

A large, solid orange silhouette of a squirrel's head and shoulders, facing right, positioned on the left side of the cover.

# Kollect on Demand Holding AB

INTERIM REPORT

JULY – SEP 2022

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## 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 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 highest ever quarterly revenues from continuing operations of SEK 18.5 million, with EBITDA losses reduced by 58% from Q2 2022.

Waterford, Ireland – Nov 1, 2022, Kollect On Demand Holding AB (publ) (“Kollect” or the “Company”) (Nasdaq: KOLL), is pleased to publish its Interim Report for Q3 2022.

### Highlights from the quarter

- Revenue for continuing operations in Q3 2022 was SEK 18.5 million, up 24% on Q3 2021 revenue of SEK 14.9 million, and up 10% compared to Q2 2022 revenues of SEK 16.8 million.
- Recurring revenue from continuing operations of SEK 9.1 million in Q3 2022 which was up 32% compared to SEK 6.9 million in Q3 2021 and was up 13% from SEK 8.1 million in Q2 2022.
- Gross profit from continuing operations in Q3 2022 amounted to SEK 5.2 million, up 10% compared to SEK 4.7 million in Q3 2021, and was up 7% compared to SEK 4.0 million in Q2 2022.
- Gross margin from continuing operations for Q3 2022 was 28%, compared to 32% in Q3 2021 and 29% in Q2 2022.
- Total operating expenses for Q3 2022 were SEK 8.8 million down 17% on Q3 2021, and down 28% compared to Q2 2022 costs of SEK 12.3 million.
- EBITDA for the period was negative SEK 2.8 million, an improvement of 58% compared to Q2 2022 of negative SEK 6.7 million and in line with the prior year of negative SEK 2.7 million.
- The Company also launched its new e-commerce website solution just after the end of the Quarter and is already seeing an improvement in its web analytics.
- The shareholder base remained stable, with no material movement in the significant shareholders.

# CEO Comments

“This was a **transformational** quarter for our business as the changes which we began to implement following the disposal of the bin business started to take effect.

We have successfully been able to reduce costs which has had a very positive impact on our losses compared to prior quarters, **with EBITDA having improved by 58%** compared to Q2 2022. In my comments in the Q2 report, I stated that we had undergone a review of expenses and identified that we would be able to make savings without material compromise to continuing revenue growth, which I am thrilled we have been able to do.

**FIG 1. Revenue from continuing operations (kSEK)**



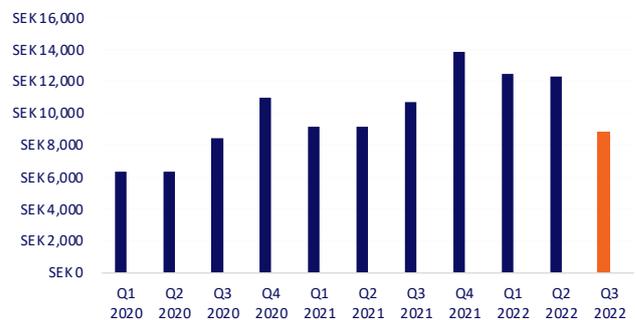
There has been a reduction in headcount in the business as part of this transformation, some of which was natural following the disposal of our bin business, but there were also some difficult decisions which had to be taken in order to deliver on the savings to continue the evolution of the Company. I remain grateful for all of the hard work which has been put in by our team, and we are well positioned for Q4 and beyond.

have discussed the investment in back end technology. This has us well set to have made the cuts without sacrificing productivity. This means automation between customer orders and suppliers, better order management and improved accuracy of information which improves both the customer experience and reduces resource time allocated to reacting to errors.

Our investment in technology has also extended to the successful roll-out of our new e-commerce project which went live just at the end of the quarter. **There is an undeniable trend towards digitalisation for today's consumer** and whilst we were already well positioned to take advantage of this, I am confident that the new website will keep us as the leader in the space and we are already seeing improvements in our web analytics.

In nearly all of our previous reports, I

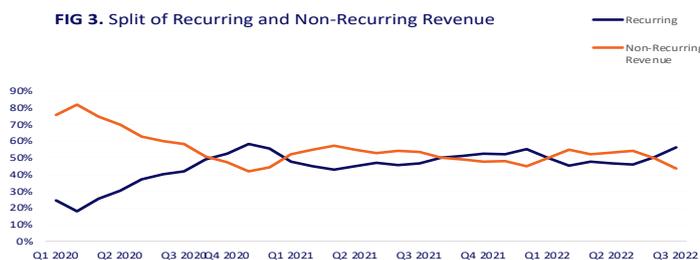
**FIG 2. Total OPEX by Quarter (SEK '000s)**



The roll-out of our BIGbins programme also continued in the Quarter, and we took delivery of a number of new bins. At the end of the quarter, we finished with 42 live sites, up from 34 at the end of Q3 2021.

