



MDUNDO.COM Quarterly announcement: Mdundo reaches 17 million active users and increases the expected number of monthly active users for the year

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In March 2022, Mdundo had 17 million active users, which is an increase of 140% since March 2021. The company now expects 19-20 million monthly active users at the end of the 2021/22 financial year in June, against previous guidance of 18 million.

Contains insider information:

Company announcement No. 3-2022

The company hereby publishes the quarterly announcement for the third quarter of 2021/22, and the content will be presented by CEO Martin Nielsen at a webinar on 4 May at 15.00 CET. Link to registration can be found here:

<https://kapitalpartner.dk/arrangementer/>

Highlights:

- 140% growth in monthly active users from the third quarter of 2021 (7.1 million) to the end of the third quarter of 2022 (17 million). The largest country in terms of number of monthly active users was Nigeria with +4.5 million, followed by Kenya, South Africa and Tanzania.
- The strong growth is focused around Mdundo's main markets and in Nigeria, Kenya and South Africa the number of monthly active users has grown by over 300% from the third quarter of 2021 to the third quarter of 2022.
- During the third quarter, the Company conducted initial tests with football and religious content on mdundo.com and achieved positive results from these tests, hence the tests continue.
- The launch of brand awareness marketing campaigns in Nigeria and Tanzania, which are expected to have long lasting positive effects on 1) monthly active users as well as paying customers and 2) the opportunity to increase B2B advertising sales.
- During the quarter, Mdundo's sales team has closed B2B advertising agreements with leading brands such as Nivea, 10Bet, Guinness, Airtel and Standard Chartered Bank. However, the number of agreements is lower than expected in the third quarter.
- Strong liquidity of DKK 22.6 million in deposits at the end of the quarter.

Outlook:

- Mdundo has previously announced that the number of monthly active users is expected to increase to approx. 18 million at the end of the financial year 2021/22. Based on strong growth, the Company is now increasing its expectation to 19-20 million monthly active users in June 2022.
- The company has previously guided an EBITDA for the financial year 2021/22 of negative DKK 10 - 11 million. The expectation is increased to a better EBITDA of negative DKK 8-9 million for 2021/22. This is mainly due to lower-than-expected marketing costs, which combined with an increase in the expected number of monthly active users is considered solid. The expectations for the Company's revenue in the financial year 2021/22 are also adjusted to DKK 7.0 - 8.0 million against previous expectations of DKK 9-10 million. This is mainly due to a weaker 3rd quarter on direct advertising sales, while sales via advertising networks continue in a positive development and reached a level in March around DKK 500,000, corresponding to DKK 6 million on an annual basis if the level is maintained. YTD has sales via advertising networks accounted for 38% of revenue, direct B2B advertising sales accounted for 45% while subscription revenues via telecommunications company agreements accounted for the remaining share.
- The company's management is in the process of completing "Strategy 2022 - 2025" and expects to publish the main points in this together with guidance for 2022/23 in the second half of June 2022.

Management review:

Continued strong user growth: Mdundo reaches 17 million monthly active users in March, which is a growth of 140% from the third quarter of 2021. The company's management has raised its expectations for user growth from 18 million to 19-20 million monthly active users at the end of the financial year 2021/22. The largest country in terms of number of monthly active users was Nigeria with +4.5 million, followed by Kenya, South Africa and Tanzania.

Launch of new marketing activities: Last year, Mdundo established telecommunications partnerships in Nigeria and Tanzania that enabled 125 million potential customers to subscribe to Mdundo's paid service. During the quarter, Mdundo launched new marketing activities to increase awareness of the paid service, including "on-ground activation" in Lagos, which for instance involves branding in 4,500 local buses. In Tanzania, an "affiliation" partnership has been launched with Tanzania's largest radio station, CloudsFM. During a 3-month trial period, the radio station will promote CloudsFM branded content on Mdundo's service via radio spots.

Salesfocus on growth markets: During the quarter, Mdundo's advertising sales team closed several advertising agreements, of which brands such as Nivea, 10Bet, Guinness, Airtel and Standard Chartered Bank ran campaigns on [Mdundo.com](https://mdundo.com). As a result of Mdundo's geographical expansion of the sales team, a significant number of Q3 agreements originate from the Company's emerging markets, Tanzania and Nigeria. However, the number of closed agreements is lower than expected for the quarter.

Team Development: The company has hired Whitney Njeru Njagi as Chief Operating Officer starting in May. Whitney most recently has a background from Lake Turkana Wind Power, where he served as Head of Financial Planning and Analysis and Stakeholder Engagement. In addition, he comes with seven years of experience from KPMG's Finance, Strategy and Deal Advisory unit. Mdundo's Nigerian team has also grown further with Thelma Areh starting as sales manager and Oghenetega Ajogun as Senior Marketing Manager.

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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 3rd Quarter 2021-22 EN.pdf](#)