ANNUAL REPORT

AND CONSOLIDATED FINANCIAL STATEMENT 2023-2024

1st July 2023 to 30th June 2024

The annual report was submitted and approved by the general meeting on the

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Chairman of the meeting

mdundo

Jagtvænget 2, 2920 Charlottenlund
Central Business Registration 41305754

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Management's review

Consolidated financial statements and financial statements 1 July 2023 - 30 June 2024

Notes:

- To ensure the greatest possible applicability of this document, IAS/IFRS English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's statement

Today, the Board of Directors and the Managing Director have approved the annual report of Mdundo.com A/S for the financial year 2023/24.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

We consider the chosen accounting policy to be appropriate, and in our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2024, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 July 2023 – 30 June 2024.

Further, in our opinion, the Management's review gives a true and fair review of the matters discussed in the Management's review.

We recommend that the annual report be approved at the Annual General Meeting.

Charlottenlund, 7 October 2024

Managing Director

Martin Møller Nielsen

Board of directors

Jesper Vesten Drescher	Jakob Ellehauge Sode	Joseph Hundah
Kristopher Mawijena Kris Senanu	Jaikaran Singh Sawhny	

To the Shareholders of Mdundo.com A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Mdundo.com A/S for the financial year 1 July 2023 to 30 June 2024, which comprise a summary of significant accounting policies, income statement, balance sheet, statement of changes in equity and notes for both the Group the Parent Company, as well as consolidated statement of cash flows. The consolidated financial statements and the parent company financial statements are prepared under the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 June 2024, and of the results of the Group and the Company's operations as well as the consolidated cash flows for the financial year 1 July 2023 - 30 June 2024 in accordance with the Danish Financial Statements Act.

Basis for conclusion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group´s and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. 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 parent company financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, 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 the parent company financial statements, 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 opinion. 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 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 the Group´s and the Company’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements 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 and the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. 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 and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the consolidated financial statements and the parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether Management's Review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that Management's Review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of Management's Review.

Frederiksberg, 7 October 2024

EY Godkendt Revisionspartnerselskab
State Authorised Public Accountants
Company reg. no. 30 70 02 28

Peter Andersen	Morten Vedel-Ritter
State Authorised Public Accountant	State Authorised Public Accountant
mne35313	mne50639

Company Details

Company:
Mdundo.com A/S
Jagtvænget 2 2920 Charlottenlund
Company reg. no. 41 30 57 54
Established: 10 April 2020
Domicile: Gentofte Kommune
Financial year: 1 July - 30 June, 5th financial year

Managing Director:
Martin Møller Nielsen

Auditors:
EY Godkendt Revisionspartnerselskab
Dirch Passers Allé 36,
Postboks 250,
2000 Frederiksberg

Subsidiary:
Mdundo Limited, Kenya

Board of Directors

Jesper Vesten Drescher

Kristopher Mawijena Kris Senau

Joseph Hundah

Jakob Ellehauge Sode

Jaikaran Sawhny

Consolidated financial highlights

DKK in thousands.	2023/24	2022/23	2021/22	2020/21	2019/20
Income statement:					
Revenue	11.929	12.590	7.258	2.300	379
Gross profit	-4.219	-5.201	-5.475	-3.740	-432
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	-6.397	-7.688	-7.967	-6.276	-640
Earnings before interest and taxes (EBIT)	-8.680	-9.923	-10.153	-8.401	-987
Net financials	-504	-186	645	-1	48
Net profit or loss for the year	-9.752	-10.211	-9.683	-8.403	-939
Statement of financial position:					
Balance sheet total	28.835	36.199	43.895	51.370	23.119
Investments in property, plant and equipment	2	6	0	14	19
Equity	18.803	28.470	38.870	48.517	21.173
Cash flows:					
Operating activities	-4.013	8.822	-22.460	-6.460	255
Investing activities	-501	-516	-545	-633	-20.783
Financing activities	0	0	0	35.751	22.112
Total cash flows	-4.513	8.307	-23.005	28.658	1.584
Employees:					
Average number of full-time employees	18	18	18	21	11
Key figures in %:					
Gross margin ratio	-35,4	-41,3	-75,4	-162,6	-114,0
Profit margin (EBIT-margin)	-72,8	-78,8	-139,9	-365,3	-260,4
Acid test ratio	148,4	264,9	526,0	1.131,0	130,0
Solvency ratio	65,2	78,6	89,0	94,0	92,0
Return on equity	-41,3	-30,3	-22,2	-24,1	-9,0
Share related key figures:					
Book value per share	1,84	2,79	3,81	4,76	
Earnings per share ratio before dilution	-0,96	-1,00	-0,95	-1,04	
Earnings per share ratio after dilution	-0,96	-1,00	-0,95	-1,04	
Total number of shares	1.019.667	1.019.667	1.019.667	1.019.667	
Average number of shares in the period	1.019.667	1.019.667	1.019.667	809.800	

Calculations of key figures and ratios follow the recommendations of the Danish Association of Finance Analysts

The financial highlights for 2019/20 solely comprise the period 10 April - 30 June 2020.

Mdundo.com limits annual cash-burn by 36% and reaches new milestone of 36M monthly active users in June 2024

The principal activities of the group:
Mdundo.com A/S's main activity is to run and develop an online music service, similar to (for example) Spotify, but with a focus on the African market and the more than one billion people living in Sub-Saharan Africa. Like in the Western world, music is currently primarily distributed digitally, and legal digital music services have developed significantly in the last few years, but there is still a huge market to develop and Mdundo has a significant part to play in this development.

Mdundo.com stands at the forefront of Sub-Saharan Africa's music streaming evolution. As the region embarks on an unprecedented digital journey, we've harnessed the power of connectivity to transform the music experience for millions towards our vision of providing Africa with easy and legal access to online entertainment. Our growth, and ambition of reaching 40 million monthly active users by June 2024 as well as financial sustainability by the financial year ending 2025, underscores our commitment to redefining the African music industry.

Guidance for FY 2024-25

User Growth:

Projecting an increase in monthly active users to 40 million in June 2025.

EBITDA Improvement:

Targeting DKK -4 to -5 million, an improvement of DKK 1.4-2.4 million year on year.

