



Kollect on Demand Holding AB

INTERIM REPORT

APRIL – JUNE 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).

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.



**Kollect On Demand Holding AB (publ) ("Kollect")
reports record quarterly revenues of SEK 16.9 million
for continuing operations, up 34% on Q2 2021 and
26% compared to Q1 2022**

Waterford, Ireland – Aug 31, 2022, Kollect On Demand Holding AB (publ) ("Kollect" or the "Company") (Nasdaq: KOLL), is pleased to publish its Interim Report for Q2 2022.

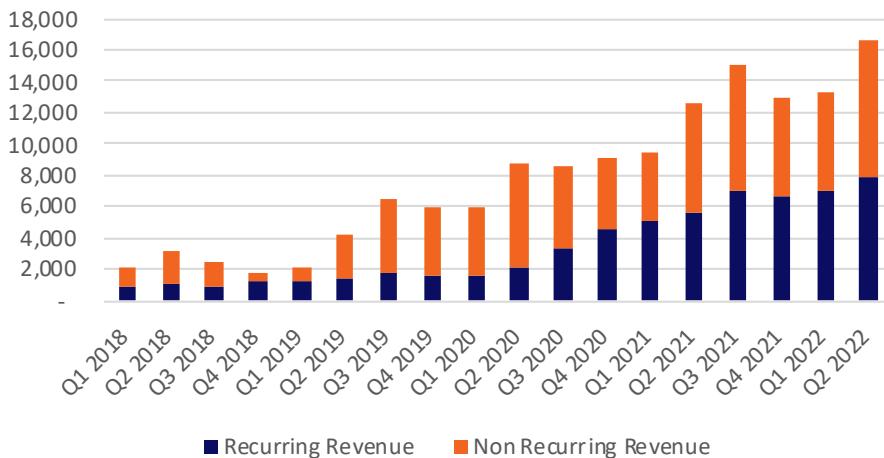
Highlights from the quarter

- Revenue for continuing operations in Q2 2022 was SEK 16.9 million, up 34% on Q2 2021 revenue of SEK 12.6 million, and up 26% compared to Q1 2022 revenues of SEK 13.4 million.
- Recurring revenue from continuing operations of SEK 8.1 million in Q2 2022 was up 55% compared to SEK 5.2 million in Q2 2021
- Gross profit from continuing operations in Q2 2022 amounted to SEK 4.9 million, up 28% compared to SEK 3.8 million in Q2 2021, and was up 21% compared to SEK 4.0 million in Q1 2022.
- Gross margin from continuing operations for Q2 2022 was 29%, compared to 30% in Q2 2021 and 30% in Q1 2022.

CEO Comments

"I'm pleased to report that the Company has maintained our track record of consistent year-on-year revenue growth, during a quarter of transition for the business following the disposal of our bin collection business. In terms of revenue from continuing operations, this was a record quarter for total revenue, recurring revenue and non-recurring revenue.

FIG 1. Revenue from continuing operations - SEK '000s



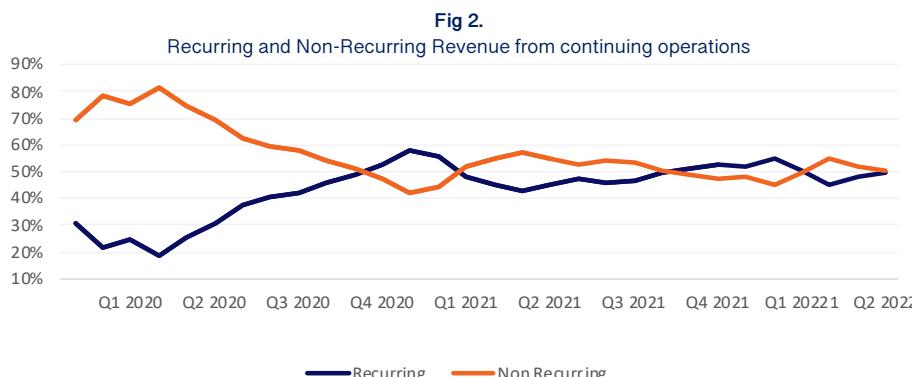
The disposal, for approximately 25 MSEK for a business vertical with approximately 25% of 2021 revenues was the most significant transaction since our IPO and created two clear business areas: the Kollect digital platform for booking waste collection services and the BIGbin waste drop-off business.

