily classified as ‘General and administrative expense’.

f) Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

The Group has financial assets in the form of bank deposits, trade notes and accounts receivable and other receivables and financial investments included in the item “Term deposits and other financial assets”.

Initial recognition and subsequent measurement

With the exception of trade receivables that do not contain a significant financing component, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15. Trade and other receivables are subsequently measured at amortized cost using the effective interest rate method.

The classification of financial assets that are debt instruments at initial recognition depends on the financial asset’s contractual cash flow characteristics and the Group’s business model for managing them.

Contractual cash flows arising from the financial assets are assessed by the Group as to whether they are ‘solely payments of principal and interest (SPPI)’ on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. The business model for managing financial assets that are debt instruments is either “hold to collect”, “hold to collect and sell” or other (such as when the asset is held for trading or is otherwise managed on a fair value basis).

In order for a financial asset that is a debt instrument to be classified and subsequently measured at amortized cost, contractual cash flows need to arise as SPPI and the business model for the financial asset must be to “hold to collect”. Amortized cost is measured according to effective interest rate method and interest income is recognized in “Finance income”.

A financial asset that is a debt instrument is classified and subsequently measured at fair value through other comprehensive income, if arising contractual cash flows are SPPI and the business model for the financial asset is “hold to collect and sell”.

Interest income is measured according to effective interest rate method and recognized in “Finance income”. Changes in fair value are recognized in other comprehensive income, and the accumulated amount is presented in the statement of financial position in Other reserves. The fair value reserve is reclassified to profit or loss when the investments are derecognized. Gains and losses upon disposal or maturity are recognized in “Finance income” or “Finance costs”. Changes in the allowance for expected credit losses are recognized in the statement of profit or loss in “Finance income” or “Finance costs”, against the fair value reserve.

Investments in debt instruments for which cash flows are not SPPI or for which the business model is “hold to sell” are subsequently measured at fair value through profit or loss. Interest and dividend income are recognized on an accrual basis and presented in “Finance income”. Changes in fair value are recognized in the statement of profit or loss in “Finance income” or “Finance costs”.

Impairment – expected credit losses model

Impairment of investments in debt instruments subsequently measured at amortized cost or fair value through comprehensive income, as well as of contract assets within the scope of IFRS 15, is recognized as an expected credit loss allowance against these assets, according to the IFRS 9 3-stage model based on changes in credit quality since initial recognition. A simplified approach is available for trade receivables and contract assets that do not contain a significant financing component.

Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition or that, under the available practical expedient, have low credit risk at the reporting date. For these assets, 12-month expected credit losses are recognized and interest revenue is calculated on their gross carrying amount.

Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition (except if they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, the allowance includes lifetime expected credit losses, and interest revenue is calculated on their gross carrying amount.

Stage 3 includes financial assets that have objective evidence of impairment at the reporting date. For these assets, the allowance is for lifetime expected credit losses and interest revenue is calculated on their carrying amount (net of the expected credit loss allowance).

Impairment – accounts receivable

The Group applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. The estimated ECL are calculated based on actual credit loss experience over a period that, per business, countries and type of customers, is considered statistically relevant and representative of the specific characteristics of the underlying credit risk. When calculating ECL, the expected recovery from collateral is taken into account. The Group has the contractual right to dispose of marketplace products and apply all proceeds of sales to discharge any amounts that are owed by sellers.

Using the practical expedient that is allowed by the standard, the Group has established provision matrices that are based on its historical credit loss experience for the previous years, adjusted for non-recurring events and for forward-looking factors per country which incorporated several macroeconomic elements such as the countries' GDP and unemployment rates. The expected loss rates are reviewed annually, or when there is a significant change in external factors potentially impacting credit risk, and are updated where management's expectations of credit losses change. The Group writes off accounts receivable no later than when the balance becomes 12 months past due.

Default and write-off of financial assets

The Group determines the probability of default upon the initial recognition of the asset. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Impairment – other financial assets

The Group's maximum exposure to credit risk for other financial assets as of December 31, 2021 and 2022 is the respective carrying amount.

As of December 31, 2021 and 2022, all of the Group's debt investments measured at fair value through other comprehensive income are considered to have low credit risk, and the loss allowance recognized during the period was therefore limited to the expected credit losses for 12 months. Management considers 'low credit risk' for listed bonds to be an investment grade credit rating by a major rating agency. The Group considers that credit risk increases significantly if the credit rating deteriorates to a non-investment grade rating.

The probability of default (PD) and loss given default (LGD) are determined for the investments on an individual basis, using available public corporate PD and LGD assessments of the securities performed by credit rating agencies, which incorporate both historical and forward-looking information, according to market standards. Forward-looking information includes credit rating outlooks and economic forecast measured using country gross domestic product (GDP) and credit default swap (CDS).

Financial liabilities

The Group has financial liabilities in the form of trade and other payables and deferred income that are initially recognized at fair value which primarily represents the original invoiced amount. They are subsequently measured at amortized cost using the effective interest method. "Interest expense is recognized in "Finance costs". Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Deferred

income is subsequently recognized as revenue in the Consolidated Statement of Operations and Comprehensive Income (Loss). A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expired.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

g) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating-unit's (CGU) fair value less costs of disposal and its value-in-use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

h) Inventories

Inventories are valued at the lower of cost or net realizable value. Cost of inventory is determined on first-in-first out basis (FIFO) method. The cost of inventory includes purchase costs and costs incurred to bring the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Impairment losses, if any, due to obsolete materials and slow inventory movement are deducted from the carrying amount of the inventories.

i) Cash and cash equivalents and term deposits

Cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less, for which the risk of changes in value is insignificant.

Term deposits are deposits placed with banks with an original maturity of more than three months and, therefore, not included as 'cash and cash equivalents' in the statements of financial position and consolidated statement of cash flows.

j) Value added tax

Output value added tax ("VAT") related to sales is payable to tax authorities on the earlier of (a) collection of receivables from consumers or (b) delivery of goods or services to consumers. Input VAT is generally recoverable against output VAT upon receipt of the VAT invoice. The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. When input and output VAT expire or are settled in different patterns, VAT is recognized in the statement of financial position and disclosed separately as an asset and liability.

Where a provision has been made for impairment of receivables, the gross amount of the debtor, including VAT, is provided for.

If the effect of the time value of money is material, tax receivables and payables are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the asset or liability. When discounting is used, the increase in the asset or liability due to the passage of time is recognized as a finance cost.

k) Provisions and contingent liabilities

Provisions are recognized when the Group has a present obligation (legal or constructive) because of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain.

The expense relating to a provision is presented in the consolidated statement of operations and comprehensive income (loss) along with any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Where it is more likely that no present obligation exists at the reporting date, the Group discloses a contingent liability, unless the possibility of an outflow of resources embodying economic benefit is remote, in which case no disclosure is required.

1) Foreign currency translation

Functional and presentation currency

Amounts included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Euro (EUR), which is the Group's presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities using exchange rates at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of operations within finance costs and finance income.

The Group considers that monetary long-term receivables from or loans to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future is, in substance, a part of the Group's net investment in that foreign operation. The related foreign exchange differences and income tax effect of the foreign exchange differences are included in the exchange difference on net investment in foreign operations within equity. In case of repayment, the Group has elected to maintain exchange differences in equity until disposal of the foreign operation. On disposal of a foreign operation, the deferred cumulative amount recognized in equity relating to that particular foreign operation is reclassified to the consolidated statement of operations and comprehensive income (loss).

The following tables present currency translation rates against the Euro for the Group's most significant operations.

Country	Currency	Year Ended December 31, 2020	
		Average Rate	Period-end Rate
Algeria	Algerian Dinar (DZD)	144.26	161.51
Cameroon	CFA Franc BEAC (XAF)	655.96	655.96
China	Yuan Renminbi (CNY)	7.87	8.01
Ivory Coast	CFA Franc BCEAO (XOF)	655.96	655.96
Egypt	Egyptian Pound (EGP)	18.00	19.26
Germany	Euro (EUR)	1.00	1.00
Ghana	Cedi (Ghana) (GHS)	6.53	7.17
Kenya	Kenyan Shilling (KES)	120.49	132.62
Morocco	Moroccan Dirham (MAD)	10.72	10.79
Nigeria	Naira (NGN)	431.77	469.67
Portugal	Euro (EUR)	1.00	1.00
Rwanda	Rwanda Franc (RWF)	1,078.01	1,195.13
Senegal	CFA Franc BCEAO (XOF)	655.96	655.96
South Africa	Rand (ZAR)	18.76	17.97
Tunisia	Tunisian Dinar (TND)	3.17	3.26
United Republic Of Tanzania	Tanzanian Shilling (TZS)	2,630.32	2,810.22
Uganda	Uganda Shilling (UGX)	4,214.64	4,451.04
United Arab Emirates	UAE Dirham (AED)	4.19	4.50
United States of America	US Dollars (USD)	1.14	1.23

Country	Currency	Year Ended December 31, 2021	
		Average Rate	Period-end Rate
Algeria	Algerian Dinar (DZD)	159.12	157.11
Cameroon	CFA Franc BEAC (XAF)	655.93	655.96
China	Yuan Renminbi (CNY)	7.63	7.21
Ivory Coast	CFA Franc BCEAO (XOF)	655.93	655.96
Egypt	Egyptian Pound (EGP)	18.52	17.79
Ghana	Cedi (Ghana) (GHS)	6.98	6.96
Kenya	Kenyan Shilling (KES)	128.63	127.34
Morocco	Moroccan Dirham (MAD)	10.52	10.39
Nigeria	Naira (NGN)	472.21	466.22
Portugal	Euro (EUR)	1.00	1.00
Rwanda	Rwanda Franc (RWF)	1,165.93	1,152.75
Senegal	CFA Franc BCEAO (XOF)	655.93	655.96
South Africa	Rand (ZAR)	17.47	18.06
Tunisia	Tunisian Dinar (TND)	3.25	3.26
United Republic Of Tanzania	Tanzanian Shilling (TZS)	2,728.96	2,605.23
Uganda	Uganda Shilling (UGX)	4,218.29	4,000.47
United Arab Emirates	UAE Dirham (AED)	4.34	4.17
United States of America	US Dollars (USD)	1.18	1.13

Country	Currency	Year Ended December 31, 2022	
		Average Rate	Period-end Rate
Algeria	Algerian Dinar (DZD)	149.26	147.02
Cameroon	CFA Franc BEAC (XAF)	655.96	655.96
China	Yuan Renminbi (CNY)	7.08	7.38
Ivory Coast	CFA Franc BCEAO (XOF)	655.96	655.96
Egypt	Egyptian Pound (EGP)	20.19	26.50
Ghana	Cedi (Ghana) (GHS)	9.45	10.92
Kenya	Kenyan Shilling (KES)	123.65	132.19
Morocco	Moroccan Dirham (MAD)	10.65	11.19
Nigeria	Naira (NGN)	444.76	479.60
Portugal	Euro (EUR)	1.00	1.00
Rwanda	Rwanda Franc (RWF)	1,084.69	1,142.06
Senegal	CFA Franc BCEAO (XOF)	655.96	655.96
South Africa	Rand (ZAR)	17.21	18.22
Tunisia	Tunisian Dinar (TND)	3.24	3.33
United Republic Of Tanzania	Tanzanian Shilling (TZS)	2,442.43	2,496.54
Uganda	Uganda Shilling (UGX)	3,871.43	3,979.14
United Arab Emirates	UAE Dirham (AED)	3.86	3.93
United States of America	US Dollars (USD)	1.05	1.07

Translation into presentation currency

On consolidation, the results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- i. Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- ii. Income and expense for each item of the statement of comprehensive income (loss) are translated at average exchange rates;

All resulting exchange differences arising on translation for consolidation are recognized in other comprehensive income.

m) Revenue from contracts with customers

The Group generates revenue primarily from commissions, sale of goods, fulfillment, marketing and advertising and provision of other services.

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The Group evaluates if it is a principal or an agent in a transaction to determine whether revenue should be recorded on a gross or a net basis, which requires Management judgment. In performing their analysis, the Group considers first whether it controls the goods or services before they are transferred to the customers and if it has the ability to direct the use of the goods or services or obtain benefits from them. The Group also considers the following indicators:

- The latitude in establishing prices and selecting suppliers
- The inventory risk borne by the Group before and after the goods have been transferred to the customer

When the Group is primarily obliged in a transaction, is subject to inventory risk, has all, or has several but not all of the indicators, the Group acts as principal and revenue is recorded on a gross basis. When the Group is not the primary obligor, does not bear the inventory risk and does not have the ability to establish price, the Group acts as agent and revenue is recorded on a net basis.

Revenue recognition policies for each type of revenue stream are as follows:

(1) Sales of goods

Revenue from sales of goods relates to transactions where Jumia acts directly as the seller, where it enters into an agreement with a consumer to sell goods. These goods are sold for a fixed price as determined by the Group and the Group bears the obligation to deliver those goods to the consumer. As such, the Group is considered to be the principal in these transactions and recognizes sales on a gross basis for the selling price at the point in time when the goods are delivered to the consumer. The delivery of the goods is not a separate performance obligation, as the consumer cannot benefit from the goods without the delivery, which must be performed by Jumia. Therefore, revenue for goods and delivery are recognized at a point in time.

(2) Third party sales

This revenue is related to the online selling platform which provides sellers the ability to sell goods directly to consumers. In this case, Jumia's performance obligation with respect to these transactions is to arrange the transaction through the online platform. Further, Jumia also delivers the goods to consumers on behalf of the sellers. The Group considers that Jumia has one performance obligation in respect of these transactions which is to arrange the sale and delivery of goods to consumers on behalf of sellers and since Jumia does not control the goods, it is an agent in these transactions. The

revenue from these transactions is recognized at a point in time when the goods are delivered to the end consumer which is the time when the Group satisfies its performance obligation.

Jumia generates the following revenues from these marketplace transactions:

2 a) Commission revenue

Jumia generates a commission fee (normally a percentage of the selling price) which it charges to sellers based on agreements with the sellers.

2 b) Fulfillment revenue

Jumia charges a delivery fee to consumers when delivering goods to consumers on behalf of the sellers which it recognizes as fulfillment revenue.

2 c) Value added service revenue

In some instances, Jumia also charges a delivery fee to sellers when delivering goods to consumers on behalf of the sellers which it recognizes as part of value-added services revenue.

(3) Marketing and advertising

The Group provides advertising services to vendors and non-vendors, such as performance marketing campaigns, placing banners on the Jumia platform or sending newsletters and notifications. The advertising services are contractually agreed with the advertisers. As Jumia establishes pricing and is primarily obliged to deliver these advertising services, revenue is recognized on a gross basis. The campaigns and banners can be run for a short period as well as be spread over a year and are therefore recognized at a point in time or over the period.

(4) Value added services

In addition to the delivery fee charged to sellers in respect of marketplace transactions noted above, the Group also provides other services to sellers for which it charges a fee such as logistics services (transportation, warehousing and packaging) of products ahead of shipment and technical support. As Jumia establishes pricing and controls the services, revenue is recognized on a gross basis. Revenue for warehousing is recognized over the period of storage of the goods while revenue for transportation, packaging of products and technical support is recognized when the respective service is completed.

(5) Other revenue

The Group provides logistic services to non-sellers in Jumia such as transportation of goods. Jumia is the principal in this activity and is also deciding the price and assuming the risk of non-performing the service. The performance obligation is satisfied when the shipping services are completed.

Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Group uses the expected value method to estimate the variable consideration given the large number of contracts that have similar characteristics. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognized as revenue. A refund liability is recognized for the goods that are expected to be returned (i.e., the amount not included in the transaction price) and a right of return asset for the right to recover products when a refund liability is settled.

Consumer incentives and subsidies

The Group grants incentives to its end consumers and subsidies to its marketplace vendors. Incentives to end consumers, which include discounts or vouchers, and marketplace subsidies to vendors are consideration payable to a customer and are recognized as a reduction of revenue.

