



# Kollect on Demand Holding AB

## INTERIM REPORT

JANUARY - DECEMBER 2021





## About Kollect

Founded in Waterford, Ireland, Kollect is an innovator and disruptor in the waste industry listed on the Nasdaq First North Growth Market (symbol: KOLL).

Mangold Fondkommission AB is the Company's acting Certified Adviser (Tel. + 46 8 5030 1550, CA@mangold.se, [www.mangold.se](http://www.mangold.se)).

The Company services two types of customers: those who arrange to have waste collected (bins, skips and skip bags or junk removal) via the online Kollect booking engine; and those who use BIGbin smart compactor bins for waste drop-off.

The services include domestic door-to-door bin collection, commercial bin collection, skip (container) hire, skip bags and junk removal such as furniture and other large objects.

For more information, visit [www.kollect.ie](http://www.kollect.ie).



## Kollect On Demand Holding AB (publ) ("Kollect") reports quarterly revenues of SEK 17.5 million, up 35% on Q4 2020

Waterford, Ireland – Feb 14, 2022, Kollect On Demand Holding AB (publ) ("Kollect" or the "Company") (Nasdaq: KOLL), is pleased to publish its Interim Report for Q4 2021 and preliminary results for Full Year 2021.

### Highlights for the Quarter

- Revenue in Q4 2021 was SEK 17.5 million, up 35% on Q4 2020 revenue of SEK 12.9 million, however down 9% compared to Q3 2021 revenues of SEK 19.2 million. In operational currency terms, these were an increase of 37% and reduction of 8% respectively.
- Recurring revenue of SEK 11.0 million in Q4 2021 was up 40% compared to SEK 7.9 million in Q4 2020, however it was down 2% compared to SEK 11.2 million in Q3 2021.
- Gross profit in Q4 2021 amounted to SEK 6.1 million, up 10% compared to SEK 5.5 million in Q4 2020, however it was down by 9% compared to SEK 6.9 million in Q3 2021.
- Gross margin for Q4 2021 was 35%, compared to 43% in Q4 2020 and 36% in Q3 2021.
- The EBIDTA loss was flat at SEK 4.4 million in Q4 2021 from SEK 4.4 million in Q4 2020. As a percentage of revenue, the EBIDTA loss was 25% in Q4 2021, which was lower than Q4 2020 when the EBIDTA loss was 34% of revenue.

### Highlights for the Full Year from January to December 2021

- Revenue in the 12 months showed year-on-year growth of 44% with SEK 66.6 million up from SEK 46.1 million in FY 2020;
- Overall gross margin of 37% in FY 2021 remained in line with 38% for FY 2020;
- Successful T01 Warrant raise completed in Q3 2021, with a 99% subscription rate; and
- Continued investment in staffing with 10% increase in headcount from 47 at December 2020 to 52 at end of December 2021 reflecting the Company's improved efficiency at a revenue per employee level.

# CEO Comments

## Operational and financial performance

John O'Connor, CEO, stated: "I am proud that the Company maintained our track record of consistent year-on-year revenue growth for Q4 of 35% (see Figure 1 below) despite COVID restrictions in Ireland. The quarterly revenues were down 9% on Q3 2021, as we saw the effects of increased seasonality in our waste drop-off business following the bolt on in November 2020 of another compactor bin business come through and the commercial base held up well, even with the Christmas and New Year period.



Figure 1

In this quarter, we continued to maintain tight cost control and strong gross margins, while executing on our strategy with a relentless focus on increasing recurring revenue (see Figure 2 below).

In our platform business, continuous investment in technology (both on the front and the back end) is essential to keeping costs under control and achieving efficiencies as we scale.

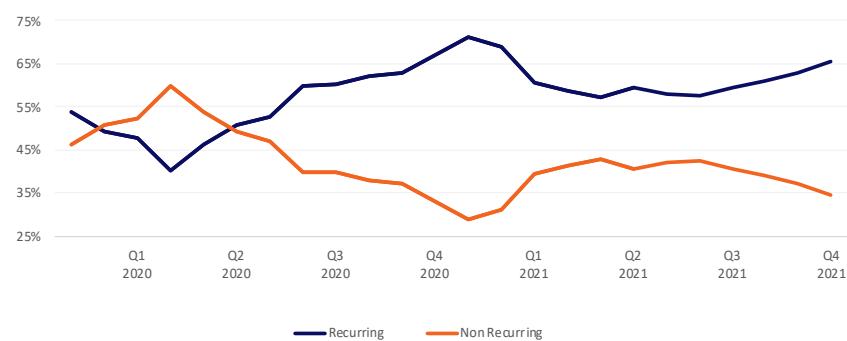
With this in mind, the Company has adopted a change in policy with respect to its investment in technology. Previously, Kollect has expensed the investment in its technology as an operational cost through the Profit & Loss account as a matter of course. During 2022, the Company expects this capital expenditure to be up to SEK 5 million, which will be taken on the Balance Sheet and be amortized over a period of time.

