



# Quarterly Announcement: Mdundo reaches 10.4m Monthly Active Users

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## Company Announcement No 15-2021

### HIGHLIGHTS

- A total of **10.4m monthly active users** in September, a growth of 64% from September 2020. The growth was driven by campaigns targeted at users of the company's telecom partnerships with the objective of driving paying subscribers. The fastest growing region has been Western Africa (138%) and the biggest customer base was East Africa with 47% of total users.
- Launch of the **3rd telecommunications partnership** agreement with the leading telco in Nigeria, MTN, in addition to the partnership launched last quarter with Airtel in Nigeria and in January 2021 with Vodacom in Tanzania.
- Mdundo has entered into a **1-year advertising deal** with the leading entertainment and sports betting brand, SportPesa. The partnership, valued at \$100,000, illustrates the increasing number of long-term advertisement partnerships established by Mdundo with pan-African consumer brands.

### OUTLOOK

- **Users:** Mdundo has previously announced that the number of monthly active users is expected to grow to 18 million at the end of June 2022. This is still the expectation. However, the specific number of users and the proportion of paying users is awaiting implementation and further understanding of the unit economy to acquire and monetize users under future agreements.
- **Finances:** The company has previously indicated an EBITDA for the financial year 2021/22 of DKK -10-11 million and an expected revenue in the financial year 2021/22 of DKK 9-10 million. This is still the expectation.
- **Strategic Partnerships:** Mdundo expects additionally 1-2 telecommunications partnership agreements before the end of the calendar year 2021. This supports 1) Mdundo's mission to become the primary pan-African music platform and 2) to achieve a larger share of paying users over time.

### MANAGEMENT REVIEW

- **Strong user growth:** Mdundo delivered very strong growth of 64% in monthly active users from September 2020 to September 2021 on track reaching the 500m internet subscribers in Africa. The fastest growing region has been Western Africa (138%) and the biggest customer base was East Africa with 47% of total users. The growth is a result of increase in marketing campaigns focused on growing paid subscriber base of the paid music bundle launched with telecommunication partners in Tanzania and Nigeria and increasing brand awareness in new customer segments across growth markets.
- **3rd Telco Partnership launched:** Mdundo announced a partnership with MTN Nigeria in August 2021 and throughout Q1 the company has expanded the partnership pipeline further and is expecting to launch 1-2 additional partnership in Q2 and a total of 3-4 partnerships within 2021. MTN is the leading telecompany in Nigeria and has a total subscriber base of more than 70 million customers. At the end of the financial year ending in June 2021 the company announced partnership with the second biggest telco in Nigeria, Airtel, that has a total subscriber base of 40 million customers. Telco partnerships is a strong focus for Mdundo's growth and monetisation strategy, the partnerships allow the telco's customers to subscribe to Mdundo bundles providing access to Mdundo Premium as well as exclusively curated DJ mixes only available for paying subscribers. The customer will pay a daily fee for the subscription and the product is co-marketed in collaboration with the telco partner.
- **Establishing new adverting sales markets:** Within the quarter the Mdundo Ad-Sales Team has relaunched the brand lift tool providing deeper customer insights to advertising clients. The tool is located at [Mdundoforbrands.com](https://Mdundoforbrands.com). In addition, the company has hired a Head of Ad-Sales for Tanzania as well as closed a 1-year advertising deal with a leading sport betting and entertainment brand in Tanzania, SportPesa, valued at a total of \$100,000. The partnership illustrates the increasing number of long-term advertisement partnerships established by Mdundo co-creating long-term commercial value for both parties. The deal supports Mdundo's expectation of an increase in revenue in 2021/22 of +400% compared to last financial year ending June 2021. The company has also continued its effort outside of East Africa with a specific focus on Nigeria where a couple of campaigns were also executed with Coca-Cola as one of the leading brands.

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### **About Mdundo.com A/S**

Mdundo is a leading music service for Africa with millions of people streaming and downloading music from our app and website every month. We aim to provide Africa's millions of internet users with easy access to music whilst contributing structure, legality, and income to the sector. More info: <https://mdundo.com/>

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### **Attachments**

- [Download announcement as PDF.pdf](#)
- [Mdundo Report 1st Quarter 2021-22 EN final.pdf](#)