Cost to obtain a contract

The Group pays sales commission or fees to parties for each contract that they obtain. The Group applies the optional practical expedient to immediately expense costs to obtain a contract if the amortization period of the asset that would have been recognized is one year or less. As such, sales commissions and fees are immediately recognized as an expense and included as part of sales and advertising expense.

Cost of revenue

The Group's cost of revenue includes the external costs directly attributable to fulfilling the performance obligations mentioned above, such as the purchase price of consumer products where Jumia acts directly as the seller. Certain expenses associated with third-party sales, such as compensation paid to sellers for lost, damaged or late delivery items, and shipping costs related to logistics services to non-sellers are also included in cost of revenue.

n) Fulfillment expense

Fulfillment expense consists of expense related to services of third-party logistics providers and payment processing expenses, which we refer to as freight and shipping, and expense mainly related to our network of warehouses, including employee benefit expense, which we refer to as fulfillment expense other than freight and shipping. Fulfillment expense other than freight and shipping represents those expenses incurred in operating and staffing our fulfillment and consumer service centers, including expense attributable to procuring, receiving, inspecting, and warehousing inventories and picking, packaging, and preparing consumer orders for shipment, including packaging materials. Lease expenses are primarily classified as "General and administrative expense". Fulfillment expense also includes expense relating to consumer service operations.

o) Sales and advertising expense

Sales and advertising expenses represent expenses associated with the promotion of our marketplace and include online and offline marketing expenses, promotion of the brand through traditional media outlets, certain expense related to our consumer acquisition and engagement activities and other expense associated with our market presence.

p) Technology and content expense

Technology and content expenses consist principally of research and development activities, including wages and benefits, for employees involved in application, production, maintenance, operation for new and existing goods and services, as well as other technology infrastructure expense.

q) General and administrative expense

General and administrative expense contains wages and benefits, including share-based payment expense, of management, seller management expense, commercial development expense, accounting and legal staff expense, consulting expense, audit expense, lease expense, office related utilities expense, insurance expense, tax expense other than income tax, other overheads and other material general expenses.

r) Employee benefits

Short-term benefits

Wages, salaries, paid annual leave and sick leave, bonuses, and other benefits (such as health services) are accrued in the year in which the associated services are rendered by the employees of the Group.

s) Share-based compensation

The Group operates share-based payment plans, under which directors and employees receive a compensation in form of equity instruments of the Company or cash for the services provided. Awards are granted with service and/or performance conditions.

For equity settled instruments, the total amount to be expensed for services received is determined by reference to the grant date fair value of the share-based payment award made. For share-based payment awards, we analyze whether the exercise price paid (or payable) by a participant, if any, exceeds the market price of the underlying equity instruments at the grant date. Any excess of (i) the estimated market value of the equity instruments and (ii) the exercise price results in share-based payment expense.

The share-based payment is expensed on a straight-line basis over the vesting period with a corresponding credit to equity. Management estimates the number of awards that will eventually vest. For awards with graded-vesting features, each instalment of the award is treated as a separate grant (i.e., each instalment is separately expensed over the related vesting period). For equity settled instruments, option awards issued by the Group are initially measured using Black-Scholes valuation model on the grant date and are not subsequently re-measured.

Certain of Jumia's share based compensation transactions are subject to non-market performance targets.

Depending on the vesting period and the performance measurement period, performance targets are classified as (i) non-vesting conditions or (ii) non-market performance vesting conditions.

For non-vesting condition, the probability of achieving the performance target is included in the computation of the award's fair value and is not subsequently re-assessed.

Non-market performance vesting conditions are not taken into consideration when determining the grant date fair value of an award. Instead, they are taken into consideration when estimating the number of awards that will vest. On a cumulative basis, no amount is recognized for goods or services received where an award does not vest, because a specified non-market vesting condition has not been met. As a result, the IFRS 2 expense can change during the vesting period, depending on changes in expectations. The number of awards, subject to non-vesting performance conditions, that will vest is estimated based on the most likely outcome.

For certain share-based compensation transactions the length of the vesting period depends on meeting a certain market condition. A market condition is a performance condition upon which the exercise price, vesting or exercisability of an equity instrument depends/ relates to the market price of the entity's equity instruments. Where the length of the vesting period depends on when a market performance condition is satisfied, the estimate of the expected length of the vesting period is based on the most likely outcome of the performance condition and is not subsequently revised.

When an award is cancelled (other than by forfeiture for failure to satisfy the vesting conditions) during the vesting period, it is treated as an acceleration of vesting, and the entity recognizes immediately the amount that would otherwise have been recognized for services received over the remainder of the vesting period. When an award is surrendered by an employee (other than by forfeiture for failure to satisfy the vesting conditions), it is accounted for as a cancellation.

When new equity instruments are granted during the vesting period of the currently vesting awards, and on the date that they are granted, they are identified as replacement of the currently vesting awards, they are treated as a modification. The incremental fair value of replacement awards is recognized over its vesting period, and the replaced awards continue to be expensed as scheduled.

In case there is modification of awards recognition, from equity-settled to cash-settled, a liability is recognized based on the fair value of the cash-settled award as at the date of the modification and to the extent to which the vesting period has expired. The entire corresponding debit is taken to equity.

For cash-settled share-based payments, a liability is recognized for the goods or services acquired, measured initially at the fair value of goods or services received. At each reporting date until the liability is settled, and at the date of settlement,

the fair value of the liability is remeasured, with any changes in fair value recognized in general and administrative expenses.

Share based payment expense are mainly sensitive to achievement of performance conditions. For the 2019, 2020 and 2021 plans, performance conditions are unlikely to be met. For the awards granted in 2022, the expense of the year is not materially sensitive to the achievement assessment of the performance condition since the awards were granted in December 2022.

t) Income taxes

The income tax charge comprises of current tax and deferred tax and is recognized in profit or loss for the year, unless it relates to transactions that are recognized directly in equity.

Current taxes are measured at the amount expected to be paid to or recovered from the taxation authorities on the taxable profits or losses based on the prevailing tax rates on the reporting date and any adjustments to taxes payable in previous years. Taxable profits or losses are based on estimates if financial statements are authorized prior to filing relevant tax returns. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

The calculation of deferred taxes is based on the balance sheet liability method that refers to the temporary differences between the tax bases of assets and liabilities and their carrying amounts. The method of calculating deferred taxes depends on how the asset's carrying amount is expected to be realized and how the liabilities will be paid. However, in accordance with the initial recognition exemption, deferred taxes are not recorded for temporary differences on initial recognition of an asset or a liability in a transaction other than a business combination if the transaction, when initially recorded, affects neither accounting nor taxable profit and does not give rise to equal taxable and deductible temporary differences. Deferred taxes are measured at tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets are offset against deferred tax liabilities if the taxes are levied by the same taxation authority and the entity has a legally enforceable right to offset current tax assets against current tax liabilities. Deferred tax assets for deductible temporary differences and tax loss carry forwards are recorded only to the extent that they are believed to be recoverable.

u) Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM), which are the same figures as those presented in the statement of operations. The chief operating decision maker is comprised of the acting CEO and the Executive Vice President, Finance & Operations. In the periods presented, the Group had one operating and reportable segment, an e-Commerce platform. Although the e-Commerce platform consists of different business platforms of the Group, the CODM makes decisions as to how to allocate resources based on the long-term growth potential of the Group as determined by market research, growth potential in regions, and various internal key performance indicators. The Group's geographical distribution of revenue and property and equipment was as follows:

Revenue <i>In thousands of EUR</i>	For the year ended December 31,		
	2020	2021	2022
West Africa ⁽¹⁾	63,105	70,501	105,122
North Africa ⁽²⁾	48,476	51,160	60,059
East and South Africa ⁽³⁾	27,107	27,130	37,387
Europe ⁽⁴⁾	728	279	281
United Arab Emirates	207	1,409	8,157
Others	—	—	25
Total	139,623	150,479	211,030

Property and equipment <i>In thousands of EUR</i>	As of December 31,	
	2021	2022
West Africa ⁽¹⁾	5,786	11,433
North Africa ⁽²⁾	7,618	8,384
East and South Africa ⁽³⁾	3,991	5,430
Europe ⁽⁴⁾	1,679	1,130
China	115	152
United Arab Emirates	49	97
Total	19,238	26,626

- (1) West Africa covers Nigeria, Ivory Coast, Senegal, Cameroon and Ghana.
(2) North Africa covers Egypt, Tunisia, Morocco and Algeria.
(3) East and South Africa covers Kenya, Tanzania, Uganda, Rwanda and South Africa.
(4) Portugal and Germany

3 Significant accounting estimates, judgments and assumptions in applying accounting policies

The preparation of the Group's consolidated financial statements requires its management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, including disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Climate change

Up to now, the Group has not been significantly impacted by climate change, and, currently, Management has not considered the climate-related risks as part of the Group's top key risks. Nevertheless, Management will continue monitoring every year the potential risks resulting from the effects of climate change. So far, Management has not identified nor considered any material impacts of climate change on assumptions used and on the Group's financial reporting (e.g. provisions, fixed assets, etc.).

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to align with the Group's business needs.

The Group has assessed potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term, and determined that there are no significant extension options expected not to be exercised nor significant termination options expected to be exercised.

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Principal versus agent considerations

The Group enters into contracts where it acts as a seller and determines the price and bears the obligation to deliver those goods to the consumer. Under these contracts, the Group determines that it controls the goods before they are transferred to customers and hence is a principal. Additionally, in cases where the group enters into transactions wherein it provides marketing services, it is obliged to render the services as well as has the discretion to set the price, and hence is considered as a principal in such transactions.

In cases where the Group enters into a contract that provides the selling platform to vendors to sell goods and services to consumers, the Group has no discretion in setting the price and has no inventory risk and hence is considered to be the agent in such transactions. The fulfillment services are seen as activities to fulfill the promise to transfer the goods to consumers. The sale and the delivery services together constitute a single performance obligation.

Classification and presentation of other financial assets

In 2021, the Group acquired investment grade bonds managed via a discretionary fund and in passively managed ETF funds. These investments are included in the statement of financial position as other financial assets. Further details can be found in Note 12.

Based on the terms of the discretionary fund agreement, the Group determines itself to be the principal in holding the investments in the bonds, which, as set out in the investment parameters, are held under a “hold to collect and sell” business model. The investments held via the discretionary fund are directly recognized by the Group and classified as financial assets measured at fair value through other comprehensive income.

The Group determines the investments in ETF funds meet the definition of investments in debt instruments. As the contractual cash flows arising from these investments are not SPPI (solely payments of principal and interest), the investments are classified as financial assets measured at fair value through profit or loss according to IFRS 9.

The amounts of other financial assets are presented as current whenever maturity of the investments is within 12 months of the reporting date or if the Group expects to sell the asset within 12 months.

Estimates and assumptions

Ukraine and Russia war

The effects of Ukraine and Russia war have required assessment of significant judgments and estimates to be made, including but not limited to:

- Estimates of net realizable value (NRV) of inventory may be subject to more estimation uncertainty than in the past, and determining the appropriate assumptions may require significant judgment, and,
- Estimates of expected credit losses (ECL) attributable to accounts receivable arising from sales to customers on credit terms, including the incorporation of forward-looking information to supplement historical credit loss rates.

The Group has assessed that the conflict in Ukraine did not have a significant impact on estimates and judgments. The Group continues to assess potential impact on an ongoing basis, more particularly as it relates to ECL and NRV provisions.

Covid-19

The effects of COVID-19 have required assessment of significant judgments and estimates to be made, including but not limited to:

- Determining the net realizable value (NRV) of inventory that has become slow moving due to the effects of COVID-19; and,
- Estimates of expected credit losses (ECL) attributable to accounts receivable arising from sales to customers on credit terms, including the incorporation of forward-looking information to supplement historical credit loss rates.

The Group has assessed that Covid 19 did not have a significant impact on estimates and judgments. The Group continues to assess potential impact on an ongoing basis, more particularly as it relates to ECL and NRV provisions.

Uncertain tax positions

The Group operates in certain countries where the application of tax rules to complex transactions is sometimes open to interpretation, both by the Group and taxation authorities. Tax systems, regulations and enforcement processes also have varying stages of development creating uncertainty regarding application of tax law and interpretation of tax treatments. The Group is also subject to regular tax audits in the countries where it operates. When there is uncertainty over whether the taxation authority will accept a specific tax treatment under the local tax law, that tax treatment is considered uncertain. The resolution of tax positions taken by the Group, through negotiations with relevant tax authorities or through litigation, can take several years to complete and, in some cases, it is difficult to predict the ultimate outcome. Therefore, Management's estimate is required to determine provisions for taxes.

Uncertain tax positions are assessed and reviewed by management at the end of each reporting period. Liabilities are recorded for tax positions that are determined by management as more likely than not to result in additional taxes being levied if the positions were to be challenged by the tax authorities. The assessment relies on estimates and assumptions and may involve a series of judgments about future events. These judgments are based on the interpretation of tax laws that have been enacted or substantively enacted by the end of the reporting period, and any known court or other rulings on such issues. Liabilities for penalties, interest and taxes are recognized based on management's best estimate of the expenditure required to settle the obligations at the end of the reporting period. Management's best estimate of the amount to be provided is determined by their judgment and, in some cases, reports from independent experts. Further details can be found in note 21.

Share-based compensation

For grants prior to May 10, 2019 (grants prior to IPO), the Group measured the fair value of its ordinary shares and of its call options as follows: the fair value of the Group's ordinary shares was based on the income approach to estimate the equity value of the Group. The future cash flows are discounted using a weighted average cost of capital that takes into consideration the stage of development of the business in each of the countries in which the Group operates.

For grants subsequent to May 10, 2019 (grants after IPO), the fair value of the share is based on the value per American Depositary Shares (ADS) of Jumia Technologies AG traded on the New York Stock Exchange.

The fair value of the Group's call options is derived from the fair value of the Group's ordinary shares measured based on the Black-Scholes-Merton formula with the underlying assumptions that:

- The options can be exercised only on the expiry date
- There are no taxes or transaction costs and no margin requirements

- The volatility of the underlying shares is constant and is defined as the standard deviation of the continuously compounded rates of return on the share over a specified period
- The risk-free interest rate is relatively constant over time

This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield.

For all awards subject to performance conditions, the probability of achieving the performance condition is derived based on a Monte Carlo simulation. For non-vesting conditions, the probability of achieving the condition is included at grant date in the fair value of the option. For vesting conditions, the probability of achieving the non-market performance condition is reassessed at least annually.

The determination of the several valuation inputs, including the probability of achieving performance targets is considered to be complex and subjective.

Further details can be found in Note 17.

Impairment of trade and other receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. The estimated ECL are calculated based on actual credit loss experience over a period that, per business, countries and type of customers, is considered statistically relevant and representative of the specific characteristics of the underlying credit risk.

Using the practical expedient that is allowed by the standard, the Group has established provision matrices that are based on its historical credit loss experience for the previous years, adjusted for non-recurring events and for forward-looking factors per country which incorporate several macroeconomic elements such as the countries' GDP and unemployment rates. The expected loss rates are reviewed annually, or when there is a significant change in external factors potentially impacting credit risk, and are updated where management's expectations of credit losses change.

Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity under credit risk.

Impairment of other financial assets

Other financial assets include debt instruments held under a business model of "hold to collect and sell", and are measured at fair value through other comprehensive income. The Group recognizes an allowance for expected credit losses according to the IFRS 9 3-stage model. All of the Group's debt investments measured at fair value through other comprehensive income are considered to have low credit risk (stage 1 of the 3-stage model), and the loss allowance recognized during the period was therefore limited to expected credit losses for 12 months.

Further details can be found in Note 33.