This investment will be, first, in Kollect's ecommerce platform and, secondly, the redevelopment of the BIGbin front end and back end technology stack, both of which are expected to be ready by Q3 2022.

Figure 2

The ecommerce project will continue the Company's commitment to making it simple for customers to have waste collected and recycled by focusing on making the customer experience as seamless as possible. It will also streamline and automate interactions with our suppliers on the other side of the platform. In addition to the operational benefits of the new systems, they also allow for better reporting tools with real-time information.

Recurring and Non-Recurring Revenue

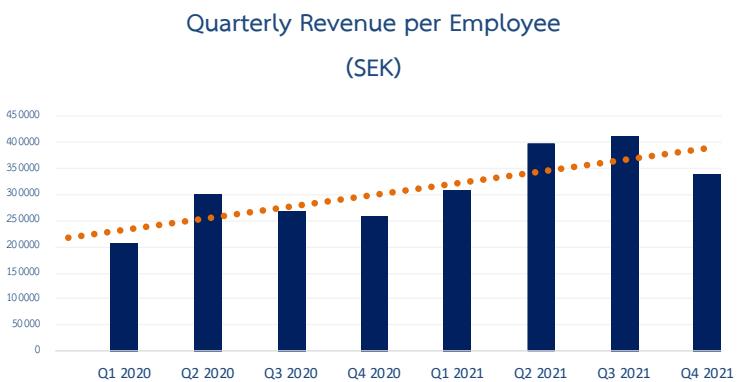


The BIGbin development project involves redesigning the front end experience for customers, allowing us to introduce innovative new pricing models and improved engagement with them and encouraging them to purchase online rather than in-store.

## Improved efficiency

As mentioned above, the Company is always looking to become ever more efficient.

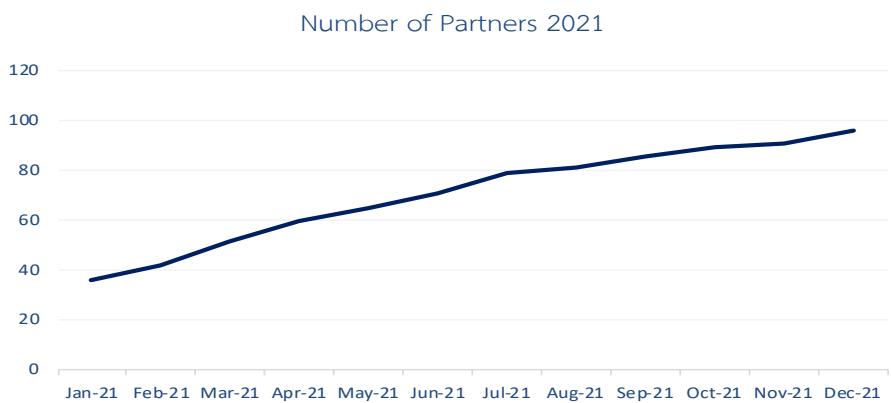
Figure 3



growth in 2022.

A key indicator by which we measure the improvement in efficiency is the revenue-per-employee ("EE") (as shown in Figure 3 to the side). We continuously invest in our staff to build digital expertise inhouse and build our management team to execute our commercial strategy and continued to do so following the successful T01 warrant raise in Q3 2021.

We continue to roll out our technology to our customers through the commercial app and automation with suppliers and this investment has us well placed for further



We are also constantly increasing the number of partners on the Platform with whom we place orders for our customers (please see Figure 4 below).

Figure 4



## Events in the Quarter

### Trading in the period

The Company continued to operate normally throughout Q4 2021 as the COVID-19 restrictions in our markets had been lifted for the most part until early to mid-December, when Governments reimposed restrictions due to the onset of the Omicron variant.