In this quarter, we were also able to drive revenue growth which was supported by growth in both recurring and non-recurring segments. The non-recurring revenue was driven by strong developments in our search engine optimization (“SEO”) as well as targeted advertising which performed well. The recurring revenue segments grew as a result of

**FIG 3. Split of Recurring and Non-Recurring Revenue**



developments in the commercial business team, as well as a strong quarter for the BIGbin vertical. Q3 is a seasonally strong period for the segment because of our cohort of holiday home customers.



## Events in the Quarter

### Trading in the period

Recurring revenues from continuing operations were up 32% on Q3 2021, and up 13% from Q2 2022, reflecting the strong work of the commercial team and a strong seasonal period for the BIGbin business.

There was a lower increase in non-recurring revenues of 17% versus prior year and 7% since the prior quarter. This was pleasing in spite of the inflationary pressures which households have been exposed to since the start of the year.

During the Quarter, the Company continued to focus on maintaining gross margins achieving a gross margin of 28% from its continuing operations, which was in line with margins in the prior year and prior quarter. This outcome was largely attributable to the revenue mix.

The Company also completed a detailed cost review at the beginning of the Quarter and was able to reduce operating expenses by 28% compared to the prior quarter, though as noted in the Q2 report there were one off costs included in Q2 which were related to reorganization of the business which were not expected to recur. Expenses were also down 17% compared to the same period in the prior year

### Key Figures (thousand SEK)

Key Figures	Q3 2022	Q3 2021	Q2 2022
Revenue from continuing operations	SEK 18,540	SEK 14,969	SEK 16,870
Cash	SEK 10,563	SEK 16,173	SEK 16,385
EBITDA (Loss) before tax	(SEK 2,802)	(SEK 2,726)	(SEK 6,667)
Gross Profit	SEK 5,225	SEK 4,765	SEK 4,873
Gross Margin from continuing operations	28%	32%	29%

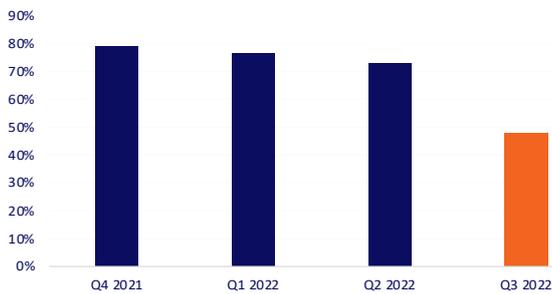
### Key Figures (thousand EURO)

Key Figures	Q3 2022	Q3 2021	Q2 2022
Revenue from continuing operations	€1,745	€1,468	€1,612
Cash	€969	€1,591	€1,530
EBITDA (Loss) before tax	(€264)	(€268)	(€637)
Gross Profit	€492	€467	€466
Gross Margin from continuing operations	28%	32%	29%

## Costs

Total costs in the third quarter of 2022 were 28% lower than in Q2 2022, despite growth in revenue of 10% and an increase in Gross Profit of 7% in the same period. The Company announced in the Q2 report that it expected significant cost savings to be delivered as part of the reorganization, which has been delivered in Q3 2022.

FIG 4. Total OPEX as % of total revenue



The company continued to invest in its sales and marketing through digital and social channels which contributed to the record sales performance during the period. The company tweaked its strategy to focus on more intent based lead generation which proved to be more cost effective. The company also retained its commitment to a strong commercial team to support the continued growth of its B2B business. The Company continued to benefit from strong SEO performance, driving organic traffic to the

website and supporting the growth of the brand.

The growing number of BIGbins also has an impact on the depreciation charge.

## Waste Drop Off

During the Quarter, BIGbin Waste Technology Limited ("BIGbin") launched new sites across Ireland, bringing the total number of operational sites up to 42, opening 3 new BIGbin locations in Bishopstown, Tubercurry and Clane and closing a site in Carlow. At the end of Q3 2021, the Company had 34 sites.

In late 2021 and early 2022, BIGbin placed an order for an additional 20 new compactor bins with the most up-to-date technology installed in them which were rolled out for during the quarter. These bins started to be rolled out during Q1 2022, but this roll out continued into Q3 2022 and has continued into Q4 2022.

