



HALF YEAR REPORT 2022-2023

July to December 2022
7th February, 2023



mdundo

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 have developed significantly in the last few years, but there are still a huge market to develop and Mdundo has a significant part to play in this development.



VISION
Provide Africa with Easy and Legal Access to Online Entertainment

MISSION
To be the primary pan-African online content service by contributing structure, legality and income to the sector

2025 Goals

50M
Monthly Active Users

POSITIVE
EBITDA

2025 Focus



Delivering a locally relevant service and content.



Driving value per user further through telco and premium products.

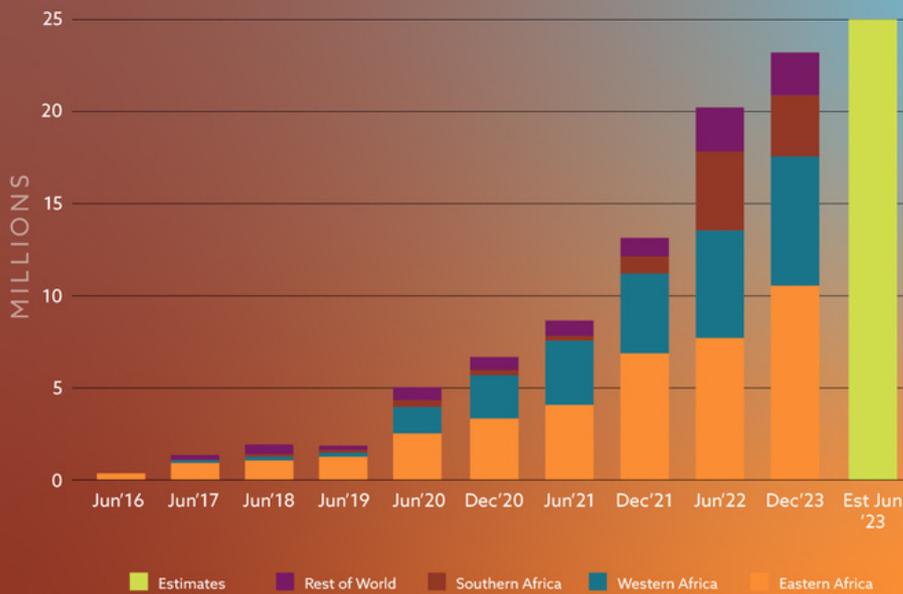


Focus on the biggest markets Kenya, Tanzania, Nigeria, Ghana and South Africa.

Development in Monthly Active Users

At the end of the half-year period, the company had 23.4 million unique monthly active users (MAU), representing an increase of 15% since 30 June 2022 (20.3m MAU). The milestone is in-line with our 2025 goal of reaching 50 million monthly active users and driving value per user through premium telco products.