Recurring revenues were up 40% on Q4 2020 which reflected the strong work of the commercial team during the year. Recurring revenue was down 2% compared to Q3 2021 though, reflecting the impact of the festive period, for example, with the closure of construction sites and other businesses during this time.

There was a lower increase in non-recurring revenues of 28% versus prior year, driven by domestic skip collection and domestic junk removal and was down 14% compared to Q3 2021, again mostly attributable to the festive period.

During the Quarter, the Company continued to focus on maintaining gross margins and achieved 35%, which was largely flat with 35% in Q3 2021. This outcome was largely attributable to the revenue mix.

### Key Figures

Key Figures (SEK '000s)	Q4 2021	Q4 2020	Q3 2021	2021	2020
Total Revenue	17,502	12,945	19,217	66,662	46,141
Cash	8,608	2,351	16,173	8,608	2,351
EBITDA	(4,475)	(4,398)	(2,906)	(11,965)	(9,725)
Gross Profit	6,074	5,534	6,927	24,398	17,607
Total Gross Margin	35%	43%	36%	37%	38%

Revenue for Q4 2021 was up 35% compared with Q4 2020 (prior year) but down 9% compared with Q3 2021 (prior quarter). In operational currency terms, however, revenue increased by 37% compared to the prior year.

Gross Profit was up 10% in Q4 2021 compared to Q4 2020 as a result of revenue growth and consistently strong gross margins. In operational currency terms, Gross Profit increased by 12% compared to Q4 2020.

The EBIDTA loss was SEK 4.4 million in Q4 2021 from SEK 4.4 million in Q4 2020. As a percentage of revenue, the EBIDTA loss was 25%, compared to Q4 2020 when the EBIDTA loss was 34% of revenue.

## **Platform Revenue**

In Q4 2021, the Company continued to build successfully on the Junk Partner programme and at the end of the period had awarded eight territories in total.

The programme brings a number of advantages to the Company within its primary market of Ireland, where supply in the market for junk removal is limited though growing through these partnerships. The advantages of the programme include:

- growth of brand awareness with junk vans and trucks branded with Kollect livery;
- retention of pricing power;
- more control over the customer journey and operating procedures to ensure a smooth customer experience;
- recruitment, retention and management of drivers, employees, staffing etc. outsourced to franchise owners;
- reliable service from trained partners; and
- an ability to recharge Kollect software costs to franchisees, opening up new revenue streams.

## **Waste Drop-Off**

During the Quarter, the Company's wholly-owned subsidiary for waste drop-off operations, BIGbin Waste Technology Limited ("BIGbin") launched a new site in Ballinrobe, Co Mayo. This brought the number of operational sites up to 35.

In September, BIGbin placed an order for an additional 10 new compactor bins with the most up-to-date technology installed in them. The new compactor bins, which are being funded from existing cash resources, will be delivered in time to support the roll out of new BIGbin sites in Q1 2022. The Company also placed a bulk order for 100 cloud based technology controllers in the Quarter; one controller sits on each bin, with 2 bins per each new site.

## **Sustainability**

Under the "Irish Tech goes Carbon Neutral" programme, all collections made by Kollect are carbon neutral. The total kilometers of travel that were offset during the Quarter was 232,000 kms.

## **Irish Government COVID-19 employment support payments**

The Company continues discussions with the Revenue Commissioners regarding eligibility for Government employment support payments during Q2 and Q3 2020. While it is possible that the Revenue Commissioners will rule that Kollect was ineligible for some or all of these payments and seek repayment, the Company believes that it was eligible and is making its case.

## Exchange Rate

The Company has also been negatively impacted by exchange rates between the Swedish Krona and the Euro in the year from Q4 2020 to Q4 2021. For example, in operational currency terms, revenues for FY 2021 are 48% higher than FY 2020, while in SEK terms, revenues are 44% higher for the same period.

## Entry into the Deloitte Fast 50

It was announced in December that the Company was ranked 20th in the 2021 Deloitte Technology Fast 50 for Irish companies. The award recognises the fastest growing technology companies within a territory. This was the first year that the Company was included.

