

Kollect on Demand Holding AB (PUBL)

ANNUAL REPORT 2020



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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.



YEAR IN BRIEF AND KEY FINANCIAL FIGURES

Briefly about Kollect

Growth Stage Company

Founded in 2015, operations in Ireland & UK. Listed on the Nasdaq First North in 2019. Sales of 46.1MSEK in 2020.

Business Models

- a. Waste Collection - online booking engine enabling customers to book waste removal.
- b. Waste Drop-Off - Large, smart compactor bins; "BIGbins".

Customer focus

95% of our customers would recommend our services.

Innovative Products

Kollect was first to market with a Pay-As-You-Go Bin Collection option and is leading industry change in Business to Business (B2B) and Business to Consumer (B2C) online platforms.

Industry sector disruption

We estimate in 2020 that 0.5% of waste activity was online, compared to 15% in other industries. Waste companies focus on physical infrastructure whereas Kollect makes it simple for customers to book a waste service online.

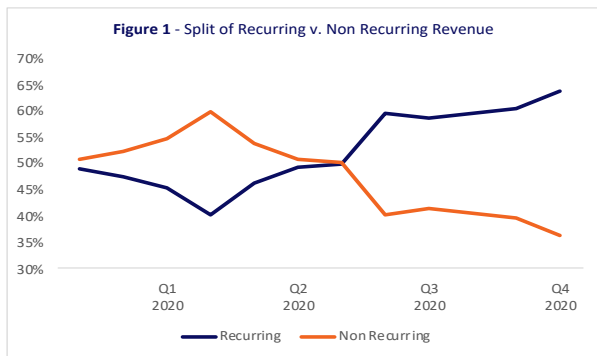
High growth rate

Revenue CAGR of 103% from 2016 - 2020.

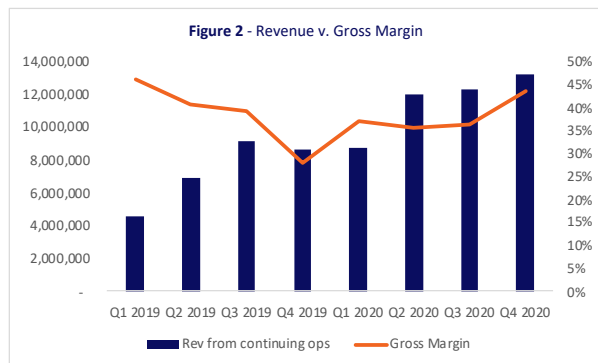
Key Financial Figures - Calendar Year Comparisons

Key Figures (SEK '000s)	Full Year 2020	Full Year 2019
Revenue from continuing operations	46,141	29,382
Profit/(loss) before tax	(12,035)	(9,465)
Cash	2,351	915

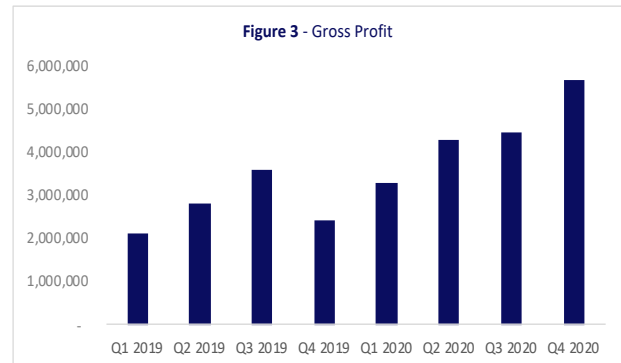
Financial Highlights



Successful execution of focus on recurring revenue in the second half of 2020 with this accounting for 61% of revenue, up 14 percentage points from 47% in Q4 2019.



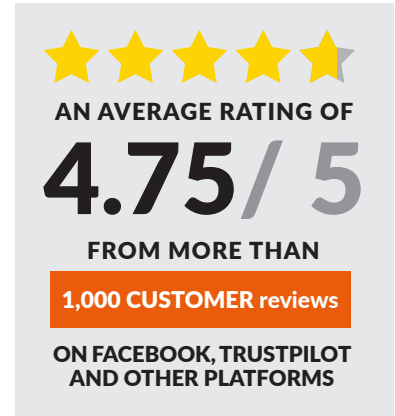
Revenue of SEK 46.1 million in 2020, up 57% compared to SEK 29.4 million in 2019 with consistent quarter-on-quarter growth, with improving gross margin.



Gross profit in Q4 2020 up 110% compared to Q4 2019.

What our customers say

Customer Service is not a department at Kollect, it's the backbone of the organisation. This can be seen in the comments and online reviews our customers take the time to make. Not only is this our way of life, but it is part of our ingrained culture where we go that extra kilometer for the customer.



TESTIMONIALS



"Customer care is always excellent! Tonight I dealt with Cora who was lovely and sorted everything out. It didn't take much time at all. Happy to recommend Kollect to all." (Laura Cassin)



"Great service, always on time and my key account manager never lets me down! 10/10" (Dee Kinsella)

Core Values

Living our Values in delivering excellent Customer Service:

1. **WOW SERVICE:** exceed expectations: deliver WOW through customer service
2. **Be you, with a can do attitude:** authentic, positive with a can do attitude
3. **Honesty:** be straight up and honest
4. **Responsive:** be prompt, always keeping customers in the loop

The customer service journey in Kollect is a reflection of the values of the Founders and management putting the customer at the forefront of the business processes creating a corporate culture of "**we will find a solution**".

Highlights for the year ending 31st December 2020

Operational highlights

- Completed the acquisition of BIGbin waste drop-off competitor, bringing an additional 11 mature and active sites to the network, along with 23 compactor assets.
- More than doubled the total number of BIGbin sites from 14 in December 2019 to 31 in December 2020.
- Built on the launch into the UK market, consolidating our base in Manchester.
- In 2020, launched a Commercial department with over 100 customers within the first 8 months of operations (by Dec 2020). Key hires were made in logistics, commercial accounts management and business development.
- Entered partnerships with large construction companies such as JJ Rhatigans in March 2020 for the skip/ container hire service and Ez Living Interiors in July 2020 for nationwide junk removal service.
- Secured large contracts with property management facilities companies such as CTS, IRES, Camelot Europe and Ability properties.

Technology highlights

- Creation of a proprietary technology solution to manage the Pay-As-You-Use unique bin offering to the domestic and commercial bin customers in Waterford, allowing Kollect to manage customer needs based on an On Demand platform.
- Adoption of a new technology solution supporting optimisation of the recurring bin customers in April 2020, this technology was implemented to provide efficiencies across a number of Bin collection processes.
- Adoption of a number of other technology solutions to manage different service verticals including automating the end-to-end customer journey from booking to execution rolled out in early 2020.
- Creation of a technology strategic steering group strengthening the resources with a mandate to review current requirements and develop a medium term strategic plan which is directly linked to the Kollect Strategic Plan.
- In Q4 2020, a Commercial app was developed for rollout in early 2021 focused on providing commercial customers with a unique experience. This app resulted in a more detailed understanding of the commercial customer needs leading to the plan to rollout additional technology solutions increasing the capability to serve commercial customers.



Comments from our Chairman



Dear Shareholder,

On behalf of your Board of Directors, it is my pleasure to present our inaugural annual report as a publicly listed company for the period ending 31 December 2020.

Our mission is to create simple ways to have all waste collected in a sustainable way and to always exceed our customers' expectations. We do this via our online platform which is a technology-enabled marketplace connecting waste customers and suppliers and through our BIGbin waste drop-off which are physical compactor bins with smart technology that are currently placed on garage/shop forecourts. Sustainability is at the centre of these business verticals.

The Company completed its IPO on 19 December 2019 on Nasdaq First North Growth Market in Stockholm. The journey to that point had been one of continuing growth in both top line revenue and in gross margin, all achieved on a minimal capital base. The objective of the IPO was to raise the growth capital to take advantage of the very significant market opportunity both in Ireland and overseas, and to establish the company as a market disruptor. As we all know, soon after the capital raise Covid-19 struck closing a large section of Irish business and creating great uncertainty. The virus continues to disrupt all aspects of our lives right up to the present.

Throughout all this, the Company has shown tremendous resilience. Revenue in Q4 2020 reached an all-time high of SEK12.9M, which was up 48% on the previous year, while gross profit amounted to SEK5.5M, which was up 110% on Q4 2019. Equally important and satisfying is that recurring revenue accounted for 61% of the total in Q4 2020.

We continue to invest all our resources in growth and to allocate capital where we believe it will have the most significant long term effect. During 2020 and continuing into 2021, we invested heavily in our platform. The impact of this can, for example, be seen in the growth of our recurring revenue and the number of 5 star reviews from customers on Trustpilot. We will continue this approach to our investment programme.

During 2020, we completed our first acquisition as a public company, financed by a directed issue. The business we acquired has now been integrated into our BIGbin vertical and is already adding to our profitability. We regard this as a great example of the growth capital story of our public listing. We continue to look for other appropriate opportunities like this as a means to accelerate growth.

