

H1 Report FY 2024/25

Mdundo.com A/S:

**Strong progress
towards EBITDA
positive in the
first half of FY
24/25**

Executive Summary

DKK	Y/Y Change	H1 FY 24/25	H2 FY 23/24	H1 FY 23/24	H2 FY 22/23
Revenue	3%	5.85m	6.27m	5.66m	6.24m
<i>Advertising Revenue</i>	<i>-44%</i>	<i>1.4m</i>	<i>2.0m</i>	<i>2.5m</i>	<i>3.9m</i>
<i>Subscription Revenue</i>	<i>+45%</i>	<i>4.5m</i>	<i>4.3m</i>	<i>3.1m</i>	<i>2.3m</i>
EBITDA	+36%	-2.11m	-3.06m	-3.35m	-3.50m
MAUs	+26%	38.8m	36.0m	30.8m	26.6m
Cash balance	-43%	7.6m	11.1m	13.4m	15.5m

EBITDA growth: EBITDA improved by 36% year-on-year, driven by operational optimizations and a focus on core revenue drivers, moving closer to EBITDA-positive despite limited total revenue growth.

Subscription & Telco Partnerships: Premium revenue increased by 45%, with new partnerships launched with Glo Nigeria and Vodacom South Africa, accelerating the shift from ad-funded to subscription-based revenue.

Ad-funded Service: Advertising revenue went significantly back by 44% within the period as a result of a 44% decline in digital ads prices from June to November 2024.

Cash Position & Debt Collection: Cash position stands at DKK 7.6 million, impacted by delays in key receivables, expected to normalize in the second half of the financial year.

MAUs: MAUs grew 26% to 38.8 million within the period in alignment with the target of 40 million by June 2025.

Product: Investments in engagement and the launch of a Progressive Web App (PWA) targeting users outside Africa.

Message from the CEO & Chairman

In the first half of FY 2024/25 we continued to deliver year-on-year improvements in EBITDA as a result of our focus on core revenue drivers and operational efficiencies and a robust growth in MAUs reaching 38.8 million in December 2024. Despite limited total revenue growth within the period, our transition towards a subscription-led model is accelerating, with premium revenue growing 45%, supported by new partnerships with Glo Nigeria and Vodacom South Africa. Our cash position stands at DKK 7.6 million, reflecting a temporary delay in debt collection, which is expected to normalise in the coming period.

We are investing in platform development to enhance user experience and have expanded the product and development team within the period. Our focus is in particular on premium subscribers to increase the engagement and user value. Our newly launched Progressive Web App (PWA) targets audiences outside Africa, tapping into the growing global interest in African music. Additionally, our focus on African content offering remains a key priority, with 87,000 new African songs uploaded in the period, bringing our total catalog up to 772 thousand tracks.

The period presented a challenging market landscape with fluctuations in digital advertising prices and forex rates. The price of display advertising dropped by 44%, impacting our ad-funded revenue and the Tanzanian Shilling and Nigerian Naira have been particularly volatile within the period. This is primarily impacting the company's revenue and less so our bottom line as the majority of our costs are in local currencies.

On the competitive front, we continue to see activity in the African music streaming scene, with global platforms prioritising Africa as a new frontier. Our focus on local relevant content, a service with low data-usage and increasing telecom partnerships remains a key differentiator. The successful launch of premium services with Glo Nigeria and Vodacom South Africa strengthens our position, and we remain on track to secure 2-3 new telco partners within the financial year.

We remain confident in achieving the guided objectives for the financial year 2024/25.



Martin Moeller Nielsen,
CEO.



Jesper Vesten Drescher,
Chairman

Key highlights for the period

	Actual H1 FY 24/25	Guidance FY 24/25	Actual FY 2023/24
Users	38.8 million	40 million	36 million
Revenue (DKK)	5.9 million	12 - 15 million	11.9 million
EBITDA (DKK)	-2.1 million	-4-5 million	-6.4 million

Double digit Y/Y improvement in EBITDA: An improvement of 36% from last financial year as a result of optimising the company's operations around core revenue drivers.

Strong growth in MAUs: An improvement of 26% illustrating a consistent growth in monthly active users.

Cash position of DKK 7.6 million: A reduction of DKK 5.8 million from December 2023, this implies an increase in cash-burn from H2 2023/24 as a result of delays in the collection of key receivables

Premium service launched with Glo Nigeria and Vodacom South Africa: Two new strong partners and on track for our ambition of launching 2-3 new telecommunication partners within the financial year.