Revenue Growth:

Aiming for DKK 15-17 million, reflecting a growth from DKK 11.9 million in 2023-24.

Highlight Summary: Building a leading music service for Africa

EBITDA improvement and reduced cash burn by 36%:
EBITDA improvement of 18% from negative DKK 7.7 million to negative DKK 6.4 million and an improvement in the annual cash burn to DKK 4.5 million (down from negative 6.9 million in 2022/23), leaving the Company with DKK 11.1 million in the bank ultimo June 2024.

Exceeding User Growth:
Monthly active users reached 36.0 million in June 2024, surpassing the target of 35 million.

Lower revenue as a result of weak African currencies and poor advertising performance:
Total revenue for the year is DKK 11.9 million down by 6% compared to last year. This is a result of a 45% drop in advertising revenue as well as weak African currencies within the financial year. In local currencies subscription revenue grew 112% compared to 2022/23.

Premium Offering:
Subscription revenue grew 68% from DKK 4.4 million to DKK 7.4 million, the growth was highly impacted by fluctuations in local currencies. In local currencies the growth in subscription revenue was 112%.

Advertising Offering:
Advertising revenue dropped by 45% to DKK 4.5 million, key campaigns by pan-african brands were running on the platform, however overall there was a decline in advertising revenue as a result of a delayed and generally unsatisfactory execution of our advertising sales strategy.

Cash:
DKK 11.1 million in the bank, which corresponds to 31% of the total net proceeds from the listing on Nasdaq First North in 2020 of DKK 36 million.

Ambitious Goals:
Pursuing 40 million monthly active users and EBITDA positive operation by end of calendar year 2025.

From left: Mark Ndungu, COO, Sowari Akosionu, Head of Marketing & Partnerships, Martin Møller Nielsen, CEO, Wanjiku Koinange, Head of Licensing, Michael Okeje, Head of Product & Growth

Market Overview: Navigating through rapid market growth and currency fluctuations

The music industry in Sub-Saharan Africa is the fastest growing region globally:

According to the globally leading music trade organization, IFPI, there was a positive story of growth across the globe: every region had healthy revenue growth in 2023 and five regions posted double-digit percentage gains. Sub-Saharan Africa remained the fastest growing area. Sub-Saharan Africa once again had the fastest growth of any region and was the only one to surpass 20% growth: revenues climbed by 24.7%, fuelled by gains in paid streaming revenues (+24.5%). South Africa remained the largest market in the region, contributing 77.0% of regional revenues after growth of 19.9%. In a statement released in November, the Recording Academy announced three newly-added categories for the 2024 Grammys, one of which is the Best African Music Performance award, acknowledging the commercial and cultural prowess of African music. The research firm Dataxis predicts that Africa’s annual music streaming revenues will grow (from $92.9 million in 2021) to $314.6 million by 2026.

Steady rise in internet penetration across Africa:

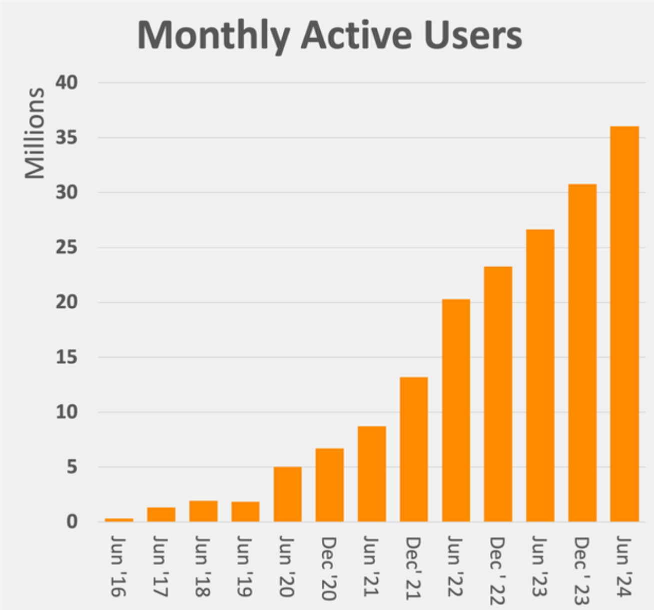
The trade organization GMSA reports a total of 489 unique mobile subscribers in Africa in 2022, a number that is expected to grow to 438 million by 2030. According to the International Telecommunication Union (ITU) "Facts and Figures 2023" report released in February 2024, 37% of the African population had internet access in 2023. Although this represents a slight decrease from the previous year's 40%, analysis by the Ecofin Agency indicates a consistent upward trend over the last decade. From a modest 16% in 2013, internet usage in Africa climbed to 25% by 2016 and continued to grow steadily to reach 40% in 2022. Before the 2023 dip, the only other decline over the past ten years occurred in 2017, when usage dropped by 3.3 percentage points.

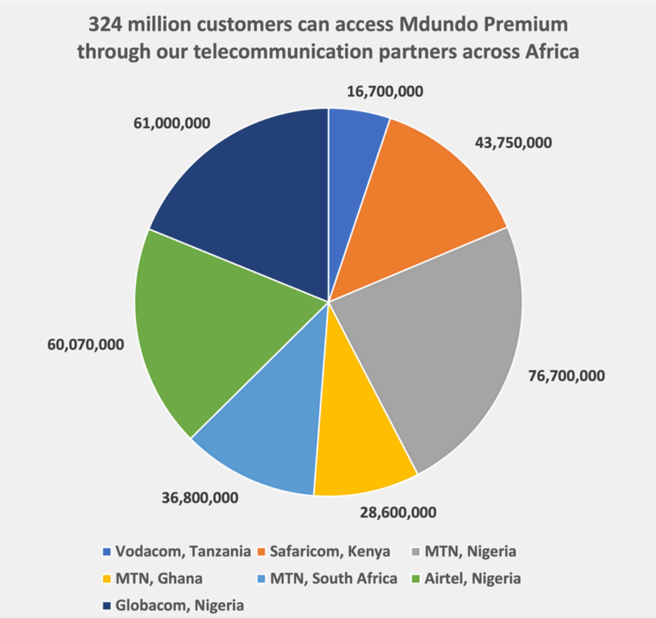
African Currencies Are Under Pressure:

According to the International Monetary Fund, most sub-Saharan African currencies have weakened against the US dollar, increasing inflationary pressures across the continent as import prices surge. The extent varies by country, however for Mdundo’s focus countries Nigeria has seen the biggest depreciation. Foreign exchange earnings took a hit in many countries as demand for the region’s exports dropped because of the economic slowdown in major economies. At the same time, high oil and food prices, partly due to Russia’s war in Ukraine, pushed up import costs in 2022. Currency fluctuations against the dollar have caused huge losses for foreign companies, with some groups even exiting Nigeria and Kenya. The impact for Mdundo has been limited primarily to the top-line growth as the majority of the company’s expenses are in local currencies and therefore not impacting the bottom-line with full effect.

