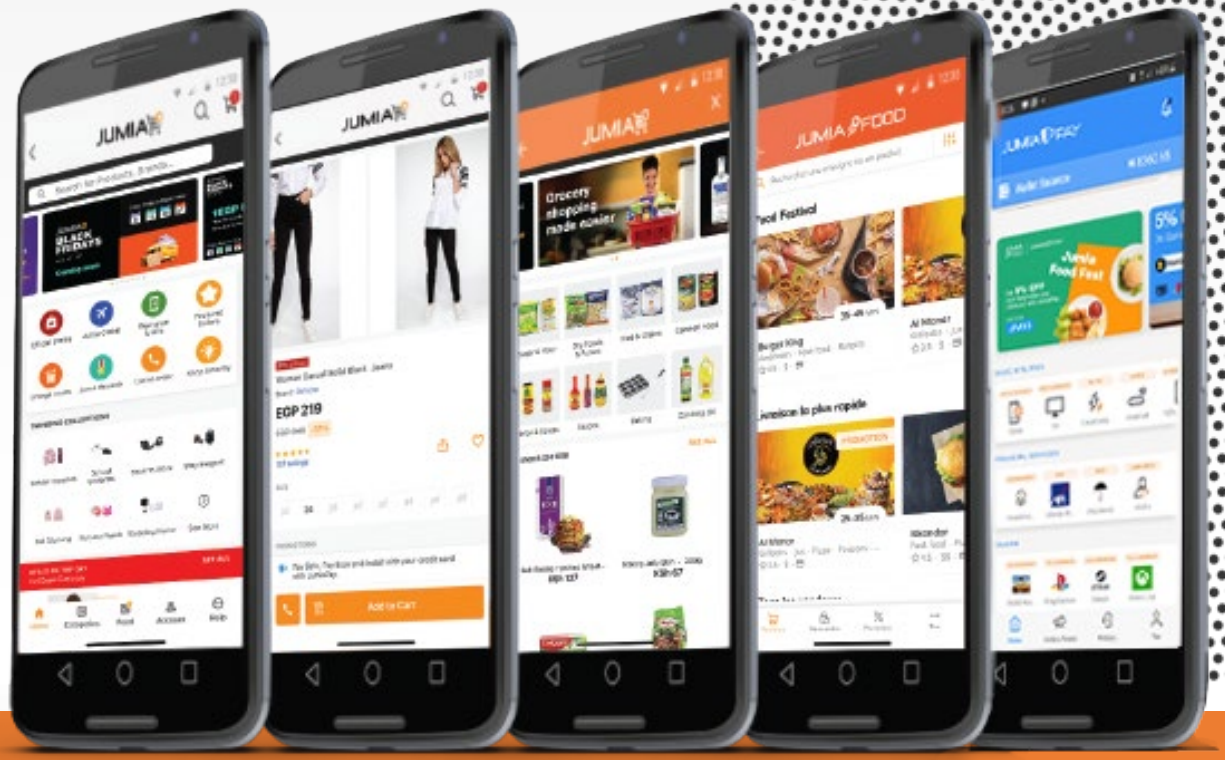
Results Presentation

Q3 2022



JUMIA

Disclaimer

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The forward-looking statements included in this presentation are made only as of the date hereof. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, neither we nor our advisors nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. Neither we nor our advisors undertake any obligation to update any forward-looking statements for any reason after the date of this presentation to conform these statements to actual results or to changes in our expectations, except as may be required by law. You should read this presentation with the understanding that our actual future results, levels of activity, performance and events and circumstances may materially differ from what we expect.

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- **Introduction**
- Q3 performance
- Strategy overview
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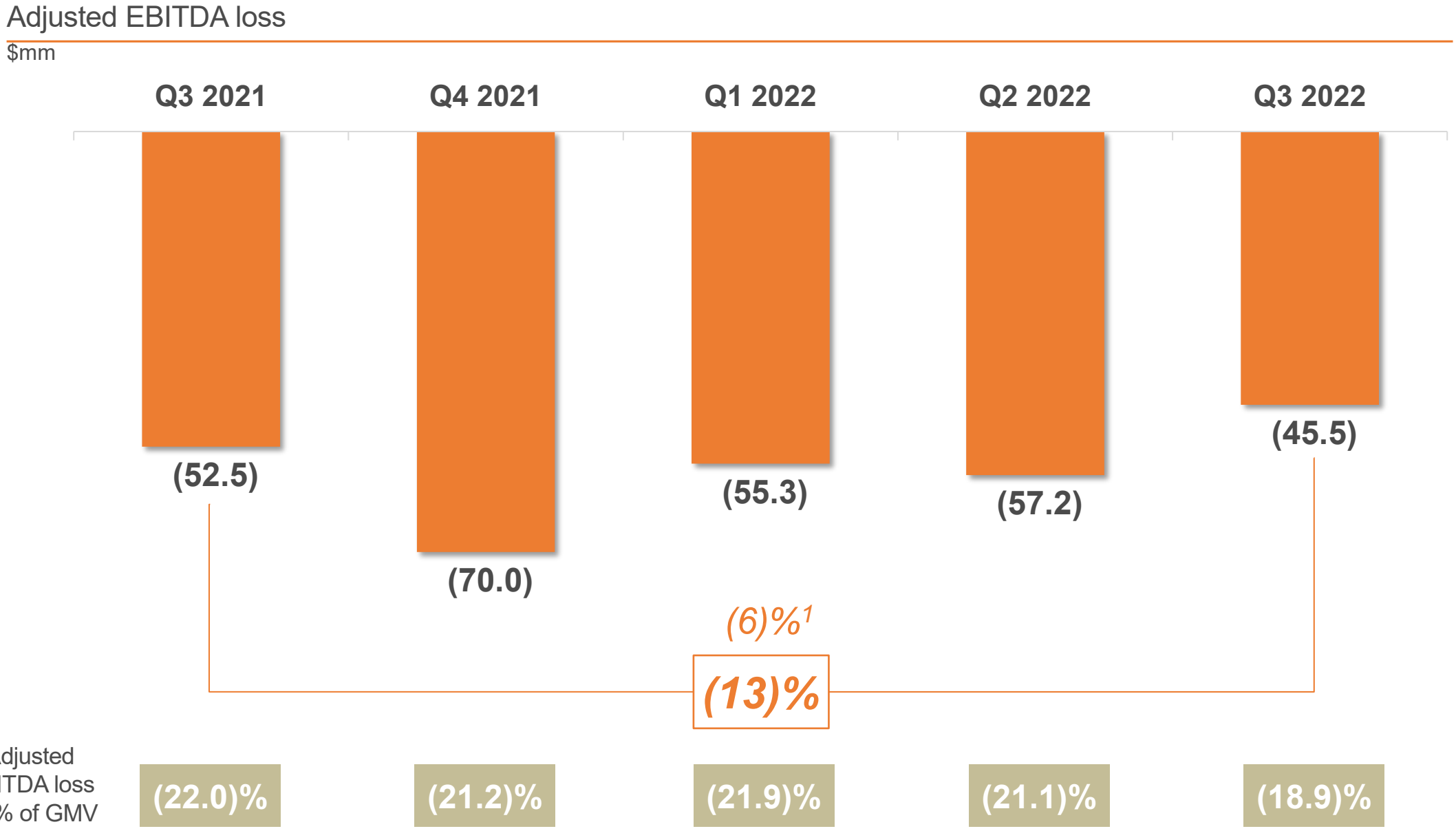
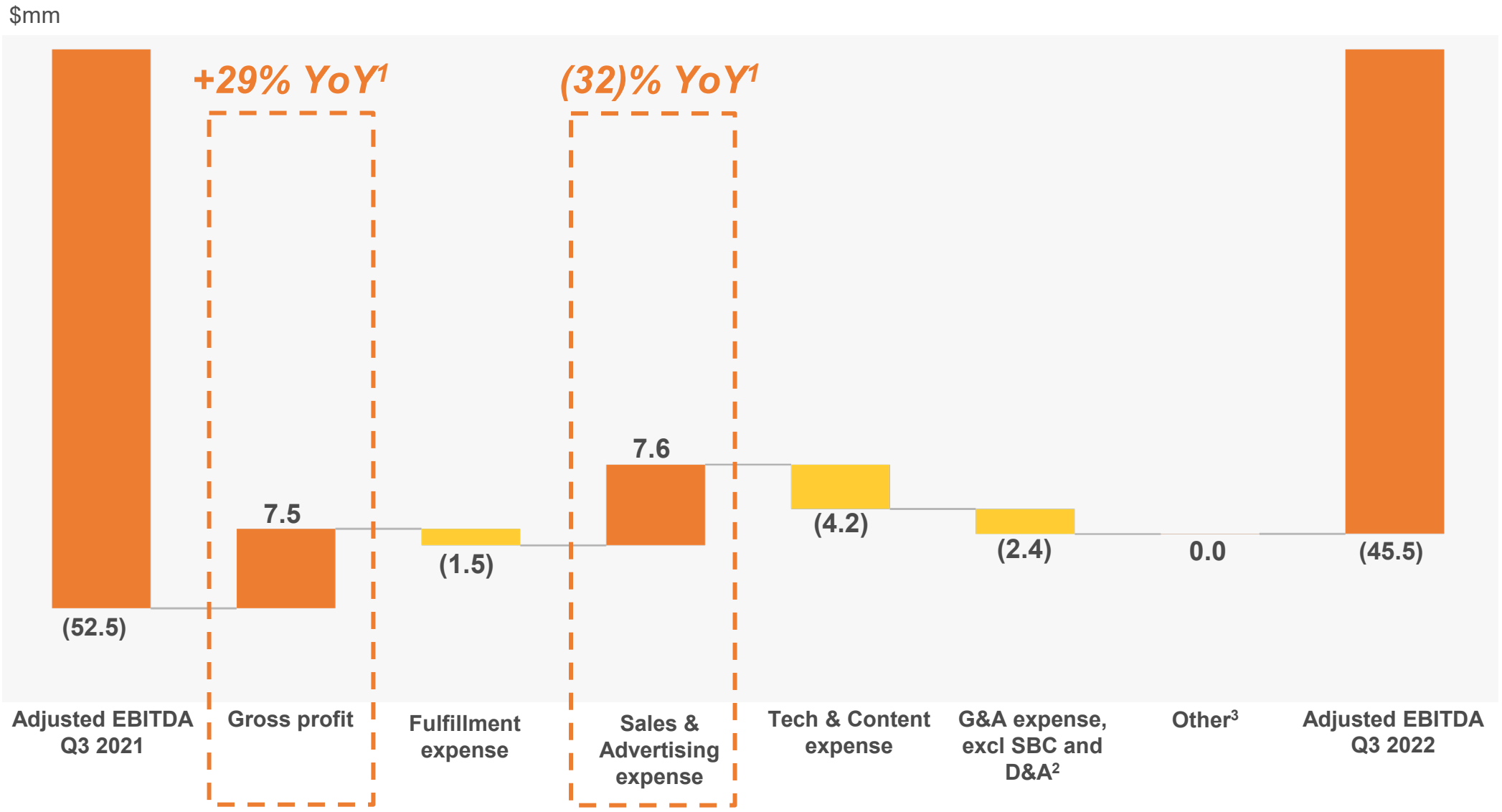
We have reduced our Adjusted EBITDA loss in Q3.2022…