4 New accounting pronouncements

a) New standards, interpretations and amendments adopted by the Group

The impact of the adoption of the new standards and amendments to standards that became effective as of January 1, 2022 is as follows:

IFRS 16 amendment to Leases – COVID-19 related rent concessions beyond 30 June 2021

On 31 March 2021, the IASB published 'Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)' that extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification, allowing to recognise rent concessions related to COVID-19 as variable lease payments and not as a modification to the lease. The conditions of application of the practical expedient remain, and the extension of the practical expedient can only be applied by the lessees who applied the previous practical expedient. There is no material impact of the adoption of this amendment in the financial statements.

IFRS 3 amendments updating a reference to the Conceptual Framework

On May 14, 2020, the IASB issued 'Reference to the Conceptual Framework (Amendments to IFRS 3)' with amendments to IFRS 3 'Business Combinations' that update an outdated reference in IFRS 3 without significantly changing its requirements. This amendment also clarifies the accounting treatment to be given to contingent liabilities and liabilities under IAS 37 and IFRIC 21, incurred separately versus within a business combination. This amendment is applied prospectively. There is no material impact of the adoption of this amendment in the financial statements.

IAS 37 amendments regarding onerous contracts

On May 14, 2020, the IASB issued 'Onerous Contracts — Cost of Fulfilling a Contract (Amendments to IAS 37)'. This amendment specifies that when assessing whether a contract is onerous or not, only expenses directly related to the performance of the contract, such as incremental costs related to direct labor and materials and the allocation of other expenses directly related to the allocation of depreciation expenses of tangible assets used to carry out the contract, can be considered. This amendment must be applied to contracts that, at the beginning of the first annual reporting period to which the amendment is applied, still include contractual obligations to be satisfied, without restating comparatives. There is no material impact of the adoption of this amendment in the financial statements.

Annual Improvements 2018 - 2020

On May 14, 2020, the IASB issued 'Annual Improvements to IFRS Standards 2018–2020'. The pronouncement contains amendments to four International Financial Reporting Standards (IFRSs) as result of the IASB's annual improvements project. The 2018-2020 annual improvements impact: IFRS 1, IFRS 9, IFRS 16 and IAS 41. There is no material impact of the adoption of this amendment in the financial statements.

IAS 16 amendments regarding proceeds before intended use

On May 14, 2020, the IASB issued 'Property, Plant and Equipment — Proceeds before Intended Use (Amendments to IAS 16)'. This amendment changes the accounting treatment of the proceeds obtained from the sale of products that result from the production test phase of property, plant and equipment, prohibiting their deduction to the acquisition cost of assets. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented. There is no material impact of the adoption of this amendment in the financial statements.

b) Standards issued but not yet effective

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below.

IFRS 17 – Insurance contracts (new)

On 18 May 2017, the IASB issued 'IFRS 17 – Insurance contracts'. This new standard replaces IFRS 4 and applies to all entities issuing insurance contracts, reinsurance contracts and investment contracts with discretionary participation characteristics. IFRS 17 is based on the current measurement of technical liabilities at each reporting date. The current measurement can be based on a general model "building block approach" or a simplified one "premium allocation approach". The "building block approach" is based on discounted, probability-weighted cash flows, a risk adjustment and a contractual service margin ('CSM'), which represents the unearned profit of the contract. Subsequent changes in estimated

cash flows are adjusted against the contractual service margin, unless it becomes negative. IFRS 17 is applied retrospectively. The standard is effective for annual reporting periods beginning on or after January 1, 2023.

IFRS 17 – Insurance contracts (amendment)

On 25 June 2020, the IASB issued 'Amendments to IFRS 17' that includes specific changes in eight areas of IFRS 17, such as: i) scope; ii) level of aggregation of insurance contracts; iii) recognition; iv) measurement; v) modification and derecognition; vi) presentation of the Statement of Financial Position; vii) recognition and measurement of the Income statement; and viii) disclosures. This amendment also includes clarifications, which aim to simplify some of the requirements of this standard and ease transition. IFRS 17 is applied retrospectively. On the issue of this amendment the end date for applying IFRS 9 (temporary exemption or overlay approach) under the IFRS 4 standard, was extended to 1 January 2023, aligned with the effective date of IFRS 17.

IFRS 17 and IFRS 9 – Comparative Information (Amendment to IFRS 17)

On 9 December 2021, the IASB issued 'Initial Application of IFRS 17 and IFRS 9' that relates only to insurers' transitioning to the IFRS 17 and allows the adoption of a classification overlay to a financial asset for which the entity does not restate IFRS 9 comparative information. This amendment seeks to avoid temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented, when applying IFRS 17 for the first time, providing for (i) the application on a financial asset-by-financial asset basis; (ii) the presentation of comparative information as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset, but without requiring an entity to apply the impairment requirements of IFRS 9; and (iii) the obligation to use reasonable and supported information available at the transition date, to determine how the entity expects that financial asset to be classified in accordance with IFRS 9. This amendment is effective for annual periods beginning on or after 1 January 2023.

IAS 1 amendments on Disclosure of accounting policies

On 12 February 2021, the IASB issued 'Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)'. Amendment to the requirement to disclose the accounting policies based on "material" instead of "significant". The amendment specifies that an accounting policy information is expected to be material if, in its absence, the users of the financial statements would be unable to understand other material information in those same financial statements. Immaterial accounting policy information need not be disclosed. The IFRS Practice Statement 2 was also amended to provide guidance for the application of the concept of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

IAS 8 amendment on Definition of accounting estimates

On 12 February 2021, the IASB issued 'Definition of Accounting Estimates (Amendments to IAS 8)' to help entities to distinguish between accounting policies and accounting estimates. Introduction of the concept of accounting estimate and the way it is distinct from changes to accounting policies. The accounting estimates are defined as corresponding to monetary amounts that are subject to measurement uncertainty, used to achieve an accounting policy's objective(s). The amendments are effective for annual reporting periods beginning on or after January 1, 2023.

IAS 12 amendment to Deferred tax related to assets and liabilities arising from a single transaction

On 7 May 2021, the IASB issued 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)' that clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. IAS 12 will require entities to recognize deferred tax on specific transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. These applies to the recognition of: i) right-of-use assets and lease liabilities; and ii) decommissioning, restoration and similar liabilities, and the corresponding amounts recognized as part of the cost of the related asset, when not relevant for tax purposes. Such temporary differences are no longer subject to the initial recognition exemption for deferred taxes. The cumulative effect of initially applying the amendment is recognized as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the earliest comparative period presented. The amendments are effective for annual reporting periods beginning on or after January 1, 2023. The Group has estimated the impact of the future adoption of this amendment in the financial statements, considering the retrospective application. As of January 1, 2021, the estimated impact amounts to a EUR 410 thousand of retained earnings ("Accumulated losses") increase, a EUR 2,895 thousand

increase in total liabilities and a EUR 2,485 thousand increase in total assets. As of December 31, 2021, the estimated impact amounts to a gain of EUR 13 thousand and the total balance of deferred tax liabilities and deferred tax assets related to this amendment amounts to EUR 2,802 thousand and to EUR 2,406 thousand, respectively. As of December 31, 2022, the estimated impact amounts to a loss of EUR 166 thousand and the total balance of deferred tax liabilities and deferred tax assets related to this amendment amounts to EUR 3,598 thousand and to EUR 3,035 thousand, respectively.

IFRS 16 amendment on Lease Liability in a Sale and Leaseback

On 22 September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' that requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. The amendments are effective for annual reporting periods beginning on or after January 1, 2024.

IAS 1 amendment on the classification of debt with covenants

On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' that i) modifies the requirements introduced by amendments to IAS 1: Classification of Liabilities as Current or Non-current in January 2020 on how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances: Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.; and ii) defers the effective date of the 2020 amendments to 1 January 2024. The amendments are applied retrospectively in accordance with IAS 8 and earlier application is permitted. The amendments are effective for annual reporting periods beginning on or after January 1, 2024.

The group does not expect a material impact upon adoption of any of these standards, except for IAS 12 amendment as disclosed above, and is not planning early adoption.

5 Group Information

At December 31, 2022, Jumia consolidated the Parent entity (Jumia Technologies AG) and the following subsidiaries:

Company name	Country of incorporation	% control		Principal activities ⁽¹⁾
		December 31, 2021	December 31, 2022	
Africa Internet General Trading LLC	UAE	100.00	100.00	Services
Africa Internet Services SAS	FRANCE	100.00	100.00	Not active
African Internet Services S.A.	ANGOLA	100.00	—	—
AIH General Merchandise Algeria UG (haftungsbeschränkt) & Co. KG	GERMANY	100.00	100.00	Holding
AIH General Merchandise Cameroon UG (haftungsbeschränkt) & Co. KG	GERMANY	100.00	100.00	Holding
AIH General Merchandise Egypt UG (haftungsbeschränkt) & Co. KG	GERMANY	100.00	100.00	Holding
AIH General Merchandise Ivory Coast UG (haftungsbeschränkt) & Co. KG	GERMANY	100.00	100.00	Holding
AIH General Merchandise Kenya UG (haftungsbeschränkt) & Co. KG	GERMANY	100.00	100.00	Holding
AIH General Merchandise Morocco UG (haftungsbeschränkt) & Co. KG	GERMANY	100.00	100.00	Holding
AIH General Merchandise Nigeria UG (haftungsbeschränkt) & Co. KG	GERMANY	99.89	99.89	Holding

AIH General Merchandise Tanzania UG (haftungsbeschränkt) & Co. KG	GERMANY	100.00	100.00	Holding
AIH General Merchandise UG (haftungsbeschränkt) & Co. KG	GERMANY	100.00	100.00	Holding
AIH Subholding Nr. 10 UG (haftungsbeschränkt) & Co. KG	GERMANY	100.00	100.00	Holding
AIH Subholding Nr. 11 UG (haftungsbeschränkt) & Co. KG	GERMANY	100.00	100.00	Holding
AIH Subholding Nr. 8 UG (haftungsbeschränkt) & Co. KG	GERMANY	100.00	100.00	Holding
Atol Internet Services Ltd.	MAURITIUS	100.00	—	—
Atol Internet Services Rwanda	RWANDA	100.00	100.00	Not active
Atol Internet Services S.a.r.l. Tunisia	TUNISIA	100.00	100.00	Not active
Atol Ivory Coast SARL	IVORY COAST	100.00	100.00	Not active
Atol Services Gabon SARL	GABON	100.00	100.00	Not active
Atol Technology PLC	ETHIOPIA	100.00	100.00	Not active
Bambino 162. V V UG (haftungsbeschränkt)	GERMANY	100.00	100.00	General Partner
EasyTaxi Egypt	EGYPT	100.00	—	—
Ecart Internet Services Nigeria Ltd.	NIGERIA	99.89	99.89	Online retailer
Ecart Services Algeria SARL	ALGERIA	100.00	100.00	Not active
Ecart Services Cameroon Ltd.	CAMEROON	100.00	100.00	Not active
Ecart Services Ghana Ltd.	GHANA	100.00	—	—
Ecart Services Ivory Coast SARL	IVORY COAST	100.00	100.00	Online retailer
Ecart Services Kenya Ltd.	KENYA	100.00	100.00	Online retailer
Ecart Services Morocco Sarlau	MOROCCO	100.00	100.00	Online retailer
Ecart Services Tanzania Ltd.	TANZANIA	100.00	100.00	Not active
Helloyay Africa Integrated Services Ltd. (formerly: Lipco Internet Services Nigeria)	NIGERIA	100.00	100.00	Jumia Pay
Jade E-Services Algeria SARL	ALGERIA	100.00	100.00	Marketplace
Jade E-Services Ghana Ltd.	GHANA	100.00	100.00	Online retailer
Jade E-Services Kenya Ltd.	KENYA	100.00	100.00	Not active
Jade E-Services Senegal SARL (formerly: Hellofood Senegal SUARL)	SENEGAL	100.00	100.00	Online retailer
Jade E-Services South Africa Proprietary Ltd.	SOUTH AFRICA	100.00	100.00	Online retailer
Jade E-Services Tunisia SARL	TUNISIA	100.00	100.00	Not active
Jade E-Services Uganda Ltd.	UGANDA	100.00	100.00	Online retailer
Jolali Global Resources Ltd.	NIGERIA	99.89	99.89	Not active
Jumia Egypt LLC	EGYPT	100.00	100.00	Online retailer
Jumia Electronic Payment Services S.A.E	EGYPT	100.00	100.00	Jumia Pay
Jumia Eservices SARL	TUNISIA	100.00	100.00	Not active
Jumia Financial Services Ltd.	Nigeria	—	100.00	Jumia Pay
Jumia for Trading LLC	EGYPT	100.00	100.00	Not active
Jumia Payment Services Kenya Ltd.	KENYA	—	100.00	Jumia Pay

Jumia Payment Services Ltd.	UGANDA	—	100.00	Jumia Pay
Jumia Services FZ-LLC	UAE	100.00	100.00	Services
Jumia Services GmbH	GERMANY	100.00	100.00	Services
Jumia Technologies Cote D'Ivoire SARLU	IVORY COAST	100.00	100.00	Marketing services
Jumia Technologies Spain SLU	SPAIN	100.00	100.00	Services
Jumia Technologies SUARL	TUNISIA	100.00	100.00	Services
Jumia Technology Services (Shenzhen) Co., Ltd	CHINA	100.00	100.00	Services
Jumia UG (haftungsbeschränkt) & Co. KG	GERMANY	100.00	100.00	Holding
Jumia USA LLC	USA	100.00	100.00	Services
JumiaPay Tunisie Suarl	TUNISIA	—	100.00	Jumia Pay
Juwel 193 V V UG (haftungsbeschränkt) & Co. Zwölfte Verwaltungs KG	GERMANY	100.00	100.00	Holding
Juwel 193. V V UG (haftungsbeschränkt)	GERMANY	100.00	100.00	General Partner
Juwel 193. V V UG (haftungsbeschränkt) & Co. 132. Verwaltungs KG	GERMANY	100.00	100.00	Holding
Juwel 193. V V UG (haftungsbeschränkt) & Co. 23. Verwaltungs KG	GERMANY	100.00	100.00	Holding
Juwel 193. V V UG (haftungsbeschränkt) & Co. 24. Verwaltungs KG	GERMANY	100.00	100.00	Holding
Juwel 193. V V UG (haftungsbeschränkt) & Co. Fünfte Verwaltungs KG	GERMANY	100.00	100.00	Holding
Juwel 193. V V UG (haftungsbeschränkt) & Co. Vierte Verwaltungs KG	GERMANY	100.00	100.00	Holding
Juwel 194. V V UG (haftungsbeschränkt)	GERMANY	100.00	100.00	General Partner
Juwel 194. V V UG (haftungsbeschränkt) & Co. Erste Verwaltungs KG	GERMANY	100.00	100.00	Holding
Juwel E-Services Tanzania Ltd.	TANZANIA	100.00	100.00	Not active
Lendico S.A (PTY) Ltd.	SOUTH AFRICA	100.00	100.00	Not active
Lipco Internet Services Zimbabwe Ltd.	ZIMBABWE	100.00	100.00	Not active
Silveroak Internet Services Portugal, Unipessoal Lda	PORTUGAL	100.00	100.00	IT Services

(1) Principal activities as of December 31, 2022

The changes in scope during 2022 result from creation of new entities, mergers and liquidations.

Newly created entities in 2022 are Jumia Financial Services Ltd., Jumia Payment Services Kenya Ltd., Jumia Payment Services Ltd. and JumiaPay Tunisie Suarl. EasyTaxi Egypt, Atol Internet Services Ltd. and Ecart Services Ghana Ltd. were liquidated in 2022. African Internet Services S.A. was removed from the scope in 2022 due to loss of control.