Web-based streaming service released: Initially targeting an audience outside of Africa with an interest in African music.



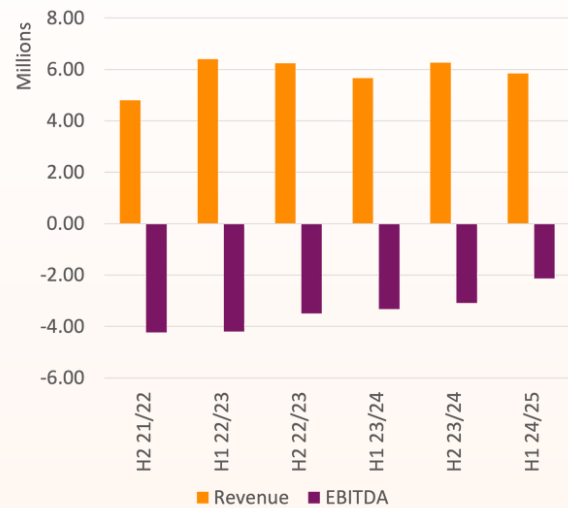
Financial Summary

EBITDA Development: Significant step towards EBITDA positive despite limited revenue growth

Total EBITDA for the period was DKK -2.1 million, an improvement of 36% from last financial year. This is a result of optimisations within the organisation to focus on core revenue drivers.

The company runs various advertising campaigns with the purpose of driving monthly active users and with a strong focus on driving premium subscribers to the service. Within the period the company spent DKK 1 million on advertising.

Revenue & EBITDA (DKK)



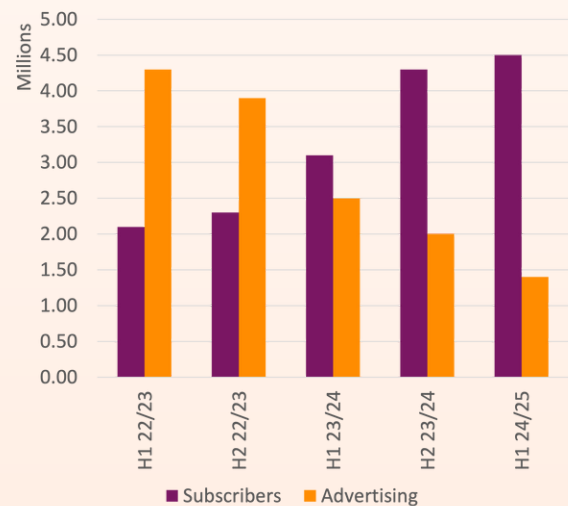
Revenue Development: Limited total revenue growth despite 45% growth in revenue from the premium service

Total revenue for the period of DKK 5.9 million, this is equivalent of an increase of 3% from the previous year.

Premium Service: Revenue from the premium subscription service rose 45% to DKK 4.5 million. The major driver is the focus on telco partners in a period where two new partnerships were established, Glo Nigeria and Vodacom South Africa. The company is on track on its ambition to establish 2-3 new partnerships within the financial year and expect continuous revenue growth through the development of the current and new partnerships. The company is experiencing technical challenges in two of the existing partnerships and is working closely with the telecommunication providers to fix the challenges and increase the marketing efforts.

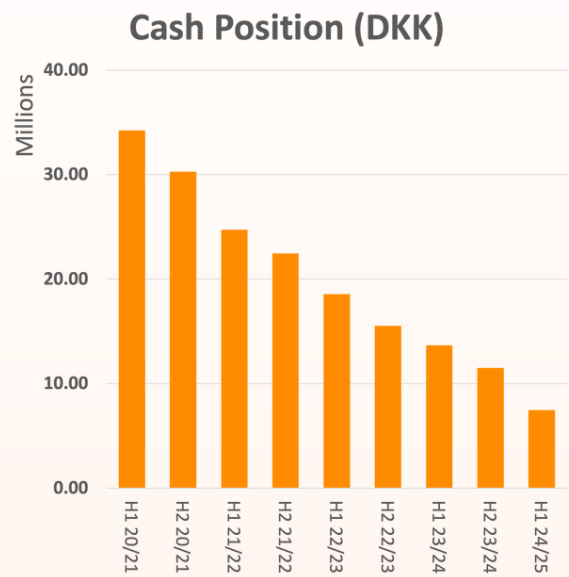
Ad-funded Service: Advertising revenue went significantly back by 44% within the period. The major driver for the decline in advertising sales is a price drop of display advertising by 44% from June to November 2024. Mdundo is focused on optimizing the advertising setup to increase the value per user in combination with the increased focus on the paid subscription service to overcome the challenge.