Note
1. Constant currency growth

...as we drove higher monetization and marketing costs reduction



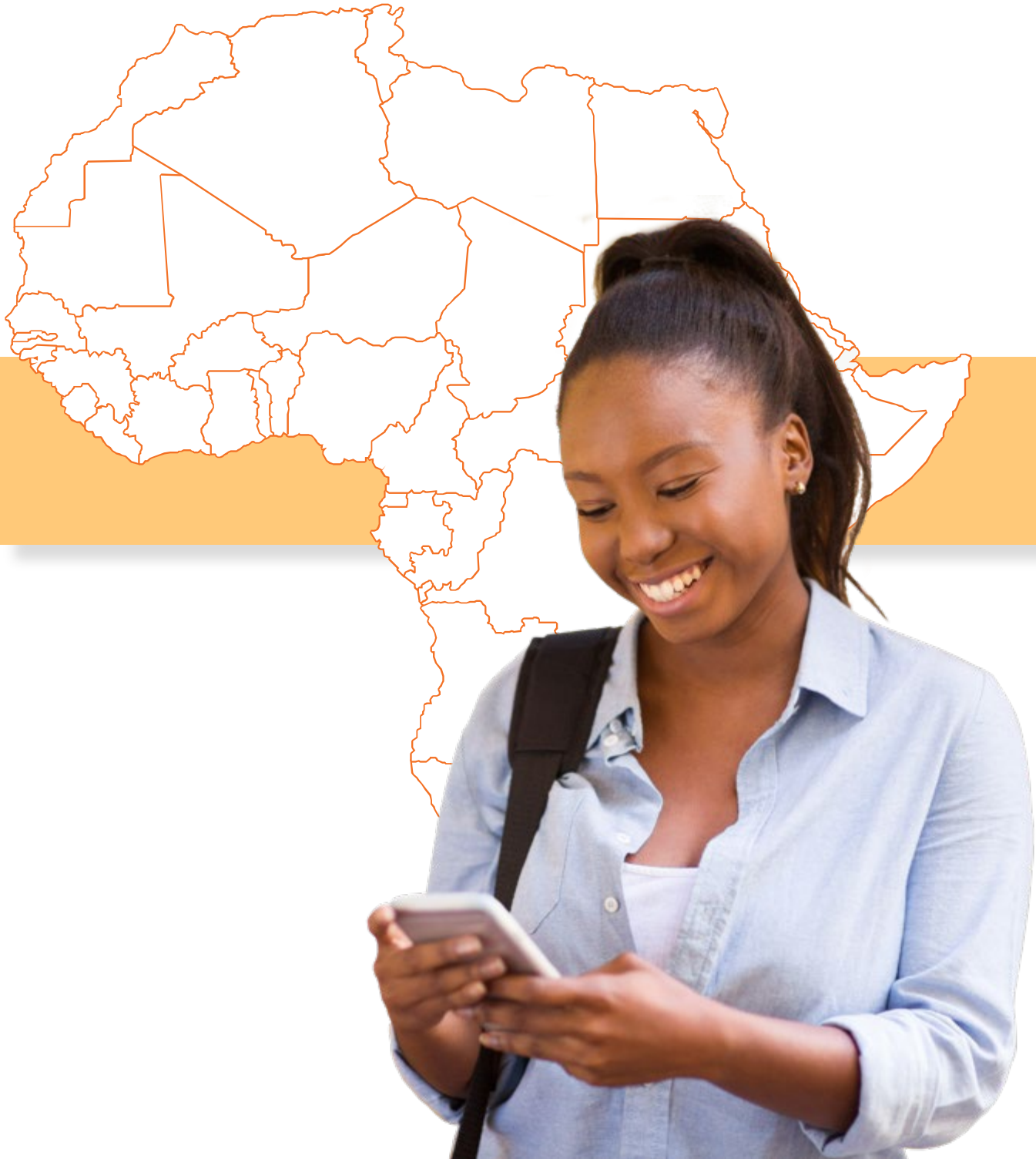
Notes: Numbers in the orange and yellow bars indicate change in the relevant metric between Q3.2021 and Q3.2022

1. Q3.2022 vs Q3.2021
2. Exclusive of Share Based Compensation and Depreciation and Amortization expense
3. Change between Q3.2021 and Q3.2022 in Other operating income and Other operating expense

We intend to accelerate progress towards profitability with a comprehensive plan

1. **ENHANCED BUSINESS FOCUS**
   Allocate capital & resources to projects with proven value for the platform
2. **USAGE GROWTH**
   Drive sustainable growth through enhanced e-commerce fundamentals
3. **COST DISCIPLINE**
   Enforce stronger cost discipline across the full cost structure
4. **MONETIZATION**
   Build a balanced, diversified monetization model
5. **JUMIAPAY**
   A priority that we will drive with discipline

While there is continuity with the historical strategic pillars of Jumia, we will take more deliberate action and step-up execution intensity across all these areas



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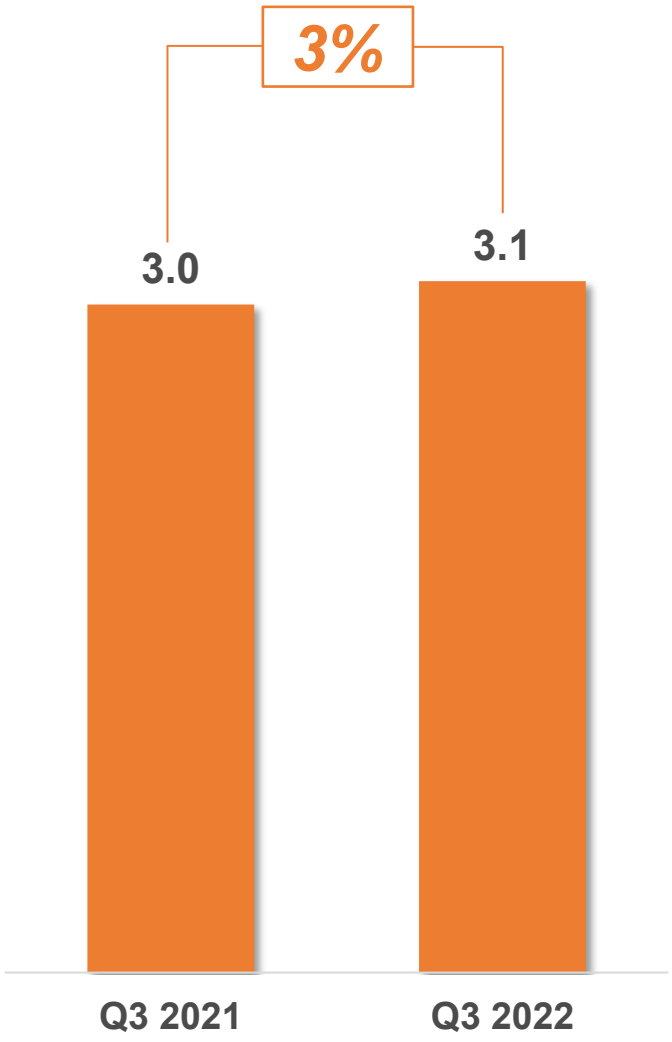
Sustained usage growth despite more challenging macro environment