Another highlight of last year was the opening of our UK business operating in and around Manchester.

Unfortunately, the UK has been periodically very badly affected by business closures which has made it difficult for us to gain momentum there. We remain confident that the approach we are taking will ultimately lead to success. This B2B platform approach can then be rolled out in other cities in the UK. We look forward to operating there in more normal circumstances.

There have been many challenges over the period since the IPO. The Company has had to move from a privately-owned start up to a publicly listed, high growth one. One such challenge is that management structures and responsibilities have had to change and evolve. Change is inevitable and we embrace that. We know it will bring opportunities as well, both for the business and those that work in it.

I would like to thank my fellow directors for their support during this time. John Hegarty and Robbie Skuse, two of the co-founders of the business, resigned from their board roles in early 2021 and we thank them for their contribution and look forward to welcoming other new non-executive talent to the Board. Our CEO, John O'Connor, has done a tremendous job in managing the business, from its founding, through IPO and on to where it is today. He would be the first to acknowledge the support and talent of his co-founders and management team, I thank him and them on all our behalf.

Our staff numbers have grown significantly and each of them has also contributed enormously to our success. They too deserve our thanks.

Another critical part of our success has been our customers. We focus relentlessly on giving them the best customer experience. Our message of sustainability clearly resonates with them and we will continue to embrace them as the backbone to our future.

I believe that this obsession with our customers and clear focus on results will lead to continued future success. We look forward to our shareholders continuing that journey with us.

Johnny Fortune

Chairman





Comments from our CEO

Dear Shareholder,

Our first Annual Report covers a significant period in the Company's short history including, perhaps, the most important event: the listing on the Nasdaq First North Growth Market. The IPO totally transformed the Company, least of all providing us with the capital needed to realize the opportunity that exists for Kollect in the waste technology industry.

The business model

In my first letter to shareholders, I talked about our mission "to create simple ways to have all waste collected in a sustainable way and to always exceed our customers' expectations" and how operating with a genuine mission is essential to establishing an enduring brand and successful business.

Over the last year, we've made good progress towards our two-part vision, however the opportunity that exists for Kollect and our Waste Drop-Off business, BIGbin, is immense. Everyone generates waste and, yet, the reality is that while all other industry sectors are being disrupted by technology, the waste industry still remains relatively offline.

Review 2020

As I look back on 2020, we navigated the challenges that a number of lockdowns presented and, despite the Covid-19 restrictions, we have continued to attract new customers through our online platform. It really highlights the online opportunity for our business and the resilience of the waste industry globally. Some of the financial highlights include that revenue in 2020 was up 57% compared with 2019 and Gross Profit was up 60% in the same period.

At the beginning of Covid-19 and lockdown, we soon realised that there was a natural hedge in the business in that the increase in revenue from domestic business (with people staying at home) more than compensated for the drop in revenue from commercial business due to businesses being closed.

I am also pleased that we were able to complete our first acquisition as a public company in 2020, following a directed issue in the summer. The directed issue was important for us, not only because it provided us the capital to acquire our target company, but also because we were able to diversify our shareholder base in Sweden and increase liquidity in trading through the issue of the shares to new investors.

To have done this all whilst maintaining our excellent reputation with our customers after thousands of collections has been a real highlight and something we will continue to keep at the core of our business, as we continue to grow.

Strategy 2021

Total focus on customer on-boarding and customer experience will help us protect and grow our business in 2021 and will be as much today's growth engine as all of Kollect's other marketing activities.

Our commercial business will be supported by investing further in our new commercial app, which creates value for our commercial customers as they can manage their accounts, reporting and ordering from our app in a seamless manner. This business sector is a recurring revenue model with good margin and high frequency of use.

The evolution of the business and offering new services has been central to our growth and is likely to remain so going forward. As we grow into our commercial business both in Ireland and the UK, we will keep adding new features to this app and stay consistent with our mission: to make it simple to have waste collected and recycled.

The announcement in February 2021 of a bank loan of SEK 4.8 million to fund the opening of 10 more BIGbin sites is a key step to drive our further growth as we expect the Waste Drop-Off business to play a central role in our future.

The current year will also be significant for our business, not only because of our performance, but because of our fundraising event in August from the subscription of TO1 warrants. This raise will again diversify our shareholder base and will also provide the Company with further growth capital to continue our expansion in Ireland and the UK and further build our technology platform.

Culture and Team

None of our success to date would have been possible without our committed and hard working employees. I am proud to lead an organisation filled with such passionate staff and am delighted to have proposed an employee incentive scheme for approval by shareholders. We have worked hard over the past couple years to become the kind of collaborative and transparent workplace that fits naturally with broader employee ownership.

Here at Kollect, we are building something unique within the waste industry, the kind of company that attracts and retains the best people in our industry. The incentive scheme unifies a sense of purpose, offering a connection from our day-to-day work to the organisation's strategy, and allowing team members to hold themselves and each other accountable for results. This perpetuates our high-performance culture, ultimately creating success for all members of the value chain: our people, our company, our investors and our customers.

In conclusion

Over the last 5 years, we've made much progress towards our vision and today Kollect is in its growth phase addressing one of the largest market opportunities online. We're proud of what we have achieved, but even more excited by what lies ahead. Thank you to our community of waste operators, customers and team members for making this possible.

John O'Connor

CEO





Industry Overview and trends

Introduction

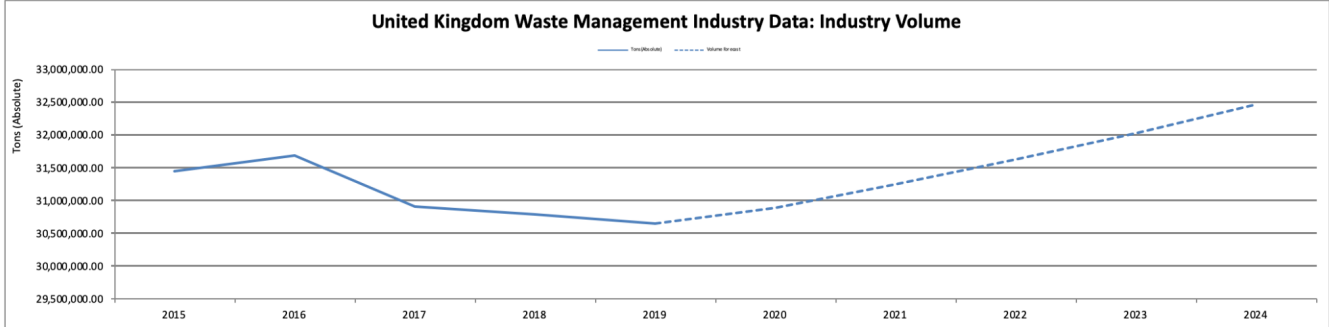
The waste industry is typically heavily regulated where the world generates approximately 2 billion tonnes of trash and garbage (“Municipal Solid Waste” or “MSW”) annually. By 2050, MSW is projected to reach 4.30 billion tonnes, meaning waste generation will drastically outpace population growth over the same period.

Approximately 70 percent of countries have established institutions with responsibility for regulatory oversight and policy development in the waste sector. Additionally, roughly 66 percent of countries have formed legislative and regulatory targets for solid waste management. Direct involvement by central government in waste service provision in areas other than fiscal transfers and regulatory oversight is unusual with approximately 70 percent of waste services overseen by local public entities.

Trends

UK Waste market

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Tons (Absolute)	31,456,000	31,683,000	30,912,000	30,786,000	30,643,490	30,883,596	31,252,902	31,625,014	32,019,430	32,464,447



SOURCE: Waste Management Global Industry Guide

In 2020-2021, the waste management industry in the United Kingdom reached a market value of £9.1 billion, having grown at a CAGR of 3.2% since 2015. The factors driving this growth include increased consumption expenditure, volume of household waste generated and an increase in construction.

The average waste collection business in the UK is not large, with 18.3 employees. The market is also characterised on the supply side with a small number of very large companies and a large number of very small companies. The very large companies include Veolia, Biffa and Suez which have significant vertical integrations (collection and processing of waste) and significant infrastructure. Across the industry, however, 80 percent of waste companies have 10 or fewer employees, which highlights the high level of supply side fragmentation. These smaller companies typically operate up to 5 vehicle businesses and are focused on the collection of junk or skip hire.