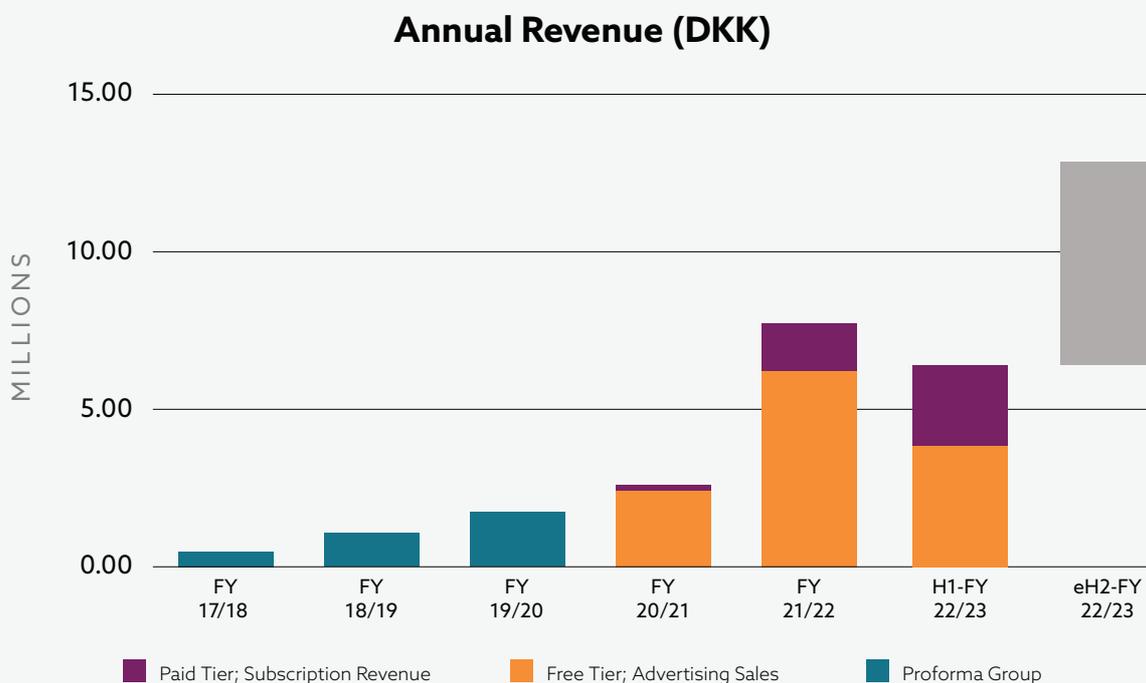
Mdundo Monthly Active Users



Development in Revenue

Mdundo is offering users two tiers: Freemium tier (free service), which is ad-supported, and Premium tier, which is subscription-based. The focus has in the past primarily been on the free service which is advertisement funded, but the Company has started focusing more on expanding the Premium subscriber base together with Telco-partners. Total revenue for the period is DKK 6.4 million up by 161% compared to the same period last year.

The company is still expecting total revenue of DKK 13-16 million in the financial year ending 30th June 2023, up from DKK 7.2 million last financial year.



Advertising Revenue up by 89%

Advertising revenue 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 advertisements closed at DKK 4.3 million in the financial period H1 22/23 compared to DKK 2.3 million in the period H1 21/22.

Mdundo has increased revenue from advertising sales significantly within the period. The total orders received were 57, up from 47 in the same period last year. The majority of the orders (24) were from Kenya however a growing number of deals from new commercial focus markets, 15 from Tanzania, 8 from Nigeria, and 10 from Uganda. The company renewed the 1-year advertising agreement with a leading entertainment and sports betting brand, SportPesa.

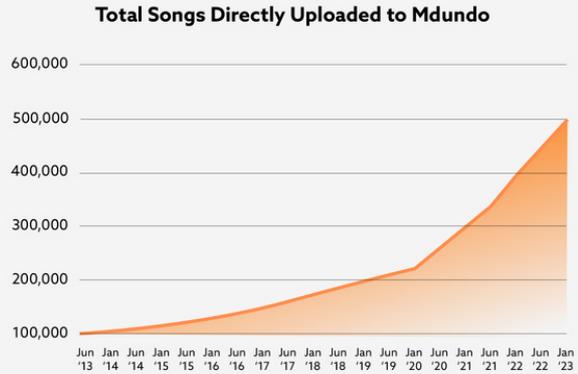
Subscriber Revenue up by 508%

Paying Subscriber revenue accounts for DKK 2.1 million in revenue for the financial period or an estimated 33% of the total revenue for the period. The previous H1 revenue from subscription was at DKK 345k showing a 6x increase on the revenue line.

The company has launched two new billing partnerships with telecommunication partners in the first half year of 2022-23, with MTN Ghana and MTN South Africa. The Mdundo Premium tier is now available to a total of 185 million customers within Nigeria, Tanzania, Ghana, and South Africa or roughly 30% of the 600 million mobile subscribers in Sub-Saharan Africa. These partnerships allow the telecommunication provider's customers to subscribe to Mdundo music packages offering access to Mdundo Premium as well as exclusively curated DJ mixes only available for paying subscribers. The customer will pay a daily or weekly fee for the subscription and the product is co-marketed in collaboration with the telco partner. The company announced at the start of the year that subscription revenue is expected to account for 40% of total revenue within a few years, which is still the case.