Performance Highlights: Step towards positive cash flow with a focus on EBITDA positive by the end of 2025

Consistent growth in Monthly Active Users:
The company has grown significantly in the last five years from a customer base of 1.9 million monthly active users in June 2019, and the Company expects to increase the focus on driving value per user through its paid subscription service in the coming year. The company released a strategy update in June 2024 with a further focus on driving value per user through telecommunication partnership. As a result of this prioritization, combined with a decline in the value per user from the free service, the company expects a slower growth in the customer base of the free service and lowered the aim to grow the service from 50 million monthly active users to 40 million monthly active users by June 2025.





Growth in subscription revenue by 68% aligned with 2025 focus: Subscription revenue grew from DKK 4.4 million to DKK 7.4 million in the financial year 23/24. The company has started a strong focus on driving value per user through the paid music service. Mdundo has entered agreements with a number of telecommunication companies including Vodacom in Tanzania, MTN in Ghana, Nigeria and South Africa, Airtel in Nigeria and Safaricom in Kenya. After the end of the financial year, Mdundo has announced an agreement with Globacom in Nigeria and has signed an agreement with one additional telecommunication company yet to be announced. The partnerships allow customers to purchase access to Mdundo premium directly through their phone bills at a daily or weekly rate. The five partners have a total customer base of 324 million within the five markets. As a result of these partnerships Mdundo has increased revenue from the paid service from none in the year 2019/2020 to 62% of the total revenue in 2023/24.

Development of the organization within the financial year to capture unlocked opportunities, especially within product-led growth and advertising sales

Mark Ndungu, Chief Operating Officer:
Mark brings +10 years of management experience from the digital advertising industry. In his prior role, he was the General Manager with the Kenyan advertising agency Bean Interactive. Mark will bring additional knowledge of the advertising and media industry and as the COO he will oversee our advertising sales team.

Poonam Sikka, Senior Finance Manager:
Poonam brings 19+ years finance experienced with specialization in Corporate Accounting / Financial Planning & Analysis as well as Experience in conceptualizing and implementing financial policies and procedures including internal controls / compliances to enhance overall efficiency of the organization.

Maureen Njeri, Country Manager, Tanzania:
Maureen leverages over 10 years of experience in sales, negotiation and robust relationship building skills to drive sales targets for Mdundo in Tanzania within the FMCG industry, government agencies and NGO sectors.

Phiona Nafuna Wafula, Head of Licensing, East Africa:
Phiona is a business development professional with a track record of driving sales and supporting partnership strategies. She has a strong background in music licensing from Kenya Association of Music Producers and Phiona's role is to drive commercial value from Mdundo's licensing operation in East Africa.

Amanda Nneoma Uzoagba, Head of Licensing, West Africa:
Amanda has a background in entertainment law with more than eight years' experience in the entertainment industry. Her role is to drive commercial value from Mdundo's licensing operation in West Africa.

Ionut Bodea, Senior Lead Developer:
Ionut brings 10 years of hands-on development experience from Romania and Germany as a lead engineer. His role at Mdundo is to lead the development team in executing the company's product roadmap.

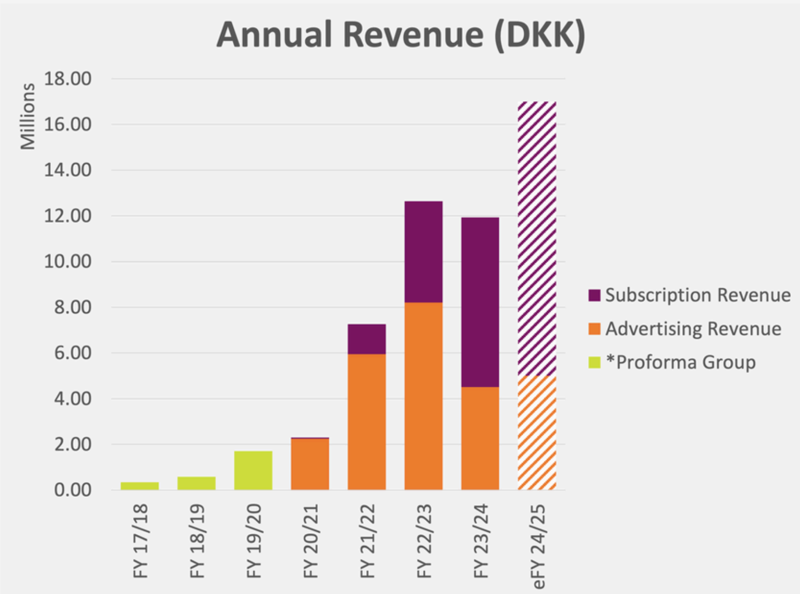
Precious Eze, Business Development Manager, South Africa (joined sep, 2024):
Precious is a highly experienced key account manager with a strong commercial drive in business-to-business sales. Her role at Mdundo is to drive pan-African advertising campaigns managed from South Africa to the platform.