It was pleasing that revenue was 26% higher than Q1 2022, though expenses were 15% higher than the same period. However, this

high level of operating expense is not expected to continue, as many of these costs were related to the restructuring of the business following the disposal. Like many companies, we have also undergone a review of our expenses and we have identified significant savings across the company which should not compromise our commitment to high growth. In the business, we have already seen the benefit of these changes.

I am excited about the launch of our new ecommerce platform which will launch later in Q3. In order to continue to deliver the best service in the industry to our customers, we are consistently investing in exceeding the expectations of our customers, and investing in online solutions. Consumers are increasingly digitally focused and whilst our industry is traditionally offline, we are well positioned to take advantage of these trends and our year to date investment of more than SEK 1.3 million is a testament to this investment, and I am confident that this investment will pay long term benefits for the Company.

In this quarter, we retained our focus on gross margins, while executing the strategy which focuses on the development of recurring revenues (see Figure 2 below). We have seen a strong upward trend over the past 2 years since the development of our Commercial team and revenues are up more than 350% since Q2 2020..



As reported in the last quarterly report, the Company commenced an investment in the e-commerce platform, which will be completed by Q3 2022. The investment was made to support our future growth in an efficient manner and to ensure we remain as market leaders with a best in class e-commerce solution. The aim is to make the customer

experience as seamless as possible on the front end and 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.

We are also constantly increasing the number of partners on the Platform with whom we place orders for our customers across all verticals. The continued development of the supply side of the market is important as it improves customer choice, increases our purchasing power with suppliers and in the case of our preferred partner network of junk providers, increases revenue potential from software recharges.

I would also like to take the opportunity to welcome Andy and Mary to the Board of Directors. Both joined in July following our AGM and I am excited about the opportunity which is in front of us. I would also like to thank Johnny, Maoiliosa and Stefan who left the Board in July. The guidance and support which they all provided, even from before our listing was critical in growing the business to where it is today.



Events in the Quarter

Trading in the period

The Company continued to operate normally throughout the period, with the most significant change being the disposal of the Waterford bin business. The Company is still supporting the acquirer in some day to day aspects, but our focus is now entirely on the platform business within Kollect, and the BIGbin waste drop-off business.

Recurring revenues from continuing operations were up 55% on Q2 2022, and up 16% from the previous quarter, reflecting the strong work of the commercial team.

There was a lower increase in non-recurring revenues of 19% versus prior year, driven by domestic skip collection and domestic junk removal. 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 and achieved a gross margin of 29% 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.

Key Figures (thousand SEK)

| Key Figures | Q2 2022 | Q2 2021 | Q1 2022 |
|---|-------------|-------------|------------|
| Revenue from continuing operations | SEK 16,870 | SEK 12,580 | SEK 13,361 |
| Cash | SEK 16,385 | SEK 2,391 | SEK 22,889 |
| Profit/(Loss) before tax | (SEK 6,610) | (SEK 2,761) | SEK 17,837 |
| Gross Profit | SEK 4,873 | SEK 3,811 | SEK 4,030 |
| Gross Margin from continuing operations | 29% | 30% | 30% |

Key Figures (thousand EURO)

| Key Figures | Q2 2022 | Q2 2021 | Q1 2022 |
|---|---------|---------|---------|
| Revenue from continuing operations | 1,612 | 1,241 | 1,275 |
| Cash | 1,523 | 236 | 2,226 |
| Profit/(Loss) before tax | (631) | (272) | 1,702 |
| Gross Profit | 465 | 376 | 384 |
| Gross Margin from continuing operations | 29% | 30% | 30% |

Costs

Total costs in the second quarter of 2022 were 15% higher than in the previous quarter, though the growth in revenue significantly outpaced this at 26%.

The company also incurred costs with the reorganization of its business following the sale of the bin business to Beauparc. Whilst these costs were incurred in this quarter, we are confident that this will lead to significant cost savings over the coming periods.

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, as well as the continued investment in the commercial team.

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

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 40.

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 Q2 and Q3 2022.

The Company also continued to invest in the BIGbin technology project which will create a robust backend 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.

Sustainability

Under the "Irish Tech goes Carbon Neutral" programme, launched by the Government of Ireland, all collections made by Kollect are carbon neutral. The total number of kilometres of travel that were offset during the Quarter was 265,000 kms.

The Company also identified a solution for its customers themselves to be able to offset the carbon generated in the process of their collection. We believe that we are the first waste company in Ireland to offer this to its 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. 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, building on historic social media campaigns which it has run.