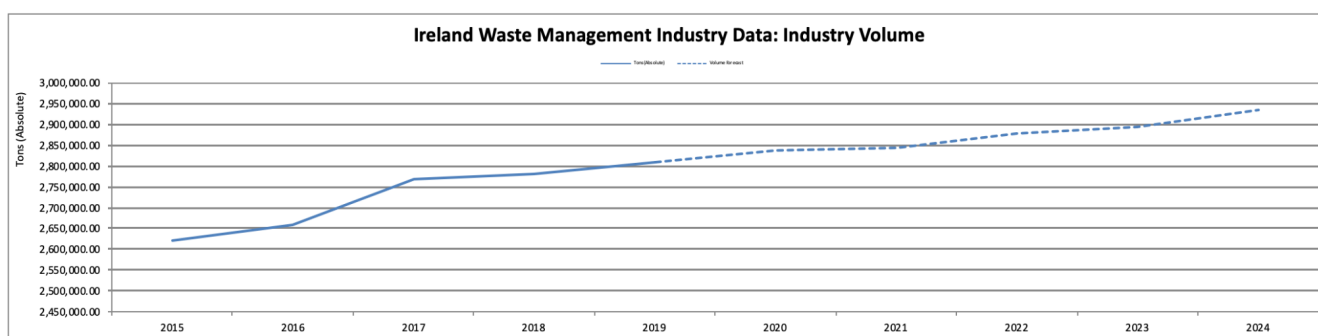
Ireland Waste market

Ireland Waste Management Industry Data: Industry Volume

Volume Measure:

Absolute

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Tons (Absolute)	2,623,050	2,659,913	2,768,000	2,781,118	2,810,311	2,838,515	2,845,446	2,878,636	2,894,957	2,934,553



SOURCE: Waste Management Global Industry Guide

Waste Collection in Ireland industry trends

AT A GLANCE

Key Statistics Snapshot	Total Revenue 2020	Annual Growth 2015-2020	Annual Growth 2020-2025
	€1.4bn	3.9%	3.1%

Overall, industry revenue is forecast to increase at a compound annual rate of 3.1% to reach €1.7 billion over the five years through 2025 from a base of €1.4 billion in 2020.

This growth is driven by disposable income, increased consumption expenditure and a higher level of construction activity, underpinned by infrastructure projects such as Project Ireland 2040 and the Irish Government's aim of building nearly 40% more homes in the coming years, than it did in 2020.

On the supply side, there are currently only 56 companies who have door-to-door bin collection permits, which permits the holder to collect the waste in designated regions. The largest of these companies are Pandagreen, Thorntons, Greyhound, AES, Oxigen and Keywaste. There are however, a higher number of licensed operators who operate across other verticals.



Company overview

Introduction

Kollect On Demand Holding AB (publ) operates in the waste industry and uses technology to provide solutions to enable customers to arrange to have waste collected quickly, efficiently and responsibly. The Company provides solutions divided into two separate, but related, business areas:

- (i) waste collection; and
- (ii) waste drop-off.

Within the waste collection segment, the Company facilitates services through its online Platform. Services include domestic waste collection, commercial waste collection, container (or skip) hire and removal of items such as furniture, mattresses and other large items and connects customers with a waste need to third party providers.

Within waste drop-off, the Company offers a large, smart compactor bin (the "BIGbin") installed at different convenient locations throughout Ireland. The BIGbin allows for disposal of domestic waste and serves as an alternative to consumers locked in long-term contracts for collection. While BIGbin is a wholly-owned subsidiary, it is managed independently from the Platform.

Kollect's Services:

Waste collection services

Within waste collection, Kollect provides an online Platform which facilitates waste collection services including:

- (i) domestic and commercial waste collection;
- (ii) container (skip) hire; and
- (iii) junk removal.

The Company offers 24/7 on-demand services targeting both households and businesses. Willing customers can either contact Kollect directly to arrange and book their service, or book their collection online at a time convenient to them. Kollect acquires these customers through a combination of digital advertising, search engine optimization and brand awareness, led by the Company's specialist digital marketing team and outsources these jobs to its 3rd party partners.

For its commercial client base, it offers single-source supplier, national coverage, availability through longer opening hours or access to technology and a one point of contact. Kollekt also, through its network of national suppliers, provides supply-side diversity for its commercial customers. If the customer enters into an agreement with a traditional waste company and that one company provides a poor service, the customer has no recourse to find new suppliers. With Kollekt, the customer can easily be serviced by another partner in our network. The Solution is offered through a Business-to-Business commercial App, which not only creates a better customer experience, but is also builds trust and loyalty with the customer.

Waste drop-off services

Within waste drop-off, the Company offers a large, smart compactor bin (the “BIGbin”) installed at different convenient locations, typically petrol station forecourts, throughout Ireland. The BIGbin allows for disposal of domestic waste and serves as an alternative to consumers who would otherwise be locked into annual contracts with a waste operator. While BIGbin is owned by Kollekt, it is managed independently from the Platform.

Customers either create an online account and use their unique login on the bin keypad to charge their account, or buy a single use code at the petrol station forecourt which can then be used to open the drum of the bin. A single use typically costs the customer €8, with a small commission paid to the site owner.

BIGbin made a successful acquisition of a competitor in Q4 2020. This brought an additional 11 mature and active sites to its network, along with 23 compactor assets. This brought the number of sites at December 2020 to 31.

Why Kollekt chose to list in Sweden

Access to growth capital

The Company’s listing was primarily a financing event, raising growth capital to take advantage of the market opportunity that it recognised. It was not just the initial capital that appealed though; in the summer 2020, the Company completed its first acquisition as a listed company which was financed by a directed issue. Access to follow-on capital like this was a significant reason for the company listing in Stockholm.

Sustainability

Sustainability is a core principal for Kollekt. The Nordic region takes these responsibilities especially seriously and it was important to Kollekt to list on a market where the Company’s ambitions are matched and understood by investors.

Governance

Another reason for listing on the Nasdaq First North includes the increased governance requirements as a listed company, rather than a private company. Increased governance include:

- (i) Board Governance;
- (ii) Executive Committee;
- (iii) Regular reporting requirements driving performance; and
- (iv) Increased governance in operations, decision-making, financial decision-making and customer on-boarding.

Comparable technology companies

The Nasdaq First North is an exchange where there are a number of comparable companies listed and understood by investors and analysts. Investors in Sweden’s public markets understand technology companies well and marketplaces in particular, whilst the Irish Stock Exchange primarily hosts mature property companies, hotel groups and other such businesses. As a result Irish analysts and investors have more experience with these businesses. Further, the listing market is much less active with only 42 companies in total listed on both the main and junior markets.

Investors

There is a well established base of investors and a strong ecosystem in the Nordics which made a listing in

Stockholm particularly attractive. Investors understand the business model and the strong retail base supported our decision to list. Shares in companies listed on the Nasdaq First North are also easily accessible to other European investors through popular trading apps such as DeGiro; another benefit of listing on the market to provide accessibility for potential Irish investors.

NASDAQ branding

A Nasdaq listing provides greater credibility for the Company as we look to establish relationships with new customers and suppliers, both at home and abroad.

Vision

In today's world, operating with a genuine mission is essential to establishing an enduring brand and successful business. Over the past 5 years, we've made early progress towards our two-part vision, however the opportunity that exists for Kollect in the waste market is immense. Everyone generates waste and yet the reality is that, while all other industry sectors are being disrupted by technology, the waste collection industry still remains relatively offline.

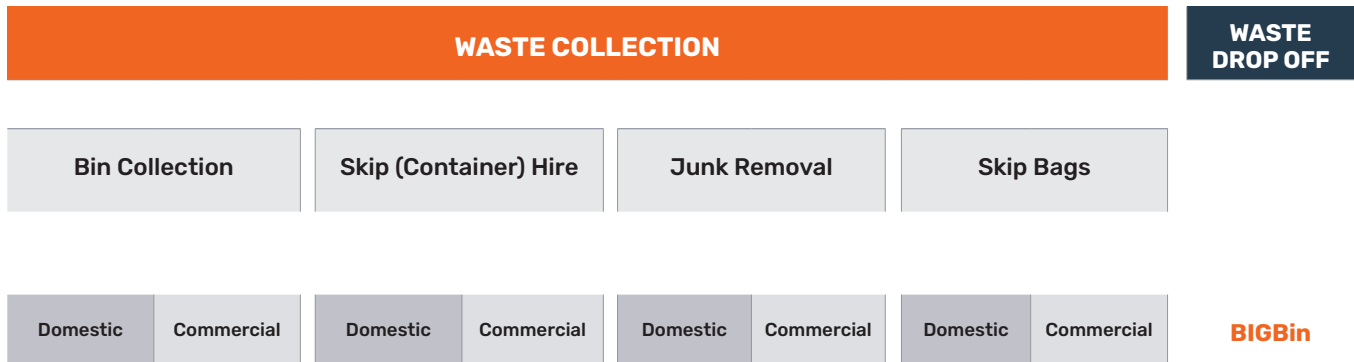
Part one of our company mission - creating **“simple ways to have all waste collected and recycled”** - is accomplished by allowing customers to find us easily online, get a price, and book in a job at a date and time that suits them and to pay online. For commercial customers, this will happen in the form of the new commercial app. It puts the customer totally in charge of their waste collection needs.

Our continued focus on improving the customer journey will continue to attract consumer “micro-moments” in which a customer thinks of a waste need and then immediately tries to fulfil it as quickly as possible, typically through a digital transaction. Market waste collection needs may vary from country to country, as will regulation and we may need to change our offering to meet the customer and regulatory requirements, but the premise never changes: people and companies always have a need for waste to be removed on demand.