Quarterly Active Consumers

mm



Quarterly Orders

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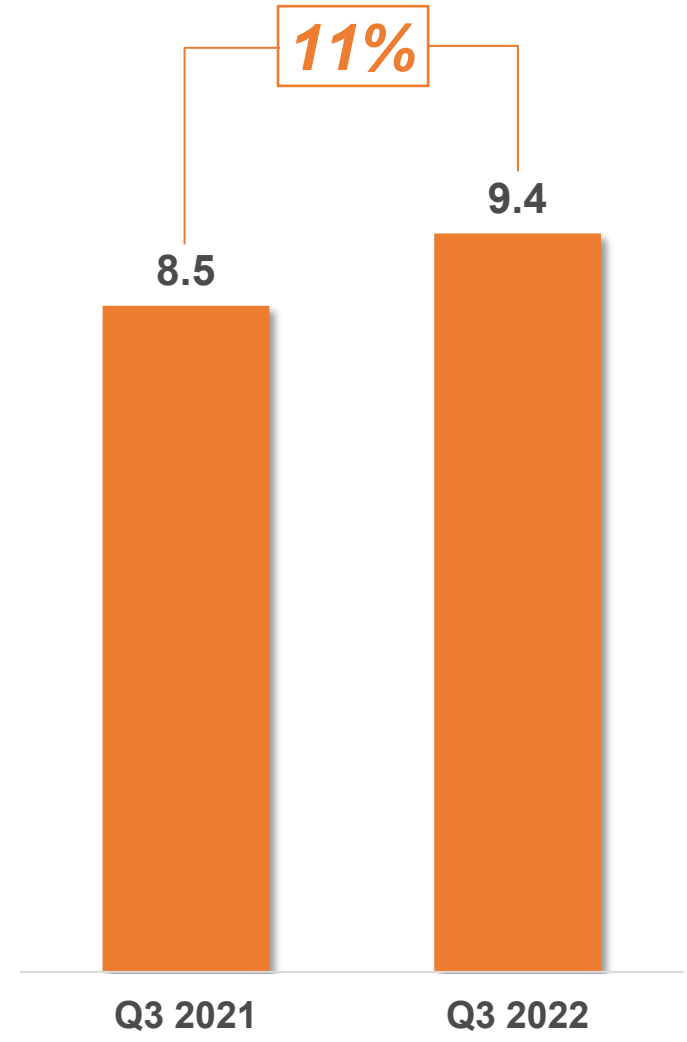
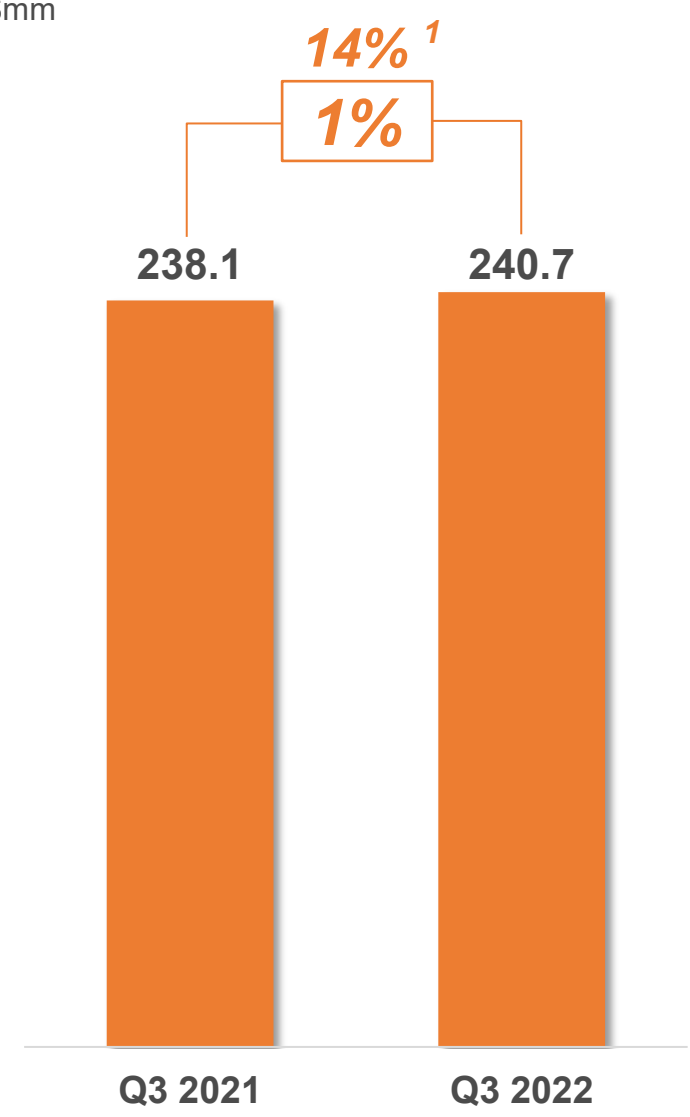


GMV

$mm



Note

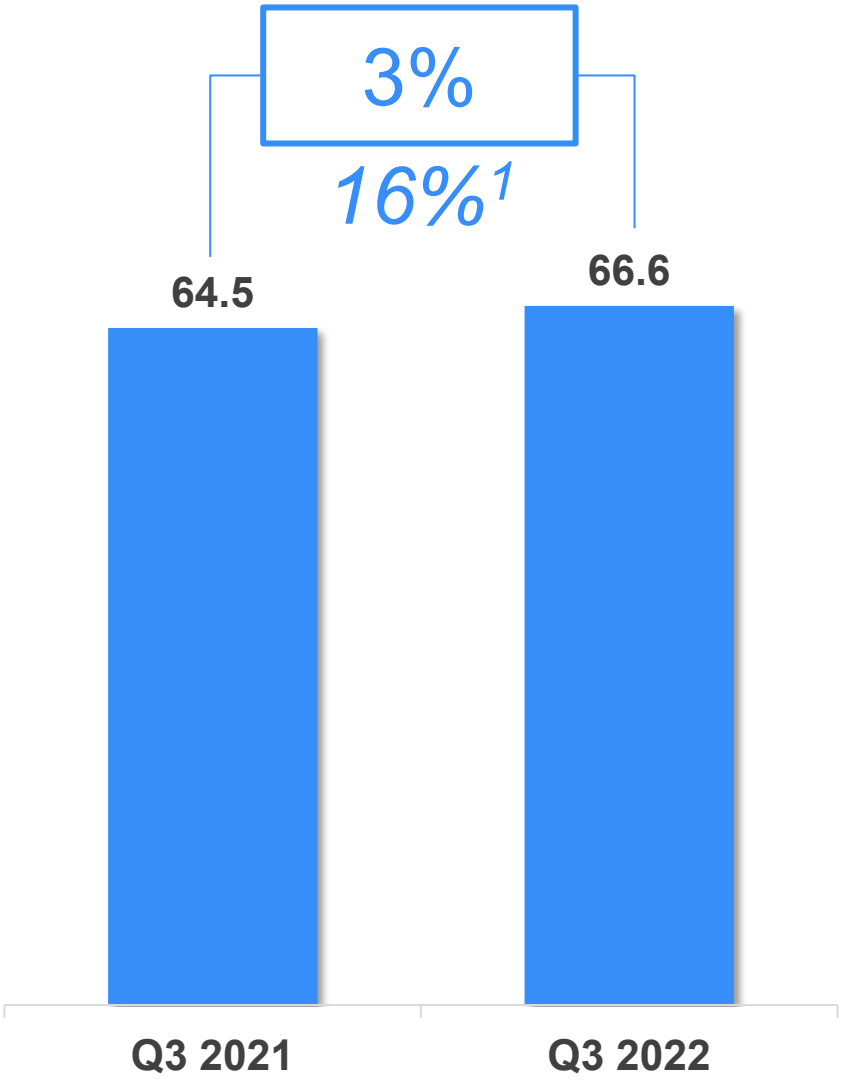
1. GMV growth on a constant currency basis