Development in Music Catalog

Mdundo.com A/S receives music catalogs from international record labels and African rights holders which consists of individual independent musicians as well as African record labels. At the end of the half-year period, 487k tracks had been uploaded directly by +140,000 African rights holders onto Mdundo.com (up by 32% from December 2021). In addition, the service offers 1.7 million songs from Warner Music Group, Universal Music Group, and Believe Digital.



On the 17th of January Mdundo.com A/S released insights from Q2 (Oct to Dec 2022). The fastest growing licensing partners on Mdundo in the period were Slide Digital (Tanzania), Dapper and Mavin (Nigeria), Content Connect Africa (South Africa) and Saldid Records (Kenya). The growth is an indication of the catalog released within the period as well as marketing initiatives within the Mdundo service.

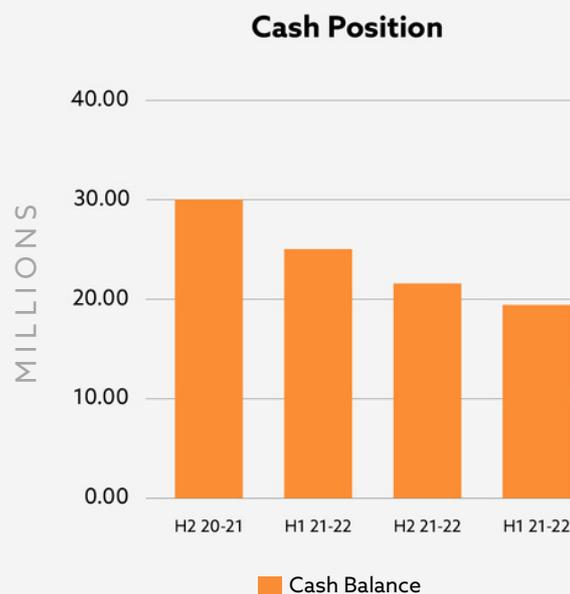
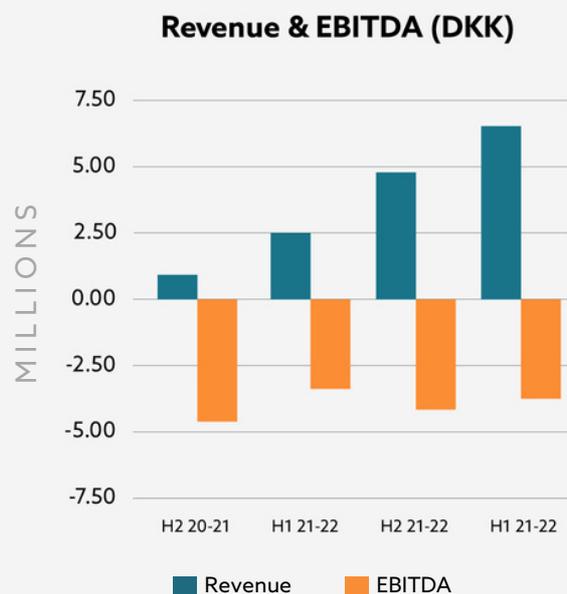
In addition, Mdundo has DJ mix partnerships with a number of the top licensing partners across Africa, Kings Music (Tanzania), Black Market Records (Uganda), EmPawa and Mavins (Nigeria) and Tamasha (Kenya). The mixes include a curated selection of the catalog licensed to Mdundo by the partner and are exclusively available to the Mdundo premium subscribers.

Development in activities and financial matters

The revenue for the period totals DKK 6.4 million, and EBITDA for the H1 is DKK -4.2 million. The cash balances as of 31st December 2022 stand at DKK 18.5 million. Management considers the loss for the period as well as the cash burn and in line with the growth strategy and mission of the company to become the primary pan-African music service with 50 million unique monthly users by 2025. The Company is striving towards positive EBITDA in 2025.