Through the BIGbin waste drop off business, the Company has also committed to increasing recycling rates of its customers. The first way is by lowering the price of a recycling drop from €5 per use to €2 per use. The cost of general waste has remained the same. Secondly, recycling grills have been installed on the bins to encourage customers to recycle and to prevent mixing general waste with recycling. This is shown in the image above.

Exchange Rate

The Company has also been impacted by exchange rates between the Swedish Krona and the Euro in the year from Q2 2021 to Q2 2022. All exchange rates are sourced from the European Central Bank.

Since the Quarter End

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

B2B2C

In Q1 2022, the Company also announced a partnership with B&Q for Kollect junk services to be sold over the counter in-store and online through the B&Q website. B&Q is one of the leading DIY retailers, with one of the most reputable brands in the industry. B&Q operates 8 megastores across Ireland and is part of the Kingfisher Group.

Throughout Q2, the Company worked on the successful integration with B&Q and in Q3 the Company took its first orders through this new sales channel.

Waste drop-off

In Q2, BIGbin has opened 2 new BIGbin locations in Dungarvan and Callan, as well as reopening a site which had been temporarily closed, bringing the total number of operational sites to 40. In Q3, the rollout of sites has continued with bins launching on 2 new sites in Bishopstown and Clane.

BIGbin will continue to receive new compactor bins and open more locations during Q3 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:

John O'Connor, CEO
+353 871 218 907

john@kollect.ie

Recurring and non-recurring revenue breakdown

- Recurring revenue from continuing operations in Q2 2022 was up 55% on Q2 2021 and now accounts for 52% of the revenue in the Quarter, following the disposal of the waste collection business.
- Non-recurring revenue from continuing operations increased 19% for the same comparative period.

| Revenue Breakdown (SEK '000s) | Q2 2022 | Q2 2021 | |
|-------------------------------|---------|---------|-----|
| Recurring | 8,109 | 5,238 | 55% |
| Non-Recurring | 8,761 | 7,342 | 19% |
| | 16,870 | 12,580 | 34% |



Financial Information

Accounting policies

Kollect On Demand Holding AB (publ)'s consolidated financial statements as of and for the three month period ended 30 June 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 Quarter, 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 Q3 2022 on Nov 1, 2022.

Financial Calendar

Q3 2022 Report

1 November 2022

Income Statement (SEK)

| | SEK '000 | Q2 2022 | Q2 2021 | H1 2022 | H1 2021 | FY 2021 |
|--|-----------|-----------|-----------|-----------|-----------|---------|
| Revenue | 16,870 | 12,580 | 30,230 | 21,990 | 50,290 | |
| Cost of Sales | 11,997 | 8,769 | 21,327 | 14,993 | (32,750) | |
| Gross Profit | 4,873 | 3,811 | 8,903 | 6,997 | 17,540 | |
| Operating Expenses | 12,317 | 9,133 | (23,540) | 17,093 | (37,948) | |
| Other Income | - | 99 | 24,800 | 99 | 685 | |
| Other Expenses | 0 | 0 | 0 | 0 | 0 | |
| Profit/(Loss) for the period from continuing operations | (7,445) | (5,223) | 57,243 | (9,997) | 56,173 | |
| Discontinued Operations | | | | | | |
| Profit for the period from discontinued operations | - | 2,463 | 230 | 3,216 | 1,960 | |
| Profit/(loss) for the period before tax | (7,445) | (2,760) | 10,392 | (6,781) | (17,763) | |
| Tax expense | 0 | 0 | 0 | 0 | 0 | |
| Total Profit /(Loss) for the period | (7,445) | (2,760) | 10,392 | (6,781) | (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) | (0.78) | (0.47) | 1.14 | (1.28) | (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) | (0.78) | (0.28) | 1.14 | (0.77) | (1.86) | |

Balance Sheet (SEK)

| | SEK '000 | Q2 2022 | Q2 2021 | Dec 2021 |
|-----------------------------|----------|---------|---------|----------|
| Fixed Assets | | 18,307 | 12,483 | 17,362 |
| Trade and other receivables | | 11,966 | 6,871 | 6,562 |
| Bank and Cash | | 16,385 | 2,391 | 8,608 |
| Total Current Assets | | 28,351 | 9,261 | 15,170 |
| Trade and other payables | | 25,361 | 29,375 | 20,427 |
| Long Term Liabilities | | 3,511 | 2,362 | 4,708 |
| Total Liabilities | | 28,916 | 31,737 | 25,135 |
| Net Assets | | 17,786 | (9,993) | 7,397 |
| Equity | | 17,786 | (9,993) | 7,397 |