The second part of our vision is **“to always exceed customer expectations”**. Good companies make profits, but great companies also win people over. We have built a company based on a core set of 4 values: Honesty, Wow service, Responsiveness and a Can-do Attitude.



Business model and products



Waste collection – the Platform and Commercial App

All services facilitated within the waste collection segment are available through the Platform. The Company arranges for waste contractors to provide the bin collection, skip (container) hire and junk removal services.

For our commercial customers, the premise is the same however the technology and services differ slightly. A commercial customer has access to our commercial app and can order services through it.

Customers

When a customer places an order via the Platform or through the App, it is allocated to the nearest and best-suited waste contractor with spare capacity to undertake the job. Kollect tracks and monitors progress and updates the customer accordingly. It generally takes less than 60 seconds to book a waste collection service online and the Platform offers the ability to make round-the-clock booking and on-demand services.

The bin collection service allows customers to manage waste collection online. Understanding that households and businesses have different waste collection needs, the Company offers two payment models consisting of one-time payments for single-use of bin collection services or payment on a monthly or annual basis.

The skip hire (container) service allows customers to book skips in various sizes online. Users select the location, desired container-size and the delivery date. With our database of fully licensed and local skip-hire companies, Kollect ensures that customers receive the best services at competitive prices and guarantees that each of its skip operators is fully licensed and insured. The Company also mitigates risk of supplier failure for customers through its network; if one supplier is unable to perform the job, Kollect is able to source a new supplier and re-allocate the order and the customer does not need to.

The Junk Removal service allows customers to select one-off items or a load size of several smaller items for collection on the Platform, view available dates for collection and book the job. Upon instruction of where the waste is located, the junk removal team arrives, collects and then removes the waste.

The Skip Bag service allows customers to buy large canvas bags in various sizes online. The bags range in capacity from 1 Cubic Yard to 4.5 Cubic Yards. Skip Bags offer an alternative to Skip Hire, as they don't require permits, can be shipped via the postal service to customers, and don't have a time constraint for collection. Users select the location, desired bag-size and the collection date. Bags are posted to customers within 1 day in Ireland or 2 days in the UK and collected at the customer's request.

Suppliers

The Company identifies and partners with licensed waste contractors in each market to service customers using the Platform or App for all of its services. When Kollect partners with a waste company (having agreed prices for the service), it adds the partner's details to the Kollect system. Kollect knows where each waste contractor is located and its likely routes for waste collection, given the times and dates of collections.

Kollect has a strict onboarding process for new suppliers, which includes ensuring that they have all of the relevant permits and permissions as well as ensuring that all waste collected for Kollect customers is disposed of correctly

and, where appropriate is recycled, in line with the Company's ESG aims.

Waste drop-off



The BIGbin is a large, fully-sealed compactor bin, accessible 24/7/365, specifically designed for installation in convenient locations such as garage forecourts and other high footfall locations with good parking.

The BIGbin is a waste drop-off solution that offers an alternative to long-term waste collection contracts. Customers can sign up for an account online and enter login details on the front of the BIGbin when using it or buy a single use ticket with a scratch and reveal code from a nearby vendor. Once the customer has signed in or entered their unique code, the BIGbin opens and customers can dispose of their waste for a per-load charge.

The BIGbin is the only Pay-To-Use bin that meets the regulatory requirement enforced by the Irish Government in line with the European Commission's 7th Environment Action Program and its objectives for waste management. The compactor bins are installed with company custom-built smart technology which provides daily reports on usage and instant alerts if any mechanical issues occur. The technology furthermore tracks usage and when to be emptied.

The Company had 31 compactor bin sites in December 2020. There are generally two BIGBins on each site which allows for disposal of general, recycling and organic waste.

The current sites are a mix of independently owned forecourt sites and Circle K forecourts. BIGbin Waste Tech Limited entered an agreement with Circle K in 2019 that was renewed and extended in 2021 to provide access to their forecourts in Ireland.

SUCCESS FACTORS

<p>CUSTOMER SERVICE</p>	<p>The constant focus on customer service not only builds strong relationships with customers, but acts as a customer retention and acquisition tool.</p>	<p>MARKETING</p>	<p>Consistently monitoring the success of digital campaigns and brand awareness means the Company can optimise advertising spend to reach the target audience.</p>
<p>TECHNOLOGY</p>	<p>Continued investment in technology means the Company can better react to customer requirements and individual needs.</p>	<p>VISION</p>	<p>Having the vision of understanding what customers want and being able to execute on this, gives the Company an advantage over its competitors.</p>

Sustainability

Kollect tackles its ESG approach with 4 main strategies:



Carbon Neutral Collections

Kollect was one of the first signatories for “Irish Tech goes Carbon Neutral” signing up to offset all of the CO₂ created by Kollect and our collection partners. In 2020, we offset more than 600,000 KM of journeys by waste trucks and vans.

Waste-To-Energy

Disposal outlets are chosen with great care in order to work with outlets that divert household residual waste away from landfill and direct mass burn incineration to pre-processing outlets.

Where the waste is processed, extracting valuable raw materials for recycling, biomass for composting with the remainder being further processed into sustainable alternative fuels such as refuse derived fuel (RDF) and solid recovered fuel (SRF) for export for the more sustainable heat and electricity production.

Our biggest waste disposal partner operates a 133,000 tonne per year pre-processing plant and facility.

Recovery

For all other waste where waste-to-energy is not applicable, it will be taken to our suppliers’ licenced facilities where all waste will be recovered, reused and recycled where possible. This includes the stripping down of Skip and Junk material for segregation into the waste types. Our goal is to work with suppliers that achieve 90% recovery on these waste types.

Tackling illegal dumping

i) BIGbin and Junk Collections

The BIGbin provides an alternative for customers who either live in an area too remote for a household bin collection, or can not afford one. In these instances, the BIGbin significantly reduces littering by offering a cost effective solution where the only alternative would be illegal dumping.

ii) Only working with licensed operators

Kollect only onboards suppliers with the relevant permits and regulatory permissions; customers know that working with Kollect that their waste will only be handled in the appropriate processes.

iii) Social media campaigns

Kollect launched the social media campaign #notinourcounty which drew attention to littering and fly tipping. As part of this campaign, Kollect worked with councils and local authorities to prevent further fly tipping.



Sales and marketing

Digital Marketing

Our specialised team selects target market segments and personas to deliver our key messages to both domestic (“B2C”) and commercial (“B2B”). We have defined key brand messages to grow audience awareness, familiarity and purchase intent (abandon cart emails, remarketing etc)

Our digital marketing team implement and manage digital marketing communications and optimise the digital communications across all key customer touchpoints, they do so by the following:

- **Reach:** Building our audience by integrating paid, owned and earned media.
- **Act:** Using content marketing and persuasion to prompt brand interaction and leads.
- **Convert:** Use conversion rate optimisation to boost online and offline sales.
- **Engage:** Develop customer loyalty and repeat sales.

Kollect has established a solid understanding of our brand persona, the customer journey map and sales funnel. We have defined key brand messages to grow audience awareness, familiarity and purchase intent. The team includes content specialists and has developed a wide reaching strategy of videos, graphics, blogging and public relations.

Further, within the strategy, we monitor and optimise the marketing mix for options to vary the 4Ps of Product, Price, Promotion and Place, to increase lead conversion and ROAS. Included in this is the Search Engine Optimisation (“SEO”) strategy to increase both the quality and quantity of website traffic through organic search engine results via a well-rounded organic search strategy: on-page SEO, technical SEO, and off-page SEO. This has led to Kollect ranking in the number one spot in many areas across Ireland.

The team continuously analyses and improves UI interaction and bounce rate on the website and implements Conversion Rate Optimisation (“CRO”) through a test plan for AB and multivariate experiments, increasing both online conversions and the conversion rate.

Outside of direct digital advertising campaigns, the Company also uses brand awareness campaigns. The most successful examples of these in 2020 were the **“Kollect some kindness”** campaign to promote small local businesses and **“Stay and home and upcycle”** where we challenged the public to make something from nothing and to encourage upcycling/recycling to promote the circular economy.

Case Studies

“Knights Facility Services has employed Kollect on several of our projects in the retail sector, we have always found them to be very efficient and reliable. Their attention to detail ensures we have full transparency from the initial survey to the job completion. I would have no hesitation in recommending them to anyone requiring waste management services or their junk removal service.” - Andy Kelly, Director Knights Facility Services

“We use Kollect mainly for their nationwide skip hire services. They have a range of different sizing options and are very easy to do business. The nationwide service and single point of contact via mobile number or ordering through their new commercial app is great, saves time and money for us. Would highly recommend using Kollect.” - Alan Barrett, Pride Craft Retail Interiors

“We have been using Kollect for over a year for their nationwide Junk removal and skips. Our ongoing projects are spread over multiple counties, having one company that can provide the services wherever & whenever we require makes my life a lot easier for day to day operations. They have always delivered on time with orders and their customer service really goes that extra mile for you.” Brian Hanley, Ability Property Services

we
kollekt
everything waste

ANNUAL REPORT

and

CONSOLIDATED ACCOUNTS

for

Kollekt on Demand Holding AB (publ)

Org. no. 559216-5160

The Board of Directors and the Chairman may hereby submit the annual report and consolidated accounts for the financial year 2019-09-01 - 2020-12-31

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This English Translation represents the unofficial version of the Annual Report. Please refer to the Swedish language version for the Official Report.

