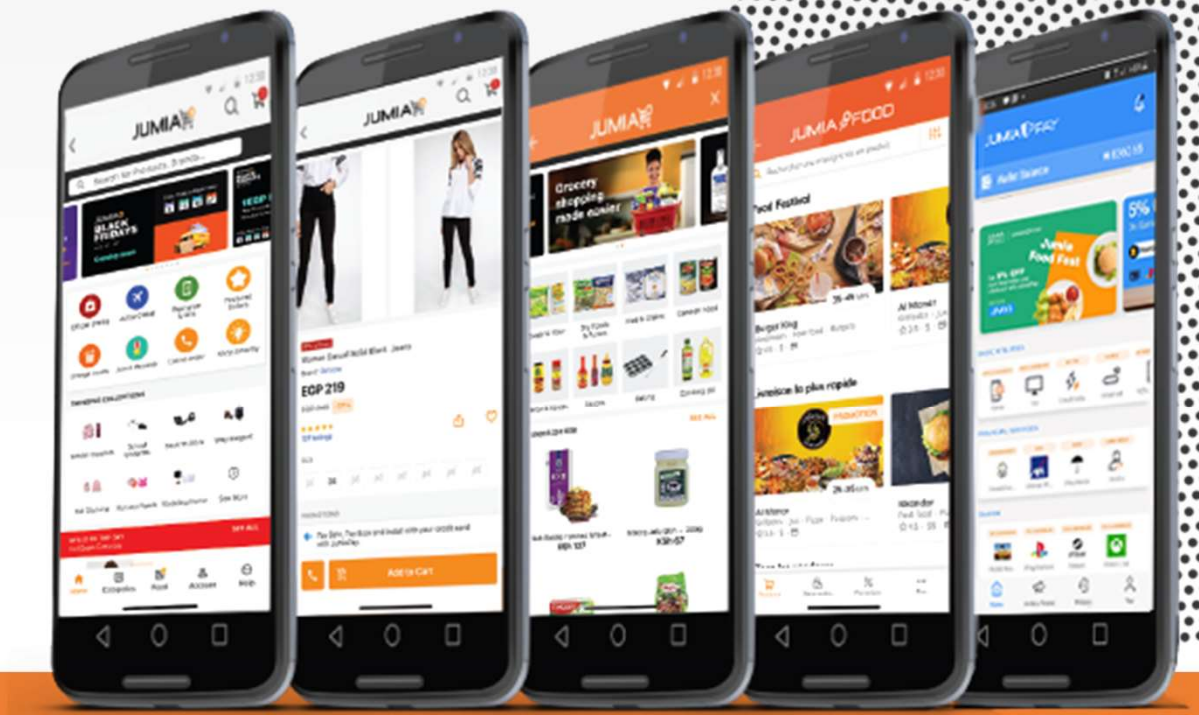
Results Presentation

Q3 2023



JUMIA

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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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Highlights

GMV

$181 million
(25)% // (3)%[1] YoY

GMV of physical goods growing in five countries YoY[2]

Revenue

$45 million
(11)% // 19%[1] YoY

Adjusted EBITDA loss

$15 million
(67)% // (70)%[1] YoY

Liquidity position[3]

$147 million

Δ $(19) million
(71)% YoY

Net cash flow used in operating activities

$24 million
(55)% YoY

JumiaPay TPV on-platform

45%
13 p.p. YoY

Notes

1. Constant currency change
2. Growth in both reporting and on constant currency basis. These 5 countries accounted for 49% of the GMV from physical goods in Q3 2023.
3. Liquidity position of $147.4 million comprised of $54.3 million of cash and cash equivalents $93.1 million of term deposits marking a decrease of $19.0 million in the third quarter of 2023

Key messages

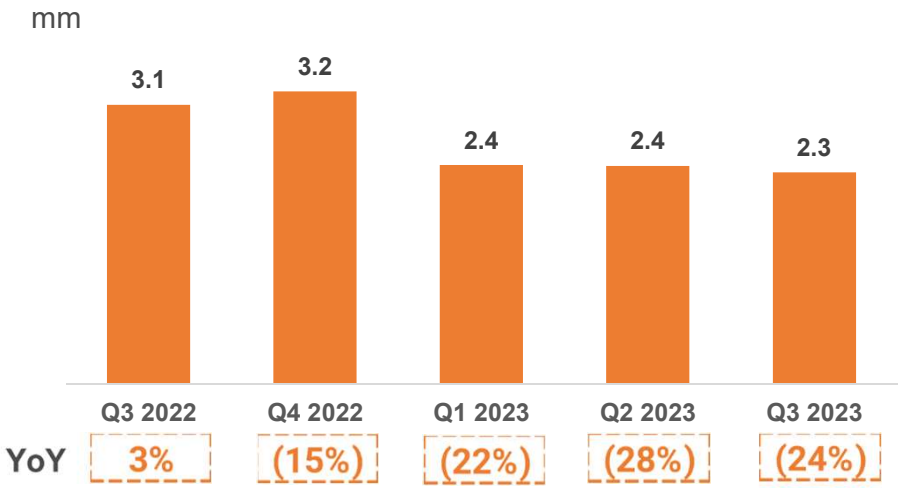
- Our efforts to create a **stronger value proposition in core categories** – Phones, Electronics, Home & Living, Fashion and Beauty – have resulted in better repurchase rates from new customers, and increased average order value (AOV) for physical goods.
- We saw a year-over-year **increase in GMV of physical goods in five countries,** the first in which we implemented our new strategy. At the group level, GMV decreased by 25% year-over-year and 3% on a constant currency basis, while we significantly improved our economics.
- **Operational efficiency** continues to improve, with Fulfillment expense per order, excluding JumiaPay, reaching $2.1, down by 26% year-over-year and 8% on a constant currency basis. Efficiencies were achieved while expanding our footprint in secondary cities throughout 2023.
- While focusing on improved customer value proposition, we continued **shifting the focus away from costly marketing channels**. This led to a decrease in Sales and Advertising expenses to $4.3 million, down by 74% year-over-year and 67% on a constant currency basis, as well as a reduction in consumer incentives such as vouchers.
- We have built a **leaner organization**, with G&A expenditures, excluding SBC, at $15.9 million, down by 43% year-over-year and 33% on a constant currency basis, primarily driven by savings on staff costs, after right-sizing our structure earlier this year.
- Jumia delivered a **strong Q3 2023 on losses reduction and cash management**. Adjusted EBITDA loss reached $14.9 million, down by 67% year-over-year and 70% on a constant currency basis, and Liquidity position reached $147.4 million, which marks a decrease of $19.0 million in the third quarter of 2023, down by 71% year-over-year.