JumiaPay TPV penetration reached 28% of GMV…

JumiaPay

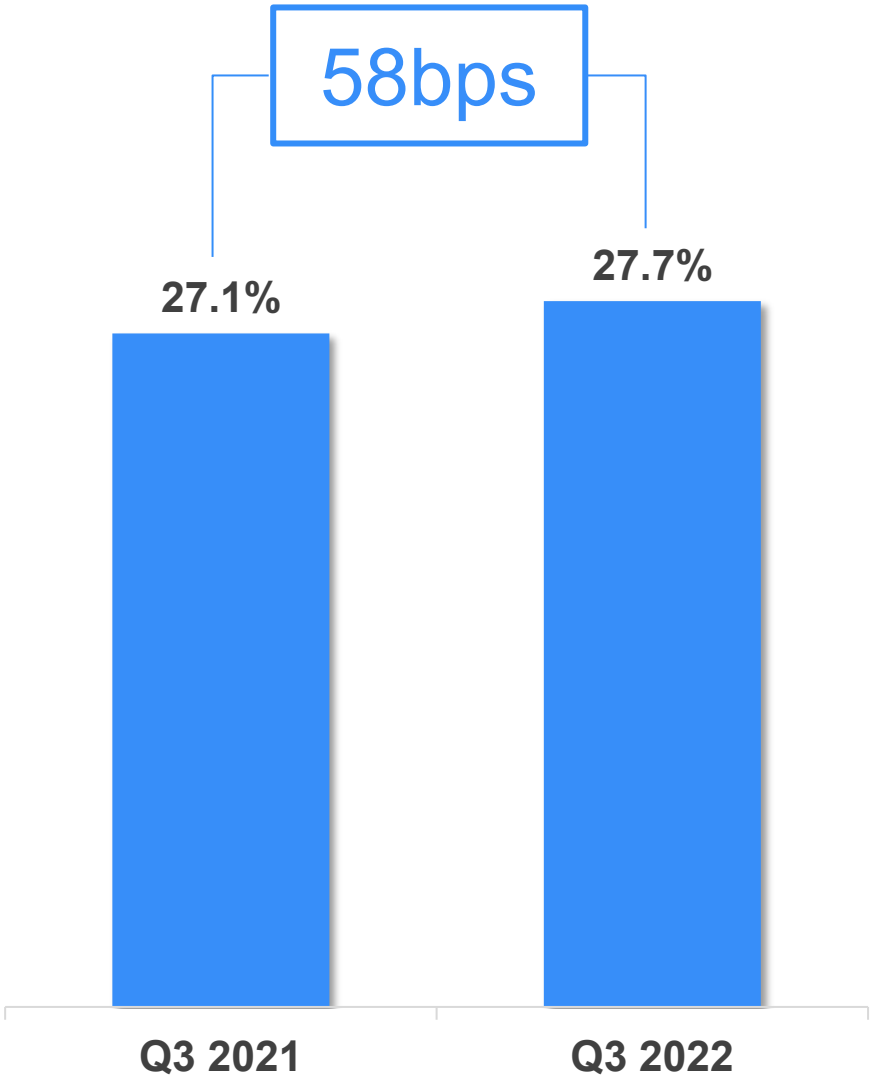
JumiaPay Total Payment Volume (“TPV”)

$mm



JumiaPay TPV as % of GMV

% on-platform penetration



Notes

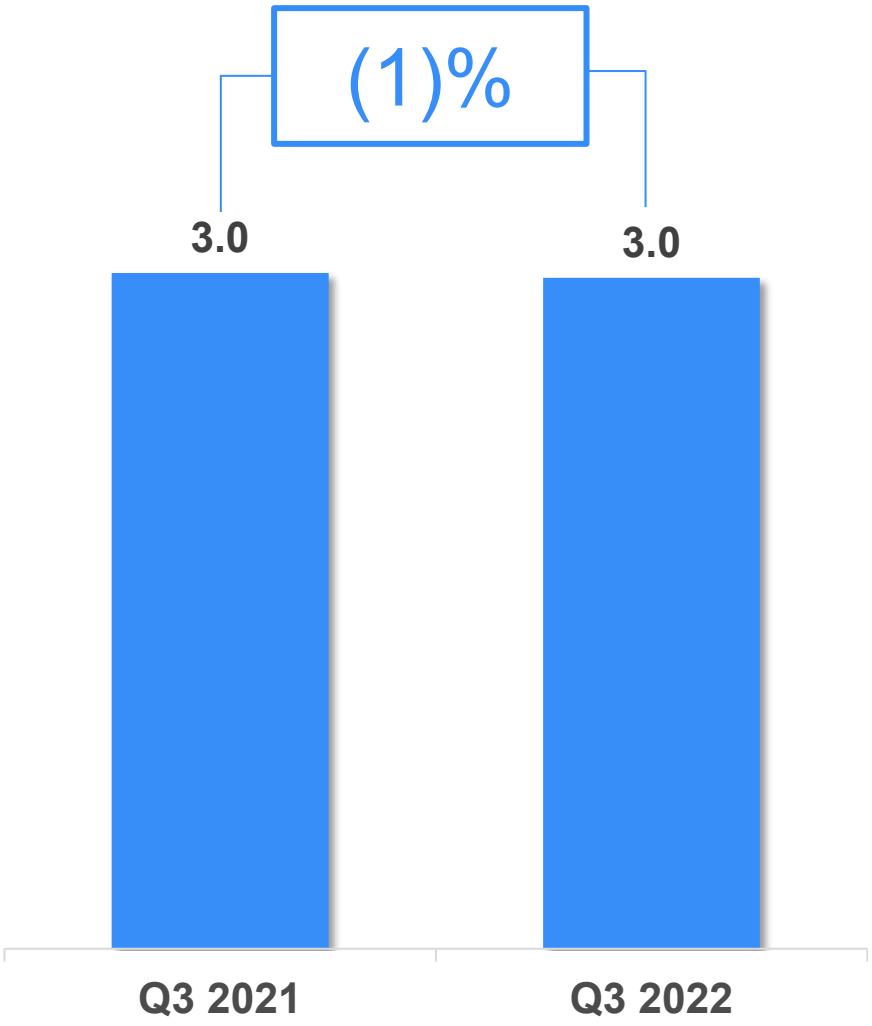
1. TPV growth on a constant currency basis