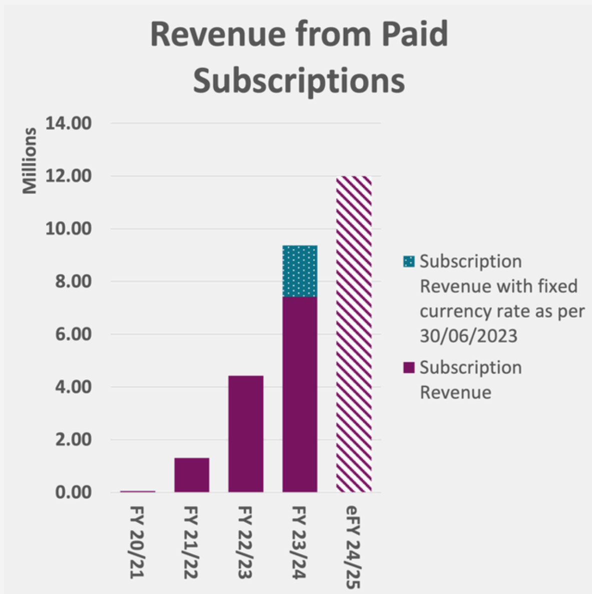
Development towards positive EBITDA: EBITDA improvement of 18% from negative DKK 7.7 million to negative DKK 6.4 million and an improvement in the annual cash burn by DKK 2.4 million reducing the cash by negative DKK 4.5 million (down from negative 6.9 million).

Mdundo is offering customers two tiers: Freemium tier (free service), which is ad-supported, and Premium tier, which is subscription-based.

The focus prior to 2020 was primarily on the free service which is advertisement funded, but since 2020 the Company has started focusing more on expanding the Premium subscriber base together with telecommunication companies. Total revenue for the year is DKK 11.9 million down by 6% compared to last year, however the revenue from the subscription service has improved by 68% to DKK 7.4 million, up from DKK 4.4 million last year.

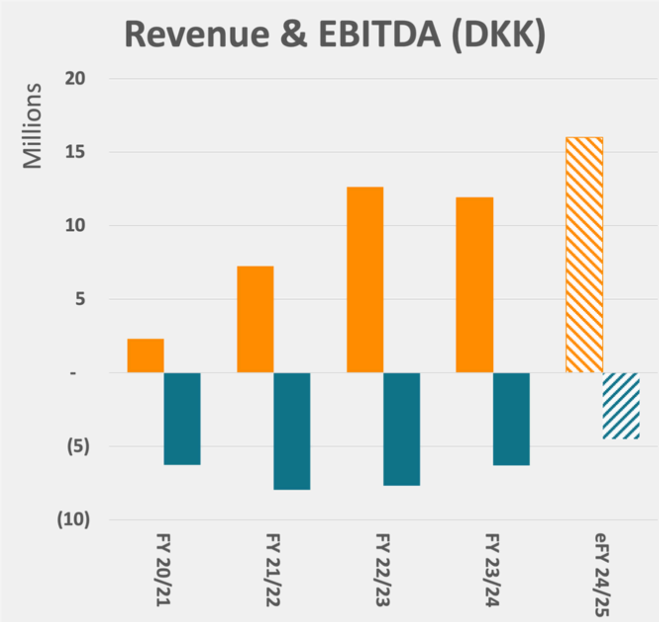
Unlocked potential in unique advertising position: There was a decline in advertising revenue of 45% in comparison to last year from DKK 8.2 million to DKK 4.5 million. Mdundo.com's view of the earning potential and our unique advertising product in the African markets is unchanged. Overall, Mdundo has two major channels for generating advertising revenue, either through direct sales to major advertisers across the continent or through sales of programmatic advertising, primarily through advertising exchanges such as google ads manager. To conqueror the potential within direct advertisement sales, which accounts for 38% of Mdundo's advertising revenue, Mdundo has hired a country manager in Tanzania with a strong background in media sales as well as a business development manager in South Africa with the aim of establishing a pipeline of SA led marketing campaigns for Africa.

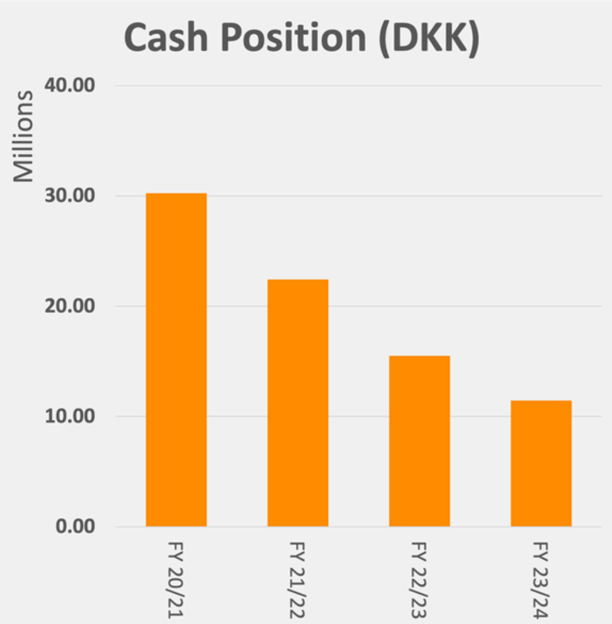




Development in financial position

The revenue for the year totals DKK 11.9 million, and EBITDA of DKK -6.4 million. The cash balances as of 30th June 2024 stand at DKK 11.1 million. Total revenue for the year is down by 6% compared to last year. This is a result of a 45% drop in advertising revenue as well as weak African currencies within the financial year lowering the growth in subscription revenue from 178% to 68%. Management considers the loss for the period as well as the cash burn in line with the growth strategy and mission of the company to become the primary pan-African music service with 40 million unique monthly users by 2025. The Company is striving towards positive EBITDA by the end of calendar year 2025.





Prioritize Subscription service with Telecommunication partnerships

Over the last 4 years Mdundo has established partnerships with leading pan-African telecommunication providers. The total customer base of the partners is 324 million customers. The customer can subscribe to Mdundo as an add-on and thereby access Mdundo's premium DJ mixes as well as ad-free service. This is not fully reflected as a result of a drop in the value of local currencies during the financial year. The revenues from subscription has grown year on year and is now accounting for the majority of the company's revenue. The company expects to launch 2 - 3 partnerships in the financial year 2024 / 2025

The annual report for Mdundo.com A/S has been presented in accordance with the Danish Financial Statements Act regulations concerning reporting class B enterprises. Furthermore, the company has decided to comply with certain rules applying to reporting class C enterprises.

The accounting policies are unchanged from last year, and the annual report is presented in DKK.

Recognition and measurement in general

Income is recognised in the income statement concurrently with its realisation, including the recognition of value adjustments of financial assets and liabilities. Likewise, all costs are recognised in the income statement, including depreciations, amortisations, write-downs for impairment, provisions, and reversals due to changes in estimated amounts previously recognised in the income statement.