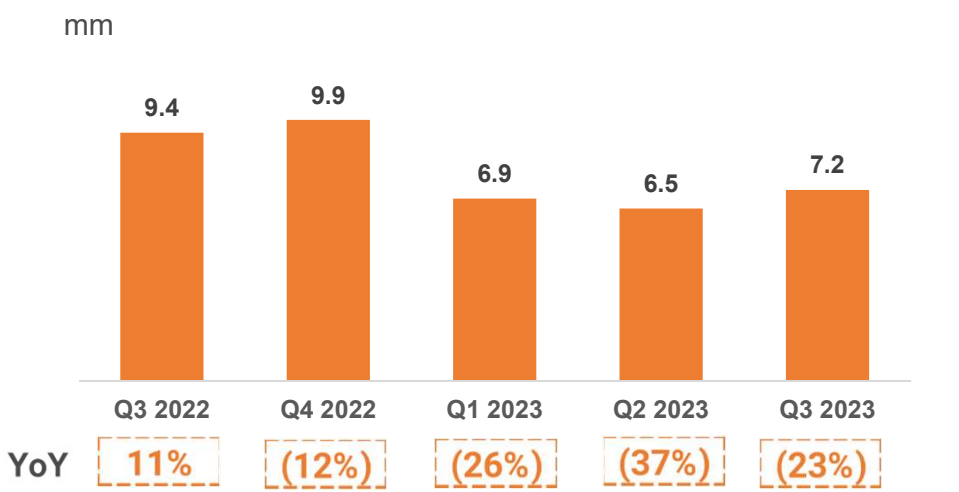
- **Usage highlights**
- Financial metrics
- Appendix

Usage trends gradually improving quarter-over-quarter

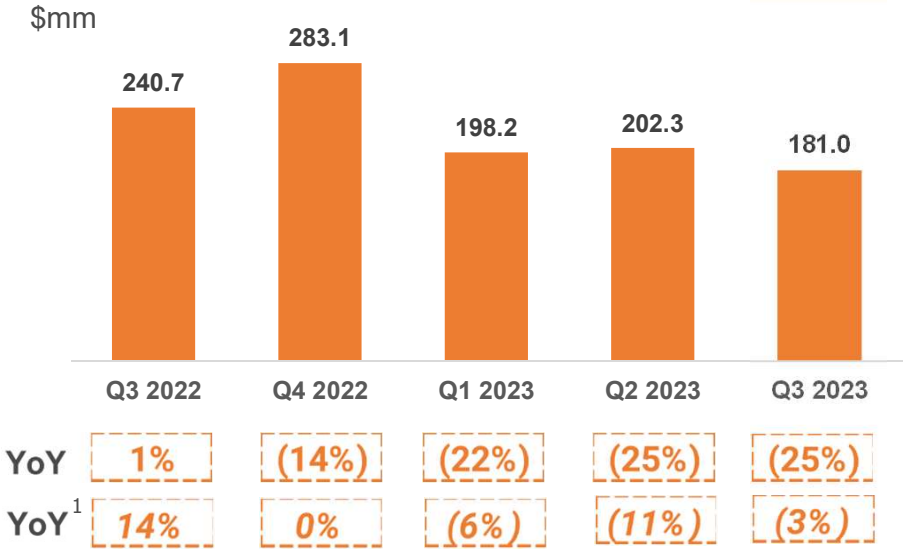
Quarterly Active Consumers



Orders



Quarterly GMV



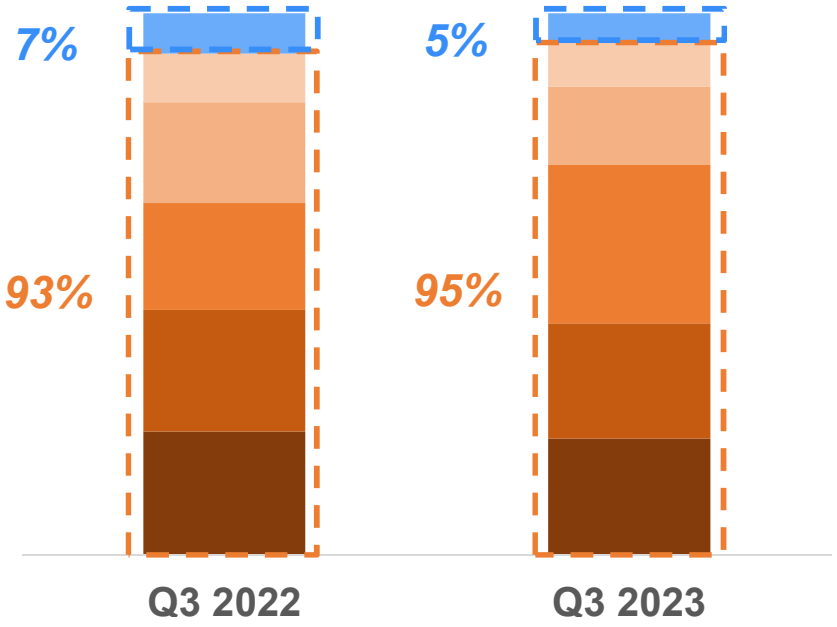
- Year-over-year decrease in usage is driven by deliberate decisions to focus on core categories and reduce consumer incentives, as well as FX headwind on GMV.
- Quarter-over-quarter reflects an approximately flat level of orders for physical goods as well as an increase in orders for digital services on the JumiaPay app (in Q3 2023 vs Q2 2023).
- Quarter-over-quarter trends are encouraging, as the third quarter typically presents less favorable seasonality in our core categories compared to the second quarter.