…while JumiaPay Transactions accounted for 32% of total orders

JumiaPay

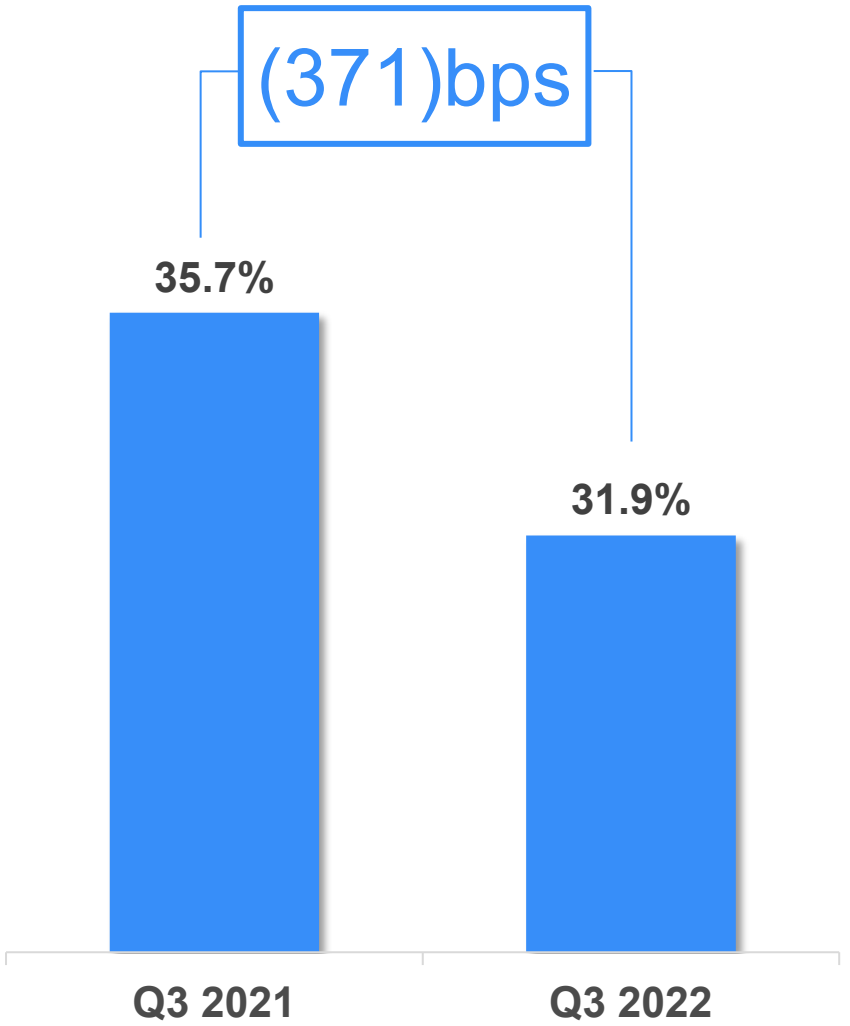
JumiaPay Transactions

mm



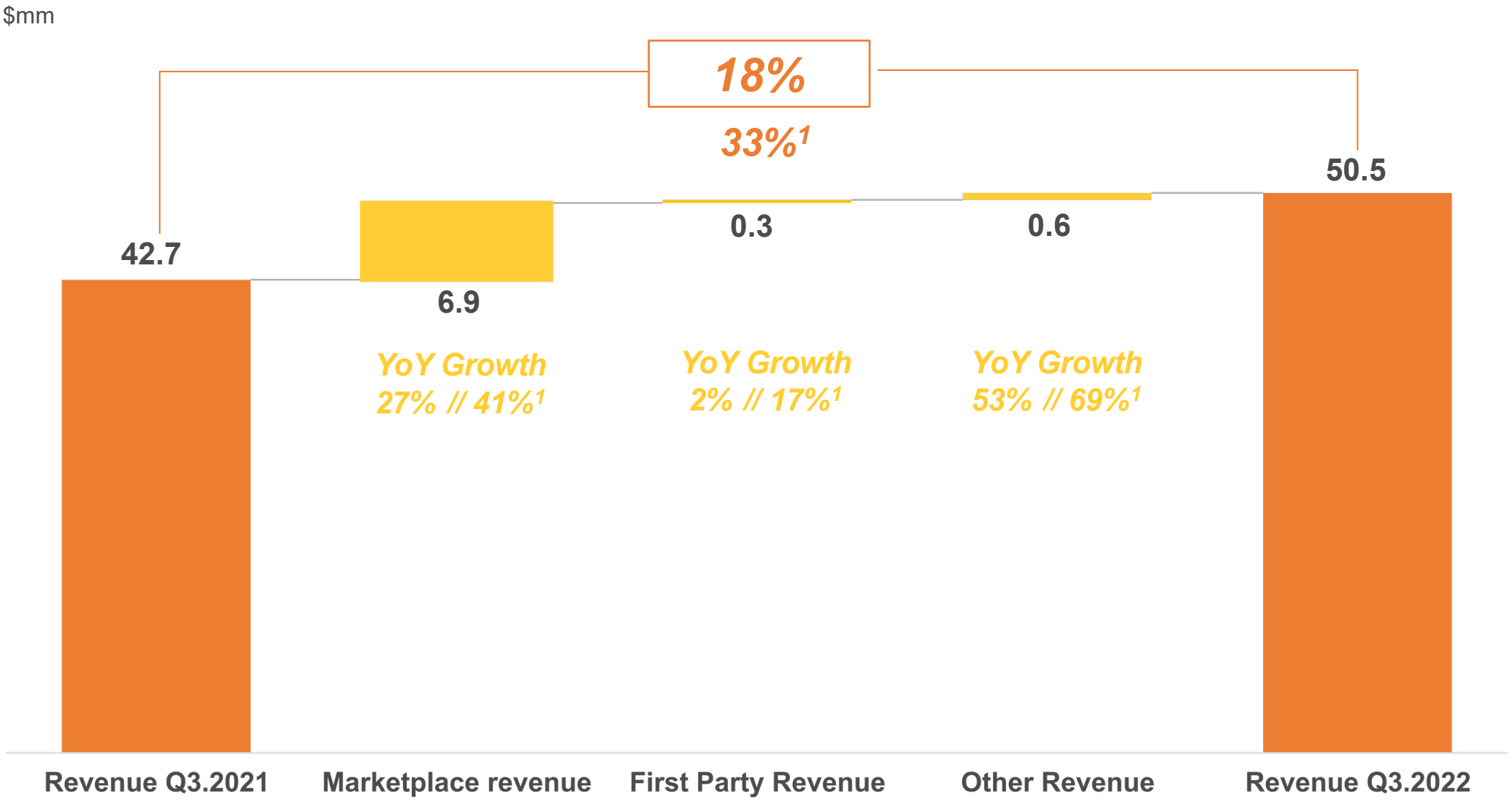
JumiaPay Transactions as % of total Orders

% on-platform penetration



Robust revenue growth supported by marketplace revenue momentum

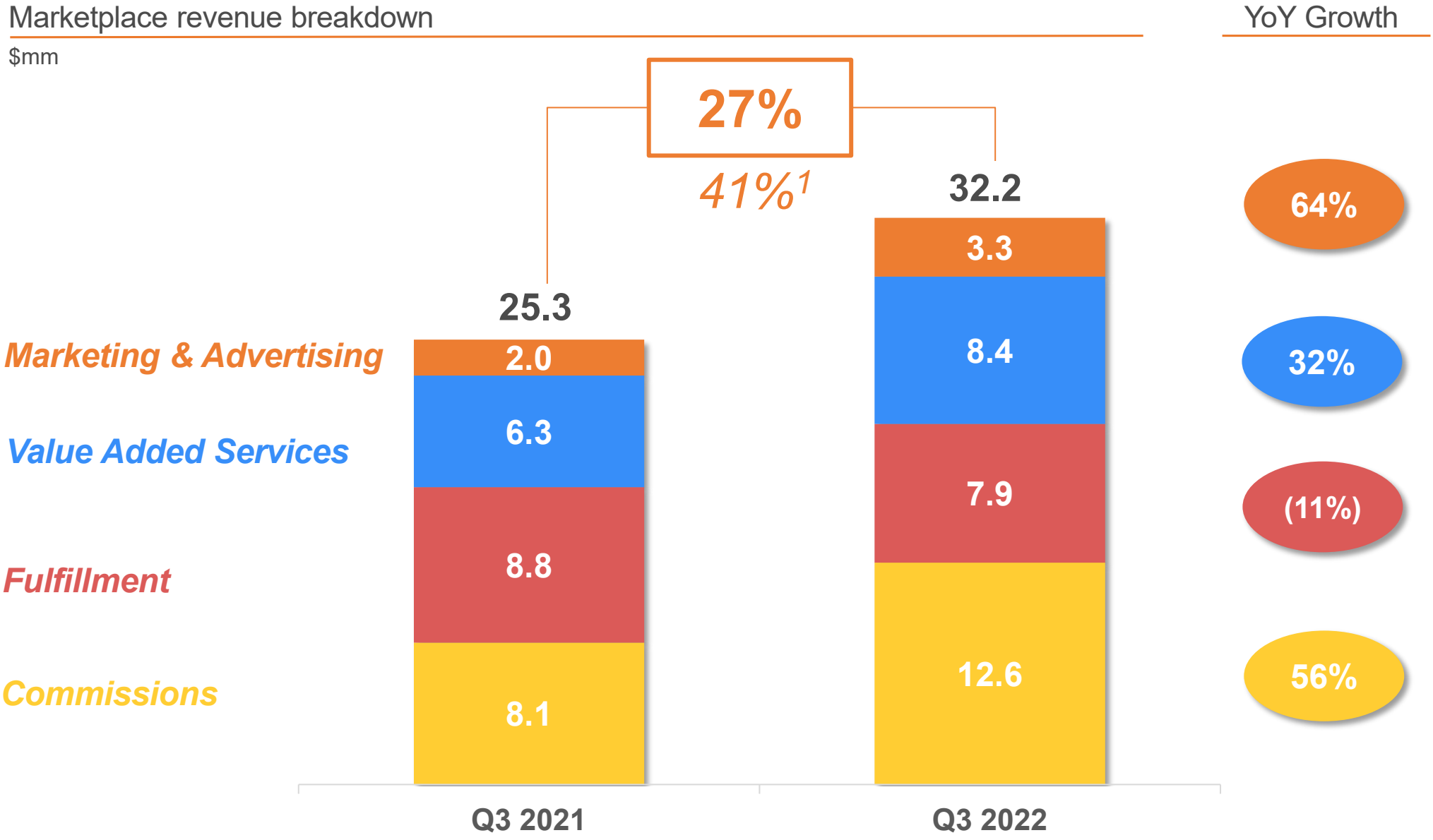
Monetization



Notes: Numbers in the yellow bars indicate change in the relevant metric between Q3.2021 and Q3.2022

