



Mdundo.com A/S

Jagtvænget 2, 2920 Charlottenlund

CVR-nr. 41 30 57 54

Company reg. no. 41 30 57 54

Halvårsrapport

Half year report

1. juli 2020 - 31. december 2020

1 July 2020 - 31 December 2020

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Kommentarer til rapporten

Koncernens væsentligste aktiviteter

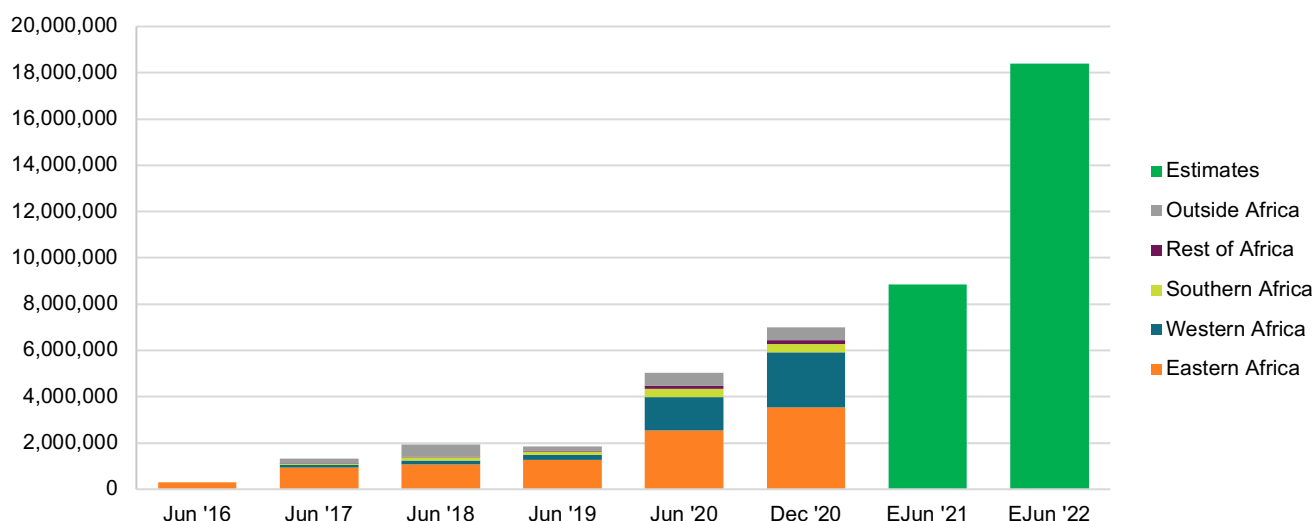
Koncernens og Mdundo.com A/S' hovedaktivitet er at drive og udvikle en online musiktjeneste i lighed med f.eks. Spotify, men udviklet med fokus på det afrikanske marked og de mere end en milliard indbyggere i landene syd for Sahara. I lighed med forholdene i Vesten distribueres musik digitalt, men digitale musiktjenester står først nu til et gennembrud, og Mdundo er en væsentlig faktor i den udvikling.

Comments to the report

The principal activities of the group

Mdundo.com A/S's main activity is to run and develop an online music service, similar to (for example) Spotify, but with a focus on the African market and the more than one billion people living in Sub-Saharan Africa. Like in the Western world, music is currently primarily distributed digitally however, legal digital music services are yet to break through in the market and Mdundo has a significant part to play in this development.

Mdundo: Monthly Active Users



Ved afslutning af perioden havde koncernen ca. 7 mio. unikke brugere per måned, hvilket var en stigning på 38,8% siden 30/6 2020 og selskabet har tidligere meldt ud til markedet, at antallet af månedlige aktive brugere forventes at stige til 8,5-9,0 mio. i 2021 og yderligere med ca. 100% til niveauet 18 mio. i 2022. Disse forventninger fastholdes.

Mdundos musiktjeneste havde ved afslutning af perioden 1,4 mio. internationale musiknumre samt +260.000 musiknumre (58% vækst fra december 2019) uploadet fra +90.000 afrikanske kunstnere til Mdundo.com.