Notes

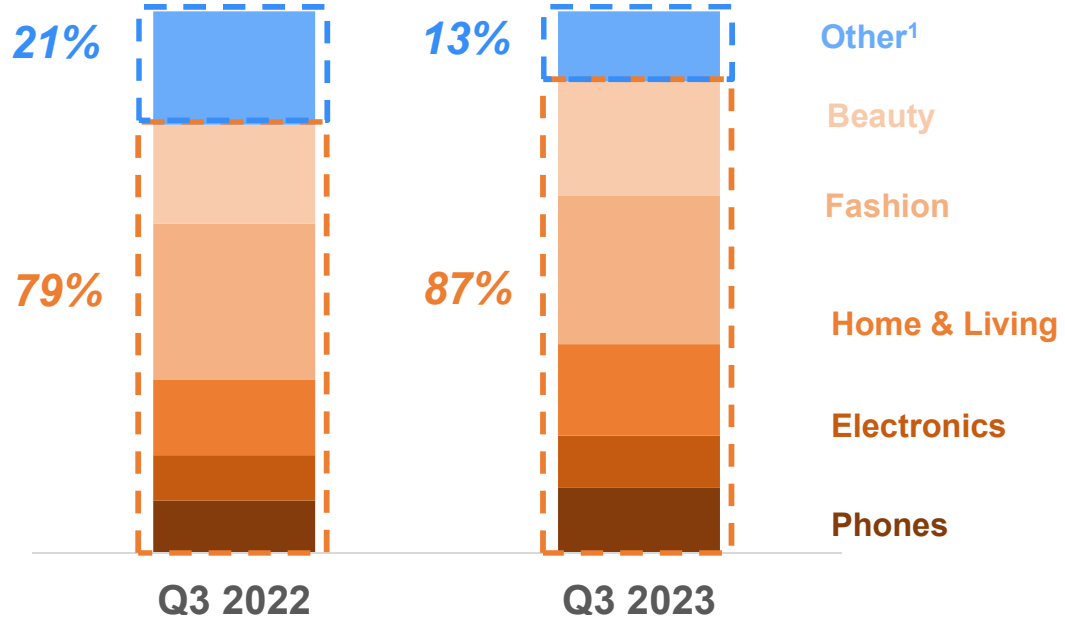
1. Constant currency change

As part of our supply efforts, we are successfully rebuilding our core categories

GMV Physical Goods Split



Items Sold Physical Goods Split



Average Order Value Physical Goods

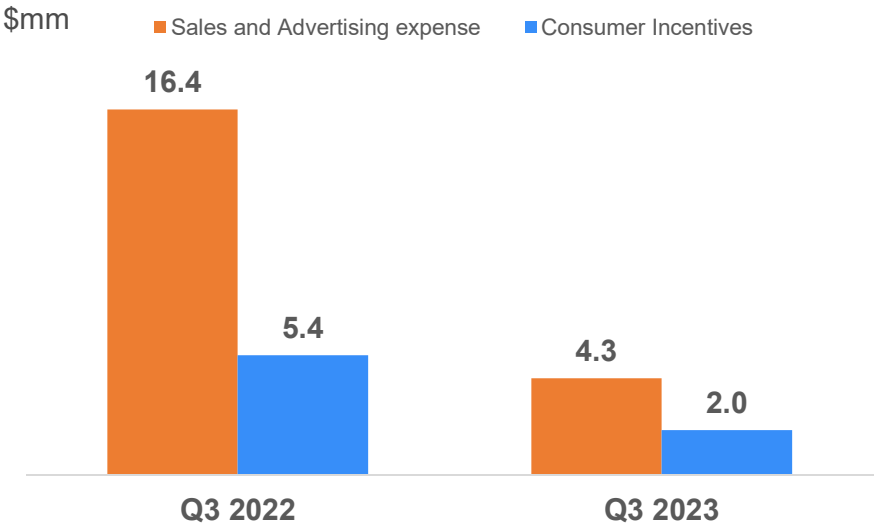


- Strategic focus on Phones, Electronics, Home & Living, Fashion & Beauty, driving up the AOV of physical goods.
- Particularly strong performance from Home & Living, thanks to better sourcing of goods and better price points across countries.

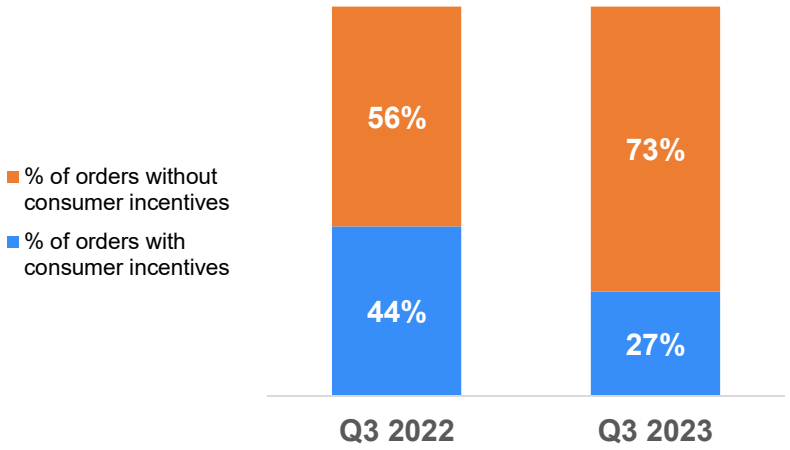
Notes:
1. Other includes FMCG and other categories
2. Constant currency change

We prioritize supply development and most relevant marketing channels

S&A Expense and Consumer Incentives for All Categories



% Orders of Physical Goods Benefiting from Consumer Incentives



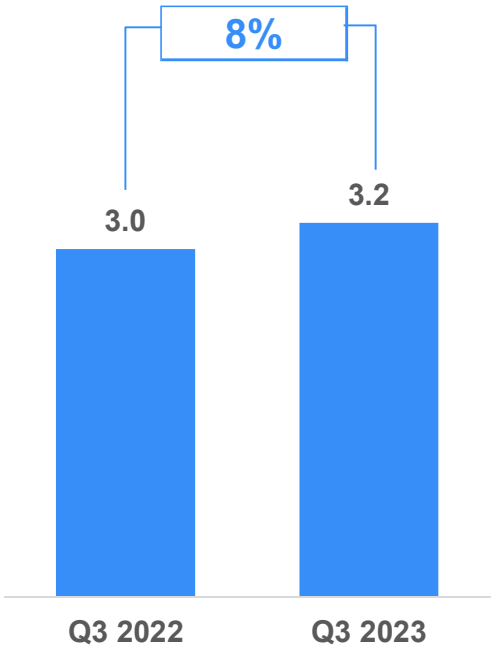
- Progress on supply in core categories helps to improve overall attractiveness of the platform, as well as repurchase rates.
  - 30-days repurchase rate of our Q3 2023 cohorts of new customers, acquired from core categories, increased by 2 percentage points year-over-year.
- Jumia reaches out to new customers by expanding to smaller cities, usually underserved by retail. There, market development is driven through relevant and efficient marketing channels (offline, J-Force agents).
- Major marketing focus on growing free channels, such as CRM[1] and SEO[2], and improving the efficiency of the others, such as paid online marketing.
  - Share of CRM in total visits to physical goods on our platform in Q3 2023 increased by 25% and SEO by 36% year-over-year.