Expected Developments

Mdundo expects growth in revenue from DKK 7.2 million in 2021-22 to DKK 13-16 million in 2022-23 and an EBITDA in the range of minus DKK 7 - 8.5 million in 2022-23 as a result of an increased investment focusing on driving value per user through premium products and telco partnerships.



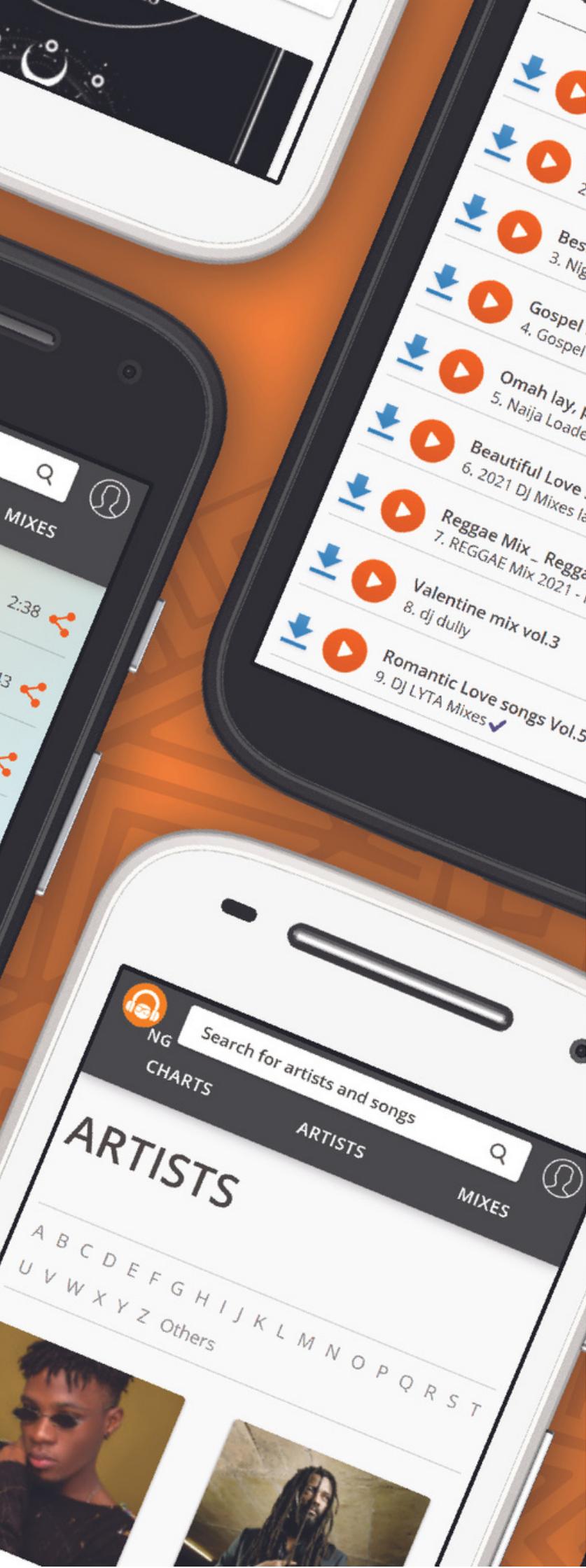
<i>Consolidated Income statement</i>	<i>Group</i>	
	<i>01.07.2022</i>	<i>01.07.2021</i>
<i>DKK</i>	<i>- 31.12.2022</i>	<i>- 31.12.2021</i>
<i>Revenue</i>	6.401.914	2.457.169
<i>Direct costs/ Artist Payments</i>	-3.375.709	-1.381.985
<i>General and Administrative expenses</i>	-5.983.397	-3.791.444
<i>Gross profit</i>	-2.957.192	-2.716.260
<i>Staff costs</i>	-1.235.789	-1.025.006
<i>Profit/loss before depreciation, amortisation, interest and tax (EBITDA)</i>	-4.192.981	-3.741.266
<i>Depreciation, amortisation, and impairment</i>	-1.103.989	-1.083.261
<i>Operating profit</i>	-5.296.971	-4.824.528
<i>Income from equity investment in group enterprise</i>	0	0
<i>Other financial income</i>	357.299	417.938
<i>Other financial costs</i>	-152.067	-162.767
<i>Pre-tax net profit or loss</i>	-5.091.739	-4.569.357
<i>Tax on ordinary results</i>	0	0
<i>Net profit or loss for the period</i>	-5.091.739	-4.569.357