Assets are recognised in the statement of financial position when it seems probable that future economic benefits will flow to the group and the value of the asset can be reliably measured.

Liabilities are recognised in the statement of financial position when it is seems probable that future economic benefits will flow out of the group and the value of the liability can be reliably measured.

Assets and liabilities are measured at cost at the initial recognition. Hereafter, assets and liabilities are measured as described below for each individual accounting item.

Upon recognition and measurement, allowances are made for such predictable losses and risks which may arise prior to the presentation of the annual report and concern matters that exist on the reporting date.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

The consolidated financial statements

The consolidated income statements comprise the parent company Mdundo.com A/S and those group enterprises of which Mdundo.com A/S directly or indirectly owns more than 50 % of the voting rights or in other ways exercise control.

Consolidation policies
The consolidated financial statements have been prepared as a summary of the parent company's and the group enterprises' financial statements by adding together uniform accounting records calculated in accordance with the group's accounting policies.

Investments in group enterprises are eliminated by the proportionate share of the group enterprises' fair value of net assets and liabilities at the acquisition date.

Income statement

Revenue
The enterprise will be applying IAS 18 as its basis of interpretation for the recognition of revenue.

Revenue is recognised in the income statement if delivery and passing of risk to the buyer have taken place before the end of the year and if the income can be determined reliably and inflow is anticipated. Revenue is measured at the fair value of the consideration promised exclusive of VAT and taxes and less any discounts relating directly to sales.

Cost of sales
Direct costs include royalties, licenses and other costs directly related to revenue.

Other operating income
Other operating income comprises items of a secondary nature as regards the principal activities of the enterprise, including profit from the disposal of intangible and tangible assets, operating loss and conflict compensation as well as salary reimbursements received. Compensation is recognized when it is overwhelmingly probable that the company will receive the compensation.

Other external expenses
Other external expenses comprise expenses incurred for administration, sales, advertising, premises, bad debts etc.

Staff costs
Staff costs include salaries and wages, including holiday allowances, pensions, and other social security costs, etc., for staff members.

Depreciation and amortisation
Depreciation and amortisation comprise depreciation on and amortisation of tangible assets and intangible assets, respectively.

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from realised and unrealised capital gains and losses relating to debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Results from investments in group enterprises

After full elimination of intercompany profit or loss less amortised consolidated goodwill, the equity investment in the individual entities are recognised in the income statement of the parent as a proportional share of the entities' post-tax profit or loss.

Tax on net profit or loss for the year

Tax for the year comprises the current income tax for the year and changes in deferred tax and is recognised in the income statement with the share attributable to the net profit or loss for the year and directly in equity with the share attributable to entries directly in equity.

Statement of financial position

Intangible assets

Development projects, patents, and licences

Development costs comprise external cost.

Clearly defined and identifiable development projects are recognised as intangible assets provided that they are proven to be technically practicable, that sufficient resources and a potential market or development opportunity exist, and insofar as the intention is to produce, market or utilise the project. It is, however, a condition that the cost can be reliably calculated and that a sufficiently high degree of certainty indicates that future earnings will cover the costs of production, sales, and administration. Other development costs are recognised in the income statement concurrently with their realisation.

Development costs recognised in the statement of financial position are measured at cost less accrued amortisations and write-downs for impairment.

After completion of the development work, capitalised development costs are amortised on a straight-line basis over the estimated useful economic life. The amortisation period is usually 10 years.

Patents and licenses are measured at cost less accrued amortisation. Patents are amortised on a straightline basis over the remaining patent period and licenses are amortised over the contract period, however, for a maximum of 10 years.

Profit and loss from the sale of development projects, patents, and licenses are measured as the difference between the sales price less sales costs and the carrying amount at the time of sale. Profit or loss are recognised in the income statement as other operating income or other operating expenses, respectively.

Goodwill

Acquired goodwill is measured at cost less accumulated amortisation. Given that it is impossible to make a reliable estimate of the useful life, the amortisation period is set at 10 years.

Property, plant, and equipment

Property, plant, and equipment are measured at cost less accrued depreciation and write-down for impairment.

The depreciable amount is cost less any expected residual value after the end of the useful life of the asset.

The cost comprises acquisition cost and costs directly associated with the acquisition until the time when the asset is ready for use.

Depreciation is done on a straight-line basis according to an assessment of the expected useful life:

	Useful life
Other fixtures and fittings, tools and equipment	4-8 years

Minor assets with a cost under 33.100 DKK are recognised as costs in the income statement in the year of acquisition.

Profit or loss derived from the disposal of property, land, and equipment is measured as the difference between the sales price less selling costs and the carrying amount at the date of disposal. Profit or loss is recognised in the income statement as other operating income or other operating expenses.

Leases

The enterprise will be applying IAS 17 as its base of interpretation for recognition of classification and recognition of leases.

Investments

Investments in group enterprises

Investments in group enterprises are recognised and measured by applying the equity method. The equity method is used as a method of consolidation.

Investments in group enterprises are recognised in the statement of financial position at the proportionate share of the enterprise's equity value. This value is calculated in accordance with the parent's accounting policies with deductions or additions of unrealised intercompany gains and losses as well as with additions or deductions of the remaining value of positive or negative goodwill calculated in accordance with the acquisition method.

Consolidated goodwill is amortised on a straight-line basis over the amortisation period, which represent 10 years. The depreciation period is determined on the basis of an assessment that these are strategically acquired enterprises with a strong market position and a long-term earnings profile.

Investments in group enterprises with a negative equity value are measured at DKK 0, and any accounts receivable from these enterprises are written down to the extent that the account receivable is uncollectible. To the extent that the parent has a legal or constructive obligation to cover an negative balance that exceeds the account receivable, the remaining amount is recognised under provisions.

Newly acquired or newly established companies are recognised in the financial statement as of the time of acquisition. Sold or liquidated companies are recognised until the date of disposal.

On the acquisition of enterprises, the acquisition method, the uniting-of-interests method or the book value method is applied, cf. the above description under Business combinations.

