



# Movinn Annual Report 2023

14% topline growth, one new Swedish market launch and a solid longterm pipeline build. However, missed targets on top and bottom line concludes an overall disappointing year. Guiding towards stronger performance in 2024 through a leaner cost base and with improved unit metrics.

Company Announcement no. 42 - 2024

22 March 2024, 08.00 CEST

This company announcement contains [inside information](#).

**Copenhagen, Denmark** - The Annual Report covering results from 1 January - 31 December 2023 has been audited and approved by the Executive Management and the Board of Directors.

2023 has been a year of mixed results, as the Company has missed original guidance and expected financial performance in domestic markets, whilst succeeding on strategic objectives and growth abroad. The Company is growing the presence in Sweden with realized revenue growth in Sweden from 0.86 mDKK in 2022 to 4.99mDKK in 2023, corresponding to a growth rate of 476%. We also did a third market launch in Sweden – and a fourth market launch after the year ended. The Company had a string of months during H2 where Sweden was breaking even on EBITDA level, and with a realized EBITDA of (0.8) mDKK, overall performance in Sweden landed in the expected guidance range for 2023. We have also been working on launches in Germany, but the ongoing negotiations we have in those markets have been impacted by the macroeconomic climate in the country – mainly that some new developments halted been halted or put on hold.

In the third quarter, we signed a long term master lease on a 94-unit apartmenthotel in Copenhagen. The property will be developed in order to achieve a DGNB gold certification, a nordic spa in the basement, workspace in ground floor and a mix of studio, 1-bed and 2-bed apartments. The property is a perfect blueprint on the Company's announced change in sourcing strategy, opting for larger project for increased efficiency, but with a trade off in longer lead times. The lease is conditional on the Developer divesting the project before construction begin. Construction time is expected to be 18 months.

In existing domestic markets, financial performance did not go as expected, which has mainly been driven by demand shifts in secondary domestic markets. We have increased revenues in domestic markets to 78.5 mDKK (up from 72.45 mDKK in 2022) corresponding to a growth 8.3%. This is lower than our expectations going into the year, with original guided target being 80-83 mDKK. As our inventory is perishable, most of our missing revenue will have a negative impact on our bottom line. We have realized an EBITDA from operations in Denmark of 1.85 mDKK, corresponding to an EBITDA margin of just 2.4%. This is down from 9 mDKK and 12.5% in 2022, respectively – and it is far from the original guided target of 11-12 mDKK going into the year, which is obviously a disappointment.

In the short term, Management has adjusted the organization to better fit current performance, while also downsizing weak performing secondary markets. In total these efforts represents annual savings of approx. 3.4 - 3.6mDKK on a comparable basis.

In the mid term, Management is building a more resilient sales setup, by automating sales efforts through the deployment of a comprehensible tech-road map. The features are being designed and developed inhouse and will be deployed sequentially during Q1 and Q2 in 2024. In this roadmap is dynamic pricing features, online direct booking, deployment of AI, strategic integrations and an building an invite-only, booking platform for structural partners. These components, when launched, is designed to increase our velocity of sales, automate, offset seasonality to a higher degree, broadening the company's reach, increase scalability - and free up time to do traditional sales work in parallel.

## Business Highlights in 2023

- Weaker demand in especially secondary domestic markets.
- Net increase in total unit number of 14 (142 in 2022).
- Commercial launch of one (1) new international markets in Sweden.
- Substantial revenue growth in Sweden.
- Long term agreement signed on a 94 unit apartmenthotel in Copenhagen.
- Focus on strengthening core product in existing markets, with a complete focus on automations in sales through development and deployment of technology.

## Financial Highlights in 2022

- Below, we list consolidated figures for a five year period.
- Format of the figures and table have changed from last year due to changed auditing requirements

Key Figures DKK '000	2023	2022	2021	2020	2019
Financials					
Net revenue	83,453	73,324	56,260	36,145	33,076
EBITDA	(329)	7,019	6,040	805	2,395
EBIT	(6,045)	(494)	1,758	(1,795)	128
Financial items, net	(994)	(1,102)	(1,226)	(868)	(355)
Retained earnings/loss	(5,968)	(2,541)	(3,661)	(2,082)	(179)
Investments in tangible assets	1,795	10,131	3,503	3,732	4,196
Equity	20,372	26,453	29,058	3,280	5,363
Total balance	53,238	58,062	60,238	29,288	26,501
Revenue Growth %	13.8%	30%	56%	8.8%	62.1%
EBITDA %	(-0,4%)	9.6%	10.7%	2.2%	7.2%
EBIT %	(7.2%)	(0.7%)	3.1%	(5.0%)	0.3%
ROIC	(10.3%)	0.8%	6.4%	(7.5%)	0,72%
Cash Conversion Ratio (CCR)	(162.4%)	60.8%	128%	47%	108%
Equity Ratio	38.3%	45.6%	48%	11%	21%
Quick Ratio	1.03	1.44	2.08	0.83	0.55
Operational Data					
Total unit number (BOP)	440	298	220	166	111
Total unit number (EOP)	454	440	298	220	166
Net change in units	14	142	78	54	55
% Change	3.2%	47.7%	35.5%	32.5%	50%
Revenue pr. Unit ('000)	183	166	189	164	199
Average Vacancy %	15%	13.5%	10.6%	15.2%	9.6%

Definitions on page 61 inside annual report

Guidance 2024	Denmark	Sweden	Germany	Group	2023	Change %
Revenue (DKK '000)	82 - 85	5.0 – 7.0	-	87 - 92	83.5	4-10 %
EBITDA from operations (DKK '000)	8-11	0 - 1	-	8 - 12	1	700-1.200 %
EBIT (DKK '000)	4 -6	(1) – (0)	(0.5) - 0	2.5 – 6.0	(6)	N/A
Gross Investments	Lower	Lower	Unchanged	Lower	Lower	N/A
Expected growth in units	0-10	0-20	-	0-30	0-30	N/A

Cost of debt	4.5-5.0%	4.5-5.0%	4.5-5.0%	4.5%	0-0.5%
New Markets	-	1	-	-	1
					N/A

## CEO, Patrick Blok states:

"A busy year in many ways. We did a lot of things right, but it is of course overshadowed by our missed financial targets that we set going into the year. We had increased our cost base and staff with an expectation to continue the momentum from 2022, but were then hit by shifts in demand in secondary domestic markets. Since early Q4, we have been focusing on re-developing our sales efforts through a comprehensive tech build designed to increase automations, increase velocity of sales, improve quality and user experience. These features will be deployed ongoingly in Q1 and Q2 to better utilize existing capacity and deliver improved unit metrics. When we have our fundamental performance back on track - and looking stronger than ever - we will pivot towards building the pipeline and forming the partnerships needed to deliver on long term value drivers, but in the short run, we stay focused. I am painfully aware that I have disappointed our shareholders this year. I of course know what we can do - and what we are currently doing - which is why we are also guiding towards an optimistic outlook".

## Disclosure regulation

The attached Annual Report contains forward looking guidance. Such guidance is 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.

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## About Movinn

Founded in October 2014, Movinn A/S has grown to become one of Denmark's leading providers of fully serviced apartments, 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".