



# Annual Report: Mdundo.com grows premium service revenue by 239% and exceeds user guidance of 26 million monthly active users

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The board of Mdundo.com A/S has approved the company's annual report for the period 1 July 2022 – 30 June 2023. During the period, the company has exceeded expectations for user growth by reaching 26.6 million monthly active users and increased revenue from paying customers significantly. The results will be presented by management on a webinar on 28th of September at 4pm (CET). Sign-up here: <https://event.webinarjam.com/register/280/lglg7trv>

*Company Announcement number 4-2023*

[Mdundo.com](https://mdundo.com) stands at the forefront of the Sub-Saharan Africa's music streaming evolution. As the region embarks on an unprecedented digital journey, we've harnessed the power of connectivity to transform the music experience for millions towards our vision of providing Africa with easy and legal access to online entertainment. Our growth, and ambition of reaching 50 million monthly active users as well as financial sustainability by the financial year ending 2025, underscore our commitment to redefining the African music industry.

## Highlight Summary: Building a leading music service for Africa:

- **Steep Revenue Growth and EBITDA improvement:** 74% growth YOY from DKK 7.2 million to 12.6 million (compared to DKK 13-16 million in guidance), EBITDA has improved 3.5% from last financial year to minus DKK 7.8 million and is in line with guidance. Despite strong growth, on the revenue side [Mdundo.com](https://mdundo.com) was affected by a significant weakening of the Nigerian naira late in the financial year and an approx. 25% weakening of the Kenyan shilling over the financial year.
- **Exceeding User Growth:** Monthly active users reached 26.6 million, surpassing the yearly target of 25 million and revised guidance of 26 million.
- **Premium Offering:** Subscription revenue grew 239% to DKK 4.4 million, comprising 35% of total revenue.
- **Advertising Offering:** Advertising revenue grew by 37% to DKK 8.3 million, campaigns executed for leading global brands.
- **Cash Position:** DKK 15.5 million in the bank, which corresponds to 43% of the total net proceeds from the listing on Nasdaq First North in 2020 of DKK 36 million. In the financial year the cash position was reduced by DKK 6.8 million, the company is working towards a positive EBITDA by June 2025.
- **Ambitious Goals:** Pursuing 50 million monthly active users and EBITDA positive operation by 2025.

## Guidance for FY 2023-24:

- **User Growth Anticipated:** Projecting 32% increase in monthly active users to 35 million by end of the financial year.
- **Revenue Growth:** Aiming for DKK 17-21 million, reflecting 35-66% growth from last year.
- **EBITDA Improvement:** Targeting DKK -6.5 to -7.5 million, showcasing an improvement of up to DKK1.3 million.

## Investing in user and revenue growth with an eye on being EBITDA positive by year 2025

[Mdundo.com](https://mdundo.com) is investing in user and revenue growth with a strong focus on long-term financial sustainability. As a result, the service has reached a total of 26.6 million monthly active users and a yearly revenue of DKK 12.6 million. The results for the year are in line with [Mdundo.com](https://mdundo.com)'s ambitious growth strategy. An ordinary result after tax of DKK -10.2 million, while representing a deficit, is a satisfactory outcome due to investments in future growth and profitability. This performance harmonizes with the company's mission to emerge as the foremost pan-African music service. Our sights remain set on achieving 50 million unique monthly active users by mid-2025. The company raised approximately DKK 36 million in net

proceeds at the company's listing on Nasdaq First North in September 2020, this has equipped [Mdundo.com](https://www.mdundo.com) to seize opportunities in the fast growing African music streaming landscape. At the end of the financial year, the company's cash position stands at DKK 15.5 million.

### **Progress towards 2025 Strategy:**

[Mdundo.com](https://www.mdundo.com) remains on track to achieve its ambitious 2025 strategy, which centers on reaching 50 million monthly active users and achieving a positive EBITDA operation.

- **Focus on Nigeria, Kenya, Tanzania, Ghana, and South Africa:** These key markets encompass a combined population of 422 million people, approximately 35% of Sub-Saharan Africa's population. They offer substantial growth opportunities due to high internet penetration rates and robust economic development. In June 2023, these markets accounted for 15.0 million of Mdundo's 26.6 million monthly active users.
- **Focus on driving value per user through telco and premium products:** [Mdundo.com](https://www.mdundo.com) has established music packages in collaboration with prominent telecommunications providers, including Vodacom in Tanzania, Airtel in Nigeria, and MTN in Nigeria, Ghana, and South Africa. These partnerships collectively reach an extensive customer base of 185 million people, enabling [Mdundo.com](https://www.mdundo.com) to address the low usage of payment cards in Africa and deliver enhanced value to its users.
- **Focus on delivering locally relevant service and content:** [Mdundo.com](https://www.mdundo.com) places a strong emphasis on providing locally relevant service and content, acknowledging the significance of cultural diversity and local preferences. The platform curates a diverse range of music from various genres and local artists, ensuring an engaging and relevant experience for its users. The company has previously announced that approximately 80% of all music consumed within the focus markets is African catalog and that the service is approaching 500,000 African songs directly uploaded to the service by +140,000 African creators.

### **Contacts**

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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/>

#### [Mdundo.com A/S](https://www.mdundo.com)

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### **Attachments**

- [Download announcement as PDF.pdf](#)
- [20230925 - Mdundo Annual Report - FY 22-23.pdf](#)