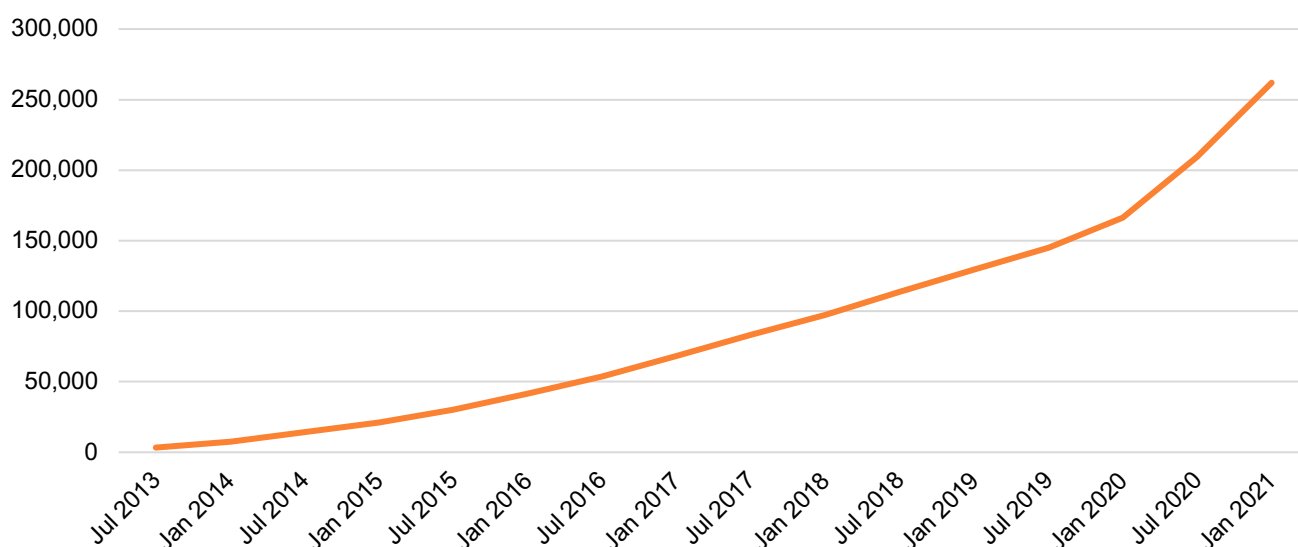
At the end of the half-year period, the Company had seven million unique monthly active users, representing an increase of 38.8% since 30/6 2020. The company has already announced that the monthly active users (MAU) are expected to grow by 70-80% to eight and a half to nine million MAU from June 2020 to June 2021 with an additional growth of around 100% towards 2022, reaching 18m MAU.

At the end of the half-year period, Mdundo's music service had 1.4m international songs as well as over 262k tracks (up 58% from December 2019) directly uploaded by +90,000 African musicians onto Mdundo.com.

Vestafrika med Nigeria og Ghana i front var den hurtigst voksende region med 197% vækst i antal sange i forhold til december 2019 og 217% vækst i antal kunstnere. Det sydlige Afrika have en vækstrate på 99%, Østafrika 51% og Centralafrika 47% i antal uploadede sange.

Western Africa, with Nigeria and Ghana in front, was the fastest growing region with a 197% growth in songs compared to December last year and a 217% growth in active artists. Southern Africa saw a growth rate of 99%, Eastern Africa 51% and Middle Africa 47% in songs uploaded to the platform.