Impairment loss relating to non-current assets

The carrying amount of both intangible and tangible fixed assets as well as equity investments in group enterprises are subject to annual impairment tests in order to disclose any indications of impairment beyond those expressed by amortisation and depreciation respectively.

If indications of impairment are disclosed, impairment tests are carried out for each individual asset or group of assets, respectively. write-down for impairment is done to the recoverable amount if this value is lower than the carrying amount.

The recoverable amount is the higher value of value in use and selling price less expected selling cost. The value in use is calculated as the present value of the expected net cash flows from the use of the asset or the asset group and expected net cash flows from the sale of the asset or the asset group after the end of their useful life.

Previously recognised impairment losses are reversed when conditions for impairment no longer exist. Impairment relating to goodwill is not reversed.

Receivables

Receivables are measured at amortised cost which usually corresponds to face value. In order to meet expected losses, they are written down for impairment to the net realisable value.

Prepayments

Prepayments recognised under assets comprise incurred costs concerning the following financial year.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

Equity

Reserve for development costs

The reserve for development costs comprises recognised development costs less related deferred tax liabilities.

The reserve cannot be used as dividends or for covering losses.

The reserve is reduced or dissolved if the recognised development costs are amortised or abandoned. This is done by direct transfer to the distributable reserves of the equity.

Reserve for foreign currency translation

The reserve for foreign currency translation arises when translating accounting items in foreign currency.

The reserve is dissolved once the value adjustments have been applied or reversed.

The reserve is distributable.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Deferred tax is measured on the basis of temporary differences in assets and liabilities with a focus on the statement of financial position. Deferred tax is measured at net realisable value.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Liabilities are measured at amortised cost which usually corresponds to the nominal value.

Sharebased payment

Sharebased payment programs is disclosed in note 10. Granted warrants are classified as equity settled instruments and are not recognised in the financial statements.

Statement of cash flows

The cash flow statement shows the cash flows of the group for the year, divided in cash flows deriving from operating activities, investment activities and financing activities, respectively, the changes in the liabilities, and group' cash and cash equivalents at the beginning and the end of the year, respectively.

A cash flow statement for the parent has not been prepared as the cash flows of the enterprise are included in the consolidated cash flow statement, cf. section 86, subsection 4, of the Danish Financial Statements Act.

The effect on cash flows derived from the acquisition and sale of enterprises appears separately under cash flows from investment activities. In the statement of cash flows, cash flows derived from acquirees are recognised as of the date of acquisition, and cash flows derived from sold enterprises are recognised until the date of sale.

Cash flows from operating activities

Cash flows from operating activities are calculated as the group's share of the profit adjusted for non-cash operating items, changes in the working capital, and corporate income tax paid.

Cash flows from investment activities

Cash flows from investment activities comprise payments in connection with the the acquisition and sale of intangible assets, property, plant, and equipment, and investments, respectively.

Cash flows from financing activities

Cash flows from financing activities include changes in the size or the composition of the group's share capital and costs attached to it, as well as raising loans, repayments of interest-bearing payables and payment of dividend to shareholders.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits.

Income statement 1 July - 30 June

All amounts in DKK.

Note		Group 2023/24	Group 2022/23	Parent 2023/24	Parent 2022/23
	Revenue	11.928.573	12.590.290	11.420.105	12.083.977
	Other operating income	248.483	0	248.005	0
	Cost of sales	-5.836.917	-6.318.226	-5.934.477	-6.376.716
	Other external expenses	-10.558.847	-11.473.178	-9.759.215	-10.522.582
	Gross profit	**-4.218.708**	**-5.201.114**	**-4.025.582**	**-4.815.321**
1	Staff costs	-2.177.832	-2.487.028	-525.000	-525.000
	Earnings before interest, taxes, depreciation and amortization (EBITDA)	**-6.396.540**	**-7.688.142**	**-4.550.582**	**-5.340.321**
	Depreciation and amortisation	-2.283.669	-2.234.761	-2.172.615	-2.122.369
	Operating profit	**-8.680.209**	**-9.922.903**	**-6.723.197**	**-7.462.690**
	Income from investments in group enterprises	0	0	-1.796.227	-2.475.556
	Earnings before interest and taxes (EBIT)	**-8.680.209**	**-9.922.903**	**-8.519.424**	**-9.938.246**
2	Other financial income	1.023.098	470.326	685.752	469.945
	Other financial expenses	-1.526.630	-656.328	-1.350.070	-640.718
	Pre-tax net profit or loss	**-9.183.741**	**-10.108.905**	**-9.183.742**	**-10.109.019**
3	Tax on net profit or loss for the year	-568.444	-102.362	-568.444	-102.248
	Net profit or loss for the year	**-9.752.185**	**-10.211.267**	**-9.752.186**	**-10.211.267**
	Break-down of the consolidated profit or loss:				
	Shareholders in Mdundo.com A/S	-9.752.185	-10.211.267		
		-9.752.185	**-10.211.267**		
	Proposed distribution of net profit:				
	Allocated from retained earnings			-9.752.186	-10.211.267
	Total allocations and transfers			**-9.752.186**	**-10.211.267**

Balance sheet at 30 June

All amounts in DKK.

Assets

Note		Group 2024	Group 2023	Parent 2024	Parent 2023
	Non-current assets				
4	Completed development projects	1.727.430	1.418.041	1.727.430	1.418.041
5	Acquired concessions, patents, licenses, trademarks, and similar rights	11.572.778	13.556.258	11.572.778	13.556.256
6	Goodwill	630.505	738.591	0	0
	Total intangible assets	13.930.713	15.712.890	13.300.208	14.974.297
7	Other fixtures, fittings, tools and equipment	16.609	13.862	0	0
	Total property, plant, and equipment	16.609	13.862	0	0
8	Investments in group enterprises	0	0	855.422	1.027.388
	Total investments	0	0	855.422	1.027.388
	Total non-current assets	**13.947.322**	**15.726.752**	**14.155.630**	**16.001.685**
	Current assets				
	Trade receivables	3.462.043	4.329.928	2.519.406	3.179.266
	Receivables from group enterprises	0	0	1.223.549	801.543
9	Income tax receivables	112.851	12.982	0	0
	Other receivables	221.474	74.614	159.074	2.048
	Prepayments	23.015	552.068	0	552.068
	Total receivables	3.819.383	4.969.592	3.902.029	4.534.925
	Cash and cash equivalents	11.068.199	15.503.013	10.523.068	15.358.682
	Total current assets	**14.887.582**	**20.472.605**	**14.425.097**	**19.893.607**
	Total assets	**28.834.904**	**36.199.357**	**28.580.727**	**35.895.292**

Balance sheet at 30 June

All amounts in DKK.