Kollect on Demand Holding AB (publ)

Org no. 559216-5160

BOARD OF DIRECTORS' REPORT

The Board of Directors and the Chairman of Kollect on Demand Holding AB (publ) hereby submit the annual report and consolidated accounts for the financial year 01-09-2019 to 31-12-2020. The annual report has been prepared in Swedish Kronor, SEK.

About Kollect

Kollect on Demand Holding AB (publ) is a Swedish limited liability company that was registered with the Swedish Companies Registration Office on 29-08-2019. The company's company form is regulated by the Swedish Companies Act (2005: 551) and operations are conducted in accordance with Swedish law. The company is a public limited company with its registered office in Stockholm, Sweden and headquartered in Waterford, Ireland. The business is conducted through subsidiaries in Ireland and the United Kingdom.

Kollect is an online booking engine that offers solutions in waste management. The company's solutions are divided into two separate - but closely related - business areas: waste collection and waste drop-off. In waste collection, the Company facilitates services through its online platform. Services include household waste collection, commercial waste collection, skip hire and removal of junk waste such as furniture, mattresses and other large items.

In waste drop-off, the Company provides large waste compactors, BIGbins, which are installed in suitable areas in Ireland. BIGbin enables the recycling of recyclable, organic and everyday household waste and is an alternative for consumers who want to avoid entering into long-term agreements for waste collection.

The parent company is a limited liability company with its registered office in Stockholm municipality and is registered in Sweden with organization number 559216-5160. The head office in Waterford, Ireland is Unit F4, Waterford City Enterprise Centre, Waterford Business Park, Cork Road, Waterford, X91 RK40.

The CEO is John O'Connor, who registered the Company with the Swedish Companies Registration Office on August 29, 2019 as a preparation for the Listing and had not conducted any operations until then. On August 13, 2019, John O'Connor founded the Company by transferring 7071 shares in Kollect on Demand (Ireland) Ltd to the Company, corresponding to 55.85 percent of the total number of shares in Kollect on Demand (Ireland) Ltd. The company was registered with the Swedish Companies Registration Office on August 29, 2019. At the Extraordinary General Meeting held on November 13, 2019, it was decided to issue 395,272 shares in the Company, aimed at minority shareholders in Kollect on Demand (Ireland) Ltd in exchange for shares in Kollect on Demand (Ireland) Ltd corresponding to the remaining 44.15% percent (non-cash issue).

The consolidated financial statements have been prepared from the time when Kollect on Demand Holding AB (publ) became the owner of the shares in Kollect on Demand Ltd. The comparative figures for the period 2019-01-01 - 2019-08-31 refer to Kollect on Demand Ltd.

Business model

Waste collection

All services provided in the waste collection segment are available via the Platform, which is a web-based booking engine for waste collection services. The company connects customers who have a waste need with waste contractors who provide services for collecting waste for households and companies, skip hire and junk removal.

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Through the waste collection service, customers can handle waste management online. Kollect's target group is households and companies with different needs for waste collection. The company realizes that households and companies have different needs for waste collection, and therefore offers two payment models that consist of a one-time payment per use of the waste collection service, as well as a subscription on a monthly or annual basis.

Skip hire makes it possible for customers to book a skip in different sizes online. The user selects the location, desired skip size and delivery date. Thanks to Kollect's database of fully licensed local skip hire companies, it can guarantee that customers receive the best possible service at the most competitive price. Kollect ensure that each of the skip companies is fully licensed, insured and achieves higher recycling rates.

Through the Junk removal service, customers can choose a load with a single object or several smaller objects for collection via the Platform, display available dates for collection and book the assignment. In addition, customers can see different options for Junk removal, e.g. single objects, smaller or larger items etc.

Waste drop off

BIGbin is a large, fully sealed waste compactor specially designed for installation in suitable locations in Ireland such as at petrol stations, in car parks at supermarkets, at recycling stations and in apartment complexes. BIGbin is available seven days a week.

BIGbin is a solution for waste drop off intended for household waste and commercial waste, and is an alternative for consumers who want to avoid long term contracts for waste collection. The customer registers for an online account and then enters login information on the front of the BIGbin waste compactor when he or she uses it. Once the customer has logged in, the barrel of the BIGbin compactor opens and the customer can dispose of their waste. The customer is charged per waste drop off.

BIGbin is technically developed and adapted to the regulatory requirements set by the Irish Government, in line with the European Commission's Seventh Environmental Action Program and its waste management objectives. The compactor is installed with the Company's own smart technology, which provides daily reports on use and alerts immediately if a mechanical problem arises. Furthermore, the technology enables use analysis and when the compactor needs to be emptied.

The company currently has 54 compaction bins in full operation at 31 active locations. There are BIGbins at each site, which enables the disposal of general, recyclable and organic waste. At present, these 31 sites serve a customer base of approximately 5,800 repeat customers, with each customer using the bins approximately every four weeks.

Market

The Group's markets mainly consist of Ireland and the United Kingdom.

Our primary goal is to have a deeper and broader impact on our home markets in Ireland and the United Kingdom.

Research and Development

The company conducts research and development work to develop new and innovative products to meet the requirements of their customers. The investment in research and development expenses is further planned to improve the customer experience by providing a modern website and operating system.

For the period January - August 2019, expenses for research and development work corresponding to approximately SEK 1.1 million have been incurred, and for the period September 2019 - December 2020, the corresponding amount is approximately SEK 2.4 million.

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The 10 largest owners 31 December 2020

Shareholder	Quantity shares	Share votes
JOHN, O'CONNOR	1 980 000	34%
JOHN PHILIP, HEGARTY	428 958	7%
ROBBIE WILLIAM, SKUSE	428 508	7%
BNY MELLON SA / NV (FORMER BNY), W8IMY	424 183	7%
FORMUE NORD FOKUS AS	207 058	4%
FÖRSÄKRINGSAKTIEBOLAGET, AVANZA PENSION	195 022	3%
DENNIS, JENNINGS	163 635	3%
DANIEL THOMAS, HUGHES	148 212	3%
ROBERT MICHAEL, O'KEEFFE	148 212	3%
FOLA PRIVATE PARTNERS LTD	142 857	2%
OTHERS	1 618 965	28%
	5 885 610	100%

Significant events during the financial year

- Hiring of key personnel, including CFO as a preparation for the listing on Nasdaq First North
- Agreement entered into with Circle K, Ireland to place BIGbins on petrol station forecourts
- Listed on Nasdaq First North, raising approximately 18 MSEK
- Acquisition of Pay To Use Limited through the subsidiary BIGbin Waste Tech Limited
- Launch in the UK
- Despite COVID 19, the Group has continued to operate as it offers an essential service

Significant events after the end of the financial year

The first quarter of 2021 began with the Irish government increasing the Covid-19 restrictions by closing many (but not all) construction sites from January 11, 2021, which was then extended to at least March 5, 2021. The effect of the Covid-19 restriction has negatively impacted revenue from commercial waste, skip hire and junk removal.

In February 2021, the Group took out a new loan of SEK 4.8 million for the BIGbin business from an Irish bank to finance expansion to a further 10 locations during the year. The parent company has increased its bridge loan with Formue Nord by SEK 3.5 million. The extended loans provide the company with financing for the warrants redeemed.

Two of the founders of the company, John Hegarty and Robbie Skuse, resigned from the board in February 2021.

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Multi-year comparison *, the Group

	2019/2020	2019/08/31
Net Sales	59 324 722	23 030 329
Results after financial items	-21 313 589	-2 230 723
Results in terms of net sales	-36	-10
Balance Sheet total	19 101 008	8 389 863
Equity to Asset Ratio (%)	-16.81	-44.82

* Definitions of key figures, see notes

Multi-year comparison *, the Parent Company

	2019/2020
Net Sales	0
Results after financial items	-2 909 467
Balance sheet total	21 953 776
Equity to Asset Ratio	83.54%

Results Allocation

Proposal for the allocation of the company's profit

Balanced profit available to the Annual General Meeting	19 780 094
Loss for the year	-2 909 467
	<hr/>
	16 870 627

The Board proposes to transfer to a new account	16 870 627
	<hr/>
	16 870 627

Further information follows regarding the company's earnings and position in the following income statement, balance sheet and accompanying notes.