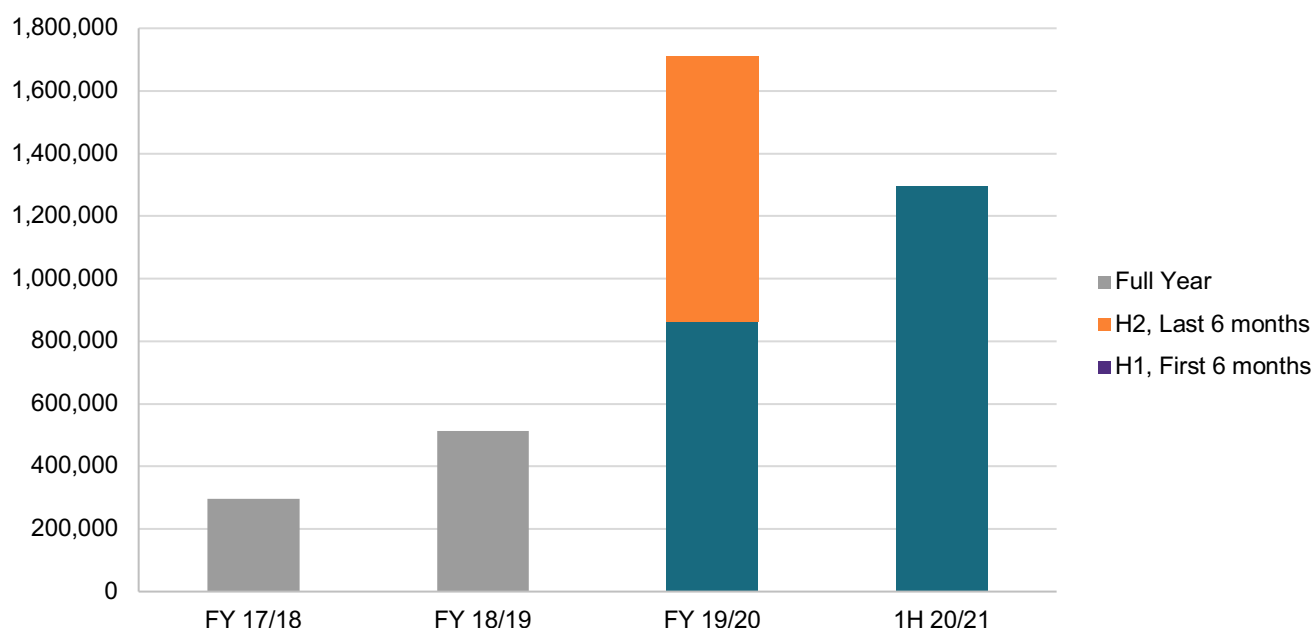
Music Tracks Uploaded To Mdundo



Mdundo tilbyder brugerne to koncepter: Freemium (gratis-tjeneste), der er reklamefinansieret, og Premium, der er abonnementsbaseret. Mdundo fokuserer p.t. primært på gratis-tjenesten, og Mdundos primære indtjeningskilde er derfor reklamer. Reklamerne består dels af bannerreklamer og dels af reklamer, som er indbyggede i musiknumrene. Således vil f.eks. et musiknummer, der er downloadet fra Mdundo, havde en 5-10 sekunders reklame, som afspilles inden nummeret. Indtægterne fra reklamesalg er fra 1h 2019/20 til 1h 2020/21 øget med 50% fra DKK 863t til DKK 1,3 mio.

Mdundo is offering users two tiers: Freemium (free service), which is ad-supported, and Premium, which is subscription-based. Mdundo is currently focusing on the free service and Mdundo's primary source of revenue is therefore advertisement. Advertisement consists of display banners and audio advertisements embedded into the music tracks. In practice, a track downloaded from Mdundo has a 5-10 second advertisement playing before the actual track. The revenue generated from advertisement has increased by 50% from DKK 863k to DKK 1.3m in comparison to the same period last financial year.

Revenue (DKK), Historic Performance



Med udgangspunkt i en stærk brugerbase, contentof-fering og stigende indtægtsmuligheder anmodede Mdundo.com A/S d. 17. august 2020 om optagelse til handel på Nasdaq First North Growth Market Denmark og efter et succesfuldt udbud af nye aktier – som var overtegnet med 111% - blev Mdundo.com A/S optaget til handel på Nasdaq First North Growth Market med første handelsdag d. 4. september 2020 efter udstedelse af 4 mio. nye aktier, hvilket gav selskabet DKK 40 mio. i brutto-provenu. Som forberedelse til optagelsesprocessen overtog Mdundo.com A/S (stiftet d. 10. april 2020) alle aktierne i Mdundo Limited. (Selskabets operationelle datterselskab i Kenya) samt alle øvrige aktiver i Mdundo.com Limited (koncernens tidligere moderselskab) pr. 29. april 2020.

Som et resultat af omstruktureringen findes der ikke finansielle resultater for Mdundo.com A/S for 1. halvår 2019/20 (selskabet eksisterede ikke), hvorfor regnskabsopstillingen i denne halvårsrapport ikke indeholder sammenligningstal fra året før.

On the foundation of a strong user base, content of-fering and increasing revenue potential, Mdundo ap-plied for admission to trading on Nasdaq First North Growth Market Denmark and after a successful sub-scription period – oversubscribed by 111% - Mdundo.com A/S was listed on Nasdaq First North Market, with 4th September 2020 as the first day of trading. The company issued 4m new shares provid-ing the company with DKK 40m in gross proceeds. In preparation for the listing Mdundo.com A/S (incor-porated 10th April 2020) overtook all shares in Mdundo Limited (the company’s subsidiary in Kenya) as well as all other assets in Mdundo.com Limited. (the group’s prior holding company) as of 29th April 2020.