Half Year Revenue (DKK)



Cash Development: DKK 7.6m as of December 2024

The total cash position as of 31st December 2024 was DKK 7.6 million, which is a reduction of DKK 3.5 million from 30th June 2024 and DKK 5.8 million from 31st December 2023. The increased cash burn in H1 2024/25 compared to H2 2023/24 is a result of a delay in the collection of key receivables within the period which is expected to normalise and to have a positive cash impact in the second half of the financial year.

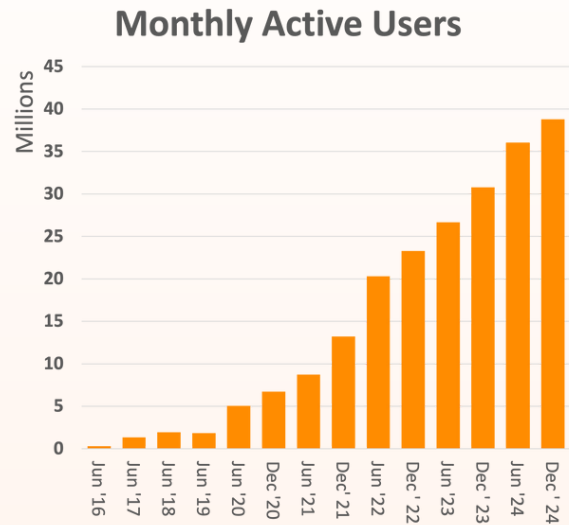


Monthly Active Users:

The company reached a record high 38.8 million monthly active users in December 2024. This is a growth of 26% from December 2023 and a continuation of the company’s growth trajectory. The company is on track to hit the target of 40 million monthly active users by June 2025.

The company is getting the majority of its customers through its partnership with Opera Mini, Google search on terms related to African music combined with paid campaigns driving new customers to the service.

The company is experiencing a strong interest in the service from African diaspora communities in the US, UK, Germany and France.



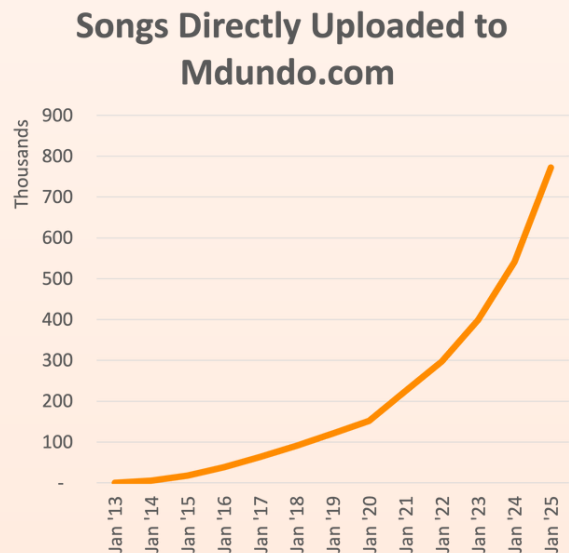
Product & Platforms

The company has a strong focus on product development with the goal of driving engagements and value per user for our ad-funded and premium service.

The company has launched a “native web app” to serve customers outside of Africa with a streaming-like service, the web app is intended to target customers on high-end devices without data limitations with an interest in African music.

Within the period a total of 87 thousand new songs were uploaded to the Mdundo platform. This brings the total number of songs to 772 thousand that are uploaded directly to Mdundo and an additional 2.3 million songs that are licensed from global record labels.

The development team has grown significantly with a new senior product manager and back-end developer as well as web designer to support our offerings and integrations with telecommunication companies and record labels.



Organisational Development

Aligned with the prioritisation of revenue generating activities the company has hired a Business Development Manager for Sub-Saharan Africa based in South Africa, a growth manager and added resources to our product and development team.

The management team has been extended to include Julia Filip, Senior Product Manager, and Ionut Bodea, Lead Developer in alignment with our focus on product development and our Head of Licensing has been replaced with a promotion of Phiona Nafula.



No changes to the Outlook for FY 2024/25

REVENUE

DKK 12 – 15 million, this is a growth of up to 26% compared to the last financial year.