Notes:
1. Customer Relationship Management
2. Search Engine Optimization

We are making JumiaPay a more effective enabler for physical goods and food delivery

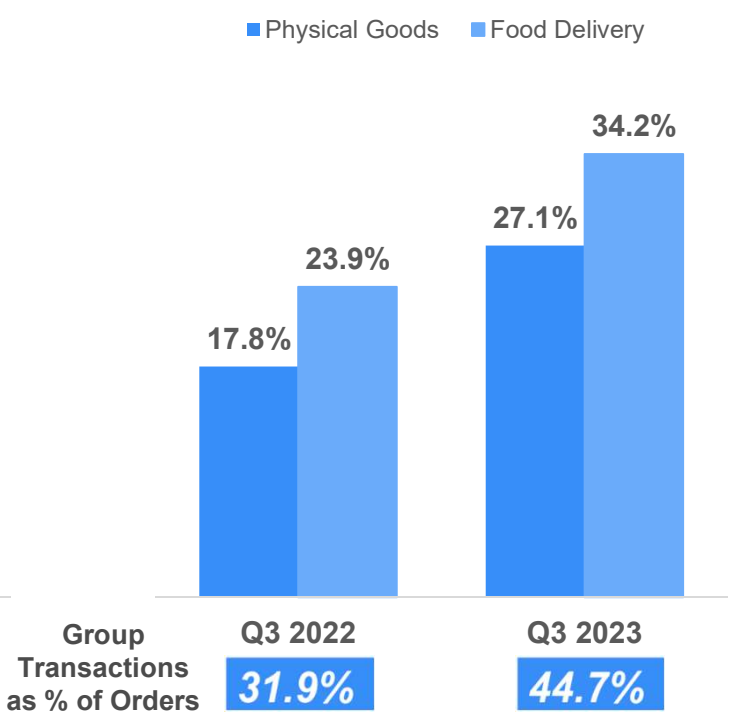
JumiaPay Transactions

mm



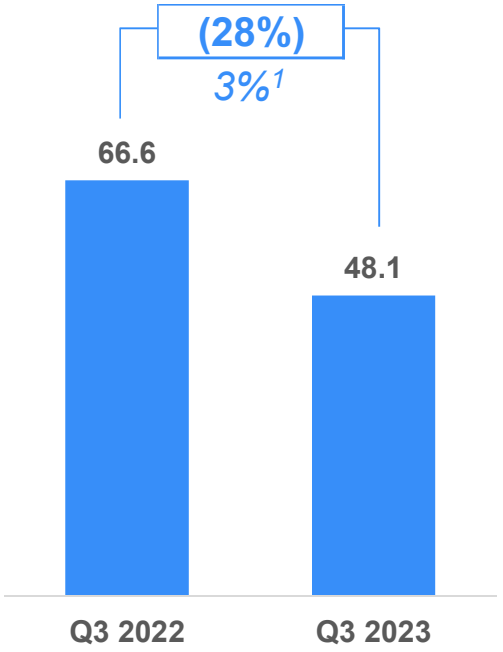
JumiaPay Transactions as % of Orders

% on-platform



JumiaPay TPV

$mm



Notes

1. Constant currency change



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- **Financial metrics**
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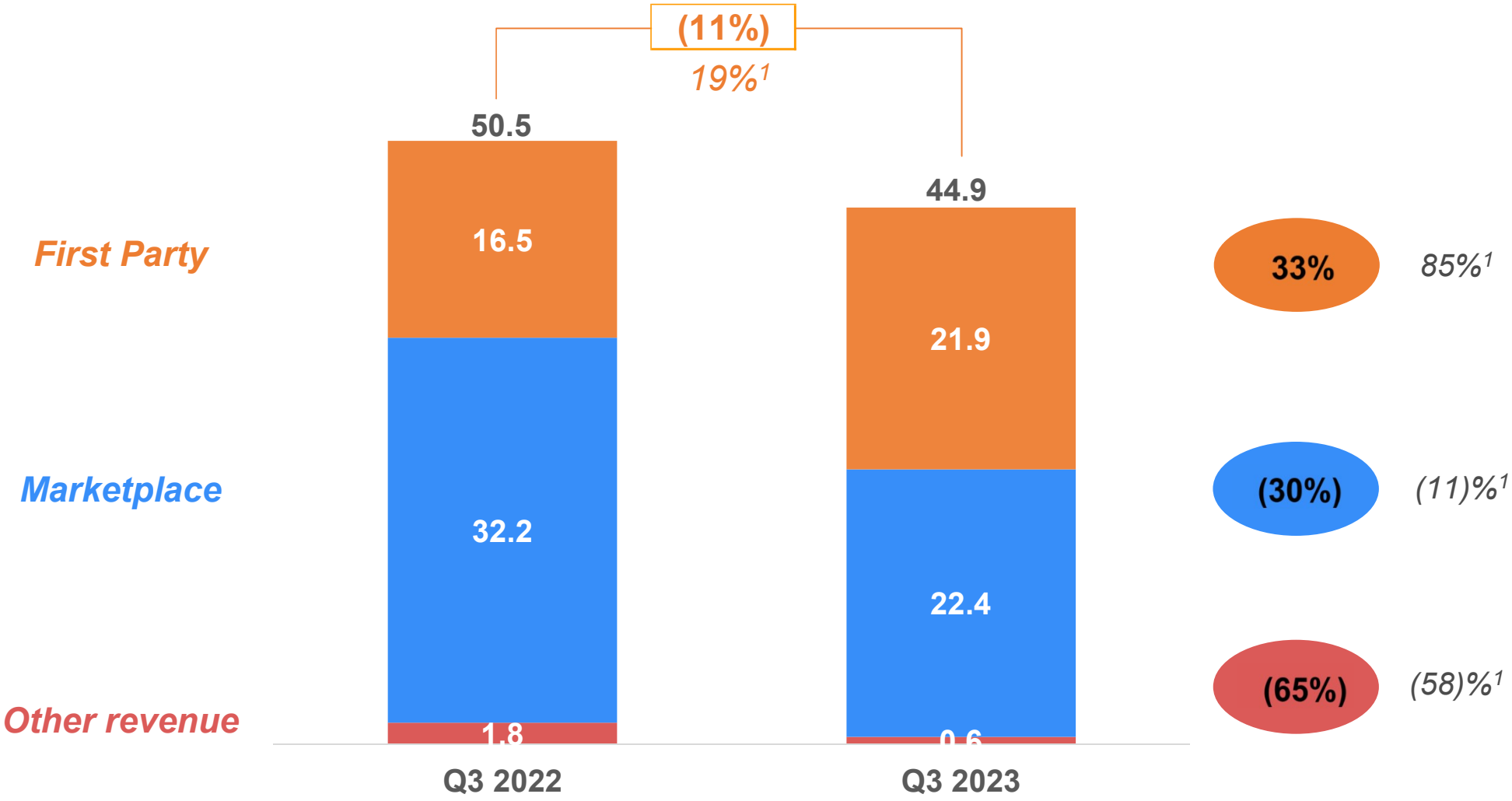
Revenue performance: navigating FX headwinds while experiencing First Party growth…