As a result of this restructuring there are no financial results for the same period last year as Mdundo.com A/S was not incorporated.

Nedenstående findes dog en sammenligning af Mdundo.com A/S' 1. halvår 2020/21 med proforma tal for Mdundo Limited og Mdundo.com Limited konsolideret (Selskaberne drev før restruktureringen tilsvarende aktiviteter):

The financials presented in this report is therefore not compared with last year's figures, but the figures can be compared to the proforma revenue and EBITDA for Mdundo Limited and Mdundo.com Limited consolidated for the same period last year.

DKK	Consolidated Mdundo.Com Ltd (Seychelles) & Mdundo Ltd (Kenya) (1/7 - 31/12 2019)	Mdundo.Com A/S Consolidated (1/7 - 31/12 2020)
Revenue	863 t.kr.	1.295 t.kr.
EBITDA	-837 t.kr.	-2.974 t.kr.

I det første halvår er Mdundos team vokset fra 12 fuldtidsmedarbejdere og 11 fuldtidskonsulenter uden for Kenya til 16 fuldtidsmedarbejdere og 17 fuldtidskonsulenter. Den hurtigst voksende afdeling var reklamesalgsteamet, som fik syv nye kollegaer i november 2020, hvoraf seks er baseret i nye kommercielle fokusmarkeder – Tanzania, Nigeria og Ghana. Derudover er ledelsen i perioden styrket med Head of Telco Partnerships, Patrick Sambao, Head of Ad-Sales, Rachel Karanu og Head of Growth, Michael Okeje.

During first half of the financial year Mdundo's team grew from 12 full-time employees and 11 full-time consultants located outside Kenya to a total of 16 full-time employees and 17 full-time consultants. The fastest growing department was the advertisement sales team that grew by 7 people in November 2020, 6 of which are located in new commercial markets – Tanzania, Nigeria and Ghana. In addition, a number of key managers joined the team including Head of Telco Partnerships, Patrick Sambao, Head of Ad-Sales, Rachel Karanu and Head of Growth, Michael Okeje.

Version 11 af Mdundos Android app blev lanceret i oktober med fokus på at øge hastigheden samt appens "home screen". Det har resulteret i en 15% stigning i Google Play Store ranking til sammenligning med sidste regnskabsår. Produktfokus har derudover primært været på mobile-web brugeroplevelsen, hvor produkthastighed er en hoved KPI: Pageload hastighed er i perioden reduceret med 19,7%, til sammenligning med sidste regnskabsår.

Version 11 of Mdundo's Android App was launched in October with a focus on improving the speed and the home screen, as a result, the Google Play Store ranking increased by 15% in comparison to the average for last financial year in June 2020. The primary goal from a product development focus has been a mobile-web user experience where product speed is a key performance indicator, as a result, page loading speed was reduced during the period by 19.7% in comparison to the average for last financial year.

Mdundo har i løbet af perioden lanceret et partnerskab med Vodacom Tanzania, annonceret den 4. januar 2021 med 5.000 betalende beta-abonnenter.

Mdundo has, within the period, started a partnership with Vodacom Tanzania announced on the 4th January 2021 attracting 5,000 paying beta-subscribers.

Aftalen med Vodacom forventes at blive underskrevet og produktet lanceret i starten af 2021. Selskabet har fortsat sit samarbejde med web-browseren Opera om en fælles musikkanal. Mdundo leverer musikken til musikkanalen, mens Opera leverer trafik igennem deres browser. Mdundo har ligeledes fortsat sit samarbejde med det engelske Anti-Piracy firma AudioLock, som fjerner sider med ulovlig adgang til musik fra Mdundos katalog fra Google Search. Audioclock har fjernet mere end 2 mio. links, en stigning fra 1 mio. i slutningen af sidste regnskabsår.

På salgssiden har reklamesalgsteamet lanceret selskabets reklameprodukter i Tanzania, Nigeria og Ghana i slutningen af november 2020 ved at afholde webinarer i hvert land med temaet "The Future of Audience Engagement". Over 900 potentielle kunder deltog i webinarerne. I halvårsperioden har salgsteamet lukket 27 ordrer, en stigning fra 20 ordrer i samme periode sidste år. Heraf er seks ordrer fra de nye kommercielle markeder lanceret i november 2020, mens resten er fra Kenya. Flere ordrer er fra globale og panafrikanske brands inklusiv Coca-Cola, Standard Chartered bank, Diageo og 9mobile.