6 Change in accounting policy and restatement of comparative figures

Change in accounting policy

The prior years figures in the Consolidated Statements of Operations and Comprehensive Income (Loss) have been reclassified to reflect the impact of the accounting policy change for all payment processing costs presented in prior periods as "General and administrative expense" (third parties payment processing costs) or as "Cost of revenue" (Jumia Pay processing costs) that are being presented together under "Fulfillment expense" starting from the current period. The Group believes this presentation provides alignment with the change of the Group business strategy and more relevant information for the users of the financial statements.

The change in accounting policy has no effect on the previously reported loss or equity of the Group.

Restatements

The prior years figures in the Consolidated Statements of Operations and Comprehensive Income (Loss) have been restated to reflect the impact of the reclassification of direct costs of providing logistic services to non-sellers at Jumia from "Fulfillment expense" to "Cost of revenue".

The restatement has no effect on the previously reported loss or equity of the Group.

The impacts in the Consolidated Statements of Operations and Comprehensive Income (Loss), of the change in accounting policy and restatement, are summarized as follows:

<i>In thousands of EUR</i>	For the year ended December 31,			
	2021 As previously reported	Change in accounting	Restatements	2021 As reclassified / restated
Cost of revenue	(56,988)	2,238	(2,592)	(57,342)
Gross profit	93,491	2,238	(2,592)	93,137
Fulfillment expense	(75,010)	(3,121)	2,592	(75,539)
General and administrative expense	(120,736)	883	—	(119,853)

<i>In thousands of EUR</i>	For the year ended December 31,			
	2020 As previously reported	Change in accounting	Restatements	2020 As reclassified / restated
Cost of revenue	(46,783)	2,109	(466)	(45,140)
Gross profit	92,840	2,109	(466)	94,483
Fulfillment expense	(69,313)	(3,187)	466	(72,034)
General and administrative expense	(115,664)	1,078	—	(114,586)

The prior year disclosure of "Trade and other receivables" has been restated to reflect the correction of an error in the write-off of accounts receivable. The write-off constitutes a derecognition event whereby the gross carrying amount of such receivables is reduced against the corresponding amount previously recorded as an allowance for expected credit losses. The Group writes off accounts receivable when they are deemed not recoverable, but no later than when the balance becomes 12 months past due.

Such restatement has no effect on the previously reported profit or equity of the Group.

The restatement is summarized as follows:

	For the year ended December 31,		
	2021	2021	Difference
<i>In thousands of EUR</i>	As previously reported	As restated	
Trade notes and accounts receivable	18,491	15,898	(2,593)
Less: Allowance for impairment of trade notes and accounts	(7,917)	(5,324)	2,593

Prior to April 1, 2021 the functional currency of Jumia Technologies AG and all its German subsidiaries, was the Euro (EUR). Jumia Technologies AG and its German holding subsidiaries centralize the financing and treasury management activities of the Group. Jumia Services GmbH is a German subsidiary that provides services for the Group. Functional currency is determined by the primary economic environment in which the entity operates. Management considers cash flow, financing activities, and the currency in which the majority of the expenses are denominated, as the relevant indicators to describe Jumia Technologies AG's and all the German subsidiaries' primary economic environment. Following the increase of our cash balances in USD as a result of our successive equity fund raisings and the increased use of USD for the payment of certain suppliers, USD and USD denominated assets represents a larger portion of these companies' total assets and a larger portion of these companies' expenses are denominated in USD, and this constitutes a significant change in economic conditions. Jumia, therefore determined that, as of April 1, 2021, the functional currency of these entities changed from Euro to USD.

The change in functional currency was accounted for prospectively from April 1, 2021. All items were translated into the new functional currency using the exchange rate at the date of the change. The resulting translated amounts for non-monetary items are treated as their historical cost. Exchange differences arising from the translation of a foreign operation previously recognized in other comprehensive income as net investment in a foreign operation are not reclassified from equity to profit or loss until the disposal of the operation.

Effective April 1, 2021, in line with the change in functional currency in Jumia Technologies AG and all its German subsidiaries, to reduce the potential for foreign exchange volatility in our reported earnings, the Group decided to change its presentation currency from EUR to USD. The Group applied the change to USD presentation currency retrospectively in 2021 and restated the comparative financial information for the relevant periods as if the new presentation currency had always been the Group's presentation currency.

The translation procedure is outlined below:

1. Income Statement and Statement of Cash Flows were translated into US dollars using average foreign currency rates (or the foreign currency rate at the date of the transaction if exchange rate fluctuates significantly) prevailing for the relevant period, to reflect the change in presentation currency in 2021.
2. Assets and liabilities in the Statement of Financial Position were translated into US dollars at the closing foreign currency rates on the relevant reporting dates, to reflect the change in presentation currency in 2021.
3. Share capital and Share premium were translated into US dollars at the closing foreign currency rates on the relevant reporting dates, to reflect the change in presentation currency in 2021.
4. The remaining equity components were translated into US dollars as if it had always been the presentation currency, to reflect the change in presentation currency in 2021.
5. Earnings per share and dividend disclosures were restated to US dollars, to reflect the change in presentation currency in 2021.

7 Property and Equipment

Movements in the carrying amount of property and equipment were as follows:

<i>In thousands of EUR</i>	Buildings	Technical equipment and machinery	Transportation equipment, office equipment and other	Right of use assets - Office and Warehouse	Total
Balance as of January 1, 2021	2,434	2,438	11,622	17,697	34,191
Additions and modifications ⁽¹⁾	322	701	5,037	3,461	9,521
Disposals	(457)	(291)	(1,346)	—	(2,094)
Reclassification	(284)	382	(105)	—	(7)
Effect of translation	89	60	368	552	1,069
Balance as of December 31, 2021	2,104	3,290	15,576	21,710	42,680
Additions and modifications ⁽¹⁾	835	2,902	6,865	7,124	17,726
Disposals	(29)	—	(64)	—	(93)
Reclassification	—	—	—	—	—
Effect of translation	(270)	(399)	(1,580)	(2,356)	(4,605)
Balance as of December 31, 2022	2,640	5,793	20,797	26,478	55,708
Accumulated depreciation					
Balance as of January 1, 2021	(1,608)	(1,389)	(7,908)	(6,727)	(17,632)
Depreciation charge	(340)	(705)	(2,371)	(4,571)	(7,987)
Accumulated depreciation on disposals	315	386	1,219	—	1,920
Lease modifications	—	—	—	728	728
Reclassification	129	(147)	35	—	17
Effect of translation	(58)	(29)	(205)	(196)	(488)
Balance as of December 31, 2021	(1,562)	(1,884)	(9,230)	(10,766)	(23,442)
Depreciation charge	(388)	(855)	(3,487)	(6,163)	(10,893)
Accumulated depreciation on disposals	2	—	48	—	50
Lease modifications	—	—	—	3,275	3,275
Reclassification	—	—	—	—	—
Effect of translation	162	150	828	788	1,928
Balance as of December 31, 2022	(1,786)	(2,589)	(11,841)	(12,866)	(29,082)
Carrying amount as of December 31, 2021	542	1,406	6,346	10,944	19,238
Carrying amount as of December 31, 2022	854	3,204	8,956	13,612	26,626

(1) The additions and modifications for the "Right of use of assets - Office and Warehouse" includes additions impact of EUR 9,883 thousand and modifications impact of EUR 2,759 thousand as of December 31, 2022 (December 31, 2021: additions impact of EUR 2,948 thousand and modifications impact of EUR 513 thousand).

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

<i>In thousands of EUR</i>	Right of use assets	Lease Liabilities
As at January 1, 2021	10,970	10,916
Additions	2,948	2,899
Depreciation	(4,571)	—
Interest expense	—	1,291
Lease modifications	1,241	1,174
Payments	—	(5,594)
Effect of translation	356	364
As at January 1, 2022	10,944	11,050
Additions	9,883	9,663
Depreciation	(6,163)	—
Interest expense	—	1,626
Lease modifications	516	566
Payments	—	(8,242)
Effect of translation	(1,568)	(1,727)
As at December 31, 2022	13,612	12,936

During 2022, the Group's main additions on Right of use assets includes new contracts for offices in Nigeria, Uganda, Egypt and China and warehouse facilities in Kenya, Algeria, Egypt, Ivory Coast and Nigeria.

During 2021, the Group's main additions on Right of use assets include renewal lease contract for an office in Portugal, new lease contract for an office in Egypt, Tunisia and China and a warehouse facility in Egypt.

The Group recognized rent expense from short-term leases of EUR 2,576 thousand in the year ended December 31, 2022 (2021: EUR 1,486 thousand and 2020: EUR 1,357 thousand).

The following are the amounts recognized in profit or loss:

<i>In thousands of EUR</i>	2020	2021	2022
Depreciation expense of right-of-use assets	(4,501)	(4,571)	(6,163)
Interest expense on lease liabilities	(1,328)	(1,291)	(1,626)
Expense relating to short-term leases	(1,357)	(1,486)	(2,576)
Total amount recognized in profit or loss	(7,186)	(7,348)	(10,365)

The Group had total cash outflows for leases of EUR 8,242 thousand in 2022 (2021: EUR 5,594 thousand and 2020: EUR 5,331 thousand). The Group also had non-cash additions to right-of-use assets and lease liabilities of EUR 9,883 thousand and EUR 9,663 thousand in 2022, respectively (2021: EUR 2,948 thousand and EUR 2,899 thousand, respectively and 2020: EUR 5,069 thousand and EUR 5,100 thousand, respectively).

8 Deferred Tax Assets and Liabilities

The Group records the tax effect resulting from temporary differences between the assets and liabilities determined on an accounting basis and on a tax basis. As of December 31, 2022 and December 31, 2021, on a consolidated basis, the movement by nature of Net Deferred Tax Assets and Liabilities are as follows:

<i>In thousands of EUR</i>	As of December 31,				
	2021	Profit / (Loss)	OCI Gain / (Loss)	Effect of translation	2022
Financial assets measured at fair value through OCI	—	—	3,922	(69)	3,853
Financial assets measured at fair value through PL	457	453	—	—	910
Tax losses	5,097	3,950	—	(347)	8,700
Tax benefits	586	64	—	—	650
Others	70	(71)	—	1	—
Deferred tax assets offset	(5,624)	(8,242)	—	416	(13,450)
Total Deferred tax assets	586	(3,846)	3,922	1	663

<i>In thousands of EUR</i>	As of December 31,				
	2021	Profit / (Loss)	OCI Gain / (Loss)	Effect of translation	2022
Assets depreciation and amortization	(392)	(518)	—	—	(910)
Unrealized foreign exchange gains - P&L	(4,755)	(8,645)	—	434	(12,966)
Others	(477)	63	—	—	(414)
Deferred tax liabilities offset	5,624	8,242	—	(416)	13,450
Total Deferred tax liabilities	—	(858)	—	18	(840)

<i>In thousands of EUR</i>	As of December 31,				
	2020	Profit / (Loss)	OCI Gain / (Loss)	Effect of translation	2021
Financial assets measured at fair value	—	438	—	19	457
Tax losses	—	4,897	—	200	5,097
Tax benefits	102	484	—	—	586
Others	—	68	—	2	70
Deferred tax assets offset	—	(5,403)	—	(221)	(5,624)
Total Deferred tax assets	102	484	—	—	586

<i>In thousands of EUR</i>	As of December 31,				
	2020	Profit / (Loss)	OCI Gain / (Loss)	Effect of translation	2021
Assets depreciation and amortization	(50)	(342)	—	—	(392)
Unrealized foreign exchange gains - P&L	—	(4,558)	—	(197)	(4,755)
Others	—	(458)	—	(19)	(477)
Deferred tax liabilities offset	—	5,432	—	192	5,624
Total Deferred tax liabilities	(50)	74	—	(24)	—

As mentioned on the accounting policies, Note 2 t), the offset between deferred tax assets and liabilities is performed at each subsidiary level.

Deferred tax liability for foreign currency exchange on net investment amounting to EUR 2.1 million (2021: EUR 2.3 million) was not recognized as the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

9 Other non-current assets

As of December 31, 2022, other non-current assets were comprised of rent, trade, and other term deposits amounting to EUR 3,215 thousand (2021: EUR 2,007 thousand), restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period, and other non-current assets amounting to EUR 138 thousand as of December 31, 2022 (2021: EUR 289 thousand).

10 Inventories

Inventories are comprised of the following:

<i>In thousands of EUR</i>	As of December 31,	
	2021	2022
Merchandise available for sale	10,913	13,005
Less: Provision for slow moving and obsolete inventories	(1,262)	(2,320)
Total Inventories	9,651	10,685

The total cost of revenue, which consists primarily of the purchase price of consumer products, recognized as an expense in the consolidated profit or loss was EUR 86,996 thousand (2021: EUR 57,342 thousand and 2020: EUR 45,140 thousand).

Provision for slow moving and obsolete inventories

The movement in the provision for inventories is as follows:

<i>In thousands of EUR</i>	Inventories Provision
Balance as of January 1, 2021	1,242
Additions	647
Reversal	(295)
Use of provision	(368)
Effect of translation	36
Balance as of December 31, 2021	1,262
Additions	2,112
Reversal	(260)
Use of provision	(582)
Effect of translation	(212)
Balance as of December 31, 2022	2,320

The provisions are reversed whenever correspondent items are either sold or returned to the vendors.

The increase in the provisions relates to a slower movement of stock and to the closure of some dark stores.

11 Cash and cash equivalents

Cash and cash equivalents are comprised the following:

<i>In thousands of EUR</i>	As of December 31,	
	2021	2022
Cash at bank and in hand	84,706	54,264
Short-term deposits	18,508	12,609
Total Cash and cash equivalents	103,214	66,873

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

The Group has no restricted cash on cash and cash equivalents as of December 31, 2022 (December 31, 2021: nil).

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified expected credit loss was immaterial, due to low credit risk rating of the financial institutions.

12 Term deposits and other financial assets

Term deposits and other financial assets are comprised the following:

<i>In thousands of EUR</i>	As of December 31,	
	2021	2022
Financial assets at fair value through profit or loss	175,417	36,106
Financial assets at fair value through OCI	172,529	108,484
Short term deposits - banks	877	1,013
Term Deposits and other financial assets	348,823	145,603

Deposits represent interest bearing deposits with a commercial bank for a fixed period of more than 3 months.

Other financial assets comprised the following:

<i>In thousands of EUR</i>	As of December 31,	
	2021	2022
Current financial assets measured at fair value through profit or loss	175,417	36,106
Current financial assets measured at fair value through other comprehensive income	172,529	108,484
Other financial assets – current	347,946	144,590

Financial assets measured at fair value through other comprehensive income comprise investments in listed investment grade bonds, via a discretionary account managed by Citi Private Bank, with the objective of maintaining capital and obtaining benchmark yields. The Group holds these investments under a “hold to collect and sell” business model as defined under IFRS 9. Interest income from financial assets at fair value through OCI are disclosed in Note 28. The reduction in the amount of the assets occurred throughout 2022, is explained by the sale of listed investment grade bonds and the fair value loss.

Financial assets measured at fair value through profit or loss comprise investments in Exchange Traded Funds (ETF), namely ETF shares held by the Group in passively managed subfunds of UBS (Lux) Fund Solutions, which track particular indexed, with the objective of obtaining returns in line with specific market benchmarks. Fair value variances are disclosed in Note 28. The reduction in the amount of the assets occurred throughout 2022, is explained by the sale of investments in Exchange Traded Funds (ETF) and the fair value loss.

Other financial assets are presented as current whenever maturity of the investments is within 12 months of the reporting date or if management expects to sell the asset within 12 months.