Kollect on Demand Holding AB (publ)

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INCOME STATEMENT**THE GROUP**

		01-09-2019	01-01-2019
	NOTE	31-12-2020	31-08-2019
OPERATING INCOME			
Net Sales	2,3	59 324 722	23 030 329
Cost of goods sold		-37 311 525	-14 125 696
Gross Profit		22 013 197	8 904 633
Administration costs	5,6,7	-40 577 782	-11 097 404
Other operating income	4	1 386 364	0
		<hr/>	<hr/>
		-39 191 418	-11 097 404
Operating Profit		-17 178 221	-2 192 771
Results from financial items			
Finance Costs	8	-4 135 367	-37 952
		<hr/>	<hr/>
		-4 135 367	-37 952
Results after financial items		-21 313 589	-2 230 723
Results before tax		-21 313 589	-2 230 723
Tax on profit for the year	9	0	0
		<hr/>	<hr/>
Results after tax		-21 313 589	-2 230 723
Earnings per share in kronor			
Earnings per share before dilution		-4.971	-176.2
Average number of shares		4 287 806	12 660
No. shares at the end of the year		5 885 610	12 660

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Report on total result

The Group	31-12-2020	31-08-2019
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Result for the year	-21 313 589	- 2 230 723
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Items that can be added back to income statement

Translation differences	613 073	-126 750
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Other Comprehensive Income for the year	-20 700 516	-2 357 473
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Total comprehensive income for the year	-20 700 516	-2 357 473
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Kollect on Demand Holding AB (publ)

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BALANCE SHEET	NOTE	THE GROUP	
		31-12-2020	31-08-2019
ASSETS			
Fixed Assets			
Intangible Assets	10	250 268	502 540
Tangible Fixed Assets	11	6 492 755	456 663
Rights of Use	12	5 672 246	4 915 390
		<hr/>	<hr/>
		12 415 269	5 874 593
Total Fixed Assets		12 415 269	5 874 594
Current Assets			
Receivables			
Accounts Receivable		1 899 845	1 283 062
Other Receivables		2 406 697	0
Prepayments and accrued	13	28 455	241 961
		<hr/>	<hr/>
		4 334 997	1 525 023
Cash and Cash			
Cash and Cash Equivalents		2 350 742	990 246
		<hr/>	<hr/>
		2 350 742	990 246
Total Current Assets		6 685 739	2 515 269
TOTAL ASSETS		19 101 008	8 389 863

Kollect on Demand Holding AB (publ)

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**EQUITY AND
LIABILITIES****THE GROUP**

		31-12-2020	31-08-2019
Equity, Group			
Share Capital		1 471 403	1 305
Other Contributed Capital		21 423 509	1 643 475
Reserves		486 323	-126 750
Retained Earnings including profit for the year		-26 592 262	-5 278 673
Total Equity, Group		<hr/> -3 211 027	<hr/> -3 760 643
Long Term Liabilities	17		
Liabilities to credit	16	257 120	270 584
Leasing Liabilities	12	2 890 692	2 278 643
Total long term liabilities		<hr/> 3 147 812	<hr/> 2 549 227
Current Liabilities			
Liabilities to credit institutions	16	8 113 581	4 255 849
Leasing liabilities	12	540 476	477 482
Accounts payable		5 425 994	4 365 138
Other debts		2 296 091	325 989
Accrued expenses and prepaid income	18	2 788 081	176 822
Total short term liabilities		<hr/> 19 164 223	<hr/> 9 601 280
TOTAL EQUITY AND LIABILITY		19 101 008	8 389 863

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Statement of Changes in Equity, Group	Share Capital	Other added capital	Reserves	Balanced results	Total
Amount at 01-01-2019	1 305	1 643 475	0	-3 407 950	-1 403 170
Results for the year				- 2 230 723	-2 230 723
Other comprehensive income items			-126 750		-126 750
Amount at 31-08-2019	1 305	1 643 475	-126 750	-5 278 673	- 3 760 643

Statement of Changes in Equity, Group	Share Capital	Other added capital	Reserves	Balanced results	Total
Amount at 01-09-2019	1 305	1 643 475	-126 750	-5 278 673	- 3 760 643
Formation of the Company	498 635				498 635
Other comprehensive income items			613 073		613 073
New Issues	971 403	26 954 086			27 925 549
Issue Costs		-7 174 052			-7 174 052
Results for the year				-21 313 589	-21 313 589
Amount at 31-12-2020	1 471 403	21 423 509	486 323	-26 592 262	-3 211 026

CASHFLOW	Note	The Group	
		31-12-2020	31-08-2019
Operational Cash Flow			
Result for the period	2	-17 178 223	- 2 192 771
Adjustments for items not in		5 060 359	554 986
Interest Paid		-3 005 047	-114 272
Cash flow from Operating Activities before changes in working capital		-15 122 911	-1 752 057
Cash flow from changes in working capital			
Decrease (+) / increase (-) of operating receivables		-2 927 546	-722 165
Decrease (-) / increase (+) of operating liabilities		5 426 357	1 464 371
Cashflow from operating activities		-12 624 100	-1 009 851
Investment Activities			
Investments in intangible assets	10	-3 566 852	0
Investments in tangible fixed	11	-5 782 332	-1 638 866
Cashflow from investing		-9 349 184	-1 638 866
Financing Activities			
Rights Issue		27 925 549	0
Issue Costs		-7 174 052	0
Borrowings	16	5 871 625	2 703 557
Repayment of debt	16	-3 157 677	-74 906
Cashflow from financing activities		23 465 445	2 628 651
Change in cash and cash		1 492 161	-20 066
Cash and cash equivalents at the start of the period		990 246	993 222
Exchange rate differences		-131 665	17 090
Cash and cash equivalents at the end of the year		2 350 742	990 246

Kollekt on Demand Holding AB (publ)

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INCOME STATEMENT	NOTE	Parent Company	
		01-09-2019	31-12-2020
OPERATING			
Net Sales	2,3		0
Gross Profit			0
Administration costs	5,6		-489 935
Other operating	4		0
			<hr/>
			-489 935
Operating Profit			-489 935
Results from financial items			
Finance Costs	8		-2 419 532
			<hr/>
			-2 419 532
Results after financial items			-2 909 467
Results before tax			-2 909 467
Tax on profit for the	9		0
			<hr/>
Results after tax			-2 909 467
		01-01-2019	
Report on total results		31-12-2020	
Parent Company			
Results for the year			-2 909 467
Other comprehensive income			0
Total other comprehensive income			0
Total profit for the year			-2 909 467

BALANCE SHEET		Parent Company
		31-12-2020
	NOTE	
ASSETS		
Financial Assets		
Shares in group companies	13	11 619 251
		<hr/> 11 619 251
Total Financial Assets		11 619 251
Current Assets		
Receivables		
Receivables from Group		10 105 492
Other Receivables		88
		<hr/> 10 105 580
Cash and Cash		
Cash and Cash Equivalents		228 945
		<hr/> 228 945
Total Current Assets		10 334 525
TOTAL ASSETS		21 953 776
EQUITY AND LIABILITIES		Parent Company
		31-12-2020
Unrestricted Equity		
Restricted Capital		
Share Capital	15	1 471 402
		<hr/> 1 471 402
Unrestricted Equity		
Share Premium		19 780 094
Results for the year		-2 909 467
		<hr/> 16 870 627

Kollet on Demand Holding AB (publ)

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Total Equity **18 342 029****Current Liabilities**

Liabilities to credit institutions 3 121 812

Accrued expenses and prepaid income **18** 489 935Total current liabilities 3 611 747**TOTAL EQUITY AND LIABILITIES** **21 953 776**

Statement of Changes in Equity, Parent Company	Share Capital	Share Premium	Balanced results	Results for the year	Total
Amount at 01-09-2019	0	0	0	0	0
Formation of the	500 000				500 000
New Issues	971 403	26 954 146			27 925 549
Issue Costs		-7 174 052			-7 174 052
Results for the year				-2 909 467	-2 909 467
Amount at 31-12-2020	<u>1 471 403</u>	<u>19 780 094</u>	<u>0</u>	<u>-2 909 467</u>	<u>18 342 030</u>

CASHFLOW		The Parent Company
		01-09-2019
		31-12-2020
	Note	
Operational Cash Flow		
Result for the period	2	-489 935
Interest Paid		-2 419 532
Cash flow from Operating Activities before changes in working capital		<u>-2 909 467</u>
Cash flow from changes in working capital		
Decrease (+) / increase (-) of operating receivables		-10 105 580
Decrease (-) / increase (+) of operating liabilities		489 934
Cashflow from operating		<u>-12 525 113</u>
Investment Activities		
Acquisition of group companies	13	-11 619 251
Cashflow from investing		<u>-11 619 251</u>
Financing Activities		
Rights Issue		28 425 549
Issue Costs		-7 174 052
Borrowings		3 121 812
Cashflow from financing		<u>23 373 309</u>
Change in cash and cash		228 945
Cash and cash equivalents at the start of the period		0
Cash and cash equivalents at the end of the year		<u>228 945</u>

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NOTES

Note 1 Accounting and valuation principles

Note 1 General information

Kollect on Demand Holding AB (publ) (the parent company) and its subsidiaries (the group as a whole) offer solutions in waste management. The Group's operating activities are conducted in Ireland and the UK.