Udvikling i aktiviteter og økonomiske forhold

Periodens nettoomsætning udgør DKK 1,3 mio. Det ordinære resultat efter skat udgør DKK -3,0 mio. Ledelsen anser resultatet for tilfredsstillende og i tråd med Selskabets vækststrategi og mission om inden for få år at være den primære panafrikanske musik tjener og have 18 mio. unikke månedlige brugere medio 2022.

Den forventede udvikling

Koncernen forventer en stigning i omsætningen på 135% fra 2019/20 til 2020/21 (DKK 4,1 mio.), mens EBITDA forventes i niveauet DKK -13,1 mio. i 2020/21, som følge af en aggressiv investering i brugervækst og geografisk ekspansion, samt produktudvikling.

The agreement with Vodacom is expected to be signed and product fully launched in the beginning of 2021. The company has continued its collaboration with the web browser Opera, offering a music channel within Opera to which Mdundo delivers the music and Opera delivers the traffic, and its partnership with the British anti-piracy company AudioLock removing pages with illegal access to music within Mdundo's catalogue from Google Search. More than 2m total links have been removed from Google Search up from 1m at the end of last financial year.

The direct advertisement sales team in Mdundo launched its direct advertisement products across Tanzania, Nigeria and Ghana in the end of November 2020 by hosting local webinars with the theme "The Future of Audience Engagement". The webinars were attended by +900 potential advertisers from across the markets. From the 1st June 2020 to 31st December 2020 the sales team generated a total of 27 direct orders up from 20 orders placed in the same period last year. Hereof 6 of the orders were from the new commercial markets launched in November 2020, the remaining were from Kenya. Several major brands advertised on Mdundo within the period including Coca-Cola, Standard Chartered Bank, Diageo and 9mobile.

Development in activities and financial matters

The revenue for the period totals DKK 1.3m. Loss from ordinary activities after tax totals DKK -3m. Management considers the loss for the period satisfactory and in line with the growth strategy and mission of the company to become the primary pan-African music service with 18m unique monthly users by 2022.

Expected developments

Mdundo expects growth in revenue of 135% from 2019/20 to 2020/21 (DKK 4.1m) and an EBITDA around DKK -13.1m in 2020/21 due to an aggressive investment in user-growth and geographical expansion, as well as investments in product development.

Halvårsregnskab 1. juli 2020 – 31. december 2020

Financial statements 1 July 2020 – 31 December 2020

Resultatopgørelse <i>Income statement</i>	Morderselskab <i>Parent</i>	Koncern <i>Group</i>
<i>DKK</i>	01.07.2020 - 31.12.2020	01.07.2020 - 31.12.2020
Nettoomsætning <i>Revenue</i>	928.154	1.295.317
Direkte omkostninger <i>Direct costs</i>	-617.556	-739.176
Andre eksterne omkostninger <i>Other external costs</i>	-1.422.608	-1.994.151
Bruttoresultat <i>Gross profit</i>	-1.112.010	-1.438.010
Personaleomkostninger <i>Staff costs</i>	0	-320.402
Af- og nedskrivninger af immaterielle anlægsaktiver <i>Depreciation, amortisation, and impairment</i>	-995.612	-1.105.659
Driftsresultat <i>Operating profit</i>	-2.107.622	-2.864.071
Indtægt af kapitalandel i tilknyttet virksomhed <i>Income from equity investment in group enterprise</i>	-755.104	0
Andre finansielle indtægter <i>Other financial income</i>	773	2.118
Andre finansielle omkostninger <i>Other financial costs</i>	-112.246	-112.246
Resultat før skat <i>Pre-tax net profit or loss</i>	-2.974.199	-2.974.199
Skat af periodens resultat <i>Tax on ordinary results</i>	0	0
Periodens resultat <i>Net profit or loss for the period</i>	-2.974.199	-2.974.199

