



mdundo

Report: 1. Quarter 2020/21
30th October 2020



Copenhagen, 30th October 2020

Mdundo continues strong growth in Q1 2020/21 with 144% growth YoY

Q1 has been a strong quarter for Mdundo.com with quarterly growth of 27% in monthly active users from 5.0m in June to 6.4m in September, 144% growth compared to September 2019 and, thus, a significant step towards the goals of approximately 9m users end of financial year 2020/21 and 18m end of 2021/22. Furthermore, closing the first B2B direct advertisement client in Nigeria is an important commercial breakthrough in scaling ad-sales.

Highlights:

- 27% growth in monthly active users from June (5.0m) to September (6.4m) 2020, the company is on track for the 9m monthly active user target in June 2021 and 18m in 2022.
- The growth is significant in both East, West and Southern Africa, which supports Mdundo's mission to be the primary pan-African music platform.
- Closing the first significant B2B direct advertisement deal outside East Africa with the telecommunication company 9mobile in Nigeria.
- During the quarter, Mdundo's sales team in Kenya closed B2B advertisement deals with global and pan-African brands like Safaricom, Standard Chartered, Nivea, Oxfam and Serengeti.
- The company has not been affected by COVID-19 and are on target for all key metrics.

Outlook:

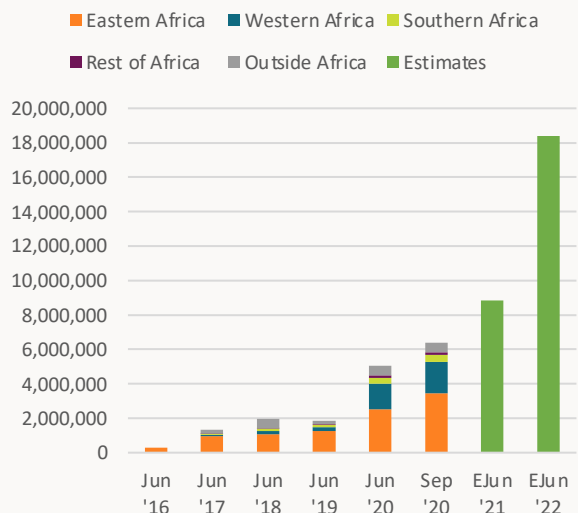
- Mdundo has already announced that monthly active users are expected to grow by 70-80% to eight and a half to nine million in 2021 with an additional growth of around 100% towards 2022, reaching 18m. This is still the expectation despite the COVID19 outbreak.
- The Company's financial expectations, revenue and EBITDA, for the financial year 2020/21 are also unchanged including 150% growth in Revenue from 2019/20. The financial expectations are unaffected by the COVID19 pandemic.
- Mdundo maintains the expectations of implementing the first partnership with a telecommunication partner before the end of 2020. In addition, the company has increased the pipeline of potential telecommunication partnerships.



Management Review

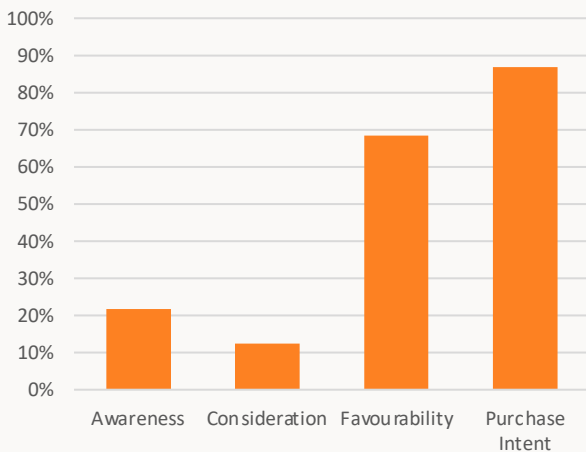
Strong growth: Mdundo delivered very strong growth of 27% in monthly active users from June 2020 to September 2020 without any significant impact of the global Covid19 pandemic on track reaching the 500m internet subscribers in Africa. The two regions with the strongest growth was Mdundo's stronghold region, Eastern Africa (37%), as well as Western Africa (24%), where Mdundo is rapidly expanding. The growth is a result of the growing content offering for all regions as well as strong focus on Search Engine Optimisation and continuously product-improvements with focus on speed and usability relevant for the African user.

Monthly Active Users



Mdundo Campaign Impact

Audio Ad Campaigns Q3 2020



Ad-sales breakthrough in

Nigeria: The ad-sales breakthrough is an early result of scaling the proven commercial model outside of Kenya. Building on the success of Mdundo's direct ad-sales strategy in Kenya in the last financial year, management initiated a trial period of ad-sales in Nigeria from July to September 2020, as a result hereof Mdundo has onboarded the telecommunication company 9mobile as the first significant advertisement client in Nigeria, which is an important step in regards to delivering the Company's forecast of 140% growth in revenue from 2019/20 to 2020/21

During Q1 Mdundo achieved significant results for the advertisement clients, measured through the Mdundo Brandlift Tool. The impact of our audience's Purchase Intent increased by 87% for the brands advertising with Mdundo. The online advertisement market in sub-Saharan Africa is expected to grow to 937m by 2022. Mdundo's clients in Q1 included global and Pan-African brands like Safaricom, Standard Chartered, Nivea, Oxfam, Serengeti, 9mobile.

500m

Internet Subscribers
In 2022

\$937m

Online Advertisement
in 2022

Management Review

Improved android app: The monthly active app users are back to the level of April following temporary removal from Playstore in May and June as expected. An improved version of the Mdundo Android App was released in July 2020. The release had a focus on improved navigation and customer experience concentrating on the current most popular features relevant for the African user. As a result, the average Google Playstore Ranking increased from 3.99 of 5 stars in the last financial year to 4.26 of 5 in the first quarter of this financial year

Organizational ramp-up: As presented in the Company Description published on 17th of August Mdundo is planning to ramp-up the organization as an important steppingstone for the continues growth and the mission of building the leading pan-African music service with approximately 18m users end 2021/2022. Currently we are expanding the management-team and expect to sign three key hires before end of November. Furthermore, Mdundo is currently hiring additional Ad-Sales account managers in Nigeria, Ghana and Tanzania to continue the geographical expansion of the direct ad-sales strategy.

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