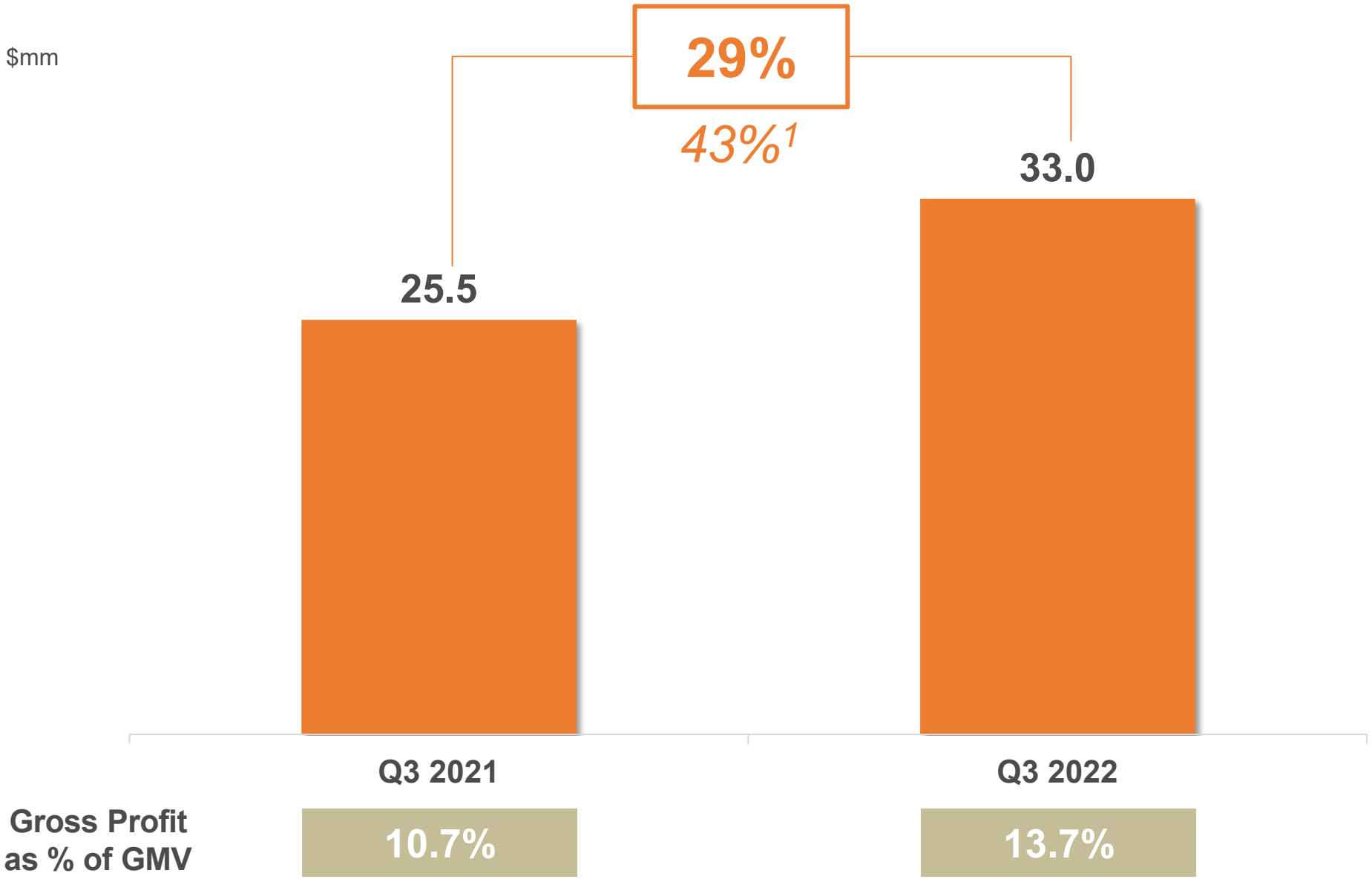
1. Constant currency growth

Accelerating marketplace revenue supported by commission increases…



Note
1. Constant currency growth

…driving accelerating gross profit growth and all-time high margin



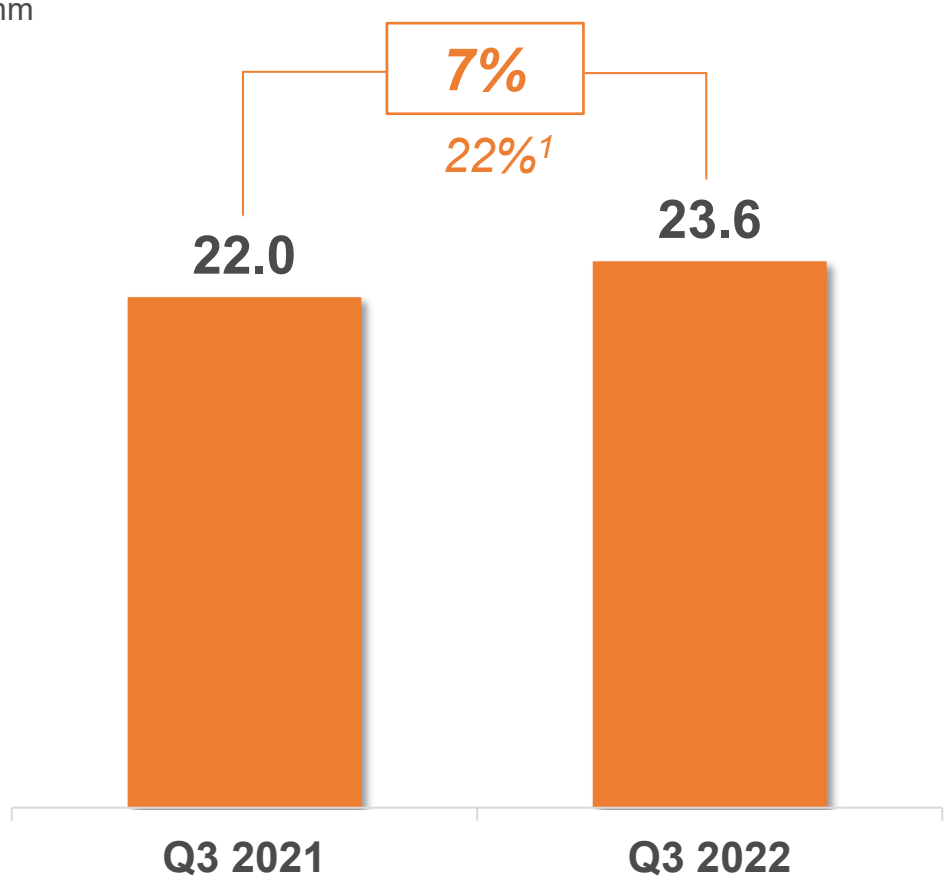
Note
1. Constant currency growth

We are focused on increasing fulfillment and marketing efficiencies

Costs

Fulfillment expense

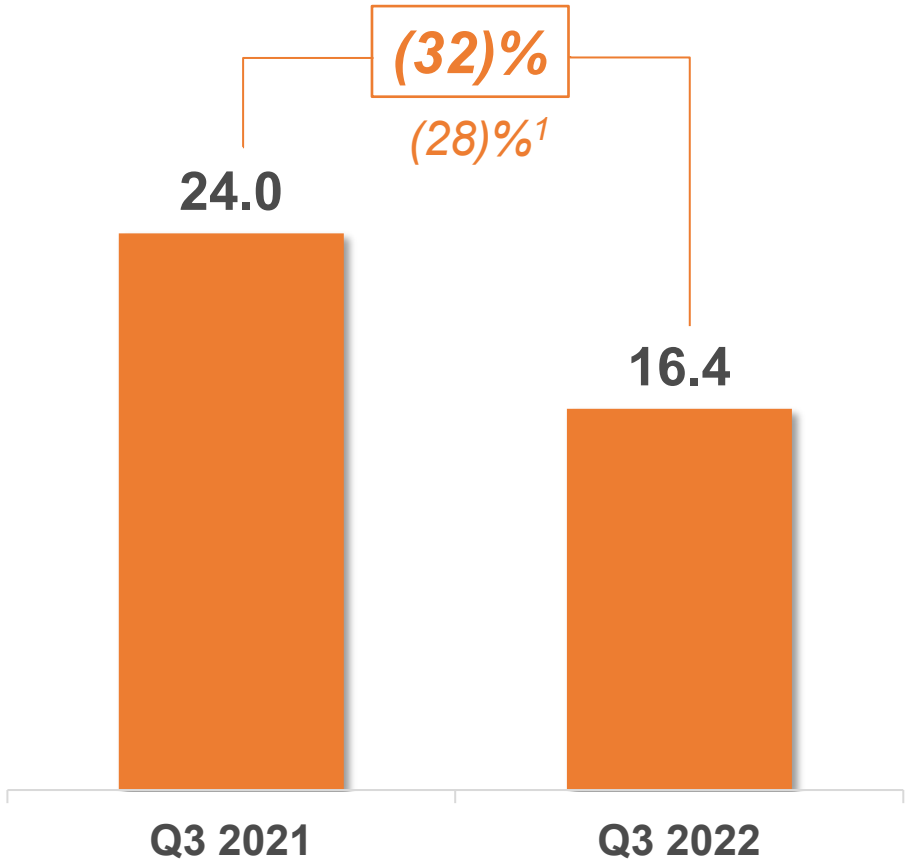
$mm



	Q3 2021		Q3 2022
Fulfillment per Order ($)	2.6	(3)%	2.5
Fulfillment as % of GMV	9.2%	6%	9.8%

Sales & Advertising expense

$mm



	Q3 2021		Q3 2022
S&A per Order ($)	2.8	(38)%	1.7
S&A as % of GMV	10.1%	(32)%	6.8%