## Share Register at 31 December 2021

Name	Country	Holding(s)	Holding (%)	Votes (%)
JOHN, O'CONNOR	IRELAND	2,086,062	22%	22%
ENTREPRENEUR SUPPLIES LIMITED	IRELAND	1,489,880	16%	16%
JOHN PHILIP, HEGARTY	IRELAND	473,421	5%	5%
CLEARSTREAM BANKING S.A., W8IMY	LUXEMBOURG	450,600	5%	5%
ROBBIE WILLIAM, SKUSE	IRELAND	428,508	4%	4%
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	SWEDEN	343,589	4%	4%
NÜTZMAN, JAN	SWEDEN	337,119	4%	4%
ASCHBERG, FRANK OLOF	DENMARK	240,000	3%	3%
ROBERT MICHAEL, O'KEEFFE	IRELAND	222,318	2%	2%
NORDNET PENSIONSFÖRSÄKRING AB	SWEDEN	218,762	2%	2%

## Since the Quarter End

### Trading since the Quarter End

In line with previous months, trading in January and early February 2022 has been satisfactory and shows year-on-year growth in line with projections.

### Covid-19 restrictions

With effect from January 21, 2022, the Irish Government has lifted practically all of the Covid-19 restrictions which had been re-introduced in December 2021 to deal with Omicron variant.

### Platform developments

Following the end of the year, the Company added four new junk partners who have signed agreements for junk removal territories taking the total number of territories to twelve. A strong pipeline of vetted potential partners remains with their sign up expected to follow in later periods.

Kollect continues to add new services to the platform and commercial app. The latest addition is a service called grab hire and is an alternative to container (skip) hire aimed at commercial customers, particularly in the construction industry.

### Waste drop-off

Since the end of the Quarter, BIGbin has opened 3 new BIGbin locations in Sligo Junction (Co Sligo), Oughterard (Co Galway) and Slane (Co Meath), bringing the number of operational sites to 38 (with one location closed temporarily).

BIGbin will continue to receive new compactor bins and open more locations during Q1 2022.

It is important to note that revenue from a new site ramps up over a period of at least 12 months to a level of revenue that is considered a sustainable level for that location going forward. It will take some quarters, therefore, to see the revenues from these new locations coming through the results.

For further information, please contact:

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## Recurring and non-recurring revenue breakdown

- Recurring revenue in Q4 2021 was up 40% on Q4 2020 and now accounts for 63% of the revenue in the Quarter.
- Non-recurring revenue increased 28% for the same comparative period.
- In the operational currency, the variances for Recurring revenue and Non-recurring revenue are 42% and 30% respectively.

Revenue Breakdown (SEK '000s)		Q4 2021	Q4 2020	
	Recurring	11,030	7,880	40%
	Non-Recurring	6,472	5,064	28%
	Total Revenue	17,502	12,945	32%

## Costs

- The Company incurred expenses of SEK 13.8 million in Q4 2021, which compared to SEK 11.0 million in Q4 2020. This includes a year end FX revaluation charge of SEK 1.8m.
- Total costs increased by 26% in the Quarter compared to the prior year, against an increase of 35% in total revenue for the same comparative period.
- The Company continued to invest in its marketing and advertising spend through digital and social channels.
- The Company continued its investment in its staff, bringing in a number of senior new hires, generally in well qualified and specialised positions, across Finance, Technology and Marketing.
- Other costs also increased, the most significant driver of this being an increase in expenses associated with the Waterford bin collection business where the Company added the hire of a third truck to accommodate the growth in customer numbers. Increased fuel costs were also a contributing factor. This is the only part of the business apart from BIGbin that has physical infrastructure. Also, the Company moved to a larger office in Q4 and there were costs associated with this.
- Finance costs reduced year-on-year due the Company using proceeds from the T01 warrant programme to repay the more expensive debt. The Company was also able to refinance an existing finance facility during 2021 at more favourable rates.



## Financial Information

### Accounting policies

Kollect On Demand Holding AB (publ)'s consolidated financial statements as of and for the three month period ended 31 December 2021, have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

For the Company, this Interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. All amounts in this report are presented in SEK, unless otherwise stated. Rounding differences may occur.

### Exchange Rates

The exchange rates used in this report are sourced from the European Central Bank. The primary operating currencies of the group companies are Euro for Irish operating entities and GBP for the UK operating entity. Figures in this report are reported in SEK. Movements in exchange rates may be favourable or unfavourable for reporting purposes, but as SEK is not the operational currency for the Company, foreign exchange movements do not have a material impact on the operations of the business.

### Auditor Review

The figures in this report have not been audited by the Company's auditor, unless otherwise stated.

