MDUNDO.COM 3RD QUARTER 2025-2026

January to March 2026

9th April, 2026

mdundo

Mdundo.com A/S, Jan to Mar 2025/26 Quarterly Statement: Native App Launched as Company Strengthens Direct Subscription Performance

Mdundo.com A/S, one of Africa's leading music services, today publishes its Q3 FY 2025/26 quarterly statement, covering the period from January to March 2026.

HIGHLIGHTS

- Direct payment transactions more than doubled quarter-on-quarter, growing 108% versus Q2, demonstrating early validation of a scalable direct-to-consumer monetisation model outside the telco ecosystem.
- Telco subscription transactions declined to 8.1 million in Q3, from 9.9 million in the prior quarter, reflecting continued billing instability across several major telco partners.
- Native Android app launched, iOS app expected to be released in April 2026, introducing in-app purchases, offline listening, and an improved subscription experience targeted at higher-value users and diaspora segments.
- Music gaming expanded to Kenya, Tanzania, Zambia, and the DRC, adding to the existing Uganda market and generating paid transactions across all five countries.
- Operating expenses reduced by 50% from FY 2024/25, establishing a lean and scalable cost base with an expected annualised level of DKK 5.4 million.
- Organisational restructuring fully completed, with key partnership and licensing responsibilities consolidated under CEO and COO, strengthening execution speed and accountability.
- Full-year financial outlook: Revenue DKK 8.5–10.0 million, EBITDA DKK −1.3 to -1.8 million, year-end cash DKK 0.5–1.5 million.

OUTLOOK FY 2025/26

Management's focus for Q4 is on converting the app launch and improved payment flows into direct subscriber growth, stabilising telco billing revenue through active partner engagement, and closing the financial year within the communicated guidance range.

Revenue: DKK 8.5–10.0 million	EBITDA: DKK −1.3 to −1.8 million	Cash at year end: DKK 0.5–1.5 million

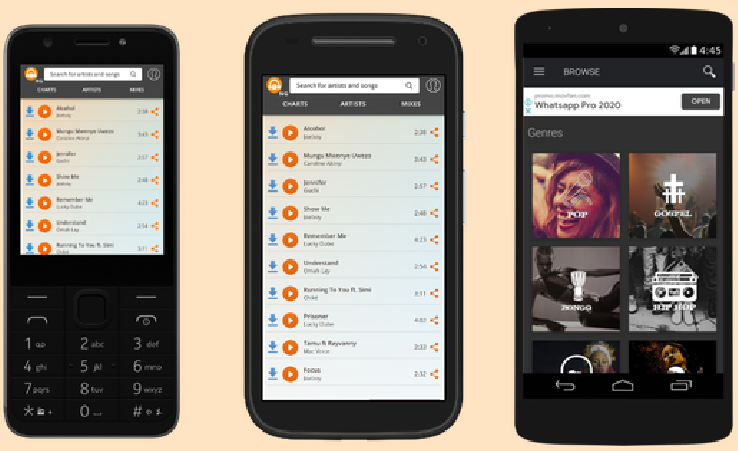
A Business in Transition: From Reach to Paying Subscribers

In October 2025, Mdundo replaced Monthly Active Users with paying subscribers as its primary non-financial KPI. This reflected a deliberate strategic decision about the kind of business Mdundo intends to become. Having built one of Africa's largest music audiences, the company's focus has shifted to converting that audience into a recurring, direct revenue base that is less dependent on third-party billing infrastructure and advertising.

That transition is now entering its next phase. The cost base has been restructured, operating expenses have been reduced to a stable annualised level of DKK 5.4 million, underperforming advertising and freemium activities have been deprioritised, and structural changes to rights holder terms have improved gross margins. The result is a business with increasingly visible operating leverage, where incremental direct subscriber revenue flows substantially to the bottom line.

Against that foundation, Q3 saw meaningful progress across all three direct monetisation channels. Direct payment transactions doubled. The native Android app launched. Music gaming expanded to five markets.

Telco billing remains the most significant near-term constraint on revenue. The company is in active dialogue with the affected partners and has escalated billing recovery to senior relationship level. Targeted technical and commercial recovery initiatives are underway, with early but uneven progress. The structural dependency on third-party billing makes diversification a necessity. The work underway in Q3 and Q4 is building toward a more resilient business, anchored in direct relationships with paying customers across both African and diaspora markets.