Revenue breakdown

$mm



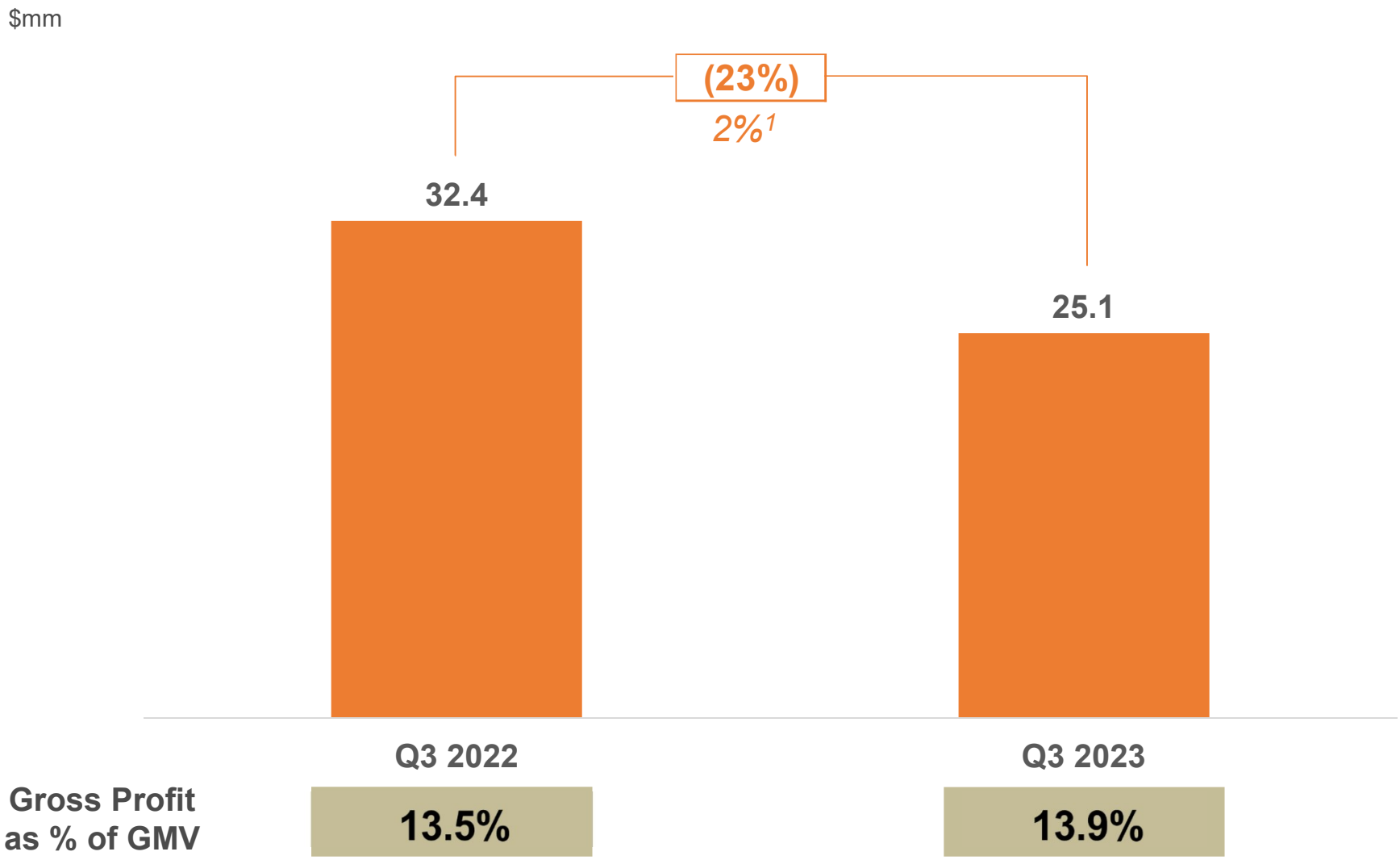
YoY Change

First Party	33%	85%[1]
Marketplace	(30%)	(11)%[1]
Other revenue	(65%)	(58)%[1]