### Next report

The next interim report that will be published will be for Q1 2022 on May 16, 2022

### Annual Report

The Annual Report is scheduled to be published on 30 May 2022. This will be available at [Kollect.ie](http://Kollect.ie)

Q1 2022	16 May 2022
Annual Report	30 May 2022
Annual General Meeting	20 June 2022
Q2 2022 Report	8 August 2022
Q3 2022 Report	1 November 2022

## Income Statement

	SEK '000	Q4 2021	Q4 2021	2021	2020
Revenue	17,502	12,945	66,662	46,141	
Cost of Sales	(11,429)	(7,411)	(42,264)	(28,534)	
Gross Profit	6,074	5,534	24,398	17,607	
Operating Expenses	(13,855)	(10,961)	(42,846)	(30,909)	
Other Income	616	1,028	685	1,266	
Other Expenses	-	-	0	0	
Loss for the period before tax	(7,165)	(4,398)	(17,763)	(12,036)	
Tax expense	-	-	-	-	
Total Loss for the period	(7,165)	(4,398)	(17,763)	(12,036)	
Number of shares outstanding at period close	9,531,422	5,885,610	9,531,422	5,885,610	
Earnings per share at the end of period (SEK)	(0.75)	(0.38)	(1.11)	(1.50)	
Average number of shares during the period	9,531,422	5,885,610	6,166,057	4,995,191	
Earnings per average number of shares (SEK)	(0.56)	(0.69)	(2.88)	(1.50)	

## Balance Sheet

	SEK '000	Sep -21	Sep- 20
Fixed Assets	17,362	12,415	
Trade and other receivables	6,562	4,335	
Bank and Cash	8,608	2,351	
Total Current Assets	15,170	6,686	
Trade and other payables	20,427	19,164	
Long Term Liabilities	4,708	3,148	
Total Liabilities	25,135	22,312	
Net Assets	7,397	(3,211)	
Equity	7,397	(3,211)	

## Cash Flow

	SEK '000	Q4 2021	Q4 2020	2021	2020
Loss after Tax	(7,195)	(4,398)	(17,763)	(12,035)	
Finance costs	482	420	2,062	1,164	
Depreciation	465	405	1,962	1,146	
FX effects	1,774		1,774		
Amortization	(120)	41	-	208	
Trade & Other receivables	1,919	(519)	(2,146)	2,071	
Trade & other payables	1,696	908	1,987	10,247	
Net Cash from Operating Activities	(980)	(3,093)	(12,125)	2,801	
Payment for intangible assets	(1,395)	(120)	(1,420)	(155)	
Payment for PPE	(3,142)	(5,975)	(4,012)	(8,963)	
Net Cash Flows from Investing Activities	(4,537)	(6,095)	(5,432)	(9,118)	
Proceeds from Issue of Share Capital	-	-	28,609	8,734	
Movement in finance leases	(197)	(233)	-	256	
Movement in bank loans	(719)	(77)	3,143	(3,642)	
Movement in other loans	(21)	122	-	2,972	
Movement in rolling finance facility	-	1,255	(4,700)	471	
Interest paid	(1,646)	(289)	(3,226)	-	
Net Cash Flows from Financing Activities	(2,583)	778	23,826	(1,034)	
Differences relating to Foreign Exchange	535	615	(12)	(4)	
Net increase/(decrease)	(7,565)	(7,796)	6,269	1,440	
Opening Cash	16,173	10,147	2,351	915	
Closing Cash	8,608	2,351	8,608	2,351	

## Statement of Changes in Equity

SEK '000s	Share Capital	Share Premium	Retained Earnings	Total Shareholder Equity
29-Aug-19	1	1,643	(5,406)	(3,762)
Registration of shares	1,470	26,954		28,424
Other Comprehensive Income			613	613
Expenses issue of shares		(7,174)		(7,174)
Net result			(21,314)	(21,314)
Total	1,471	21,423	(4,793)	(3,213)
01/01/2021	1,471	21,423	(26,106)	(3,212)
Registration of shares	911	27,698		28,609
FX Differences			(638)	(638)
Prior period adjustment			397	397
Loss of the period			(17,763)	(17,763)
Total	2,382	49,121	(44,110)	7,393

## Proposed Dividend

The Company does not propose to pay a dividend.

## Endnotes

- 1 Recurring Revenue include the business areas of Domestic and Commercial Bins, Commercial Skip Hire, Commercial Junk Removal and BIGbin
- 2 Non Recurring revenue include the business areas of Domestic Skip Hire, Skip Bags and Domestic Junk Removal in Ireland and the UK