Fair value reserve

The movement in the fair value reserve for financial assets at fair value through other comprehensive income (“FVOCI”), including the allowance for expected credit losses (“ECL”), is as follows:

<i>In thousands of EUR</i>	OCI on financial assets at fair value
Balance as of December 31, 2020	—
Changes in fair value of financial assets	(3,407)
Changes in allowance for expected credit losses - increase / (reversal)	74
Changes recognized in other comprehensive income of the period (Note 16)	(3,333)
Balance as of December 31, 2021	(3,333)
Changes in fair value of financial assets	(11,462)
Deferred tax assets on fair value loss through other comprehensive income	3,922
Reclassification from fair value reserve to profit or loss of the period due to maturity or sale of financial assets	2,178
Changes in allowance for expected credit losses - increase / (reversal)	(33)
Changes recognized in other comprehensive income of the period (Note 16)	(5,395)
Balance as of December 31, 2022	(8,728)

Allowance for expected credit losses

The movement of allowance for expected credit losses (“ECL”) of other financial assets measured at fair value through other comprehensive income is as follows:

In thousands of EUR

	ECL of other financial assets
Balance as of December 31, 2020	—
Changes recognized in profit or loss as net impairment gains/losses on financial assets at fair value through other comprehensive income (Note 28)	74
Total changes in allowance for expected credit losses	74
Balance as of December 31, 2021	74
Changes recognized in profit or loss as net impairment gains/losses on financial assets at fair value through other comprehensive income (Note 28)	(32)
Total changes in allowance for expected credit losses	(33)
Balance as of December 31, 2022	41

13 Trade and other receivables

Trade and other receivables are comprised of the following:

<i>In thousands of EUR</i>	As of December 31,	
	2021 <i>Restated</i>	2022
Advances to suppliers	1,348	1,184
Trade notes and accounts receivable	15,898	22,815
Less: Allowance for impairment of trade notes and accounts receivable	(5,324)	(6,135)
Unbilled revenues	1,022	2,105
Other receivables	3,560	2,514
Less: Allowance for impairment of other receivables	(328)	(906)
Trade and other receivables	16,176	21,577

Allowance for expected credit losses

The movement of allowance for expected credit losses (“ECL”) of trade notes and accounts receivable and other receivables is as follows:

<i>In thousands of EUR</i>	ECL of trade notes and accounts receivable <i>Restated</i>	ECL of other receivables
Balance as of January 1, 2021	8,061	589
Additions	1,995	91
Reversal	(200)	(185)
Use of provision	(4,672)	(110)
Effect of translation	140	(57)
Balance as of December 31, 2021	5,324	328
Additions	5,112	809
Reversal	(48)	(154)
Use of provision	(3,292)	—
Effect of translation	(961)	(77)
Balance as of December 31, 2022	6,135	906

The ageing analysis of trade notes and accounts receivable is as follows:

<i>In thousands of EUR</i>	Total net	Total gross <i>Restated</i>	Total expected credit losses <i>Restated</i>	Neither past due nor impaired	Past due but not impaired		
					< 30 days	30 - 90 days	>90 days
As of December 31, 2021	10,574	15,898	(5,324)	3,616	4,146	443	2,369
As of December 31, 2022	16,680	22,815	(6,135)	4,494	7,626	1,299	3,261

See Note 33 for disclosure of how the Group manages and measures credit quality of trade and other receivables that are neither past due nor impaired.

14 Prepaid expenses

As of December 31, 2022, prepaid expenses were comprised of prepaid server hosting fees and software licenses EUR 13,473 thousand (2021: EUR 1,456 thousand), advance payments to the Group's partners for online payment services amounting to EUR 1,079 thousand (2021: EUR 1,043 thousand) and prepaid rent represents EUR 2,817 thousand (2021: EUR 524 thousand). The remaining amount of EUR 2,563 thousand is related to insurance and other goods and services (2021: EUR 1,977 thousand).

15 Share capital and share premium

Ordinary shares issued and fully paid as at December 31, 2022

Number of shares	Class	Par value (EUR)	Share capital (in thousands of EUR)	Share premium (in thousands of EUR)	Total
201,232,560	Ordinary	1	201,230	1,480,737	1,681,967
Total		1	201,230	1,480,737	1,681,967

The total authorized number of ordinary shares is 201,232,560 shares as at December 31, 2022 with a par value of EUR 1.00 per share. All issued ordinary shares are fully paid. Each ordinary share carries one vote.

During 2022, 1,478,438 shares were issued, all fully paid, relating to the settlement of different equity programs of the company. Related transaction costs of EUR 87 thousand are recognized directly in the accumulated losses.

Ordinary shares issued and fully paid as at December 31, 2021

Number of shares	Class	Par value (EUR)	Share capital (in thousands of EUR)	Share premium (in thousands of EUR)	Total
199,754,122	Ordinary	1	199,753	1,480,737	1,680,490
Total		1	199,753	1,480,737	1,680,490

The total authorized number of ordinary shares is 199,754,122 shares as at December 31, 2021 with a par value of EUR 1.00 per share. All issued ordinary shares are fully paid. Each ordinary share carries one vote.

During 2021, 2,568,954 shares were issued, all fully paid, relating to the settlement of different equity programs of the company. Related transaction costs of EUR 151 thousand are recognized directly in the accumulated losses. Furthermore, during March 2021, we completed an equity offering for which 17,925,922 shares were issued, all fully paid. Proceeds from the offering, net of commissions and expenses, were approximately USD 341 million (EUR 287 million). Transaction costs of EUR 6,459 thousand related to the offering are recognized directly in the accumulated losses.

Ordinary shares issued and fully paid as at December 31, 2020

Number of shares	Class	Par value (EUR)	Share capital (in thousands of EUR)	Share premium (in thousands of EUR)	Total
179,259,246	Ordinary	1	179,259	1,205,340	1,384,599
Total		1	179,259	1,205,340	1,384,599

The total authorized number of ordinary shares is 179,259,246 shares as at December 31, 2020 with a par value of EUR 1.00 per share. All issued ordinary shares are fully paid. Each ordinary share carries one vote.

During 2020, 6,502,784 shares were issued, all fully paid, relating to the settlement of different equity programs of the company. Related transaction costs of EUR 553 thousand are recognized directly in the accumulated losses. Furthermore, during December 2020, we completed an equity offering for which 15,939,968 shares were issued, all fully paid. Proceeds from the offering, net of commissions and expenses, were approximately USD 231 million (EUR 194 million). Transaction costs of EUR 10,849 thousand related to the offering are recognized directly in the accumulated losses.

16 Other Reserves

<i>In thousands of EUR</i>	<i>Share-based payment capital reserves</i>	<i>Exchange difference on net investment in foreign operations</i>	<i>Fair value reserve of financial assets at FVOCI</i>	<i>Currency translation adjustment</i>	<i>Total other reserves</i>
As of January 1, 2020	113,395	(69,464)	—	60,183	104,114
Other comprehensive loss	—	(74,437)	—	73,554	(883)
Total comprehensive loss for the year	—	(74,437)	—	73,554	(883)
Share-based payments	11,110	—	—	—	11,110
Exercise of options	(5,649)	—	—	—	(5,649)
Change in Non-controlling interests	—	—	—	(69)	(69)
As of December 31, 2020	118,856	(143,902)	—	133,669	108,623
Other comprehensive loss	—	(3,006)	(3,333)	14,250	7,911
Total comprehensive loss for the year	—	(3,006)	(3,333)	14,250	7,911
Share-based payments	36,747	—	—	—	36,747
Exercise of options	(2,511)	—	—	—	(2,511)
Change in Non-controlling interests	—	—	—	(4)	(4)
As of December 31, 2021	153,092	(146,908)	(3,333)	147,915	150,766
Other comprehensive loss	—	(173,564)	(5,395)	195,974	17,015
Total comprehensive loss for the period	—	(173,564)	(5,395)	195,974	17,015
Share-based payments	8,785	—	—	—	8,785
Exercise of options	(1,452)	—	—	—	(1,452)
As of December 31, 2022	160,425	(320,472)	(8,728)	343,892	175,117

The share-based payment reserve represents the Group's cumulative equity settled share option expense.

The exchange difference on net investment in foreign operations represents the cumulative amount of the exchange differences related to foreign operations that are consolidated.

The fair value reserve of financial assets at FVOCI represents the fair value changes on financial assets at fair value through other comprehensive income.

The Currency translation adjustment reserve represents the cumulative exchange differences on the translation of the Group's overseas subsidiaries into the Group's presentation currency.

17 Share-based compensation

Stock Option Program 2016 (JSOP 2016)

As at December 31, 2022, all options granted under the JSOP 2016 have been fully vested.

Jumia Technologies AG is authorized to opt to make payments in cash or settle in equity at the time of settlement of the awards. In some cases, the company is aware of restrictions, that generally relate to country-specific limitations on individual investment in foreign assets, that may require it to settle awards in cash. For the beneficiaries impacted by these restrictions, the Company's intention is to cash settle all outstanding awards in the future and they are recognized as cash-settled. The remaining awards are recognized as equity-settled as there is no constructive obligation to settle in cash as the past practice has always been to settle in equity and there is no valid expectation that the awards would be settled in cash.

During the year 2022, 219,481 options of the JSOP 2016 have been exercised, with an average exercise price of EUR 0.12. In total, 352,207 outstanding vested options exist as at December 31, 2022.

In connection with the JSOP 2016, Jumia recognized expenses of EUR (0.3) million for the twelve months ended December 31, 2022. (December 31, 2021: EUR (0.5) million and December 31, 2020 EUR 3.5 million).

Equity Programs 2019

Stock Option Program 2019

In 2019, Jumia Technologies AG established a new stock option plan, the SOP 2019, under which stock options were granted to beneficiaries. On May 15, 2020 additional stock options were granted under the SOP 2019.

Each stock option entitles the holder to receive one share of Jumia Technologies AG upon exercise and payment of an exercise price of EUR 1.00 per share. The stock options may be exercised after a waiting period of four years from the grant date and expire following seven years after the end of the waiting period. The exercise of stock options is not possible during defined blackout periods. Jumia may, at its sole discretion, settle vested stock options in cash instead of issuing shares in Jumia Technologies AG.

The stock options can only be exercised, if the average annual growth rate of the Gross Merchandise Value amounts to at least 10% during the four-year waiting period. If this target is not met, all options will lapse. This condition is classified under IFRS 2 as a non-market performance condition and thus, the probability of achievement has to be reassessed at each reporting date. Only for certain grants in 2020 this condition has been classified as a non-vesting condition, as the vesting period is shorter than the performance period. In this case, the probability of achievement has been derived as at the grant date and is reflected in the fair value and is not reassessed subsequently.

Moreover, the stock options are subject to vesting requirements. The stock options shall generally vest in one or more tranches. The SOP 2019 plan sets out several criteria of bad leaver and good leaver cases. For beneficiaries, who are members of the management board, the total vesting period shall be at least four years and all unexercised options will be forfeited, if the employee resigns and start working for a competitor within six months after resignation. If other beneficiaries (i.e. not members of the management board) resign before the vesting date as specified in the individual grant agreements and are classified as good leaver, all vested stock options will be retained.

However, all unexercised stock options will be forfeited, if a beneficiary terminates the employment within four years after the IPO on April 12, 2019.

The stock options granted in 2020 will vest either 3 or 4 years after the IPO according to the individual grant agreements.

If Jumia Technologies AG pays dividends during the waiting period or exercise period, the beneficiaries are entitled to receive a dividend payment for each vested but not yet exercised stock option. However, Jumia Technologies AG does not expect to pay dividends during the next years.

Jumia Technologies AG is entitled, at its sole discretion, to settle any claims under the SOP 2019 either in cash or in equity. As specified above, for JSOP 2016, the SOP 2019 was recognized as a cash-settled plan for certain beneficiaries and as an equity-settled plan for all other beneficiaries.

The fair values of the cash-settled stock options as of December 31, 2022 are derived from the Black-Scholes-Merton model with the following inputs:

	December 31, 2021	December 31, 2022
Fair value per share ⁽¹⁾	USD 5.02	USD 1.50
Exercise price per share	EUR 1.00	EUR 1.00
Risk-free interest rate ⁽²⁾	0.0%	2.0%
Expected dividend yield ⁽³⁾	0%	0%
Expected life (years) ⁽⁴⁾	1.4 years	0.4 years
Expected volatility ⁽⁵⁾	55.0%	111.9%
Fair value of options	EUR 4.03	EUR 0.90

1. The Fair value per share is derived from the value of an ADS of Jumia Technologies AG traded on the New York Stock Exchange divided by the conversion ratio of 2 (1 ADS represents 2 shares of Jumia Technologies AG).
2. Risk-free interest rate is based on German government bond yields consistent to the expected life of options, A risk free rate of 0% is considered as a floor.
3. Expected dividend yield is assumed to be 0% based on the fact that the Group has no history or expectation of paying a dividend .
4. Expected life of share options is based on the minimum waiting period.
5. Expected volatility is assumed based on the historical volatility of the Company in the period equal to the expected life of each grant.

For the SOP 2019, Jumia recognized expenses of EUR (5.2) million for the twelve months ended December 31, 2022 (December 31, 2021 EUR 3.0 million and December 31, 2020 EUR 0.1 million), primarily due to the reversal of stock grant expenses related to performance targets that were not met or not expected to be met.

SOP 2019	Number of awards	Weighted average remaining life	Weighted average exercise price (EUR)	Weighted average fair value (EUR)
Unvested awards outstanding at January 01, 2022	1,304,804	1.4	1.00	5.86
Granted during the period	—	—	—	—
Exercised during the period	—	—	—	—
Forfeited during the period	(1,243,947)	—	—	—
Cancelled during the period	—	—	—	—
Vested during the period	—	—	—	—
Unvested awards outstanding at December 31, 2022	60,857	0.3	1.00	0.73

Virtual Restricted Stock Unit Program 2019

In 2019, Jumia Technologies AG established a new Virtual Restricted Stock Unit Program (VRSUP 2019), under which Restricted Stock Units (RSU) were granted to beneficiaries. In 2020, additional RSUs were granted under the VRSUP 2019.

Jumia Technologies AG is entitled, at its sole discretion, to settle any claims under the VRSUP 2019 either in cash or in equity. As specified above, for JSOP 2016, the VRSUP 2019 was recognized as a cash-settled plan for certain beneficiaries and as an equity-settled plan for all other beneficiaries.

No RSUs are subject to any performance conditions or a maximum payout amount (cap).

All RSUs will be forfeited if a beneficiary, who is a member of the board of management, resigns and starts working for a competitor within twelve months after the resignation. Other beneficiaries need to remain employed with Jumia Technologies AG until the vesting date as specified in the individual grant agreement in order to avoid any forfeiture.

At December 31, 2022, all RSUs granted under VRSUP 2019 have vested.

For the VRSUP 2019, Jumia recognized expenses of EUR nil for the twelve months ended December 31, 2022 (December 31, 2021 EUR 1.1 million and December 31, 2020 EUR 5.6 million).

Equity Programs 2020

Stock Option Program 2020

In 2020, with the approval of the annual general meeting of shareholders, Jumia Technologies AG established a new stock option plan, the SOP 2020, under which Jumia granted an individual number of stock options to beneficiaries under the terms and conditions of the SOP 2020.

Each stock option entitles the holder to receive one share in Jumia Technologies AG (or 0.5 ADS as 1 ADS represents 2 shares of Jumia). The option can be exercised after a waiting period of four years at a price which is determined based on the average share price of the last 60 trading days prior to the contract date of the individual grant agreements. The exercise period starts directly after the waiting period and ends two years following the expiry of the waiting period. The exercise of stock options is prohibited during defined blackout periods. Jumia may, at its sole discretion, settle each vested stock option in cash instead of issuing a share in Jumia Technologies AG.

The stock options can only be exercised, if the average annual growth rate of the Gross Merchandise Value amounts to at least 10% during the four years waiting period. If this performance target is not met, all options will lapse. For specific grants under the 2020 Plan this condition is classified under IFRS 2 as a non-market performance condition and thus, the probability of achievement has to be reassessed at each reporting date. For all other grants this condition has been classified as a non-vesting condition. In this case, the probability of achievement has been derived as at the grant date and is reflected in the fair value and is not reassessed subsequently.

