



# Movinn Q3 2023 - Interim Report: +9% topline growth, with weaker demand in secondary domestic markets continuing to stick.

We continue to have a weaker demand in secondary domestic markets. We are implementing some short-term cost cutting measures by reshaping parts of our portfolio and downsizing poor performing markets, moving the operational equipment to Copenhagen and Sweden where demand is stronger.

Company Announcement nr. 34 - 2023

3 November 2022 09.00 CET.

This company announcement contains inside information.

**Copenhagen, Denmark** - The Interim Report covers results from the third quarter of the year (Q3) of the year (1 July - 30 September 2023), as approved by Executive Management and the Board of Directors.

In Q3 Movinn has realized revenue of 21.1 mDKK - up from 19.4 mDKK in the same period last year - corresponding to a 9% revenue increase.

Realized EBITDA from existing danish operations was 332 tDKK corresponding to an EBITDA-margin of 1.7%. Realized EBIT was (1,245) tDKK in Denmark and (1,486 tkr) on Group Level corresponding to a (6.3%) EBIT-margin in Denmark. Annualized Return On Invested Capital (ROIC) was (11.3%) for the existing danish operations. The same numbers for the consolidated group was 1.4% (EBITDA), (7.0%) (EBIT) and (8.6%) (ROIC).

Bottom line metrics are less than the comparable period last year. This is due a higher cost base combined with a weaker than expected demand - primarily in secondary markets.

We have done a soft launch in a third market in Sweden and the Swedish operations continue to balance around the B/E point measured on local EBITDA levels. In general, Sweden is performing in line with expectations, with performance in Denmark remaining unsatisfactory.

The core focus remains in getting domestic markets back to normal performing levels, mainly by ramping up demand and revenue while also downsizing the underperforming locations. The latter will have a positive effect on our current cost base which will come into effect from the beginning of the new year. The underperformance YTD have exposed a weakness in the companys sales organization and setup, which has prompted a parrallel focus on technology-development, that will make our sales activities more efficient and less reliable on people.

In Q3, we formally signed the large 94-unit commercial project we also mentioned in our H1 report. The project is in line with our sourcing strategy to add fewer, but larger - and more conceptual projects to the portfolio. The project is in Copenhagen due to be launched in late 2025. We are applying strict criteria for the projects we aim to source, so we are limiting risk, investments and operational cash burn - thereby improving bottom line metrics and value drivers in future growth scenarios.

## Financial highlights in Q3 2023:

- Revenue increased by 9% to 21.1 mDKK (19.4 mDKK)
- EBITDA margin from danish operations of 1.7% (12.4%)
- EBITDA margin from consolidated operations of 1.4%
- EBIT margin of (7.0%).
- Return On Invested Capital (ROIC) of (11.4%) / (8.6%) (11.9%)
- Guidance adjusted downwards.

## Business highlights in Q3 2023:

- Focus on operations in existing, domestic markets.
- Sweden continue to operate around the Breakeven point.
- Soft launch in third market in Sweden.
- Downsizing underperforming markets and deploying the operating equipment in markets with stronger demand.
- Long term planning of pipeline - domestic and abroad - but short term focus on domestic operations.

### Patrick Blok, Movinn CEO states:

"Following an underperforming H1, Q3 did not fare any better and we continue to disappoint on our quarterly earnings targets. Even though you can't see it in our financial performance, we are actually doing a lot of things right. Our sourcing capability is solid. We have repaid some debt to bring down interest costs. Our clients are happy. We are cutting costs by making some tough decisions in reshaping the portfolio and we will continue to look into our fixed cost base in Q4. In my opinion, we have also been relying on old sales tricks for too long, and the rebuild of the sales organization earlier this year - with the disruptions that caused - exposed a need to think differently on that entire setup. So we have some technology development in our short term roadmap that we expect will innovate the way we sell and also make our sales process more efficient. We would probably not have prioritized or conceptualized this development, if everything was running as expected, so in that sense we are using our current hardship to structurally improve and strengthen our position. So I am actually pretty happy - even if the numbers are currently off".

## Invitation to attend Investor call / web conference

### Web conference w/ Stokk.io

On Tuesday 7 November 2023 at 14:00 CEST, the company will hold a web conference about the report, hosted by the Company CEO, Patrick Blok. After his presentation there will be a Q&A session moderated by Anders Egsvang from Stokk.io and Swedish analysts from Västra Hamnen Corporate Finance. The Q&A is already open, meaning that you can already now submit your questions and vote for the best questions submitted by other investors. Movinn has made this new solution available to make sure all interested can participate with their questions even though they may not be able to attend the event live. You will afterwards be able to find all answers in the recording. The web conference will be held in English. You can join the conference by computer or mobile device.

Please register, submit questions now or during the live presentation and vote for the best questions at the following link:

<http://stokk.io/app/event/106/q3-2023-presentation/>

A recording of the web conference will be available afterwards on Movinn's homepage [investor.movinn.com](http://investor.movinn.com) and on Stokk.io.

## Disclosure regulation

The attached Q3 Interim Report contains forward looking guidance. Such guidance are subject to risk and uncertainties as different factors, some of which are beyond the control of Movinn, may cause the actual development and results to differ from forward looking expectations. Interim Report has not been subject to audit or review.

## Contacts

### Patrick Blok

CEO, Movinn A/S

[pb@movinn.dk](mailto:pb@movinn.dk)

+45 28940879

### Certified Advisor

Per Lönn

Västra Hamnen Corporate Finance AB

[ca@vhcorp.se](mailto:ca@vhcorp.se)

+46 40 200 250

## About Movinn

Founded in October 2014, Movinn A/S has grown to become one of Denmark's leading providers of fully serviced apartments, operating within the PropTech industry and delivering space-as-a-service to mainly large domestic and international corporations and organizations. To stay at the forefront of trends in the real estate and serviced living industry - and to diversify activities - the company has created a house of brands that cover both traditional and emerging client segments.

Inhouse, the company has created a highly integrated value chain and comprehensive tech-products (several software platforms & IoT hardware) to help provide the best possible service and quality to the company's clients and to help scale profitable growth. Movinn has a strong presence in Denmark, covering Aarhus, Odense and Copenhagen (the latter being the largest and primary market), and the company is planning to expand its operations into new European destinations.

Movinn A/S has received approval for admission to trading of its shares on Nasdaq First North Growth Market Denmark under the ticker "MOVINN".