Consolidated Balance Sheet	<i>Group</i>	<i>Group</i>
DKK	<u>31.12.2022</u>	<u>30.06.2022</u>
<i>Intangible assets</i>	16.530.014	17.433.858
<i>Tangible assets</i>	21.922	20.363
<i>Investments</i>	<u>0</u>	<u>0</u>
Total non-current assets	16.551.936	17.454.221
<i>Total receivables</i>	4.620.772	19.168.430
<i>Cash on hand and demand deposits</i>	<u>18.526.279</u>	<u>7.272.056</u>
Total current assets	23.147.051	26.440.486
Total assets	39.698.988	43.894.707
Equity	33.651.744	38.870.474
<i>Long term liabilities other than provisions</i>	0	0
<i>Short term liabilities other than provisions</i>	<u>6.047.244</u>	<u>5.024.233</u>
Total liabilities other than provisions	6.047.244	5.024.233
Total equity and liabilities	39.698.988	43.894.707

Consolidated Cash flow statement DKK	Group	Group
	01.07.2022 - 31.12.2022	01.07.2021 - 31.12.2021
<i>Net profit or loss for the period</i>	-5.091.739	-4.569.357
<i>Adjustments</i>	987.324	1.182.089
<i>Change in working capital</i>	15.590.397	-1.757.813
<i>Interests paid etc.</i>	335	-98.168
Cash flow from operating activities	11.486.317	-5.243.249
<i>Cash flow from investing activities</i>	-232.093	-312.855
<i>Cash flow from financing activities</i>	-	-
Change in cash and cash equivalents	11.254.223	-5.556.105
<i>Cash and cash equivalents, beginning of period</i>	7.272.056	30.241.953
Cash and cash equivalents, end of period	18.526.279	24.685.848
Consolidated Equity explanation DKK	Group	Group
	31.12.2022	31.12.2021
<i>Equity 1 July</i>	38.870.474	48.516.738
<i>Net profit or loss for the period</i>	-5.091.739	-4.569.357
<i>Exchange rate adjustment</i>	(126.991)	511
Equity 31 December	33.651.744	43.947.892

	<i>Group</i>	<i>Group</i>
	<u>31.12.2022</u>	<u>31.12.2021</u>
<i>Accounting related key figures</i>		
	-0,83	-1,96
<i>Profit margin (EBIT-margin)</i>	3,83	11,59
<i>Acid test ratio</i>	0,85	0,95
<i>Solvency ratio</i>		
<i>Share related key figures</i>		
	<i>Group</i>	<i>Group</i>
	<u>31.12.2022</u>	<u>31.12.2021</u>
<i>Book value per share</i>	3,30	4,31
<i>Earnings per share ratio before dilution</i>	-0,50	-0,45
<i>Earnings per share ratio after dilution</i>	-0,50	-0,42
<i>Total shares</i>	10.196.668	10.196.668
<i>Average shares in the period</i>	10.196.668	10.196.668

Note: The above numbers for 1st half year 2022/23, has not been audited or reviewed by the company's auditor.



Questions? Contact us.

Investor Relations

Mdundo.com A/S

Email: ir@mdundo.com

Phone: +4523229900

Press

Mdundo.com A/S

Email: press@mdundo.com

Phone: +4523229900