Moreover, there are stock options granted to certain beneficiaries with an additional criteria which relates to reaching certain profitability targets. This second condition is as well either classified as a non-market performance condition or as a non-vesting condition depending on the vesting period of the grants and the respective period in which the condition has to be met.

The stock options are subject to vesting requirements.

The stock options shall generally vest in two tranches. Two-thirds of the granted stock options vest after two years from the grant date. The remaining one-third of the granted stock options vest after three years from the grant date.

Beneficiaries who are members of the management board will forfeit the right to exercise their options if they resign and start working for a competitor within six months after resignation.

Other beneficiaries will keep all vested stock options.

If Jumia pays dividends during the waiting period or exercise period, the beneficiaries are entitled to receive a dividend payment for each vested but not yet exercised stock option. However, Jumia does not expect to pay dividends during the next years.

Jumia Technologies AG is entitled, at its sole discretion, to settle any claims under the SOP 2020 either in cash or in equity. As specified above, for JSOP 2016 and others, the SOP 2020 was recognized as a cash-settled plan for certain beneficiaries and as an equity-settled plan for all other beneficiaries.

The fair values of the cash-settled SOPs are derived from the Black-Scholes-Merton model with the following inputs:

	December 31, 2021	December 31, 2022
Fair value per share ⁽¹⁾	EUR 5.02	EUR 1.50
Exercise price per share	USD 1.84	EUR 1.84
Risk-free interest rate ⁽²⁾	0.4%	4.8%
Expected dividend yield ⁽³⁾	0%	0%
Expected life (years) ⁽⁴⁾	2.4	1.4
Expected volatility ⁽⁵⁾	55.0%	111.9%
Weighted average of Fair value of Options	EUR 3.44	EUR 0.70

- (1) The Fair value per share is derived from the value of an ADS of Jumia Technologies AG traded on the New York Stock Exchange divided by the conversion ratio of 2 (1 ADS represents 2 shares of Jumia Technologies AG).
- (2) Risk-free interest rate is based on US government bond yields consistent to the expected life of options
- (3) Expected dividend yield is assumed to be 0% based on the fact that the Group has no history or expectation of paying a dividend
- (4) Expected life of share options is based on the minimum waiting period.
- (5) Expected volatility is assumed based on the historical volatility of the Company in the period equal to the expected life of each grant.

As each stock option entitles the holder to receive one share of Jumia, the fair value per ADS and the exercise price per ADS must be divided by 2 in order to derive the value per option.

For the SOP 2020, Jumia recognized expenses EUR (1.0) million for the twelve months ended December 31, 2022 (December 31, 2021 EUR 1.6 million and December 31, 2020 EUR 1.0 million).

	Number of awards	Weighted average remaining life	Weighted average exercise price (USD)	Weighted average fair value (EUR)
Unvested awards outstanding at January 01, 2022	2,260,833	1.4	1.84	1.83
Granted during the period				
Granted as a replacement during the period				
Replaced during the period				
Forfeited during the period	(1,266,111)			
Cancelled during the period				
Vested during the period	(827,222)			
Unvested awards outstanding at December 31, 2022	167,500	0.4	1.84	1.18

The 2020 annual general meeting of shareholders also approved the Virtual Restricted Stock Unit Program 2020 (the "VRSUP 2020"). Jumia granted an individual number of restricted stock units (RSU) to beneficiaries under the terms and conditions of the VRSUP 2020. On April 1, 2021, additional RSUs were granted under the VRSUP 2020.

Grants are based on individual grant agreements.

Each beneficiary received an individual grant agreement that includes the individual number of RSUs. Each RSU entitles the holder to receive a cash payment equal to the ten trading days average share price after the publication by the Company of the later of its last half year report or its last annual financial statements.

In general, the RSUs shall vest one year after the grant and will be paid out as soon as reasonably practicable following the expiration of a period of twelve trading days after the publication of Jumia's first half year report or annual financial statements after the vesting date.

No RSUs are subject to any performance conditions or a maximum payout amount (cap).

Jumia Technologies AG is entitled, at its sole discretion, to settle any claims under the VRSUP 2020 either in cash or in equity. As specified above, for JSOP 2016, the VRSUP 2020 was recognized as a cash-settled plan for certain beneficiaries and as an equity-settled plan for all other beneficiaries.

At December 31, 2022, all RSUs granted under VRSUP 2020 have vested.

For the VRSUP 2020, Jumia recognized expenses of EUR 1.0 million for the twelve months ended December 31, 2022 (December 31, 2021 EUR 6.0 million and December 31, 2020 EUR 11.4 million).

Equity Programs 2021

Stock Option Program 2021

By resolution of the Company's General Meeting, dated June 9, 2021, the Stock Option Program 2021 (SOP 2021) was approved. Jumia granted a specific number of stock options to beneficiaries under the terms and conditions of the SOP 2021.

Each stock option entitles the holder to receive one share of Jumia (or 0.5 ADS as 1 ADS represents 2 shares of Jumia). The option can be exercised after a four-year waiting period, commencing on the grant date, at a price which is determined based on the average share price of the last 30 trading days prior to the grant date. The exercise period starts directly after the waiting period and ends two years following the expiration of the waiting period. The exercise of stock options is prohibited during defined black-out periods. Jumia is entitled to elect, at its sole discretion, a cash payment for each vested stock option instead of issuing one share.

The stock options are subject to vesting requirements. The awards are (i) divided in tranches of options vesting upon defined years of service and (ii) can only be exercised if a non-market performance condition, related to reaching a certain growth target of the Gross Merchandise Value during a defined period, is met. The probability of achievement of this performance target has been derived based on a Monte Carlo simulation and it has to be reassessed at each reporting date.

Beneficiaries who are members of the management board will forfeit the right to exercise their options if they resign (before the term of office) and start working for a competitor within the six months following the resignation.

Other beneficiaries will keep all stock options that are vested.

If Jumia pays dividends during the waiting period or exercise period, the beneficiaries are entitled to receive a dividend payment for each vested but not yet exercised stock option. However, Jumia does not expect to pay dividends during the next years.

As each stock option entitles the holder to receive one share of Jumia, the Fair value per ADS and the exercise price per ADS have to be divided by 2 in order to derive the value per option.

During 2022, the two beneficiaries of JSOP2021 unconditionally forfeited the stock options granted to them under the program. JSOP2021 and its associated conditional capital were subsequently cancelled without payment of any kind in order to allow the Company in the future to create a new virtual restricted stock unit or other equity incentive program.

Jumia recognised the amount that otherwise would have been recognised for services received over the remainder of the vesting period, EUR 4.0 million.

	Number of awards	Weighted average remaining life (years)	Weighted average exercise price (USD)	Weighted average fair value (EUR)
Unvested awards outstanding at January 01, 2022	823,458	4.00	14.21	4.84
Granted during the period	-	-	-	-
Granted as a replacement during the period	-	-	-	-
Replaced during the period	-	-	-	-
Forfeited during the period	-	-	-	-
Cancelled during the period	(823,458)	-	-	-
Vested during the period	-	-	-	-
Unvested awards outstanding at December 31, 2022	—	—	—	—

For the SOP 2021, Jumia recognized expenses of EUR 4.0 million for the twelve months ended December 31, 2022 (December 31, 2021 EUR 0.6 million).

Virtual Restricted Stock Unit Program 2021

The 2021 annual general meeting of shareholders also approved the Virtual Restricted Stock Unit Program 2021 (the “VRSUP 2021”). Jumia granted a specific number of virtual restricted stock units (“VRSUs”) to beneficiaries under the terms and conditions of the VRSUP 2021.

Grants are based on individual grant agreements.

Each beneficiary received an individual grant agreement that includes the specific number of VRSUs. Each VRSU entitles the holder to receive a cash payment equal to the average of the Relevant Closing Price on the first five Trading Days after the publication by the Company of its first press release announcing year-end financial results after the vesting date.

Jumia Technologies AG is entitled, at its sole discretion, to settle any claims under the VRSUP 2021 either in cash or in equity. As specified above, for JSOP 2016 and others, the VRSUP 2021 was recognized as a cash-settled plan for certain beneficiaries and as an equity-settled plan for all other beneficiaries.

The vesting period and conditions may vary according to participants seniority. The awards are divided in tranches which vest upon determined years of service. Moreover, certain awards are subject to additional criteria which includes reaching certain growth target, profitability and share price targets. These conditions are either classified as non-market performance conditions or as non-vesting conditions depending on the vesting period of the grants and the respective period in which the condition has to be met.

In the event the Participant’s office term as member of the Management Board or the Participant’s service or employment relationship with the Company ends before settlement and the Participant qualifies as a “Bad Leaver”, all VRSUs will be forfeited.

If the Participant does not qualify as a “Bad Leaver”, it shall retain all VRSUs already vested and not yet settled.

The fair value per VRSU was derived based on the observable stock price of Jumia as at the reporting date or at the grant date depending on the cash- or equity-settled classification. The fair value per cash-settled VRSU amounts to EUR 1.50. The average fair value per equity-settled RSU amounts to EUR 4.61. The average fair value per equity-settled RSU amounts to EUR 2.03 for the VRSUP 2021 granted in 2022.

For the VRSUP 2021, Jumia recognized expenses of EUR 9.3 million for the twelve months ended December 31, 2022 (December 31, 2021 EUR 17.3 million).

For all plans, Jumia recognized share-based compensation expenses of EUR 7.8 million for the twelve months ended December 31, 2022 (December 31, 2021 EUR 29.2 million and December 31, 2020 EUR 21.6 million).

For certain geographies, equity awards are settled on a net basis, i.e., the group withhold shares for settlement of tax obligations plan on behalf of employees under share-based compensation plans.

During 2021, Jumia modified the classification of certain awards from equity-settled to cash-settled, driven by a change in expectations regarding the method of settlement.

At the date of modification, a liability was recognized based on the fair value of the cash-settled award as at that date and to the extent to which the vesting period has expired.

18 Trade and other payables

Trade and other payables are comprised of the following:

<i>In thousands of EUR</i>	As of December 31,	
	2021	2022
Trade payables	20,971	16,992
Invoices not yet received	22,764	17,983
Accrued employee benefit costs	11,193	10,998
Share-based compensation - Cash settled payable	1,772	529
Trade Deposits	1,331	1,011
Sundry accruals	9,711	12,691
Trade and Other Payables	67,742	60,204
Current	67,064	60,009
Non-current	678	195

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 0-90 day terms
- Other payables are non-interest bearing and have an average term of 1-2 months
- For terms and conditions with related parties, refer to Note 31.
- For explanations on the Group's financial risk management processes, refer to Note 33.

Sundry accruals relate principally to consultancy, legal, marketing, IT and logistics services payables.

19 Borrowings

Lease liabilities are presented in the statement of financial position as follows:

<i>In thousands of EUR</i>	As of December 31,	
	2021	2022
Current	3,442	4,799
Non-current	7,608	8,137
Total Lease liabilities	11,050	12,936

Set out below is the maturity of the lease liabilities classified as non-current:

<i>In thousands of EUR</i>	One to five years	More than five years	Total
Lease liability future payments	8,132	5	8,137

The Group has several lease contracts that include extension and termination options. Whenever the contracts do not include a mutual agreement clause, the Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. Future cash outflows as of December 31, 2022 to which the Group is potentially exposed that are not reflected in the measurement of lease liabilities amounts to EUR 0.8 million and relates to new contracts signed in 2023 and potential renewals.

Changes in liabilities arising from financing activities

<i>In thousands of EUR</i>	January 1, 2021	Additions	Payments	Reclassification	Effect of translation	December 31, 2021
Current lease liabilities	2,966	3,530	(5,594)	2,454	86	3,442
Non-current lease liabilities	7,950	1,834	—	(2,454)	278	7,608
Total liabilities from financing activities	10,916	5,364	(5,594)	—	364	11,050

<i>In thousands of EUR</i>	January 1, 2022	Additions	Payments	Reclassification	Effect of translation	December 31, 2022
Current lease liabilities	3,442	5,310	(8,242)	4,702	(413)	4,799
Non-current lease liabilities	7,608	6,545	—	(4,702)	(1,314)	8,137
Total liabilities from financing activities	11,050	11,855	(8,242)	—	(1,727)	12,936

Additions include EUR 1,626 thousand of accrued interest as of December 31, 2022 (December 31, 2021: EUR 1,291 thousand) as described in Note 7.

Lease payments not recognized as a liability

The group has elected not to recognize a lease liability for short term leases (leases of expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognized as lease liabilities and are expensed as incurred.

The expense relating to payments not included in the measurement of the lease liability is as follows:

<i>In thousands of EUR</i>	As of December 31,	
	2021	2022
Short-term leases	1,486	2,576
Variable lease payments	112	75
Total expense	1,598	2,651

At December 31, 2022 the Group was committed to short-term leases and the total commitment at that date was EUR 1,053 thousand (December 31, 2021: EUR 1,486 thousand).

20 Other taxes receivable & Other taxes payable

Other taxes receivable are comprised of the following:

<i>In thousands of EUR</i>	For the year ended December 31,	
	2021	2022
Value added taxes	2,361	10,284
Other taxes receivable	967	1,241
Other taxes receivable	3,328	11,525
Current	3,328	5,950
Non-Current	—	5,575

Other taxes payable are comprised of the following:

<i>In thousands of EUR</i>	For the year ended December 31,	
	2021	2022
Value added taxes	5,364	11,063
Withholding Tax	10,388	9,728
Other taxes payable	955	414
Other taxes payable	16,707	21,205
Current	16,707	19,571
Non-Current	—	1,634

Value added taxes receivable comprises a maturity of 3.5 years and value added taxes payable comprises a maturity of 2.0 years.

21 Provisions for liabilities and other charges

Movements in provisions for liabilities and other charges are as follows:

<i>In thousands of EUR</i>	Uncertain tax positions	Marketplace and consignment goods	Provision for other expenses	Total
Balance as of January 1, 2021	30,029	798	1,338	32,165
Additions	2,545	265	617	3,427
Reversals	(2,772)	(409)	(119)	(3,300)
Use of provision	(270)	—	(63)	(333)
Reclassification	—	45	(45)	—
Effect of translation	634	21	77	732
Balance as of December 31, 2021	30,166	720	1,805	32,691
Additions	2,911	235	1,080	4,226
Reversals	(2,185)	(284)	(92)	(2,561)
Use of provision	(637)	—	(579)	(1,216)
Reclassification	—	—	—	—
Effect of translation	1,388	(52)	(108)	1,228
Balance as of December 31, 2022	31,643	619	2,106	34,368
Current	31,643	619	1,276	33,538
Non-current	—	—	830	830

Uncertain tax positions

Uncertain tax positions includes provisions related to VAT for EUR 9,206 thousand (2021: EUR 8,736 thousand), provisions related to Withholding Tax (WHT) for EUR 20,595 thousand (2021: EUR 20,770 thousand) and provisions related to other taxes for EUR 1,842 thousand (2021: EUR 665 thousand). Provision is calculated based on the detailed review of uncertain tax positions completed by management across the group and in consideration of the probability of a liability arising, within the applicable statute of limitations.

Marketplace and consignment goods

The provision for marketplace and consignment goods relates to the lost and damaged items, to be reimbursed to the vendors. Provision is calculated based on the detailed review of these items, and it is expected to be utilized during the exercise period of 2023.

Provision for other expenses

Provision for other expense includes end of service provision of EUR 830 thousand (2021: EUR 596 thousand), various litigation and penalty provisions of EUR 1,164 thousand (2021: EUR 1,200 thousand) and restructuring provision of EUR 112 thousand (2021: EUR 10 thousand). The provisions are calculated based on our best estimate considering past experience.