Note

1. Constant currency change

…driving Gross Profit margin expansion

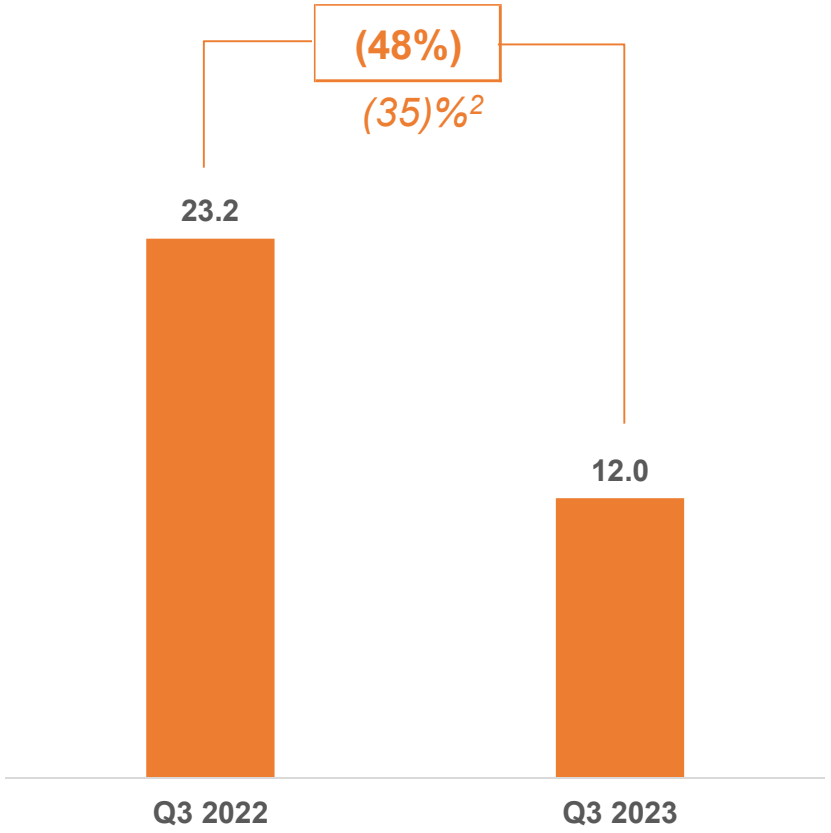


Note
1. Constant currency change

We keep improving our operational efficiency, while expanding our logistics footprint…

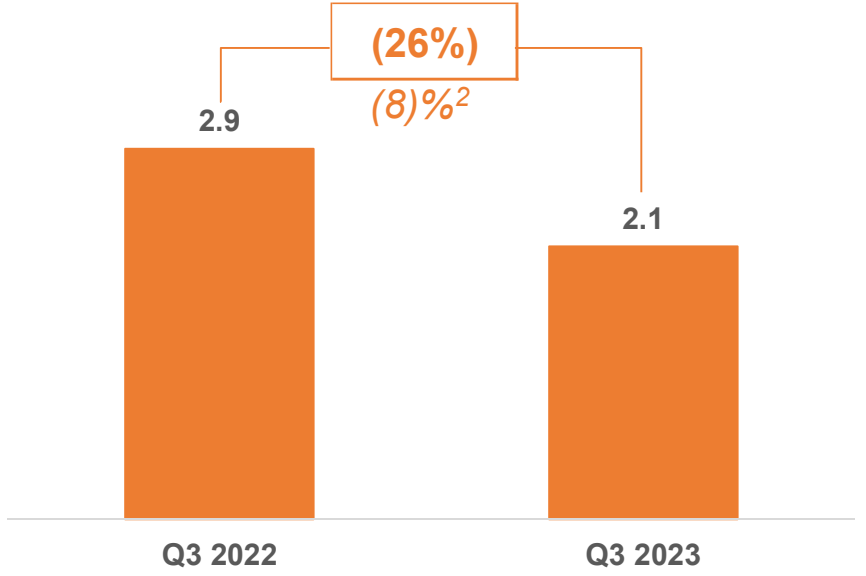
Fulfillment expense

$mm

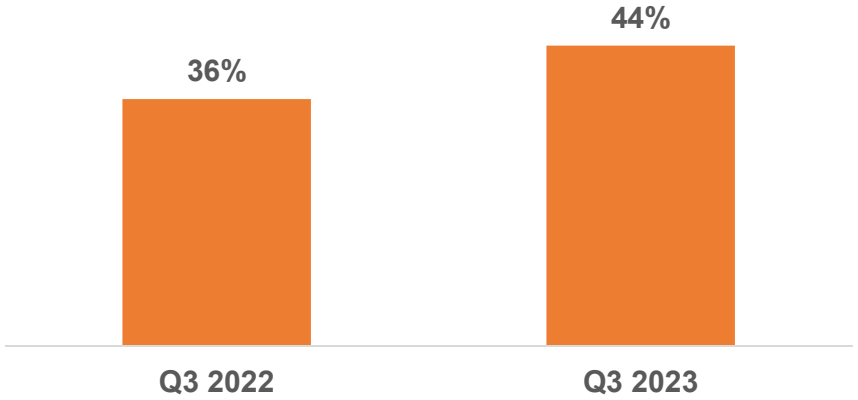


Fulfillment as % of GMV	9.6%	(299)bps	6.6%

Fulfillment expense/Order[1]