Notes

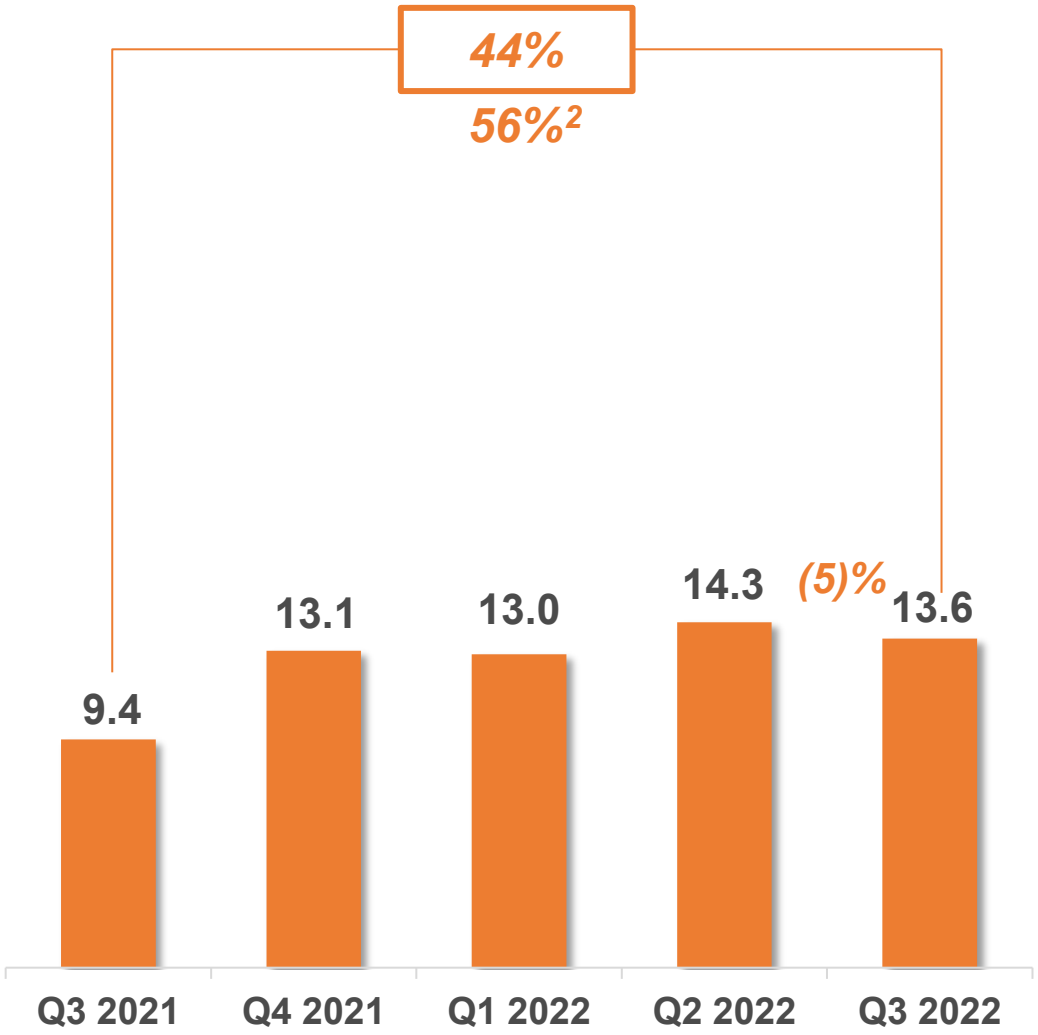
1. Constant currency growth

We have started driving sequential declines in technology and staff costs

Costs

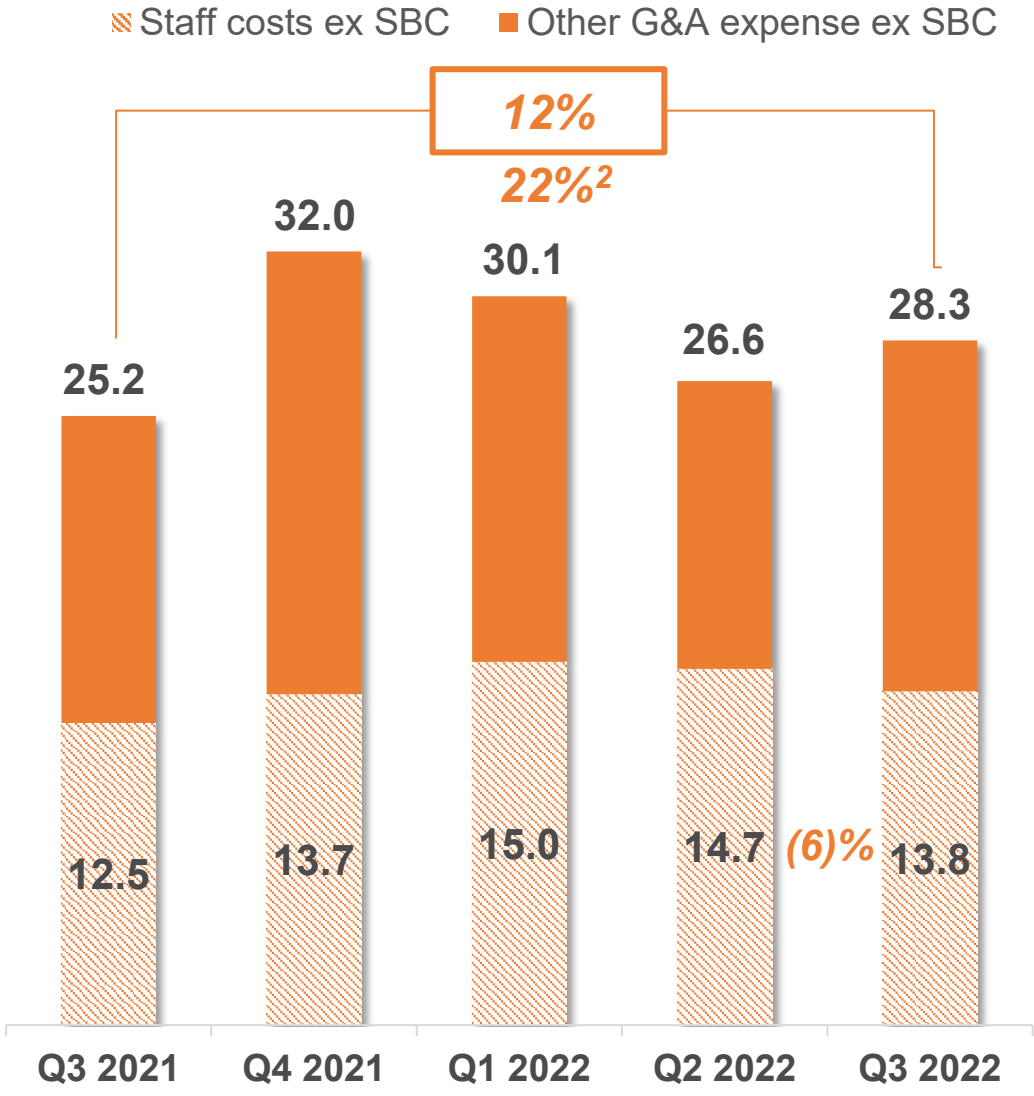
Technology & Content expense

$mm



General & Administrative expense ex SBC[1]

$mm



Notes

1. Share Based Compensation expense
2. Constant currency growth

Balance sheet and cash flow highlights

$3.0mm **CAPEX[1] Q3.2022**

$62.2mm **CASH UTILIZATION[2]**

$(13.1)mm **WORKING CAPITAL**
Net change in Working Capital[3]
Q3 2022

$284.7mm **CASH &TERM DEPOSITS[4]**

Notes
1. Corresponds to Purchase of Property and Equipment and Intangible assets, as presented on the Cash Flow Statement
2. Net decrease in cash and cash equivalents adjusted for FX effects and movements in term deposits and other financial assets
3. Corresponds to a cash outflow of $13,1mm
4. Comprised of $104.3 million of cash and cash equivalents and $180.5 million of Term deposits and other financial assets

Guidance

- In light of the highly volatile and unpredictable macro environment, we have decided to **suspend the full year 2022 GMV growth guidance and Gross Profit guidance** for the second half of 2022 provided earlier this year

We reiterate our previously provided guidance for the metrics below:

- **Sales & Advertising expense** of **$35mm to $45mm in H2.2022** implying a range of **$19mm to $29mm in Q4.2022**
- Adjusted EBITDA loss ranging between **$200mm and $220mm in FY2022** implying a range of **$42mm to $62mm in Q4.2022**
- Capex of **$10mm to $15mm in FY2022**



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While there is continuity with the historical strategic pillars of Jumia, we will take more deliberate action and step-up execution intensity across all these areas

1 Enhance business focus: doing less, better

What will we be doing differently?

- **Allocate capital / resources to projects that bring proven value** to consumers, sellers and broader ecosystem participants
- **De-emphasize / cease projects that do not meet such criteria.**

Selected actions

- **Discontinue Jumia Prime:** too early in the adoption curve to push such a product. Instead, focus on enhancing the basics of the customer value proposition to drive repurchase rates
- **Scale back First Party grocery e-commerce:** in geographies where the category remains sub-scale to support unit economics
- **Suspend logistics-as-a-service offering in selected geographies:** in countries where logistics infrastructure is not ready yet to support third-party volumes

2 Drive sustainable growth through enhanced e-commerce fundamentals

What will we be doing differently?