22 Deferred income

Deferred income consists of EUR 822 thousand (2021: EUR 1,247 thousand) related to a depositary fee from BNY Mellon, deferred over the course of 5 years and thus, EUR 322 thousand (2021: EUR 771 thousand) classified as non-current in the consolidated statement of financial position. Our depositary agreement with BNY Mellon contains a compensation for each ADS issued during our primary (IPO) and secondary offerings. This compensation is accrued over the term of the agreement. Other amounts refers to contract liabilities related to payments received from end customers in advance for goods that have been ordered but are not yet delivered. As of December 31, 2022 contract liabilities amounts to EUR 3,030

thousands (2021: EUR 5,056 thousand). The total amount of the contract liability, as of the beginning of the period, was recognized as revenue in 2022.

23 Revenue

Revenue is comprised of the following:

<i>In thousands of EUR</i>	For the year ended December 31,		
	2020	2021	2022
Sales of goods	44,179	55,077	80,827
Commissions	34,642	29,891	45,490
Fulfillment	32,409	30,776	30,220
Value added services	19,059	21,705	31,237
Marketing and advertising	7,709	9,115	17,158
Other revenue	1,625	3,915	6,098
Revenue	139,623	150,479	211,030

No single customer accounted for more than 5% of Group revenues for the years ended December 31, 2022, 2021 and 2020.

The breakdown of the Group's revenue from contracts with customers by region is disclosed in the Note 2 u) Segments.

24 Fulfillment expense

Fulfillment expense is comprised of the following:

<i>In thousands of EUR</i>	For the year ended December 31,		
	2020	2021	2022
	<i>Restated</i>	<i>Restated</i>	
Fulfillment staff costs	17,558	17,111	22,156
Fulfillment centers expense	3,623	4,210	5,760
Freight and shipping expense	50,853	54,218	66,095
Fulfillment expense	72,034	75,539	94,011

Fulfillment expense increased by 24.5% from EUR 75.5 million in 2021 to EUR 94.0 million in 2022, mainly due to a 14% increase in orders as well as inflationary pressure on fuel and wages.

25 Sales and advertising expense

Sales and advertising expense is comprised of the following:

<i>In thousands of EUR</i>	For the year ended December 31,		
	2020	2021	2022
Staff costs	8,513	8,300	9,812
Advertising campaigns	21,697	58,794	59,403
Selling expenses	2,262	2,189	2,768
Sales and advertising expense	32,472	69,283	71,983

26 Technology and content expense

Technology and content expense is comprised of the following:

<i>In thousands of EUR</i>	For the year ended December 31,		
	2020	2021	2022
Staff Costs - Technology and content	13,251	13,832	25,495
Technology license and maintenance expenses	14,593	19,317	27,054
Technology and content expense	27,844	33,149	52,549

Technology and content expense increased by 58.5% from EUR 33.1 million in 2021 to EUR 52.5 million in 2022, as the Group continues investing in tech backbone.

27 General and administrative expense and Termination benefits

General and administrative expense

General and administrative expense is comprised of the following:

<i>In thousands of EUR</i>	For the year ended December 31,		
	2020	2021	2022
	<i>Restated</i>	<i>Restated</i>	
Staff Costs	58,679	70,657	60,719
Occupancy Costs	1,392	1,471	2,519
Professional fees	11,301	15,434	11,367
Travel and entertainment	1,520	1,615	3,289
Office and related expenses	6,449	6,201	8,470
Bank fees & payment costs	626	547	740
Bad debt expense / reversal	4,895	1,447	6,209
Tax expenses	12,926	9,409	10,665
Depreciation and amortization	8,133	8,166	11,077
Other general and administrative expense	8,665	4,906	4,645
General and administrative expense	114,586	119,853	119,700

Staff costs expense includes share options granted to eligible employees of EUR 7,837 thousand (2021: EUR 29,217 thousand and 2020: EUR 21,647 thousand).

As of December 31, 2022 Tax expenses, that refers to taxes expenses other than income tax, includes mainly EUR 4,710 thousand (December 31, 2021: EUR 5,974 thousand and 2020: EUR 8,259 thousand) for expenses related to withholding taxes and EUR 2,872 thousand (December 31, 2021: EUR 841 thousand and 2020: EUR 2,391 thousand) related to VAT.

As of December 31, 2022 Other general and administrative expense includes EUR 4,065 thousand (2021: EUR 3,584 thousand and 2020: EUR 2,750 thousand) for insurance premiums. As of December 31, 2020, other general and administrative expense also includes a litigation settlement accrual of EUR 4,408 thousand. As disclosed in prior years, several putative class action lawsuits were filed in the U.S. District Court for the Southern District of New York and the

New York County Supreme Court against us and other defendants, including certain current and former members of our management and supervisory boards, in 2019. The cases asserted claims under federal securities laws based on alleged misstatements and omissions in connection with, and following, our initial public offering. On August 11, 2020, we reached an agreement to fully resolve all of the actions, subject to conditions including court approval. Under this agreement, in which the defendants did not admit any liability or wrongdoing, Jumia made a settlement payment of \$5 million on January 18, 2021, \$1 million of which was funded by insurance coverage proceeds received on January 13, 2021. The U.S. District Court for the Southern District of New York and the New York County Supreme Court approved the settlement agreement in March 2021. No shareholders have filed objections to the settlements.

Termination benefits

Termination benefits relate to redundancy expenses amounting to EUR 3,525 thousand as of December 31, 2022 as a result of a significant action in the fourth quarter of 2022 to streamline the Group's organization structure and reduce the Group's headcount. As of December 31, 2021 and 2020 there are no material redundancy costs.

28 Finance income and finance costs

Finance income and finance costs comprise of the following:

<i>In thousands of EUR</i>	For the year ended December 31,		
	2020	2021	2022
Foreign exchange gain	4,150	18,742	9,984
Interest and similar income	773	219	369
Interest income from financial assets at fair value through OCI	—	1,982	3,865
Other income	—	—	289
Finance income	4,923	20,943	14,507
Foreign exchange loss	12,651	6,330	7,126
Interest and similar expense	1,387	1,359	1,634
Fair value loss on financial assets at fair value through profit and loss	—	844	6,816
Loss recognized on disposal of debt instruments held at fair value through OCI (Note 12)	—	—	2,178
Other charges	—	204	904
Finance costs	14,038	8,737	18,658

Fair value on financial assets corresponds to fair value losses on financial assets at fair value through profit or loss and amounts to EUR 6,816 thousand (2021: 844 thousand and 2020: nil).

Interest income from financial assets at fair value through OCI includes the interest measured and recognized according to effective interest rate method and amounts to EUR 3,865 thousand (2021: 1,982 thousand and 2020: nil).

29 Income tax

Income tax payables as of December 31, 2021 and December 31, 2022 comprise the following:

<i>In thousands of EUR</i>	As of December 31,	
	2021	2022
Income Tax Payables	395	281
Provision for Income Tax	11,312	11,852
Total	11,707	12,133

The reconciliation of tax expense and the effective tax rate was as follows:

<i>In thousands of EUR</i>	For the year ended December 31,		
	2020	2021	2022
Loss before income tax	(158,343)	(191,520)	(219,983)
Statutory tax rate ⁽¹⁾	27.85 %	24.02 %	19.25 %
Expected income tax benefit	44,106	46,011	42,335
Tax effects of:			
Sundry permanent differences	39	820	(1,085)
Effect of functional to local reporting currency in Germany	—	(286)	(4,706)
Equity Transaction costs	3,109	1,588	17
Share based payments	(3,140)	(6,360)	(1,649)
Tax Expenses	(2,048)	(1,357)	(1,368)
Bad debt expense	(1,208)	(371)	(1,122)
Management fees	(4,874)	(5,215)	(4,153)
Interest expense	(385)	(1,120)	(739)
<i>Unrecognized deferred tax asset arising from timing differences relating to:</i>			
FX unrealized gain/loss	(1,087)	(1,332)	821
Share based payments	(2,981)	(375)	263
Tax Expenses	(658)	234	183
Sundry temporary differences	(1,651)	(260)	(95)
Minimum tax	(365)	(334)	(606)
Deferred tax not recognized (mainly tax losses carried forward)	(31,430)	(32,736)	(30,028)
Deferred tax: relating to origination and reversal of temporary differences and tax losses	(41)	718	(4,704)
Income tax expense	(2,615)	(373)	(6,637)
Effective tax rate	1.65 %	0.19 %	3.02 %

(1) The Statutory tax rate consists of an average tax rate weighted in proportion to accounting profit(loss) in each geographical territory.

Income tax expense is comprised of the following:

<i>In thousands of EUR</i>	For the year ended December 31,		
	2020	2021	2022
Current tax (expense) / income	(2,574)	(931)	(1,933)
Deferred tax (expense) / income	(41)	558	(4,704)
Total Income tax (expense) / income	(2,615)	(373)	(6,637)

Tax losses available for offsetting against future taxable profits, were as follows:

<i>In thousands of EUR</i>	Country	Duration	Rate	As of December 31,		
				2020	2021	2022
				Accumulated tax loss [gross]	Accumulated tax loss [gross]	Accumulated tax loss [gross]
	Germany **	Indefinite	30.2 % *	(26,235)	(33,438)	(25,358)
	Morocco	4 years	31.0 %	(28,141)	(26,075)	(35,375)
	Egypt	5 years	22.5 %	(107,831)	(133,832)	(93,851)
	Nigeria	Indefinite	30.0 %	(202,353)	(237,970)	(236,286)
	South Africa	Indefinite	28.0 %	(38,204)	(43,715)	(49,751)
	Kenya	10 Years	30.0 %	(64,236)	(77,383)	(81,220)
	Ivory Coast	5 years	25.0 %	(27,975)	(30,662)	(32,794)
	Ghana	3 years	25.0 %	(8,255)	(8,427)	(6,402)
	Other	N/A	N/A	(46,633)	(59,822)	(75,713)
	Total			(549,863)	(651,324)	(636,750)

* In Germany, the calculation of current tax is based on a combined tax rate of 30.2%, consisting of a corporate income tax rate of 15.8% and a trade tax rate of 14.4%.

** Accumulated tax losses related to Trade Tax amount to EUR 49,960 thousand as of December 31, 2022, not included in the table above.

Various tax rules may limit the use of the tax losses above.

No deferred tax asset has generally been recognized in respect of the tax losses as the latter may either be time barred at the time when they could have otherwise offset taxable profits, may be subject to limitations as to their use, or there is no tax opportunity or other evidence of recoverability within a short timeline. This general principle is subject to a few exceptions disclosed in Note 8.

30 Earnings per share

Basic EPS is calculated by dividing the loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the loss attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares and excludes all potential shares outstanding during the year, as their inclusion would be anti-dilutive. The Group potential shares consist of incremental shares issuable upon the assumed exercise of share options and the incremental shares issuable upon the assumed vesting of unvested share awards.

The following table reflects the loss and share data used in the basic and diluted EPS calculations:

<i>In thousands of EUR</i>	For the year ended December 31,		
	2020	2021	2022
Numerator			
Loss for the period	(160,958)	(191,893)	(226,620)
Less: net loss attributable to non-controlling interest	(30)	(34)	(35)
Loss attributable to Equity of the Company	(160,928)	(191,859)	(226,585)
Denominator			
Weighted average number of shares for basic and diluted EPS	160,697,588	193,835,475	200,349,548
Loss per share - basic and diluted	(1.00)	(0.99)	(1.13)

Potential dilutive securities that are not included in the diluted per share calculations because they would be anti-dilutive are as follows:

	For the year ended December 31,		
	2020	2021	2022
Share Options	5,252,152	2,070,033	1,874,830

31 Transactions and balances with related parties

Terms and conditions of transactions with related parties

The following is a description of related party transactions the Group has entered into since January 1, 2020, with members of our supervisory or management board, executive officers or holders of more than 10% of any class of our voting securities.

Transactions with MTN

Our shareholder Mobile Telephone Networks Holdings (Pty) Ltd sold a significant number of shares in Jumia, during the third quarter of 2020, and no longer qualifies as a related party, as of December 31, 2020, December 31, 2021 and December 31, 2022.

The Group engages in several initiatives with affiliates of MTN. For example, consumers may pay for transactions on Jumia's platform with MTN's mobile money. The Group has also set up dedicated MTN branded online stores on our platform. For the year ended December 31, 2020, the expenses incurred with MTN amounted to EUR 220 thousand.

In 2020, the Group also entered into an agreement in which MTN prepaid for corporate and gift purchases in Jumia's platform through vouchers, which amounted for the year ended December 31, 2020 to EUR 961 thousand, which have all been converted into revenue during the period.

Transactions with Key management

Key management includes the senior executives. The compensation paid or payable to key management for employee services is shown below:

<i>In thousands of EUR</i>	For the year ended December 31,		
	2020	2021	2022
Short-term employee benefits	3,184	3,550	3,699
Other benefits	46	68	102
Share-based compensation	13,532	7,864	4,903
Total	16,762	11,482	8,704

Additional Compensation to the Former Members of the Management Board

In 2022, the former Management Board were also entitled to receive an additional compensation in the amount of EUR 1.6 million, following their resignations.

See Note 17 for additional information regarding the share-based compensation plans.

32 Fair Values of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets consist of bank balances and cash, other financial investments, trade receivables and receivables due from related parties. Financial liabilities consist of trade payables and payables due to related parties.

Management considers that the carrying amounts of financial assets measured at amortized cost, and financial liabilities in the financial statements approximate their fair values, due to their short term maturities.

Financial investments measured at fair value

As of December 31, 2022 other financial assets were measured using as inputs quoted prices in an active market, corresponding to the Level 1 of the fair value hierarchy of IFRS 13.

When transfers into and out of fair value hierarchy levels are required, it is the Group's policy to transfer the amounts at the end of the reporting period.

Amounts of other financial assets corresponding to the Level 1 of the fair value hierarchy are transferred to Level 2 when quoted prices cease to be available. Level 2 measurements of fair value are determined by maximizing the use of market data other than the quoted price, such as interest rate yield curves and publicly available credit ratings. Conversely, amounts of other financial assets corresponding to the Level 2 are transferred to Level 1 when quoted prices become available.

33 Financial risk management objectives and policies

The Group is exposed to market risk, credit risk and liquidity risk. The risks are monitored by appropriate management at each level. The Group's financial risk activities are governed by appropriate policies and procedures, and financial risks are identified, measured and managed in accordance with the Group's policies. The Supervisory Board reviews and approves the policies for managing each of these risks, which are summarized below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's market risk relates to foreign currency risks, interest rate risk and security prices. Financial instruments affected by foreign currency risk include cash and cash equivalents, trade and other receivables and trade and other payables. The Group does not hedge its foreign currency risk. Financial instruments affected by interest rate risk and security price risk include financial assets measured at fair value.

Foreign currency risk

Currency risk is the risk that the fair value of financial assets or financial liabilities held in foreign currency or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Due to its international business activities, the Group is exposed to the risk of changes in foreign exchange rates in connection with trade payables and trade receivables resulting from purchase and sales transactions denominated in a different currency from the functional currency of the respective operation as well as intercompany financing. However, the Group maintains an effective natural hedge across most of the Group's cash flows as the Group's revenue streams are generated in local currencies matched by Group's costs mostly incurred in the respective local currencies.

In respect of currency risk, management sets limits on the level of exposure by currency and in total. The positions are monitored monthly. The Group does not use derivatives as hedging instruments to limit its exposure from foreign currency risks.

Foreign currency sensitivity

As of December 31, 2022, if the EUR or USD had strengthened/weakened by +/-5 or +/-10% against all other currencies with all other variables held constant, the hypothetical impact in the major local currencies on pre-tax equity and profit before tax would have been as follows, mainly as a result of foreign exchange gains/losses on translation of trade and other receivables, cash as well as trade and other payables denominated in EUR or USD.