Equity and liabilities

Note		Group 2024	Group 2023	Parent 2024	Parent 2023
	Equity				
	Contributed capital	1.019.667	1.019.667	1.019.667	1.019.667
	Reserve for development costs	1.347.395	1.106.072	1.347.395	1.106.072
	Reserve for foreign currency translation	-72.545	-157.959	-72.545	-157.959
	Retained earnings	16.508.531	26.502.040	16.508.531	26.502.040
	Equity before non-controlling interest.	18.803.048	28.469.820	18.803.048	28.469.820
	Total equity	**18.803.048**	**28.469.820**	**18.803.048**	**28.469.820**
	Liabilities other than provisions				
	Bank loans	0	0	12	0
	Trade payables	8.501.859	6.530.884	8.434.748	6.366.288
	Other payables	1.529.997	1.198.653	1.342.919	1.059.184
	Total short term liabilities other than provisions	10.031.856	7.729.537	9.777.679	7.425.472
	Total liabilities other than provisions	**10.031.856**	**7.729.537**	**9.777.679**	**7.425.472**
	Total equity and liabilities	**28.834.904**	**36.199.357**	**28.580.727**	**35.895.292**

10 Equity

11 Contingencies

Consolidated statement of changes in equity

All amounts in DKK.

	Contributed capital	Reserve for development costs	Reserve for foreign currency translation	Retained earnings	Total
Equity 1 July 2022	1.019.667	817.007	31.427	37.002.372	38.870.473
Retained earnings for the year	0	0	0	-10.211.267	-10.211.267
Transferred from retained earnings	0	289.065	0	-289.065	0
Foreign currency translation adjustments	0	0	-189.386	0	-189.386
Equity 1 July 2023	1.019.667	1.106.072	-157.959	26.502.040	28.469.820
Retained earnings for the year	0	0	0	-9.752.186	-9.752.186
Transferred from retained earnings	0	241.323	0	-241.323	0
Foreign currency translation adjustments	0	0	85.414	0	85.414
	1.019.667	**1.347.395**	**-72.545**	**16.508.531**	**18.803.048**

Statement of changes in equity of the parent

All amounts in DKK.

	Contributed capital	Reserve for development costs	Reserve for foreign currency translation	Retained earnings	Total
Equity 1 July 2022	1.019.667	817.007	31.427	37.002.372	38.870.473
Retained earnings for the year	0	0	0	-10.211.267	-10.211.267
Transferred from retained earnings	0	289.065	0	-289.065	0
Foreign currency translation adjustments	0	0	-189.386	0	-189.386
Equity 1 July 2023	1.019.667	1.106.072	-157.959	26.502.040	28.469.820
Retained earnings for the year	0	0	0	-9.752.186	-9.752.186
Transferred from retained earnings	0	241.323	0	-241.323	0
Foreign currency translation adjustments	0	0	85.414	0	85.414
	1.019.667	**1.347.395**	**-72.545**	**16.508.531**	**18.803.048**

Statement of cash flows 1 July - 30 June

All amounts in DKK.

Note		Group 2023/24	2022/23
	Net profit or loss for the year	-9.752.185	-10.211.267
12	Adjustments	2.787.201	2.420.762
13	Change in working capital	3.552.399	16.956.470
	Cash flows from operating activities before net financials	-3.412.585	9.165.965
	Interest received, etc.	1.023.097	470.326
	Interest paid, etc.	-1.526.630	-656.328
	Cash flows from ordinary activities	-3.916.118	8.979.963
	Income tax paid	-96.645	-157.734
	Cash flows from operating activities	**-4.012.763**	**8.822.229**
	Purchase of intangible assets	-695.802	-509.486
	Sale of intangible assets	197.277	0
	Purchase of property, plant, and equipment	-1.979	-6.026
	Cash flows from investment activities	**-500.504**	**-515.512**
	Change in cash and cash equivalents	**-4.513.267**	**8.306.717**
	Cash and cash equivalents at 1 July 2023	15.503.014	7.272.056
	Foreign currency translation adjustments (cash and cash equivalents)	78.452	-75.760
	Cash and cash equivalents at 30 June 2024	**11.068.199**	**15.503.013**
	Cash and cash equivalents		
	Cash and cash equivalents	11.068.199	15.503.013
	Cash and cash equivalents at 30 June 2024	**11.068.199**	**15.503.013**

Notes

All amounts in DKK.

		Group		Parent	
		2023/24	2022/23	2023/24	2022/23
1.	**Staff costs**				
	Salaries and wages	2.138.059	2.392.521	525.000	525.000
	Other costs for social security	39.773	94.507	0	0
		2.177.832	**2.487.028**	**525.000**	**525.000**
	Average number of employees	18	18	1	1
2.	**Other financial income**				
	Interest, banks	342.314	0	342.255	0
	Exchange differences	680.784	470.326	343.497	469.945
		1.023.098	**470.326**	**685.752**	**469.945**
3.	**Tax on net profit or loss for the year**				
	Tax on net profit or loss for the year	0	-310.324	0	-310.438
	Non exempted withholding taxes	568.444	412.686	568.444	412.686
		568.444	**102.362**	**568.444**	**102.248**

All amounts in DKK.

		Group		Parent	
		30/6 2024	30/6 2023	30/6 2024	30/6 2023
4.	**Completed development projects**				
	Cost 1 July 2023	1.673.608	1.164.122	1.673.608	1.164.122
	Additions during the year	695.802	509.486	695.802	509.486
	Disposals during the year	-256.842	0	-256.842	0
	Cost 30 June 2024	**2.112.568**	**1.673.608**	**2.112.568**	**1.673.608**
	Amortisation and write-down 1 July 2023	-255.567	-116.677	-255.567	-116.677
	Amortisation for the year	-189.136	-138.890	-189.136	-138.890
	Reversal of amortisation, and impairment loss, assets disposed of	59.565	0	59.565	0
	Amortisation and write-down 30 June 2024	**-385.138**	**-255.567**	**-385.138**	**-255.567**
	Carrying amount, 30 June 2024	**1.727.430**	**1.418.041**	**1.727.430**	**1.418.041**

In alignment with the company focus, Mdundo has developed several billing integrations for payment for premium subscriptions including development of customer journey for check out.