- **Move away from subsidizing growth** with consumer incentives and marketing spend…
- **…Instead enhance e-commerce fundamentals** to structurally improve the consumer value proposition

Selected actions

- **Master the basics of e-commerce: selection, price and convenience** across core categories
- **Focus on core categories:** phones & consumer electronics, home appliances, fashion and beauty
- **Build stronger relationships with suppliers:** key brands and local distributors, to secure supply and better prices
- **Increase customer centricity and improve experience:** more user-friendly and engaging UI, deeper logistics reach with shorter delivery times, more effective customer-support

3 Enforce stronger cost discipline

What will we be doing differently?

- **More deliberate actions** to cut costs and drive efficiencies across the full cost structure

Selected actions

- **Fulfillment:** scale back on product categories with inefficient delivery economics (grocery in selected geographies), renegotiate delivery rates with relevant third-party logistics partners, enhance productivity in warehouses
- **Sales & Advertising:** focus investments on the most relevant marketing channels with higher returns on investments
- **Technology:** prioritize our development roadmap on products and features that deliver proven benefits to the platform
- **G&A:** reduce staff costs through a leaner, more simplified organization. Significantly reduce central staff costs, locating senior leaders and decision centers in Africa

4 Build a balanced, diversified monetization model

What will we be doing differently?

- **Move away from monetization shortcuts** that can have a detrimental impact on the platform growth e.g. excessive commission rate increases or fees escalation for sellers' services
- **Look at monetization as a by-product of scale** – drive scale first, monetize through adding value to sellers and other platform participants

Selected actions

- **No further commission increases in the near-term**
- **Continue developing advertising:** through more effective ad solutions, increased sellers' take-up of our ad solutions
- **More disciplined approach to our logistics-as-a-service offering:** suspend the service in selected countries, ensuring the systems and infrastructure are ready to support third-party volumes

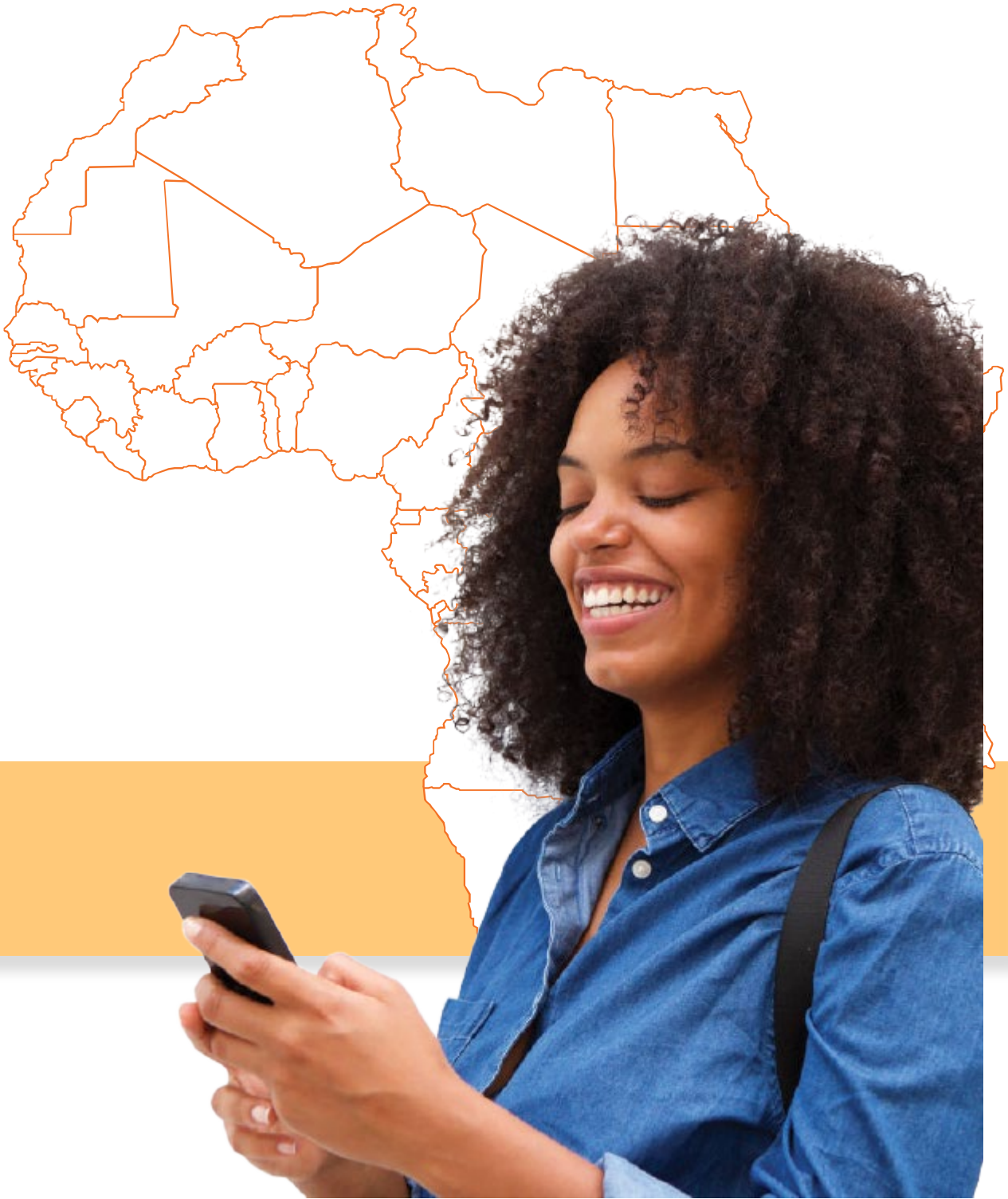
5 JumiaPay remains a priority that we will develop with discipline

What will we be doing differently?

- **Focus the deployment of capital and human resources** on a smaller set of highly relevant products and projects

Selected actions

- **Develop JumiaPay on-platform as an e-commerce enabler:** prioritize projects that add immediate value to the payment experience for consumers and sellers
- **Drive on-platform JumiaPay penetration in a disciplined manner:** in terms of marketing spend and consumer subsidies
- **More disciplined roll-out of consumer services on the JumiaPay app:** focus on services with attractive unit economics and consumer lifetime value
- **Drive off-platform payment processing in Nigeria and Egypt**



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Non-IFRS Reconciliation (1/2)

	For the three months ended September 30	
($ mm)	**2021**	**2022**
Marketplace revenue[1]	**25.3**	**32.2**
Commissions	8.1	12.6
Fulfillment	8.8	7.9
Marketing & Advertising	2.0	3.3
Value Added Services	6.3	8.4
First Party revenue	**16.2**	**16.5**
Other revenue	1.2	1.8
Revenue	**42.7**	**50.5**
Cost of revenue	(17.1)	(17.5)
Gross Profit	**25.5**	**33.0**

Notes

1. Revenue from Marketplace calculated as the sum of revenue from Commissions, Fulfillment, Marketing & Advertising and Value Added Services, excluding First Party revenue and Other revenue

Non-IFRS Reconciliation (2/2)

	For the three months ended September 30	
($ mm)	**2021**	**2022**
Loss for the period	**(65.6)**	**(44.6)**
Income tax expense	0.1	0.8
Finance (income)/costs – net	1.5	0.6
Depreciation and amortization	2.4	3.1
Share-Based Compensation expense	9.2	(5.5)
Adjusted EBITDA	**(52.5)**	**(45.5)**

Constant currency data (USD)

($ mm, except percentages)	For the three months ended September 30				
	As reported		YoY Change	FX neutral data	YoY Change
	2021	2022		2022	
GMV	238.1	240.7	*1.1%*	271.5	*14.0%*
TPV	64.5	66.6	*3.3%*	75.0	*16.3%*
TPV as % of GMV	27.1%	27.7%		27.6%	
Gross Profit	**25.5**	**33.0**	***29.2%***	**36.6**	***43.2%***
Fulfillment expense	(22.0)	(23.6)	*7.0%*	(26.9)	*22.0%*
Sales & Advertising expense	(24.0)	(16.4)	*(31.5)%*	(17.4)	*(27.6)%*
Technology & content expense	(9.4)	(13.6)	*44.1%*	(14.9)	*57.8%*
G&A expense, excluding SBC	(25.2)	(28.3)	*12.4%*	(30.7)	*21.8%*
Adjusted EBITDA loss	**(52.5)**	**(45.5)**	***(13.3)%***	**(49.5)**	***(5.7)%***
Operating Loss	**(64.0)**	**(43.2)**	***(32.6)%***	**(47.7)**	***(25.5)%***

Metrics definitions

- “Gross Merchandise Value”, or “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
- “Orders” corresponds to the total number of orders for products and services on our platform, irrespective of cancellations or returns
- “Quarterly Active Consumers” means 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
- “Total Payment Volume”, or “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
- “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
- General and administrative expense, excluding SBC, corresponds to the General & Administrative (“G&A”) expense excluding share-based payment expense (“SBC”). We use this metric to measure the development of our G&A costs exclusive of the impact of SBC which is mainly a non-cash expense, influenced, in part, by share price fluctuations.
- “Adjusted EBITDA” corresponds to loss for the period, adjusted for income tax expense, finance income, finance costs, depreciation and amortization and further adjusted for Share Based Compensation expense