Balance	Moderselskab	Moderselskab	Koncern	Koncern
Balance	<i>Parent</i>	<i>Parent</i>	<i>Group</i>	<i>Group</i>
<i>DKK</i>	31.12.2020	30.06.2020	31.12.2020	30.06.2020
Immaterielle anlægsaktiver <i>Intangible assets</i>	18.762.145	19.506.696	19.716.907	20.569.545
Materielle anlægsaktiver <i>Tangible assets</i>	0	0	19.172	17.820
Finansielle anlægsaktiver <i>Investments</i>	1.345.012	1.455.278	0	0
Anlægsaktiver i alt <i>Total non-current assets</i>	20.107.157	20.961.974	19.736.079	20.587.365
Tilgodehavender <i>Total receivables</i>	1.831.906	167.363	1.714.057	947.624
Likvide beholdninger <i>Cash on hand and demand deposits</i>	34.199.514	889.661	34.835.582	1.583.953
Omsætningsaktiver i alt <i>Total current assets</i>	36.031.420	1.057.024	36.549.639	2.531.577
Aktiver i alt <i>Total assets</i>	56.138.577	22.018.998	56.285.718	23.118.942
Egenkapital <i>Equity</i>	54.071.087	21.172.890	54.071.087	21.172.890
Langfristede gældsforpligtelser <i>Long term liabilities other than provisions</i>	0	0	0	0
Kortfristede gældsforpligtelser <i>Short term liabilities other than provisions</i>	2.067.490	846.108	2.214.631	1.946.052
Gældsforpligtelser i alt <i>Total liabilities other than provisions</i>	2.067.490	846.108	2.214.631	1.946.052
Passiver i alt <i>Total equity and liabilities</i>	56.138.577	22.018.998	56.285.718	23.118.942

Pengestrømsopgørelse <i>Cash flow statement</i>	Koncern Group
<i>DKK</i>	01.07.2020 - 31.12.2020
Periodens resultat <i>Net profit or loss for the period</i>	-2.974.199
Reguleringer <i>Adjustments</i>	1.239.733
Resultat efter reguleringer <i>Result after adjustments</i>	-1.734.466
Pengestrømme fra driftsaktivitet <i>Cash flow from operating activities</i>	-500.936
Pengestrømme fra investeringsaktiviteten <i>Cash flow from investing activities</i>	-256.379
Pengestrømme fra finansieringsaktiviteten <i>Cash flow from financing activities</i>	35.743.410
Nettoændring i likviditet <i>Change in cash and cash equivalents</i>	33.251.628
Driftskredit og likvide beholdninger, primo <i>Cash and cash equivalents, beginning of period</i>	1.583.953
Driftskredit og likvide beholdninger, ultimo <i>Cash and cash equivalents, end of period</i>	34.835.582

Egenkapitalforklaring <i>Equity explanation</i>	Moderselskab Parent	Koncern Group
<i>DKK</i>	31.12.2020	31.12.2020
Egenkapital primo året <i>Equity 1 July 2020</i>	21.172.890	21.172.890
Kontant kapitaludvidelse <i>Cash capital increase</i>	40.000.000	40.000.000
Periodens resultat <i>Net profit or loss for the period</i>	-2.974.199	-2.974.199
Direkte omkostninger ved kapitaludvidelse <i>Direct costs related to capital increase</i>	-4.165.399	-4.165.399
Valutakursregulering <i>Exchange rate adjustment</i>	37.795	37.795
Egenkapital pr. 31. december 2020 <i>Equity 31 December 2020</i>	54.071.087	54.071.087

Regnskabsrelaterede nøgletal
Accounting related key figures

Koncern
Group
31.12.2020

Overskudsgrad (EBIT-margin) <i>Profit margin (EBIT-margin)</i>	-2,21
Likviditetsgrad <i>Acid test ratio</i>	16,50
Soliditetsgrad <i>Solvency ratio</i>	0,96

Aktierelaterede nøgletal
Share related key figures

Koncern
Group
31.12.2020

Indre værdi pr. aktie <i>Book value per share</i>	2,08
Resultat før skat pr. aktie før warrants <i>Earnings per share ratio before dilution</i>	-0,29
Resultat før skat pr. aktie inkl. warrants <i>Earnings per share ratio after dilution</i>	-0,27
Antal aktier i stk. <i>Total shares</i>	10.196.668
Gennemsnitligt antal aktier i perioden* <i>Average shares in the period*</i>	5.398.334

*Antal aktier i perioden:

*Amount of shares in the period:

- Antal aktier pr. 1. juli 2020 <i>Amount of shares as per 1 July 2020</i>	600.000
- Antal aktier pr. 30. juli 2020 <i>Amount of shares as per 30 July 2020</i>	6.196.668
- Antal aktier pr. 3. september 2020 <i>Amount of shares as per 3 September 2020</i>	10.196.668

Note: Ovenstående hovedtal for 2. halvår 2020 er ikke reviderede eller reviewed af selskabets revisor.

Note: The above numbers for 2nd half year 2020, has not been audited or reviewed by the compans auditor.