The Company also continued to invest in the BIGbin technology project which will create a robust back end solution to provide the technological foundation for a larger organisation, will allow improved remote responsiveness without which entry into new markets is more challenging, and will also allow the Company to introduce innovative new pricing models.

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.



## Exchange Rate

The Company has also been impacted by exchange rates between the Swedish Krona and the Euro in the year from Q3 2021 to Q3 2022. All exchange rates are sourced from the European Central Bank.

## ESG

Under the “Irish Tech goes Carbon Neutral” programme, all collections made by Kollect are carbon neutral. In total, the Kollect **offset 272,000 kms during the Quarter**.

The Company also identified a solution in Q2 for its customers themselves to be able to offset the carbon generated in the process of their collection. We believe that we were **the first waste company in Ireland to offer this** to customers and again is indicative of both our ESG credentials and our commitment to providing an industry leading service to our customers.

It is not just reactive steps which the company takes to its carbon footprint. As stated in the Q2 report, the company continues to use its **innovative routing technology** as a preventative measure to limit emissions wherever possible from its collections.

Through its relationship with the Irish Forestry Service and private sector forestry clients, the Company is also committed to **tackling illegal dumping**.

Through the BIGbin waste drop off business, the Company has also committed to **increasing recycling rates** of its customers. This was the first quarter where reductions in the price of recycling has been rolled out and the Company has seen a positive response regarding its recycling rates.

In Q3 2022, the Company has also launched a free-to-use affiliate website called [recyclingcentresireland.ie](https://recyclingcentresireland.ie). The mission of this site is to deliver the most convenient online platform to **educate everyone in Ireland around recycling and sustainable waste disposal**. The site shows all of the different ways in which households can recycle their household waste, electrical waste, the location of local clothes banks and light bulb disposal. For customers who are interested in waste drop-off, there is also information on BIGbins.

## Since the Quarter End

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

### Launch of new website

Immediately at the end of the Quarter, the company launched its new e-commerce website, a project which has required significant investment but is expected to be used to retain the Company’s position as a market leader.

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## Recurring and non-recurring revenue breakdown

- Recurring revenue from continuing operations in Q3 2022 was up 32% on Q3 2021 and reflects the strategic focus on recurring revenue and the strong performance of the commercial team.
- Non-recurring revenue from continuing operations increased 17% for the same comparative period.

Revenue Breakdown (SEK '000s)	Q3 2022	Q3 2021	Increase
Recurring	9,182	6,969	32%
Non-Recurring	9,358	8,000	17%
	18,540	14,969	24%

## Reconciliation of EBITDA

	Q3 2022	Q3 2021	Q2 2022
Total loss for the period	(3,627)	(3,787)	(7,444)
Depreciation	699	544	586
Interest	125	517	191
EBITDA (Loss) before tax	(2,802)	(2,726)	(6,667)



## Financial Information

### Accounting policies

Kollect On Demand Holding AB (publ)'s consolidated financial statements as of and for the three month period ended 30 September 2022, have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

For Group, 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.

### Discontinued Operations

As the Company sold its Waterford Bin Business during the financial year, this report includes financial information which has been presented from continuing operations, thus excluding the revenues, costs of sale and any direct costs associated with this business.

### Exchange Rates

The exchange rates used in this report are sourced from the European Central Bank. The primary operating currencies of the Group 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 Q4 2022 on March 15, 2023.

## Income Statement (kSEK)

SEK '000	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
Revenue from continuing operations	18,540	14,969	48,770	36,959	50,290
Cost of Sales	(13,316)	(10,204)	(34,643)	(25,197)	(32,750)
Gross Profit	5,225	4,765	14,128	11,762	17,540
Operating Expenses	(8,852)	(10,715)	(32,392)	(27,808)	(37,948)
Other Income	-	-	24,800	99	685
Other Expenses	0	0	0	0	0
Profit/(Loss) for the period from continuing operations	(3,627)	(5,950)	6,536	(15,947)	56,173
Discontinued Operations					
Profit for the period from discontinued operations	-	2,163	230	5,379	1,960
Profit/(loss) for the period before tax	(3,627)	(3,787)	6,766	(10,568)	(17,763)
Tax expense	0	0	0	0	0
Total Profit /(Loss) for the period	(3,627)	(3,787)	6,766	(10,568)	(17,763)
Number of shares outstanding at period close	9,531,422	5,885,610	9,531,422	5,885,610	9,531,422
Earnings per share at the end of period (SEK)	(0.38)	(0.40)	0.71	(1.11)	(1.86)
Number of shares outstanding after any dilution impact	9,531,422	9,758,415	9,531,422	9,758,415	9,531,422
Earnings per share after dilution impact of warrants (SEK)	(0.38)	(0.40)	0.71	(1.11)	(1.86)