The parent company is a limited liability company with its registered office in Stockholm, Stockholm Municipality, registered in Sweden with company registration number 559216-5160. The head office in Waterford, Ireland is Unit F4, Waterford City Enterprise Centre, Waterford Business Park, Cork Road, Waterford, X91 RK40.

Waterford Business Park, City Enterprise Centre, Cork Rd. The parent company's operations consist of the management of shares in subsidiaries.

Parent company is listed on Nasdaq First North Stockholm. On 1 June 2021, the Board of Directors approved these consolidated financial statements for publication on June 2, 2021.

Accounting principles for the Group

GENERAL ACCOUNTING PRINCIPLES

The consolidated financial statements are prepared in accordance with the Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups, International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRS IC) as adopted by the EU.

In November 2019, Kollect on Demand (Ireland) Ltd became a wholly owned subsidiary of Kollect on Demand Holding AB (publ) through a noncash issue. The transaction was made between companies under the same controlling influence, which is why IFRS 3 Business Combinations is not applicable. No revaluation of assets or liabilities has taken place in connection with the acquisition. The consolidated income statement for the financial year 2019/2020 covers the entire Kollect on Demand Holding AB (publ) and the Kollect on Demand (Ireland) Ltd's financial year. The effect on the Group's equity, which is called Acquisitions through a non-cash issue, thus consists of the subsidiary Group's equity at the beginning of the financial year adjusted for transactions with shareholders that took place before the Kollect Group was formed.

The parent company's annual report has been prepared in accordance with the Annual Accounts Act and RFR 2 Accounting for Legal Entities. The recommendation means that the Parent Company applies the same accounting principles as the Group, except in cases where the Annual Accounts Act or current tax rules limit the possibilities of applying IFRS. Differences between the parent company's and the group's accounting principles are reported under the parent company's accounting principles below.

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Basis for the report

The consolidated financial statements have been prepared in accordance with the acquisition value method. The balance sheet items that are classified as current assets and current liabilities are expected to be recovered and paid within 12 months. All other balance sheet items are expected to be recovered or paid later. The Group's functional accounting currency is Swedish kronor. The consolidated financial statements are stated in Swedish kronor (SEK) where no other is stated.

Preparing reports in accordance with IFRS requires the use of some important estimates for accounting purposes. Furthermore, management is required to make certain assessments when applying the Group's accounting principles. The areas that include a high degree of assessment, which are complex or such areas where assumptions and estimates are of significant importance for the consolidated accounts are stated under the heading "Important estimates and assessments for accounting purposes".

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New changes to standards and interpretations that have not yet been applied by the Group

No other IFRS or IFRIC interpretations that have not yet entered into force are expected to have any significant impact on the Group.

GROUP ACCOUNTING PRINCIPLES

Consolidated financial statements

Subsidiaries are all companies over which the Group has a controlling influence. The Group controls a company when it is exposed to or entitled to a variable return from its holding in the company and has the opportunity to influence the return through its influence in the company.

Subsidiaries are included in the consolidated financial statements from the date on which the controlling influence is transferred to the Group. They are excluded from the consolidated financial statements from the date on which the controlling influence ceases.

The acquisition method is used to report the Group's business acquisitions. The purchase price for the acquisition of a subsidiary consists of the fair value of transferred assets and liabilities that the Group incurs to previous owners of the acquired company and the shares issued by the Group. The purchase price also includes the fair value of all assets or liabilities that are a consequence of an agreement on a contingent purchase price. Identifiable assets acquired and liabilities assumed in a business combination are initially valued at fair value on the acquisition date. Acquisition-related costs are expensed when they arise. Acquisition-related costs are expensed when they arise.

If business acquisitions are carried out in several stages, the previous equity interests in the acquired company are revalued to their fair value at the time of acquisition.

Any gain or loss arising is reported in the income statement. Each contingent purchase price to be transferred by the Group is reported at fair value at the time of acquisition. Subsequent changes in the fair value of a contingent consideration that is classified as an asset or liability are reported either in the income statement or in other comprehensive income. Contingent purchase consideration classified as equity is not revalued and subsequent settlement is reported in equity.

Intra-group transactions, balance sheet items and unrealized gains and losses on transactions between Group companies are eliminated. The accounting principles for subsidiaries have been changed as appropriate to ensure a consistent application of the Group's principles.

Foreign currency translation

Items included in the financial statements for the various units in the Group are valued in the currency used in the economic environment in which each company is mainly active (functional currency). In the consolidated accounts, Swedish kronor (SEK) is used, which is the parent company's functional currency and reporting currency.

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Transactions in foreign currency are translated into the functional currency according to the exchange rates that apply on the transaction date or the day when the items are revalued. Exchange rate gains and losses that arise from the payment of such transactions and from the translation of monetary assets and liabilities in foreign currency at the exchange rate on the balance sheet date are reported in the income statement.

Currency exchange rate gains and losses relating to long-term and cash and cash equivalents are reported in the income statement as financial income or expenses. The translation difference for non-monetary financial assets and liabilities is reported as part of fair value gains or losses.

The following exchange rates have been used in the preparation of the accounts

Exchange rate compared to SEK

	Average 01-09-2019 to 31-12-2020	Average 01-01-2019 to 31-08-2019	Balance Sheet Date 31-12-2020	Balance Sheet Date 31-08-2019
EUR	10.5288	10.52	10.0343	10.74
GBP	11.9073	11.9	11.2424	11.72

Profit and financial position for all Group companies that have a functional currency other than the reporting currency are translated into the Group's reporting currency as follows:

- Assets and liabilities for each of the balance sheets are translated at the closing day rate,
- Income and expenses for each of the income statements are translated at the average exchange rate (unless this average exchange rate is not a reasonable approximation of the accumulated effect of the exchange rates applicable on the transaction date, in which case income and expenses are translated at the exchange rate on the transaction date), and
- All Exchange rate differences that arise are reported in other comprehensive income

Upon consolidation, exchange rate differences, which arise as a result of the translation of net investments in foreign operations, are recognized in other comprehensive income. When a foreign operation is divested, in whole or in part, the exchange rate differences that are reported in other comprehensive income are recognized in the income statement and reported as part of the capital gain or loss.

Goodwill and fair value adjustments that arise on the acquisition of a foreign operation are treated as assets and liabilities in this operation and are translated at the exchange rate on the balance sheet date.

Intangible assets

In-house developed software

Software maintenance costs are expensed as incurred. Development costs that are directly attributable to the development and testing of identifiable and unique software products controlled by the Group are reported as intangible assets when the following criteria are met:

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- It is technically possible to complete the software so that it can be used,
- The Company's intention is to complete the software and to use or sell it,
- There are conditions to use or sell the software,
- It can be shown how the software generates probable future economic benefits,
- Adequate technical, financial and other resources to complete the development,
- Use or sell the software are available, and
- The expenses that are attributable to the software during its development can be calculated reliably.

Directly attributable expenses that are capitalized as part of the software include expenses for employees and a reasonable share of indirect costs. Other development costs, which do not meet these criteria, are expensed as incurred.

Development costs that were previously expensed are not reported as an asset in the subsequent period. Development costs for software that are reported as an asset are amortized on a straight-line basis over their estimated useful life (3-5 years).

Rights of use

The most important leasing agreements relate to a number of BIGbins. The leasing agreement was entered into during December 2018, with repayments made over a period of 60 months for a total value of SEK 5,669,380. In December 2020, there were 36 months remaining on the agreement. The average loan interest rate as of December 2020 was 8.95%.

Tangible fixed assets

Tangible fixed assets are reported at acquisition value less depreciation. The acquisition value includes expenses that can be directly attributed to the acquisition of the asset.

Expenses for improvement of tangible fixed assets, consisting of the categories Equipment, tools and installations as well as improvement expenses on other property, performance in addition to the original level increase the asset's carrying amount. Depreciation is based on acquisition values which, after deduction of any residual values, are distributed over the estimated useful life. Depreciation has been based on an assessment of the assets' useful life.

The following depreciation periods are applied:

- 10% for furniture, tools and installations
- 20% for computers with accessories
- 33% for motor vehicles
- 33% for bins
- Rights of use are depreciated over the contract period

Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets that are not ready for use are not depreciated but are tested annually, or in the event of an indication of impairment, regarding any need for impairment. Assets that are depreciated are assessed with respect to impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. When assessing impairment, assets are grouped at the lowest levels where there are separate identifiable cash flows (cash-generating units).

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Leasing agreement

IFRS 16 Leasing agreements apply to all leasing agreements. The leasing fee for short-term leasing agreements and leasing agreements with low value is expensed on a straight-line basis over the leasing period.

