



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

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The board of Mdundo.com A/S has approved the company's annual report for the period 1 July 2023 – 30 June 2024.

Company Announcement number 13-2024

Mdundo.com, a leading African music service, has demonstrated significant growth and resilience despite challenging market conditions in the 2023/24 financial year. In the past year, the company surpassed its user growth targets, reaching 36 million monthly active users, while making strides towards achieving a positive EBITDA and reducing cash burn by 36%. Despite facing challenges from weak African currencies and a decline in advertising revenue, Mdundo has successfully expanded its premium subscription offerings, driving a 68% increase in subscription revenue in DKK and 112% in local currencies.

## 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 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 revenue grew 10% 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 in June 2025 and EBITDA positive operation by end of calendar year 2025.

### Guidance for FY 2024-25

- **User Growth Anticipated:** Projecting an increase in monthly active users to 40 million in June 2025.
- **Revenue Growth:** Aiming for DKK 15-17 million, reflecting a growth from DKK 11.9 million in 2023-24.

- **EBITDA Improvement:** Targeting DKK -4 to -5 million, showcasing an improvement of DKK 1.4-2.4 million year on year.

### **Driving Value per User and Revenue Growth through Paid Music Service**

Mdundo has experienced consistent growth in monthly active users and aims to reach a base of 40 million by June 2025. However, the company has shifted its focus toward increasing value per user through its paid subscription service, as seen in the June 2024 strategy update. This includes partnerships with leading telecommunication companies such as Vodacom, MTN, Airtel, and Safaricom, allowing users to subscribe via phone bills. These collaborations, covering a potential customer base of 324 million, have significantly boosted subscription revenue, which grew by 68% in the financial year 2023/24 to DKK 7.4 million.

Mdundo's paid service now constitutes 62% of total revenue, a remarkable increase from 2019/2020 when it contributed nothing. The company remains focused on growing its premium user base, with two to three new partnerships expected in the financial year 2024/2025. The emphasis on subscription-based growth aligns with the broader strategy to achieve positive EBITDA, reducing the cash burn and moving towards profitability.

### **Contacts**

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### **About Mdundo.com A/S**

Mdundo is a leading music service for Africa with millions of people streaming and downloading music from our app and website every month. We aim to provide Africa's millions of internet users with easy access to music whilst contributing structure, legality, and income to the sector. More info: <https://mdundo.com/>

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