## Balance Sheet (kSEK)

SEK '000	Q3 2022	Q3 2021	Dec 2021
Fixed Assets	20,092	12,366	17,362
Trade and other receivables	12,729	8,566	6,562
Bank and Cash	10,563	16,173	8,608
Total Current Assets	23,292	24,758	15,170
Trade and other payables	25,966	15,339	20,427
Long Term Liabilities	4,358	6,957	4,708
Total Liabilities	30,324	22,295	25,135
Net Assets	14,158	14,829	7,397
Equity	14,158	14,829	7,397

## Cash Flow (kSEK)

SEK '000	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
Profit/(Loss) after Tax	(3,627)	(3,788)	6,766	(10,568)	(17,763)
Finance costs	125	517	593	1,580	2,062
Depreciation	604	504	1,885	1,497	1,746
FX impact	-	-	-		1,774
Amortization	95	40	210	120	216
Trade & Other receivables	(2,311)	(1,715)	(7,715)	(4,065)	(2,146)
Trade & other payables	2,396	(1,413)	12,096	291	1,987
<b>Net Cash from Operating Activities</b>	<b>(2,717)</b>	<b>(5,855)</b>	<b>13,836</b>	<b>(11,145)</b>	<b>(12,125)</b>
Payment for intangible assets	(656)	-	(1,958)	(25)	(1,420)
Payment for PPE	(1,531)	(356)	(6,678)	(870)	(4,012)
<b>Net Cash Flows from Investing Activities</b>	<b>(2,188)</b>	<b>(356)</b>	<b>(8,637)</b>	<b>(895)</b>	<b>(5,432)</b>
Proceeds from Issue of Share Capital	-	28,609	-	28,609	28,609
Movement in finance leases	(229)	(408)	(799)	-903	-
Movement in bank loans	(265)	(3,180)	(2,996)	5,361	3,143
Movement in rolling finance facility	-	(3,923)	-	(5,078)	(4,700)
Interest paid	(125)	(517)	(593)	(1,580)	(3,226)
<b>Net Cash Flows from Financing Activities</b>	<b>(620)</b>	<b>20,581</b>	<b>(4,388)</b>	<b>26,409</b>	<b>23,826</b>
Differences relating to Foreign Exchange	(85)	(588)	1,143	(547)	(12)
<b>Net increase/(decrease)</b>	<b>(5,610)</b>	<b>13,782</b>	<b>1,955</b>	<b>13,822</b>	<b>6,269</b>
Opening Cash	16,173	2,391	8,608	2,351	2,351
Closing Cash	10,563	16,173	10,563	16,173	8,608

## Statement of changes in Equity

SEK '000s	Share Capital	Share Premium	Retained Earnings	Total Shareholders Equity
01-Jan-21	1,471	26,954	(31,637)	(3,212)
Registration of additional shares	911	27,698		28,609
Total Group Loss			(10,568)	(10,568)
30-Sep-21	2,382	54,652	(42,205)	14,829
01-Jan-22	2,382	49,121	(44,110)	7,393
Total Group Loss			6,766	6,766
30-Sep-22	2,382	49,121	(37,344)	14,159

## Income Statement (thousand EURO)

EURO '000	Q3 2022	Q3 2021	YTD 2022	YTD 2021	FY 2021
Revenue from continuing operations	1,745	1,468	4,579	3,625	4,956
COS	(1,253)	(1,001)	(3,252)	(2,472)	(3,228)
Gross Profit	492	467	1,326	1,154	1,729
Operating Expenses	(833)	(1,051)	(3,041)	(2,728)	(3,740)
Other Income	-	-	2,328	10	68
Other Expenses	-	-	-	-	-
Profit/(Loss) for the period from continuing operations	(341)	(584)	614	(1,564)	(1,943)
Discontinued Operations	-	-	-	-	-
Profit for the period from discontinued operations	-	212	22	528	193
Profit/(loss) for the period before tax	(341)	(371)	635	(1,037)	(1,751)
Tax expense	-	-	-	-	-
Total Loss for the period	(341)	(371)	635	(1,037)	(1,751)