Mdundo.com A/S: Annual Report for the Financial Year 2025/26

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The Board of Directors of Mdundo.com A/S has today approved the Company's annual report for the period 1 July 2025 – 30 June 2026. Management invites investors and stakeholders to a webinar on Tuesday, 29th September at 11.00 CET, where the annual report will be presented. Register here: https://www.inderes.dk/videos/mdundo-praesentation-af-arsregnskab-202526

Company Announcement Number 15-2026

Mdundo.com A/S initiated its strategic transition in FY 2025/26, following the shift from monthly active users to paying subscribers as the Company's primary non-financial KPI. Revenue declined as telco subscription billing remained under pressure, while a higher gross margin and a significantly reduced cost base improved EBITDA by 75%. The rights issue completed in May 2026 strengthened the Company's cash position and funds product development in direct payment channels, as the Company works towards reaching EBITDA break-even operations between Q4 FY 2026/27 and Q1 FY 2027/28 (12-18 months after the rights issue).

Highlights:

- **Revenue:** Revenue for the year amounted to DKK 8.3 million (2024/25: DKK 11.0 million), a decline of 24.5%. Lower subscription revenue accounted for DKK 1.6 million of the decline and lower advertising revenue for DKK 1.2 million.
    - **Subscription Revenue:** Subscription revenue declined 18.5% to DKK 7.1 million. Direct and mobile app subscription revenue grew during the year but remains a small part of total subscription revenue. Mobile money and card payments grew from 2.1k transactions in Q2 to 18.0k transactions in Q4. Blended average revenue per user (ARPU) for direct subscribers was below the USD 1.50 monthly target communicated at the time of the rights issue, reflecting a higher share of African subscribers at lower price points vs. diaspora.
    - **Advertising Revenue:** Advertising revenue fell 51.1% to DKK 1.1 million, continuing the trend of recent years. Internal resources were redirected towards subscription and direct payment channels to focus on paying subscribers.
- **Gross Margin:** Gross margin improved to 59.1% (2024/25: 47.4%) as a result of updated terms and conditions with rights holders, effective January 2026 and a reversal of prior-year provisions. Clean full effect of changes in terms and conditions will bring gross margin to an expected 54% in 26/27.
- **Cost Discipline:** Operating expenses were reduced by 41.8% to DKK 6.2 million, concentrated in licensing, promotional campaign spend and advertising sales.
- **EBITDA:** EBITDA ended at DKK -1.4 million (2024/25: DKK -5.5 million), an improvement of 75.3%.
- **Cash Position:** Year-end cash stood at DKK 8.8 million (DKK 9.1 million including the balance held with the local partner Perform Marketing), compared to DKK 4.7 million in June 2025. This reflects net proceeds of DKK 8.0 million from the rights issue of DKK 9.1 million completed in May 2026. Cash flow from operating activities improved from an outflow of DKK 5.1 million to an outflow of DKK 2.6 million.
- **Native Apps:** Native Android and iOS apps were launched in Q4, with the Android app launching on 2 April 2026. Both apps introduce in-app purchases, offline downloads and a premium tier priced at USD 1.99 per month, targeted at higher-value African smartphone users and diaspora listeners.

Strategic Priorities:

Management's priorities for FY 2026/27 are built around three areas:

1. **Converting the app launch and payment infrastructure into direct subscriber growth:** Building on the native app launch, recurring card payments and expanded mobile money coverage to grow direct subscribers alongside the telco business.
2. **Improving the mix of direct subscribers:** Continued work on pricing and segmentation, with the aim of increasing the proportion of diaspora and higher income African subscribers.
3. **Pursuing new commercial arrangements with telco partners:** Management considers the decline with a number of telco partners to be structural and is pursuing alternative forms of partnership, including microapps, data and entertainment

bundles, and mobile money integration.

Guidance for FY 2026/27:

- Revenue: **DKK 8.0–10.0 million** (2025/26: DKK 8.3 million)
- EBITDA: **DKK -1.0 to 0.0 million** (2025/26: DKK -1.4 million)
- Cash Position: **DKK 6.5–7.5 million** (2025/26: DKK 8.8 million)

Telco subscription revenue is expected to remain under pressure. Management expects the full-year effect of updated terms with rights holders and the organisational restructuring completed during the year to support further progress, and continues to work towards EBITDA break-even operations between Q4 FY 2026/27 and Q1 FY 2027/28. The annual report is available on the Company's website:www.mdundo.com/investors

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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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- Download announcement as PDF.pdf
- Mdundo Annual Report - FY 2526.pdf