



# **Mdundo.com is adjusting guidance for the current financial year, expecting improved EBITDA and lower revenue as a result of currency fluctuations.**

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The company, a leading music service in Africa, is adjusting EBITDA expectations from minus DKK 6.5 - 7.5 million to between minus DKK 6.0 - 7.0 million as well as adjusting the revenue expectations from DKK 14-17 million to DKK 12-14 million for the financial year ending June 2024. The adjustment is a result of a significant depreciation of the Nigerian naira by 38% against DKK in the period 31st January to 24th March. Since the beginning of the financial year the naira has declined by 53% against DKK.

## **Contains Inside Information**

### **Company Announcement Number 05-2024**

Nigeria is one of Mdundo's focus markets, and the company is operating primarily in naira within the market and Mdundo has not been able to increase prices in local currency quick enough to offset the decline in the naira value. In regards to subscriptions this is partly due to price-elasticity and partly due to short term regulation around Mdundo's premium-offering with telecommunication companies. Advertising revenue in Nigeria is affected as contracts are typically in naira and at the same time management experiences lower demand due to economic turbulence in Nigeria as a consequence of the exchange rate fluctuations. However, it must be emphasized that the company has not experienced a drop in revenue in Nigeria measured in naira.

On the positive side, the depreciation of the naira has a positive effect on the operating costs valued in DKK, which contributes to an improved guidance of EBITDA for the financial year 2023/24.

The company is confident in the long-term opportunities in Nigeria, a market with +225 million people and the biggest music industry in Sub-Saharan Africa outside of South Africa, but management monitors the situation closely. Currently management is limiting customer acquisition campaigns in Nigeria to secure attractive unit economics. Historically, programmatic ad buying is handled in USD, but management expects that pricing will adjust soon to reflect the naira value and management is working on alternative acquisition channels.

## **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/>

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