Cash Flow (SEK)

| | SEK '000 | Q2 2022 | Q2 2021 | H1 2022 | H1 2021 | FY 2021 |
|--|----------|---------|---------|---------|----------|---------|
| Profit/(Loss) after Tax | (7,445) | (2,761) | 10,393 | (6,781) | (17,763) | |
| Finance costs | 191 | 381 | 468 | 1,063 | 2,062 | |
| Depreciation | 586 | 502 | 1,281 | 993 | 1,746 | |
| FX impact | - | | - | | 1,774 | |
| Amortization | 58 | 40 | 115 | 80 | 216 | |
| Trade & Other receivables | (2,881) | (1,050) | (5,404) | (2,350) | (2,146) | |
| Trade & other payables | 4,941 | 638 | 9,701 | 1,704 | 1,987 | |
| Net Cash from Operating Activities | (4,550) | (2,250) | 16,553 | (5,290) | (12,125) | |
| Payment for intangible assets | (449) | - | (1,302) | (25) | (1,420) | |
| Payment for PPE | (1,160) | (415) | (5,147) | (514) | (4,012) | |
| Net Cash Flows from Investing Activities | (1,609) | (415) | (6,449) | (538) | (5,432) | |
| Proceeds from Issue of Share Capital | - | | - | - | 28,609 | |
| Movement in finance leases | (270) | (408) | (570) | (495) | - | |
| Movement in bank loans | (660) | 140 | (2,730) | 8,541 | 3,143 | |
| Movement in rolling finance facility | - | (1,414) | - | (1,155) | (4,700) | |
| Interest paid | (191) | (381) | (468) | (1,063) | (3,226) | |
| Net Cash Flows from Financing Activities | (1,121) | (2,063) | (3,769) | 5,827 | 23,826 | |
| Differences relating to Foreign Exchange | 775 | 203 | 1,441 | 41 | (12) | |
| Net increase/(decrease) | (6,504) | (4,525) | 7,777 | 40 | 6,269 | |
| Opening Cash | 22,889 | 6,916 | 8,608 | 2,351 | 2,351 | |
| Closing Cash | 16,385 | 2,391 | 16,385 | 2,391 | 8,608 | |

Statement of Changes in Equity (SEK)

| | SEK '000s | Share Capital | Share Premium | Retained Earnings | Total Shareholders Equity |
|-------------------------|-----------|---------------|---------------|-------------------|---------------------------|
| 01-Jan-21 | 1,471 | 26,954 | (31,637) | | (3,211) |
| Total Group Loss | | | | (6,781) | (6,781) |
| 30-Jun-2021 | 1,471 | 26,954 | (38,418) | | (9,993) |
| | | | | | |
| 01-Jan-22 | 2,382 | 49,121 | (44,110) | | 7,393 |
| Group profit for period | | | 10,393 | | 10,393 |
| 30-Jun-2022 | 2,382 | 49,121 | (33,717) | | 17,786 |

Income Statement (thousand EURO)

| | EURO '000 | Q2 2022 | Q2 2021 | H1 2022 | H1 2021 | FY 2021 |
|---|-----------|---------|---------|---------|---------|---------|
| Revenue | 1,612 | 1,241 | 2,886 | 2,169 | 4,956 | |
| COS | 1,146 | 865 | 2,036 | 1,479 | (3,228) | |
| Gross Profit | 465 | 376 | 850 | 690 | 1,729 | |
| Operating Expenses | 1,177 | 901 | (2,247) | 1,686 | (3,740) | |
| Other Income | - | 10 | 2,367 | 10 | 68 | |
| Other Expenses | - | - | - | - | - | |
| Profit/(Loss) for the period from continuing operations | (711) | (515) | 5,465 | (986) | 5,536 | |
| Discontinued Operations | - | - | - | - | - | |
| Profit for the period from discontinued operations | - | 243 | 22 | 317 | 193 | |
| Profit/(loss) for the period before tax | (711) | (272) | 992 | (669) | (1,751) | |
| Tax expense | - | - | - | - | - | |
| Total Loss for the period | (711) | (272) | 992 | (669) | (1,751) | |