Subscription Business: Direct Payments Growing, Telco Base Under Pressure

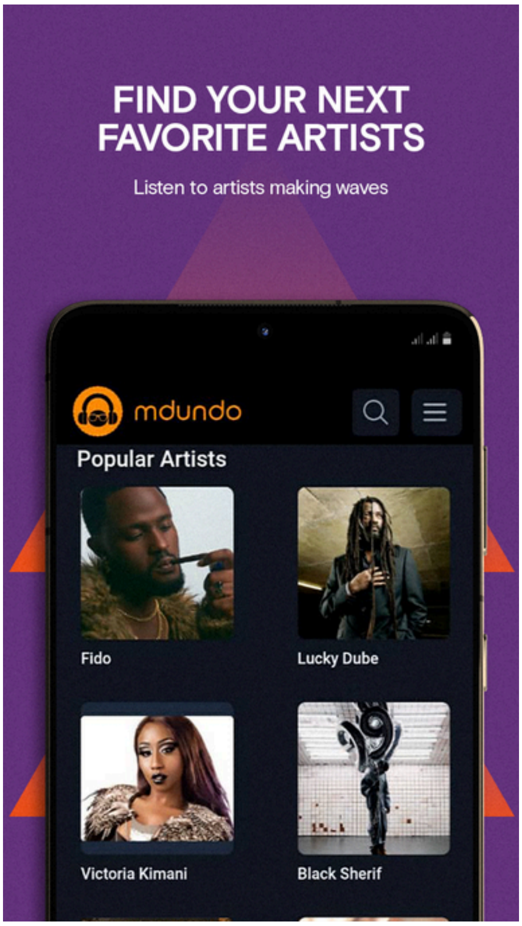
Mdundo processed approximately 8.1 million subscription transactions in Q3 FY 2025/26, compared to 9.9 million in the prior quarter. The decline reflects reduced billing performance across the company's largest telco partners, with billing instability and ARPU pressure continuing to constrain near-term subscription revenue. This pattern is consistent with the challenges described in the H1 FY 2025/26 report. Direct payment channels processed approximately 5,100 transactions in Q3, compared to approximately 2.5k in the prior quarter. The 108% quarter on quarter growth is encouraging and demonstrates willingness to pay outside the telco billing ecosystem. While volumes remain modest in absolute terms, the strategic importance lies in validating conversion infrastructure and establishing repeatable direct payment behaviour.

Mdundo's subscription service remains available through eight telco partners across the continent, Vodacom Tanzania, MTN Nigeria, Glo Nigeria, MTN Ghana, Safaricom Kenya, Vodacom South Africa, Airtel Nigeria, and MTN Cameroon, providing access to over 352 million telco customers. Active recovery efforts remain ongoing with partners experiencing billing deterioration.

Android App Launched

Mdundo launched its native Android application and expects to release iOS in April 2026. The app builds on the Progressive Web App foundation and introduces in-app purchase capability, offline listening, and an improved subscription conversion experience. It is targeted at 1) the diaspora segment — estimated at 500,000 to 1 million monthly visitors to the platform, and 2) the higher-value African smartphone users.

Prior to the app launch, the platform had already generated direct subscriber transactions from users outside Africa paying through the PWA, demonstrating that payment intent exists in this segment without a native app experience. The native app addresses the primary friction points in that conversion journey and enables in-app purchases through the Apple App Store and Google Play, unlocking new payment methods and materially improving conversion potential.



Music Gaming Expanding Across New Markets

Mdundo's music gaming product expanded to Kenya, Tanzania, Zambia, and the DRC during Q3, building on its initial launch in Uganda. The expansion phase focused on adapting the product to local content and payment conditions across each market, and the product generated paid transactions across all five countries during the quarter.

Gaming addresses a specific problem in Mdundo's monetisation opportunity. As advertising rates across Africa have declined, and telco billing performance has worsened, the platform's free user base has become harder to monetise through conventional channels. Gaming creates a direct payment opportunity with those users at a price point and format — short sessions, familiar content, low commitment — that has demonstrated willingness to pay in early markets. The music gaming initiative is expected to contribute approximately DKK 0.1 million in FY 2025/26. While modest, this represents a proof-of-concept for incremental monetisation of the existing free user base without reliance on advertisers or telcos.

Management is not characterising gaming as a material revenue contributor at this stage, but as a channel being actively developed toward that outcome. Early signals are sufficient to continue, and a planned expansion to Nigeria in Q4 will test the product in Mdundo's largest potential market.

Cost Discipline and EBITDA Progress

Operating expenses have been reduced by approximately 50% from FY 2024/25, to a stable annualised level of DKK 5.4 million.
The organisational restructuring completed during Q3, consolidating partnership and licensing responsibilities under the CEO and COO, is expected to contribute approximately DKK 720k to EBITDA on an annualised basis, with a positive impact on annualised cash flow of approximately DKK 1.2 million. The revised terms and conditions with rights holders are expected to improve gross margin by approximately 5 percentage points, with that improvement already visible in H2.

Reflecting these structural improvements, the company now guides for full-year EBITDA of DKK −1.3 to −1.8 million, an improvement from the prior range of DKK −1.5 to −2.5 million. The narrowing and upward shift reflect effective cost control and provide greater visibility on delivery, despite ongoing headwinds in telco revenue.

The operating leverage embedded in this cost structure is significant. With an operating expenses base at DKK 5.4 million annually and gross margins near 49%, each incremental direct subscriber contributes substantially to EBITDA. The company estimates that approximately 20,000 direct subscribers a month would be sufficient to approach break-even on the combined revenue base.