The company has developed new customer facing interfaces including Mdundo Hausa, Mdundo Kalenjin and a native streaming app located at play.mdundo.com.

Management has based on the current activity level made an assessment that there are no indications of impairment.

All amounts in DKK.

		Group		Parent	
		30/6 2024	30/6 2023	30/6 2024	30/6 2023
5.	**Acquired concessions, patents, licenses, trademarks, and similar rights**				
	Cost 1 July 2023	19.834.797	19.834.797	19.834.797	19.834.797
	Cost 30 June 2024	**19.834.797**	**19.834.797**	**19.834.797**	**19.834.797**
	Amortisation and write-down 1 July 2023	-6.278.539	-4.295.061	-6.278.539	-4.295.061
	Amortisation for the year	-1.983.480	-1.983.478	-1.983.480	-1.983.480
	Amortisation and write-down 30 June 2024	**-8.262.019**	**-6.278.539**	**-8.262.019**	**-6.278.541**
	Carrying amount, 30 June 2024	**11.572.778**	**13.556.258**	**11.572.778**	**13.556.256**
6.	**Goodwill**				
	Cost 1 July 2023	1.080.863	1.080.863	0	0
	Cost 30 June 2024	**1.080.863**	**1.080.863**	**0**	**0**
	Amortisation and write-down 1 July 2023	-342.272	-234.186	0	0
	Amortisation for the year	-108.086	-108.086	0	0
	Amortisation and write-down 30 June 2024	**-450.358**	**-342.272**	**0**	**0**
	Carrying amount, 30 June 2024	**630.505**	**738.591**	**0**	**0**

All amounts in DKK.

		Group		Parent	
		30/6 2024	30/6 2023	30/6 2024	30/6 2023
7.	**Other fixtures, fittings, tools and equipment**				
	Cost 1 July 2023	34.875	49.113	0	0
	Translation at the exchange rate at the balance sheet date 30 June 2024	8.999	-8.742	0	0
	Additions during the year	1.979	6.026	0	0
	Disposals during the year	0	-11.522	0	0
	Cost 30 June 2024	**45.853**	**34.875**	**0**	**0**
	Depreciation and write-down 1 July 2023	-21.013	-28.750	0	0
	Translation at the exchange rate at the balance sheet date 30 June 2024	-5.263	5.187	0	0
	Depreciation for the year	-2.968	-4.304	0	0
	Depreciation and impairment loss for the year, assets disposed of	0	6.854	0	0
	Depreciation and write-down 30 June 2024	**-29.244**	**-21.013**	**0**	**0**
	Carrying amount, 30 June 2024	**16.609**	**13.862**	**0**	**0**

All amounts in DKK.

	Parent 30/6 2024	Parent 30/6 2023
8. Investments in group enterprises		
Cost 1 July 2023	9.274.840	6.403.757
Additions during the year	1.704.399	2.871.083
Cost 30 June 2024	**10.979.239**	**9.274.840**
Writedown, opening balance 1 July 2023	-7.905.180	-5.348.324
Translation at the exchange rate at the balance sheet date	85.394	-189.386
Net profit or loss for the year before amortisation of goodwill	-1.853.673	-2.367.470
Writedown 30 June 2024	**-9.673.459**	**-7.905.180**
Amortisation of goodwill, opening balance 1 July 2023	-342.272	-234.186
Amortisation of goodwill for the year	-108.086	-108.086
Depreciation on goodwill 30 June 2024	**-450.358**	**-342.272**
Carrying amount, 30 June 2024	**855.422**	**1.027.388**
The item includes goodwill with an amount of	630.505	738.591

Financial highlights for the enterprises according to the latest approved annual reports

	Equity interest	**Equity**	**Results for the year**	**Carrying amount, Mdundo.com A/S**
Mdundo.com Limited, Kenya	100 %	224.917	-1.853.673	855.422
		224.917	**-1.853.673**	**855.422**

All amounts in DKK.

		Group	
		30/6 2024	30/6 2023
9.	**Income tax receivables**		
	Income tax receivables 1 July 2023	12.982	-39.350
	Adjustment of tax paid in previous years	0	307.386
	Exchange rate adjustments	3.246	0
	Income tax paid concerning last year	0	-136.162
	Income tax calculated for the current year	-22	-102
	Foreign dividend tax paid for the current year	96.645	-118.790
		112.851	**12.982**

10. Equity

Pursuant to the company's articles of association the board of directors is authorized to issue warrants with a right for the warrant holders to subscribe up to 1,019,666 shares of nominally DKK 0.10 in the company.

As of 30 June 2024, there are issued outstanding warrants with the rights to subscribe for 855,000 new shares of DKK 0.10 per share or DKK 85,500 nominal value.

All amounts in DKK.

11. Contingencies

Contingent assets

The Company has unrecognised deferred tax assets of DKK 6.171.389, concerning intangible assets and loss carryforward, as there is an uncertainty regarding when it can be utilised in future earnings.

Contingent liabilities

Warranty commitments and other contingent liabilities:

With the intention of maintaining and protecting the investments in Mdundo Limited, a statement of support valid for the affiliated company has been submitted for 12 months from the signing of this annual report.

The Group is part of a claim from an artist against a Record Label. The case has not been at pre-trial yet. Management do not see any relationship between the Group and the claim, and therefore management does not expect the claim to effect the financial position of the company.

	Group	
	2023/24	2022/23
12. Adjustments		
Depreciation, amortisation, and impairment	2.283.669	2.234.760
Other financial income	-1.023.098	-470.326
Other financial expenses	1.526.630	656.328
	2.787.201	**2.420.762**

	Group	
	2023/24	2022/23
13. Change in working capital		
Change in receivables	867.888	-768.773
Change in trade payables and other payables	1.970.975	2.536.438
Other changes in working capital	713.536	15.188.805
	3.552.399	**16.956.470**