



MDUNDO.COM 1ST QUARTER 2026-2027

July to September 2026
20th October 2026



mdundo

Mdundo.com A/S: Continued transition toward direct subscriptions as telco payments decline

Mdundo.com A/S, one of Africa's leading music services, today publishes its Q1 FY 2026/27 quarterly statement, covering the period from July to September 2026. Management's priorities remain those set out in the annual report published on 28 September 2026: grow direct subscribers through improved payment infrastructure, build an engaged audience on the native app, improve the mix of direct subscribers toward diaspora and higher-income African users, and pursue new commercial arrangements with telco partners.

During the quarter, the Company concentrated product resources on its core music subscription business. The Company continues to target EBITDA break-even within 12 to 18 months of the rights issue completed in May 2026.

HIGHLIGHTS

- Telco subscription payments totalled 5.7 million in Q1, compared with 6.9 million in Q4 FY 2025/26. Performance at one major partner demonstrated the potential for renewed growth, with improved unit economics supporting a resumption of paid user acquisition and a significant quarter-on-quarter increase in payments. Payments declined across the other major partners, as customer churn was not fully offset by new customer acquisition due to challenging unit economics.
- Music subscription payments through mobile money and card grew 25% quarter on quarter. Total mobile money and card payments declined to approximately 12.7k transactions, compared to 18k in Q4 FY 2025/26, as game payments fell following the decision to deprioritise music gaming.
- The native iOS and Android apps have combined surpassed 100,000 installs, with a rating of 4.6 out of 5 from more than 4,300 reviews. The current focus is on growing and retaining users ahead of monetisation.
- A call-in (IVR-based) music service with a leading telco in Tanzania was actively marketed for the first time during the quarter, the first service under the alternative telco partnership formats outlined in the annual report. The Company also expects to launch a microapp within a leading partner's native app in Q2.
- Creator Promotions, which enables creators to purchase promotional campaigns on Mdundo, generated 2,402 orders during the quarter, following its launch at the end of Q4 FY 2025/26.

OUTLOOK FY 2026/27 (UNCHANGED)

Revenue:
DKK 8.0–10.0
million

EBITDA:
DKK –1.0 to 0.0
million

Cash at year end:
DKK 6.5–7.5
million

Subscription Business: Music Subscription Payments Growing, Telco Base Under Pressure

Mdundo processed approximately 5.7 million telco subscription payments in Q1 FY 2026/27 a decline of 17% from the previous quarter. The decline (17%) continues the trend described in the annual report. On most partners, unit economics do not currently support paid user acquisition, so the subscriber base churns without being replenished. Following the pricing and unit economics adjustments made last year, paid acquisition is running for one of the Company's major partners again, and transactions grew 26% quarter on quarter.

Music subscription payments through mobile money and card, inside and outside Africa, grew 25% quarter on quarter to approximately 9.3k transactions. The growth was organic and product-led, supported by direct payments now being available across all markets. Total mobile money and card payments declined to approximately 12.7k transactions, compared to 18k in Q4 FY 2025/26, as game payments fell following the decision to deprioritise music gaming, as described under New Revenue Streams below. Direct payment volumes remain small relative to telco and do not yet offset the decline in telco subscription revenue.

Native App: Focus on Growth and Retention

The native Android and iOS apps launched in Q4 FY 2025/26. The Company's iOS and Android listings have combined surpassed 100,000 installs, with a rating of 4.6 out of 5 from more than 4,300 reviews, up from over 3,000 reviews at the time of the annual report. These are third-party app store figures and should be read as directional rather than as the Company's own reconciled totals.

During the first full quarter after launch, the Company has focused on growing and retaining app users rather than monetising them. The objective is to build an engaged and recurring audience, particularly among diaspora and higher-income African users, before shifting emphasis to paid conversion. Work during the quarter included onboarding, content discovery and paywall experiments.

Advertising Business

Advertising is expected to remain a smaller part of the business. In the annual report, the Company described experiments to grow programmatic advertising revenue, including in-stream, video and in-app formats. During the quarter, a revised Google programmatic ad setup was implemented, and new ad inventory was launched on the Progressive Web App. On direct sales, the Company added a further leading Kenyan bank as an advertiser, joining two other major banks, alongside betting and beverage brands.

Telco Business

As set out in the annual report, the Company is pursuing alternative forms of partnership with telcos: microapps, data and entertainment bundles, and mobile money integration. Following a soft launch at the end of FY 2025/26, the Company began actively marketing a call-in (IVR-based) music service with a leading telco in Tanzania during the quarter, the first service in these new formats. In addition, the Company expects to launch a microapp within the native app of a leading telco in Q2 and is in discussions on data and music bundles with several telco partners.

New Revenue Streams

Music gaming. Music gaming launched in Uganda in Q1 FY 2025/26 and expanded to five markets during the year. It showed that the free user base will pay for short-session, prize-led formats. At its peak, gaming generated more paid transactions per quarter than all other direct payment channels combined. However, revenue per paying user remained low, and few users paid repeatedly. Management has therefore deprioritised in-house game development to focus product resources on the native app and music subscriptions. Existing games remain live with a lower level of focus.. The Company is now testing third-party game providers on a revenue-share basis, which requires no development investment from Mdundo.

Creator Promotions. Creator Promotions (referred to as artist promotion in the annual report) allows artists to pay to promote their music to Mdundo's user base, either from their royalty balance or by mobile money. In Q1, 2,402 orders were placed.

Content Discovery

With a focus on diaspora and higher-income African users, the Company made changes to the ranking of playlists, artists, genres and charts by country and the layout of artist and search pages, with each change measured against downloads and follows per user. It has also begun using AI to enrich catalogue metadata, such as genre, language, region and mood, for the most popular songs. The aim is to improve the product-market fit with the diaspora audience as well as improving search, recommendations and playlists, particularly for local languages and regional genres.

Licensing and Label Partnerships

The licensing team has focused on making it easier for labels and distributors to deliver catalogue to Mdundo and on promoting their releases on the platform. Alongside this, the team works with labels on artist campaigns and curated playlists, for example a commemorative campaign for Lucky Dube's catalogue, and has restored catalogue from several top East African artists. Diaspora listening data is now being used to guide which catalogue the team prioritises.