% Share of PUS[3] in shipped packages



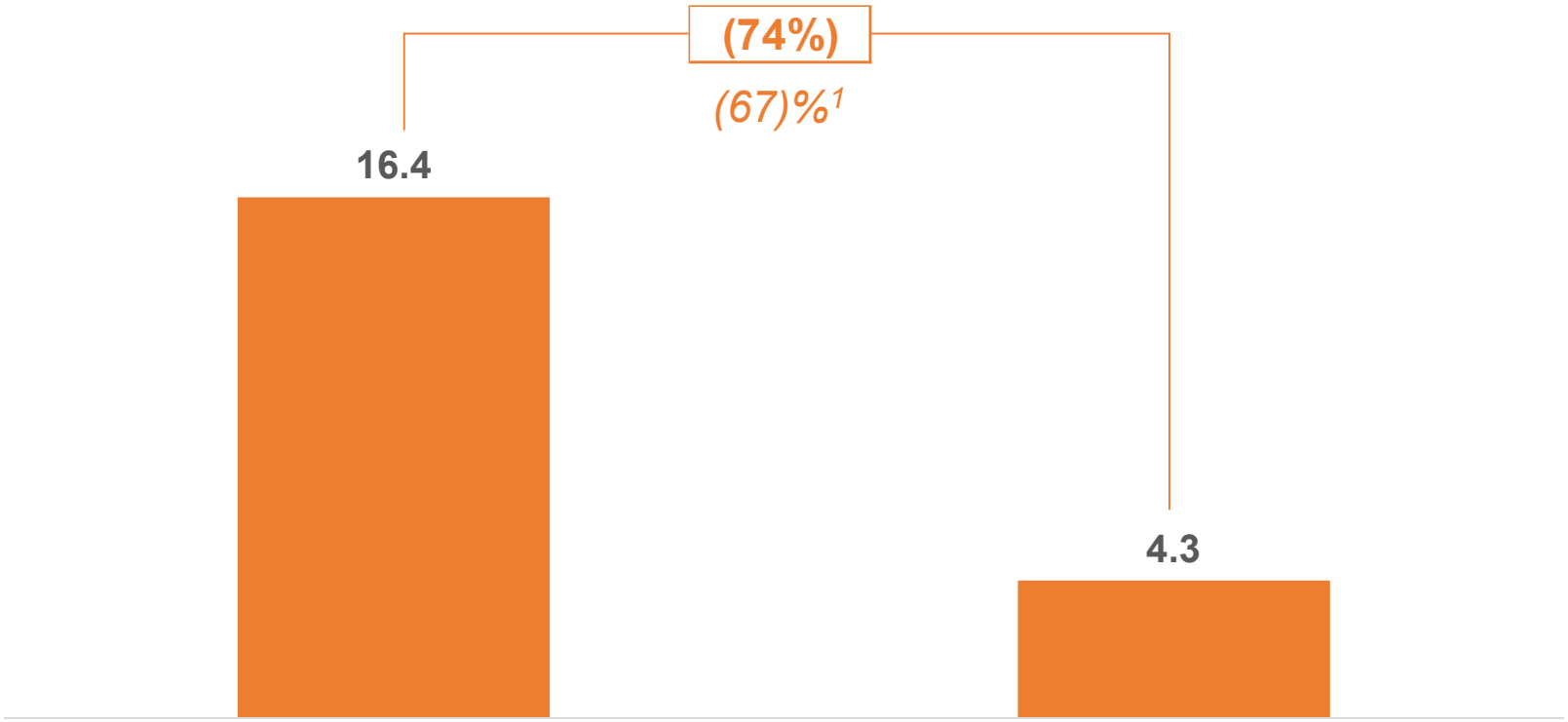
Notes

1. Excluding JumiaPay app Orders which are digital services and do not incur logistics costs
2. Constant currency change
3. Pick-up stations

We continue bringing discipline to our marketing investments

Sales & Advertising expense

$mm



	Q3 2022		Q3 2023
S&A per Order ($)	1.7	(66%)	0.6
S&A as % of GMV	6.8%	(443)bps	2.4%