EBITDA

DKK -4 to -5 million, this is an improvement of DKK 1.4-2.4 million from last financial year.

MONTHLY ACTIVE USERS

40 million by June 2025, this is a growth of 4 million from June 2024.



Financial Reports

Consolidated Income statement DKK	<i>Group</i>	<i>Group</i>
	01.07.2024 - 31.12.2024	01.07.2023 - 31.12.2023
Revenue	5.846.776	5.663.325
Cost of sales	-2.956.022	-2.860.680
Other external expenses	-3.374.184	-4.684.068
Gross profit	-483.430	-1.881.423
Staff costs	-1.629.106	-1.465.817
Earnings before interest, taxes, depreciation and amortization (EBITDA)	-2.112.536	-3.347.240
Depreciation and amortisation	-1.157.963	-1.103.989
Operating profit	-3.270.499	-4.451.229
Income from investments in group enterprises	0	0
Other financial income	471.773	94.068
Other financial costs	-194.561	-196.233
Pre-tax net profit or loss	-2.993.287	-4.553.394
Tax on net profit or loss for the period	0	-296.002
Net profit or loss for the period	-2.993.287	-4.849.396

Consolidated Balance Sheet	<i>Group</i>	<i>Group</i>
DKK	<u>31.12.2024</u>	<u>30.06.2024</u>
<i>Intangible assets</i>	13.368.475	13.930.713
<i>Tangible assets</i>	18.750	16.609
<i>Investments</i>	<u>0</u>	<u>0</u>
Total non-current assets	13.387.225	13.947.322
<i>Total receivables</i>	5.154.169	3.819.383
<i>Cash and cash equivalents</i>	<u>7.571.423</u>	<u>11.068.199</u>
Total current assets	12.725.592	14.887.582
Total assets	26.112.817	28.834.904
Equity	15.812.336	18.803.048
<i>Long term liabilities other than provisions</i>	0	0
<i>Short term liabilities other than provisions</i>	<u>10.300.481</u>	<u>10.031.856</u>
Total liabilities other than provisions	10.300.481	10.031.856
Total equity and liabilities	26.112.817	28.834.904

Consolidated Cash flow statement DKK	<i>Group</i>	<i>Group</i>
	01.07.2024 <u>- 31.12.2024</u>	01.07.2023 <u>-31.12.2023</u>
<i>Net profit or loss for the period</i>	-2.993.287	-4.849.396
<i>Adjustments</i>	880.751	1.196.814
<i>Change in working capital</i>	-1.101.020	1.862.680
<i>Interests received etc.</i>	<u>277.212</u>	<u>0</u>
<i>Cash flow from operating activities</i>	-2.936.344	-1.789.902
<i>Cash flow from investment activities</i>	-560.432	-301.800
<i>Cash flow from financing activities</i>	<u>0</u>	<u>0</u>
<i>Change in cash and cash equivalents</i>	<u>-3.496.775</u>	<u>-2.091.702</u>
<i>Cash and cash equivalents, beginning of period</i>	<u>11.068.199</u>	<u>15.503.013</u>
<i>Cash and cash equivalents, end of period</i>	<u>7.571.424</u>	<u>13.411.311</u>

Consolidated Equity explanation DKK	<i>Group</i>	<i>Group</i>
	31.12.2024	31.12.2023
<i>Equity 1 July</i>	18.803.048	28.469.820
<i>Net profit or loss for the period</i>	-2.993.287	-4.849.396
<i>Exchange rate adjustment</i>	<u>2.576</u>	<u>80.188</u>
<i>Equity 31 December</i>	<u>15.812.336</u>	<u>23.700.612</u>

Accounting related key figures	<u>Group</u> 31.12.2024	<u>Group</u> 31.12.2023
<i>Profit margin (EBIT-margin)</i>	-0,56	-0,79
<i>Acid test ratio</i>	1,24	2,08
<i>Solvency ratio</i>	0,61	0,74
Share related key figures	<u>Group</u> 31.12.2024	<u>Group</u> 31.12.2023
<i>Book value per share</i>	1,55	2,32
<i>Earnings per share ratio before dilution</i>	-0,29	-0,48
<i>Earnings per share ratio after dilution</i>	-0,29	-0,48
<i>Total number of shares</i>	10.196.668	10.196.668
<i>Average number of shares in the period</i>	10.196.668	10.196.668

Note: The above numbers for 1st half year 2024/25, has not been audited or reviewed by the company's auditor.