The following tables demonstrate the sensitivity to a reasonably possible change in Euros and US dollars and major currencies to which the Group is exposed (EUR, AED, XOF, KES, MAD, NGN, DZD, GHS, UGX, ZAR, EGP, TND), with all other variables held constant. The Group's exposure to foreign currency changes for all other currencies is not material.

The Group assessed a possible change of +/- 5% to Euro (EUR), Algerian Dinar (DZD), West African CFA franc (XOF) and Ugandan Shilling (UGX) due to valuation fluctuations in 2022 of (0.8)% to 6.0% of these currencies to the USD, a possible change of +/- 10% to Egyptian Pound (EGP), Nigerian Naira (NGN), South African Rand (ZAR), Moroccan Dirham (MAD), Kenyan Shilling (KES), Ghanaian Cedi (GHS) and Tunisian Dinar (TND) due to valuation fluctuations in 2022 of 6.9% to 66.3% of these currencies to the USD. The Group also assessed a possible change of +/- 5% to Algerian Dinar (DZD), Kenyan Shilling (KES), Ugandan Shilling (UGX), Nigerian Naira (NGN), South African Rand (ZAR), UAE Dirham (AED) and Tunisian Dinar (TND) due to valuation fluctuations in 2022 of (6.4)% to 3.8% of these currencies to the EUR, a possible change of +/- 10% to Moroccan Dirham (MAD), Ghanaian Cedi (GHS) and Egyptian Pound (EGP) due to valuation fluctuations in 2022 of 7.7% to 56.9% of these currencies to the EUR. Intercompany loans bear the majority of the Group's foreign currency risk as they are issued and are repayable in Euro or US dollars. Fluctuation of various exchange rates in Africa and the resulting related foreign exchange gains or losses are recognized in other comprehensive income. The impacts in the major local currencies are as follows:

In thousands of EUR

		<u>Effect on pre-tax equity</u>	<u>Effect on profit before tax</u>
Change in EUR/USD			
	5 %	(79,832)	(140)
	(5)%	79,832	140
Change in EUR/AED			
	5 %	1,588	(74)
	(5)%	(1,588)	74
Change in EUR/KES			
	5 %	(4,608)	29
	(5)%	4,608	(29)
Change in EUR/MAD			
	10 %	(10,406)	(267)
	(10)%	10,406	267
Change in EUR/NGN			
	5 %	(10,607)	(111)
	(5)%	10,607	111
Change in EUR/DZD			
	5 %	(1,203)	(15)
	(5)%	1,203	15
Change in EUR/GHS			
	10 %	(1,793)	(16)
	(10)%	1,793	16
Change in EUR/UGX			
	5 %	(1,376)	(24)
	(5)%	1,376	24
Change in EUR/ZAR			
	5 %	(741)	(3)
	(5)%	741	3
Change in EUR/EGP			
	10 %	(15,114)	(44)
	(10)%	15,114	44
Change in EUR/TND			
	5 %	(588)	(19)
	(5)%	588	19

<i>In thousands of EUR</i>		<u>Effect on pre-tax equity</u>	<u>Effect on profit before tax</u>
Change in USD/XOF			
	5 %	(1,405)	16
	(5)%	1,405	(16)
Change in USD/KES			
	10 %	(3,003)	352
	(10)%	3,003	(352)
Change in USD/MAD			
	10 %	(2,483)	(178)
	(10)%	2,483	178
Change in USD/NGN			
	10 %	(8,022)	(1,528)
	(10)%	8,022	1,528
Change in USD/DZD			
	5 %	(685)	—
	(5)%	685	—
Change in USD/GHS			
	10 %	(647)	(66)
	(10)%	647	66
Change in USD/UGX			
	5 %	(778)	(35)
	(5)%	778	35
Change in USD/ZAR			
	10 %	(650)	9
	(10)%	650	(9)
Change in USD/EGP			
	10 %	(4,705)	392
	(10)%	4,705	(392)
Change in USD/TND			
	10 %	(1,322)	15
	(10)%	1,322	(15)

Interest rate risk

Interest rate risk is the risk that:

- i. the fair value of financial assets or financial liabilities will change due to movements in the interest rate curve; and,
- ii. the cash flows of financial assets or financial liabilities will change due to movements in the interest rate curve.

The Group has invested excess cash in financial instruments such as listed investment grade bonds and exchange traded funds pursuant to its cash management strategy, as discussed in Note 12. Changes in the interest rate curve will affect the fair value and/or cash flows of the listed investment grade bonds.

In respect of interest rate risk, management monitors the change in interest rates. The Group does not use derivatives as hedging instruments to limit its exposure from interest rate risks.

As of December 31, 2022, the listed investment grade bonds held by the Group are fixed-rate instruments.

Interest rate sensitivity

As of December 31, 2022, if the interest rate curves had changed by +/-50bps, with all other variables held constant, the hypothetical impact on pre-tax equity would have been as follows:

<i>In thousands of EUR</i>	Effect on pre-tax equity	
CITI - listed investment grade bonds		
	0.5 %	(1,150)
	(0.5)%	1,150

Securities price risk

Securities price risk is the risk that the fair value of financial assets held by the Group or the cash flows resulting from a sale of those financial assets will change as a result of a change in the prices of exchange traded funds.

The Group has invested excess cash in financial instruments such as listed investment grade bonds and exchange traded funds pursuant to its cash management strategy, as discussed in Note 12. Changes in the net asset value of the exchange traded funds will change its price, which will affect the fair value of these securities and cash flows resulting from a sale of these securities.

In respect of securities price risk, management monitors the performance of equity markets and equity indexes. The Group does not use derivatives as hedging instruments to limit its exposure from securities price risk.

Securities price sensitivity

As of December 31, 2022, if the exchange traded funds price had changed by 1%, with all other variables held constant, the hypothetical impact on profit before tax would have been as follows:

<i>In thousands of EUR</i>	Effect on profit before tax	
UBS - exchange traded funds price		
	1 %	361
	(1)%	(361)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, financial investments in bonds and ETF funds, and foreign exchange transactions.

Trade receivables

As of December 31, 2022, the Group has as an allowance for uncollectible receivables of EUR 6,135 thousand (2021: EUR 5,324 thousand) as set out in the Note 13. Additionally, the Group has as an allowance for uncollectible other receivables of EUR 906 thousand (2021: EUR 328 thousand).

The Group evaluates this risk based on known troubled accounts, historical experience of losses incurred and also detailed analysis of the credit worthiness of the consumers at each reporting date. The Group follows risk control procedures to assess the credit quality of the customers taking into account their financial position, past experience and other factors. The compliance with credit limits by corporate customers is regularly monitored by management.

Sales to retail consumers are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to Individual consumers, specific industry sectors and/or regions.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses (ECL) which uses a lifetime expected loss allowance for all trade receivables. The estimated ECL are calculated based on actual credit loss experience over a period that, per business, countries and type of customers, is considered statistically relevant and representative of the specific characteristics of the underlying credit risk.

Using the practical expedient that is allowed by the standard, the Group has established provision matrices that are based on its historical credit loss experience for the previous years, adjusted for non-recurring events and for forward-looking factors per country which incorporated several macroeconomic elements such as the countries' GDP and unemployment rates. The expected loss rates are reviewed annually, or when there is a significant change in external factors potentially impacting credit risk, and are updated where management's expectations of credit losses change.

Certain Group entities (namely, among others, Ecart Internet Services Nigeria Limited, Jade E-Services Uganda Ltd. and Ecart Services Kenya Ltd.) entered into account compensation and settlement agreements with certain international marketplace vendors. Therefore, the Group has offset associated trade receivables and payables for an amount of EUR 142 thousand as of December 31, 2022. (2021: EUR 279 thousand).

The Group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

Cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. The Group's maximum exposure to credit risk for the components of the statement of financial position as of December 31, 2021 and 2022 is the carrying amount as illustrated in cash and cash equivalents in the consolidated statement of financial position.

The expected credit losses ("ECL") from cash and cash equivalents, are estimated by the Group as immaterial as of December 31, 2020, 2021 and 2022, due to low credit risk rating of the financial institutions.

The Group considers cash deposits are in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. Cash deposits are written off when there is no reasonable expectation of recovering the contractual cash flows.

Other financial assets

The Group's maximum exposure to credit risk for other financial assets of December 31, 2022 is the respective carrying amount.

As of December 31, 2022, all of the Group's debt investments measured at fair value through other comprehensive income are considered to have low credit risk (stage 1 of the 3-stage model), and the loss allowance recognized during the period was therefore limited to expected credit losses for 12 months. Management considers 'low credit risk' for listed bonds to be an investment grade credit rating by a major rating agency. The Group considers that credit risk increases significantly if the credit rating deteriorates to a non-investment grade rating.

The probability of default (PD) and loss given default (LGD) are determined for the investments on an individual basis, using available public corporate PD and LGD assessments of the securities performed by credit rating agencies, which incorporate both historical and forward-looking information, according to market standards. Forward-looking information includes credit rating outlooks and economic forecast measured using country GDP and CDS.

Liquidity risk

The primary objective of the Group's liquidity and capital management is to monitor the availability of cash and other financial assets and capital in order to support its business expansion and growth. The Group manages its liquidity and capital structure with reference to economic conditions, performance of its local operations and local regulations. Funding is managed by a central treasury department that monitors the amounts of funds to be granted according to management and Shareholder approval. All funding follows strict operational and legal monitoring executed by the treasury and legal departments.

During 2019, the Group has secured funding relating to the entry of a new investor in January 2019 and the Initial Public Offering (IPO) with concurrent private placement in April 2019. We received approximately USD 280 million (EUR 249 million) in net proceeds from our initial public offering and additional capital in the aggregate amount of USD 86 million (EUR 75 million) from Pernod Ricard Deutschland GmbH. Most of this funding is transferred to operating entities in the form of loans which are eliminated in consolidation. In December 2020, the Group completed an equity offering. Proceeds from the offering, net of commissions and expenses, were approximately USD 231 million (EUR 194 million). During March 2021, the Group raised additional equity funding with proceeds, net of commissions and expenses, of USD 341 million (EUR 287 million).

As all funding has been exclusively obtained from the shareholders and there are no external borrowings, the Group does not incur an interest rate risk at this regard.

Based on the cash flow forecast for 2023, the Group has sufficient liquidity as of December 31, 2022 for the next twelve months.

34 Commitments and contingencies

Tax contingencies

The Group has contingent liabilities related to potential tax claims arising in the ordinary course of business.

As of December 31, 2022, there are ongoing tax audits in various countries. Some of these tax inquiries have resulted in re-assessments, whilst others are still at an early stage and no re-assessment has yet been raised. Management is required to make estimates and judgments about the ultimate outcome of these investigations or litigation in determining legal provisions. Final claims or court rulings may differ from management estimates. In addition, Management is required to make estimates and judgements about the ultimate outcome of other tax risks that have not led to an investigation or litigation but that, based on Management's own assessment, may lead to potential tax claims.

As of December 31, 2022, the Group has accrued for net tax provisions (excluding Uncertainty over Income Tax payables in accordance with IFRIC 23 interpretation) in the amount of EUR 31,644 thousand (2021: EUR 30,166 thousand) as a result of the assessment of potential exposures due to uncertain tax positions as well as pending and resolved matters with the relevant tax authorities (Note 21). Additionally, as of December 31, 2022 Uncertainty over Income Tax payables in accordance with IFRIC 23 interpretation amounts to EUR 11,851 thousand (2021: EUR 11,312 thousand)

In addition to the above tax risks, in common with other international groups, the conflict between the Group's international operating model, the jurisdictional approach of tax authorities and some domestic tax requirements in relation to withholding tax and VAT compliance and recoverability rules, could lead to a further EUR 16,410 thousand in additional uncertainty on tax positions. The likelihood of future economic outflows with regard to these potential tax claims is however considered as only possible, but not probable. Accordingly, no provision for a liability has been made in these consolidated financial statements.

The Group may also be subject to other tax claims for which the risk of future economic outflows is currently evaluated to be remote.

Guarantees

The Group has other commitments such as bank guarantees issued. As of December 31, 2022 The Group bank guarantees amount to EUR 1,020 thousand (December 31, 2021: EUR 1,076 thousand).

Legal Proceedings with shareholders

Since May 2019, several putative class action lawsuits had been filed in the U.S. District Court for the Southern District of New York and the New York County Supreme Court against the company, certain of its management and supervisory board members, the underwriters of its IPO, its U.S. representative and, in New York State court, its auditor. The cases assert claims under federal securities laws based on alleged misstatements and omissions in connection with, and following, the company's initial public offering. On August 11, 2020, we reached an agreement to fully resolve all of the actions, subject to conditions including court approval. Under this agreement, in which the defendants do not admit any liability or wrongdoing, Jumia made a settlement payment of USD 5 million on January 18, 2021, USD 1 million of which was funded by insurance coverage proceeds received on January 13, 2021. The U.S. District Court for the Southern District of New York and the New York County Supreme Court approved the settlement agreement in March 2021. No shareholders have filed objections to the settlements.

Lease commitments

As disclosed in Note 19, the Group was committed to short term leases which at December 31, 2022 amounts to EUR 1,053 thousand (2021: EUR 920 thousand).

Other commitments

The Group has committed to pay USD 37.5 million (EUR 35.0 million) to a service supplier over three years. As of December 31, 2022 the Group has paid USD 12.0 million. The Group will pay USD 12.5 million (EUR 11.2 million) in December 2023 and USD 13.0 million (EUR 11.7 million) in December 2024.

Others

The Group is involved in several ongoing cases with suppliers and employees. The Group continuously reviews and assesses these claims and records provisions based on management judgments and estimates from consultant at each reporting date.

When assessing the possible outcomes of legal claims and contingencies, the Group takes into consideration the advice of the legal counsel, which are based on the best of their professional judgment and take into consideration the current stage of the proceedings and legal experience accumulated with respect to the various matters. As the results of the claims may ultimately be determined by courts, or otherwise settled, they may be different from such estimates.

35 Subsequent events

The Group has not identified any reportable subsequent events.

36 Audit fee

The following shows the total fees charged (or likely to be charged) by Ernst & Young, Société Anonyme and affiliated companies on a consolidated basis for the provision of auditing services.

<i>In million of Euro</i>	<i>As of</i>	
	December 31, 2022	December 31, 2021
Audit fees	2.8	2.1
Total	2.8	2.1

The audit fees consist of fees and expenses incurred for the annual audit and quarterly audit of Jumia's consolidated financial statements.

37 Release from the provisions of sec. 264a (1) HGB according to sec. 264b HGB

The companies listed under Section 5 ("Group Information") make use of the exemption in accordance with section 264b of the German Commercial Code (HGB) and do not prepare, have audited and disclose annual financial statements and a management report. The requirements of Section 264b HGB have been met.

38 Staff costs and employees

The expenses for employee benefits for the fiscal year are as follows:

<i>In thousands of Euro</i>	<i>As of</i>	
	December 31, 2022	December 31, 2021
Wages and salaries	66,805	75,471
Share options granted (Note 17)	7,837	29,217
Social security costs	6,864	5,211
Total	81,506	109,900

The average number of employees as of December 31, 2022 was 4,617 (2021: 4,174) and allocates as follows:

Land	Average number of employees
Nigeria	1.119
Egypt	829
Portugal	441
Morocco	354
Kenya	363
Ivory Coast	347
Tunisia	246
Senegal	183
Uganda	186
Algeria	165

Ghana	144
South Africa	123
Other countries	117
Total	4.617

With reference to Section 314 (3) HGB in conjunction with Section 286 (4) HGB, the compensation of the members of the Management Board is not disclosed. The total compensation of all members of the Supervisory Board for the financial year 2022 amounts to EUR 1,295 thousand (previous year EUR 1,290 thousand).

Berlin, June 21, 2023

The Management Board

Francis Dufay

Antoine Maillet-Mezeray