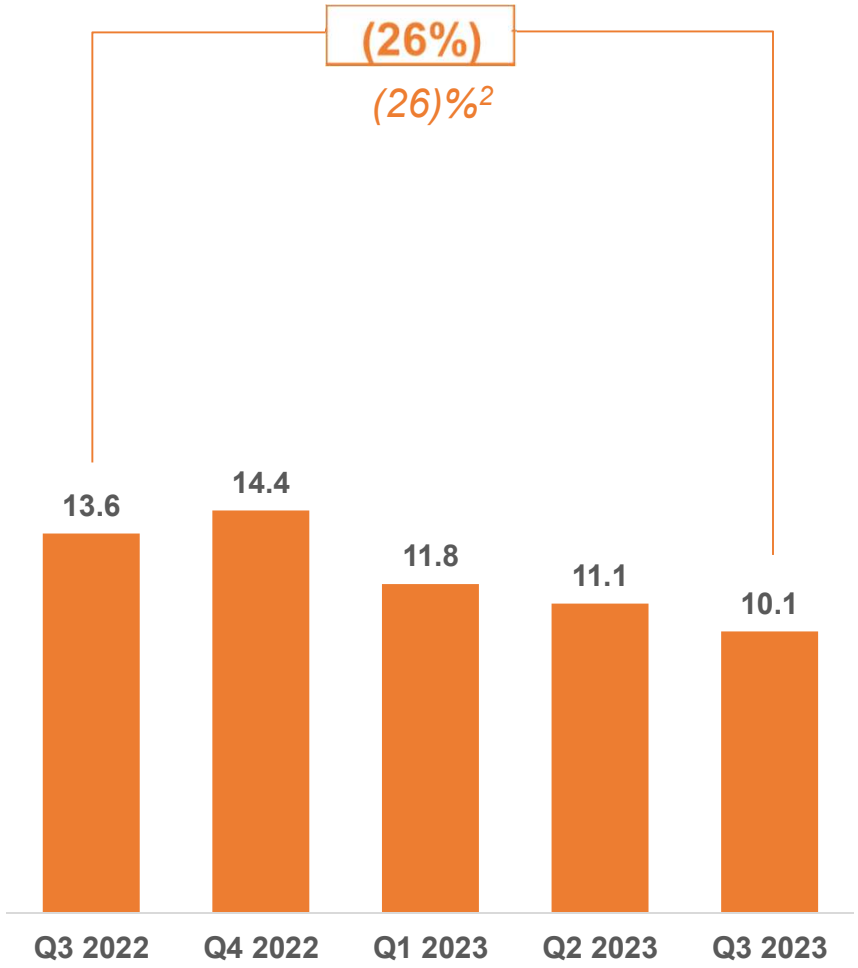
Notes

1. Constant currency change

…while generating tech and G&A savings

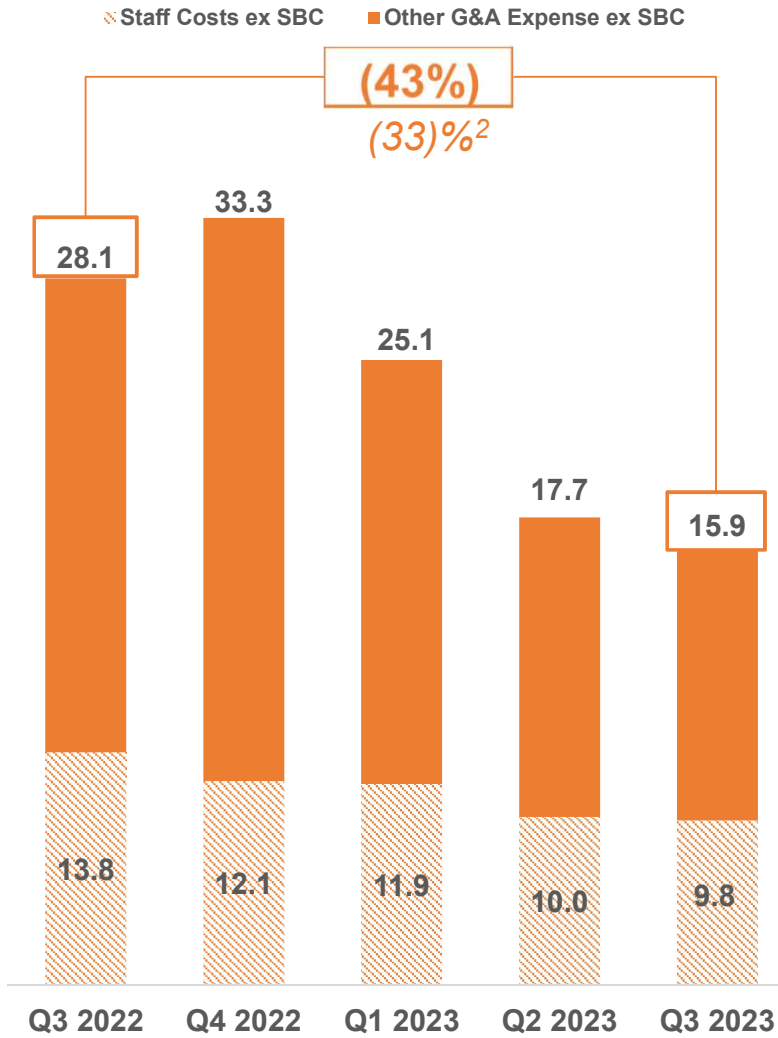
Technology & Content expense

$mm



General & Administrative expense ex SBC[1]

$mm



Notes

1. Share Based Compensation expense
2. Constant currency change

Balance sheet and cash flow highlights

$0.3mm **CAPEX[1] Q3.2023**

$147.4mm **LIQUIDITY POSITION[2]**

$0.4mm **WORKING CAPITAL**
Net change in Working Capital[3]
Q3 2023

$19.0mm **Δ LIQUIDITY POSITION[4]**

Notes
1. Corresponds to Purchase of Property and Equipment and Intangible assets, as presented on the Cash Flow Statement
2. Comprised of $54.3 million of cash and cash equivalents and $93.1 million of Term deposits and other financial assets
3. Corresponds to a cash inflow of $0.4mm
4. Change in the liquidity position from $166.3 million as of June 30, 2023 to $147.4 million, marking a decrease of $19.0 million in the third quarter of 2023.

FY2023 Guidance Update

We remain committed to reducing our losses and driving cost efficiencies as we accelerate our progress towards profitability.

For FY2023, in light of the **good progress in losses reduction in the nine months ended September 30, 2023**, we are **revising our Adjusted EBITDA[1] loss guidance from $90-100mm to $80-90mm**. This compares to a loss of $207mm in FY2022 and implies a 57% to 61% year-over-year reduction in Adjusted EBITDA loss.

Notes

1. Adjusted EDITDA is a non-GAAP financial measure, which is provided on a forward-looking basis. We do not provide a reconciliation of Adjusted EDITDA on a forward-looking basis as we are unable to reasonably predict share-based payments expenses excluded from the GAAP financial measures without unreasonable efforts. This is due to the high variability and inherent difficulty of forecasting the development of our future share price. For the same reasons, we are unable to address the probable significance of the unavailable information. Non-GAAP forward-looking measures provided without the most directly comparable GAAP financial measures may vary materially from the corresponding GAAP financial measures.



- Usage highlights
- Financial metrics
- **Appendix**

Non-IFRS Reconciliation (1/2)

	For the three months ended September 30	
($ mm)	2022	2023
Marketplace revenue[1]	**32.2**	**22.4**
Commissions	12.6	10.2
Fulfillment	7.9	5.3
Marketing & Advertising	3.3	2.5
Value Added Services	8.4	4.4
First Party revenue	**16.5**	**21.9**
Other revenue	1.8	0.6
Revenue	**50.5**	**44.9**
Cost of revenue	(18.1)	(19.8)
Gross Profit	**32.4**	**25.1**

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)	**2022**	**2023**
Loss for the period	**(44.6)**	**(22.9)**
Income tax expense	0.8	1.3
Finance (income)/costs – net	0.6	3.0
Depreciation and amortization	3.1	2.3
Share-Based Compensation (income) / expense	(5.5)	1.3
Adjusted EBITDA	**(45.5)**	**(14.9)**

Constant currency data (USD)

($ mm, except percentages)	For the three months ended September 30				
	As reported		YoY Change	Constant currency	YoY Change
	2022	2023		2023	
Gross Profit	**32.4**	**25.1**	***(22.6%)***	**32.9**	***1.7%***
Fulfillment expense	(23.2)	(12.0)	*(48.1%)*	(15.1)	*(35.0%)*
Sales & Advertising expense	(16.4)	(4.3)	*(73.6%)*	(5.4)	*(67.3%)*
Technology & content expense	(13.6)	(10.1)	*(25.8%)*	(10.1)	*(25.8%)*
G&A expense, excluding SBC	(28.1)	(15.9)	*(43.2%)*	(18.9)	*(32.7%)*
Adjusted EBITDA loss	**(45.5)**	**(14.9)**	***(67.2%)***	**(13.5)**	***(70.3%)***
Operating Loss	**(43.2)**	**(18.5)**	***(57.0%)***	**(17.7)**	***(59.0%)***
GMV	240.7	181.0	*(24.8%)*	234.2	*(2.7%)*
TPV	66.6	48.1	*(27.7%)*	68.6	*3.0%*
TPV as % of GMV	27.7%	26.6%		29.3%	

2020-2022 Overview

USD mm unless stated otherwise	FY 2020	FY 2021	FY 2022
Marketplace KPIs			
GMV	955.5	990.6	1,047.6
Annual Active Consumers (mm)	6.8	8.0	8.4
Orders (mm)	**27.9**	**34.0**	**38.9**
JumiaPay KPIs			
JumiaPay TPV	224.3	263.3	288.4
% on-platform penetration	*23.5%*	*26.6%*	*27.5%*
JumiaPay Transactions	9.6	12.1	12.8
% on-platform penetration	***34.5%***	***35.5%***	***33.0%***
Selected Financials			
Gross profit	107.8	110.1	130.4
Fulfillment expense	(82.2)	(89.3)	(98.8)
Gross profit after fulfillment expense	**25.62**	**20.81**	**31.57**
Sales & Advertising expense	(37.1)	(81.9)	(75.7)
Technology & Content expense	(31.8)	(39.2)	(55.3)
G&A ex SBC[1]	(106.1)	(107.2)	(117.6)
Adjusted EBITDA loss	**(136.3)**	**(196.7)**	**(207.1)**
Operating loss	(170.3)	(240.9)	(226.9)

Notes

1. Share Based Compensation expense

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
- “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.
- “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