A financial leasing agreement is a leasing agreement according to which the financial risks and benefits associated with owning an asset are essentially transferred from the lessor to the lessee.

Rights and obligations under financial leasing agreements are reported as assets and liabilities in the balance sheet. The asset and liability are reported at the lower of the asset's fair value and the present value of the minimum lease payments, determined at the conclusion of the lease. The leasing fees are divided between interest and amortization of the debt according to the effective interest method. Variable fees are reported as an expense in the financial year in which the expenses arise.

The estimated useful lives of leased assets are assessed on the same basis as other fixed assets. Impairment assessments of leased assets are made on an ongoing basis. The lease liability is initially valued at those unpaid leasing fees with adjustment for discount rate. If the discount rate is not known, the Group's lending rate is used. The Group's lending rate is usually used.

Lease payments that are included in the valuation of the lease liability are included:

- Fixed leasing fees
- Variable leasing fees that depend on indices or other interest rate parameters
- Amounts expected to be paid according to a residual value guarantee

The lease liability is valued at accrued acquisition value according to the effective interest method. The debt is revalued when there are changes in future lease payments as a result of a change in the index or other interest rate parameters.

Financial assets

The Group classifies and values its financial assets based on the business model that manages the asset's contracted cash flows and the nature of the asset. The financial assets are classified in one of the following categories: financial assets that are valued at accrued acquisition value, financial assets that are valued at fair value through other comprehensive income and financial assets that are valued at fair value through profit or loss.

Financial assets valued at accrued acquisition value

At present, the Group only has financial assets that are not normally sold outside the Group and where the purpose of the holding is to obtain contractual cash flows. All financial assets are classified as financial assets that are valued at accrued acquisition value using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents include, both in the balance sheet and in the report on cash flows, cash, bank balances and other short-term investments maturing within three months from the date of acquisition.

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When acquiring financial assets, expected credit losses are reported on an ongoing basis during the holding period, normally taking into account credit loss risk within the next 12 months. In the event that the credit risk has increased significantly, provisions are made for the credit losses that are expected to occur during the entire asset term. Kollect applies the simplified method for calculating credit losses based on historical data regarding the counterparty's ability to pay. Based on historical data, the expected credit losses are judged to be limited.

Equity

Share capital

Ordinary shares are classified as share capital.

Issue costs

Transaction costs that can be directly attributed to the issue of new ordinary shares are reported, net after tax, in equity as a deduction from the issue proceeds.

Financial liabilities

Financial liabilities valued at accrued acquisition value

The Group only has financial liabilities that are classified and valued at accrued acquisition value using the effective interest method. Reporting is initially done at fair value, net after transaction costs.

Current and deferred income tax

Income tax reporting includes current tax and deferred tax. The tax is reported in the income statement, except in cases where it relates to items that are reported in other comprehensive income or directly in equity. In such cases, the tax is also reported in other comprehensive income and equity.

The current tax cost is calculated on the basis of the tax rules that are decided on the balance sheet date or in practice decided in the countries where the parent company's subsidiaries are active and generate taxable income. Management regularly evaluates the claims made in self-declarations regarding situations where applicable tax rules are subject to interpretation. It makes, when deemed appropriate, provisions for amounts that are likely to be paid to the tax authority.

Deferred tax is reported on all temporary differences. A temporary difference exists when the book value of an asset or liability differs from the tax value. Deferred tax is calculated in application of the tax rate that has been decided or announced on the balance sheet date and that is expected to apply when the tax claim in question is realized or the tax liability is settled.

Deferred tax assets are reported to the extent that it is probable that future tax surpluses will exist against which the temporary differences can be utilized.

Deferred tax assets are reported to the extent that it is probable that future taxable surpluses will exist against which the temporary differences can be utilized.

Deferred tax liabilities are calculated on temporary differences that arise on participations in subsidiaries and associated companies, except where the time of reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not be reversed in the foreseeable future.

Deferred tax assets are not reported as it is not possible to demonstrate future profits to use accumulated losses against.

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Net financial items

Net financial items consist of interest income and interest expenses. For the receivables and liabilities that are included in the net financial debt, any exchange rate gains and losses in net interest income are also included. This also includes transaction costs for assets and liabilities that are included in the net financial debt. Interest income and interest expenses are distributed over the term using the effective interest method.

Remuneration to employees

Liabilities for salaries and remuneration and paid absences, which are expected to be settled within 12 months after the end of the financial year, are reported as current liabilities to the amount that is expected to be paid when the debts are settled, without regard to discounting. The cost is reported as the services are performed by the employees.

Revenue recognition

The company offers solutions in waste management. The majority of the Group's revenues consist of the following:

- BIGbin
- Waste collection
- Skip (container) hire
- Junk removal

The company reports revenue when the contractual obligation to the end customer is fulfilled. Execution of services are specific obligations to deliver for which the revenue is reported in the period in which the services are performed / delivered when the result / consequences of the agreement can be assessed in a reliable manner. The obligations to deliver are fulfilled when the waste is collected or when the waste is delivered.

Interest income

Interest income is reported as income, distributed over the term, using the effective interest method.

Contract assets and contract liabilities

The time for revenue recognition, invoicing and payments leads to invoiced accounts receivable, uninvoiced accounts receivable (contract assets) and advance payment from the customer (contractual liabilities) in the consolidated balance sheet. The payment terms vary from contract to contract and depend on what has been agreed with the customer.

Government grants and tax reductions

Public grants are only reported when there is reasonable assurance that the grants will be received for retraining costs and the Group will meet the conditions associated with the grants. Then the grants are reported as other income during the period in which the costs are considered attributable.

Cash flow analysis

The cash flow analysis has been prepared according to the indirect method used, which means that the net result has been adjusted for transactions that did not result in inflows or outflows during the period, as well as for any income and expenses attributable to the investment or financing operations' cash flows.

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PARENT COMPANY ACCOUNTING PRINCIPLES

In the following cases, the parent company's accounting principles do not comply with the Group's:

Income tax

In the Parent Company, due to the connection between accounting and taxation, the deferred tax liability on any untaxed reserves is reported as part of the untaxed reserves.

Shares in group companies

Shares in subsidiaries are reported at acquisition value after deductions for any write-downs. The acquisition value includes acquisition-related costs and any additional purchase consideration. In the event that there is an indication that participations in subsidiaries have decreased in value, a calculation of the recoverable amount is made. If the recoverable amount is lower than the carrying amount, an impairment loss is recognized. Impairment losses are reported in the item Profit from participations in Group companies.

Financial instruments

In the Parent Company, IFRS 9 is not applied except when calculating any write-down or loss risk provision when the same principles in the Group are applied. In the Parent Company, financial fixed assets are valued at acquisition value less any write downs and financial current assets at the lower of acquisition value and fair value less costs to sell.

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Financial risk management and capital risk

FINANCIAL RISK MANAGEMENT

Through its operations, the Group is exposed to financial risks such as market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management policy, as established by the Board, is to strive for minimal adverse effects on financial results and position.

Market risk

Currency risks

The Group operates internationally and is therefore exposed to exchange rate risks that arise due to various currency exposures, primarily with respect to EUR, but also to a certain extent GBP and USD. Exchange rate risks arise from future business transactions reported as assets and liabilities as well as net investments in foreign operations.

As the Group's operations are mainly conducted in Ireland, currency flow is mainly in EUR and the assessment is that there is currently no need to carry out currency hedging.

The Group has holdings in foreign operations whose net assets are exposed to exchange rate risks. Currency exposure arising from net assets in the Group's foreign operations is not considered significant.

If the Swedish krona weakens or strengthens by 10% in relation to the Group's foreign subsidiaries' reporting currencies with all other variables constant, the result for the year will be affected by + SEK 1.7 million / - SEK 2 million.

Interest rate risk related to cash flows and fair values

Interest rate risk is the risk that the value of financial assets and liabilities varies depending on changes in market interest rates. The Group currently only has interest-bearing financial assets in the form of bank balances.

Calculated on financial interest-bearing liabilities, a percentage change in the market interest rate would affect the Group's earnings by SEK 150,000.

Price risk

The Group is not exposed to any price risk regarding shares that are classified as financial instruments, valued at fair value via the income statement or financial assets that can be sold.

Credit risk

A credit risk refers to when a party to a transaction with a financial instrument is unable to fulfill its obligation. Credit risks are mainly related to cash and accounts receivable.

Exposure to credit risks is monitored regularly. Incidentally, there is no significant concentration of credit risks geographically or in terms of a specific customer segment. There are no collateral loans in relation to receivables.

Most of the Company's customers pay in advance. This means that the risk of doubtful accounts receivable is assessed as low. For information on accounts receivable divided into maturities, see Note 26.

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Liquidity risk

Liquidity risk is managed by the Group, which currently has sufficient cash and cash equivalents for its operations. Management also carefully considers rolling forecasts for the Group's liquidity, based on expected cash flows.

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

Estimates and assessments are continuously evaluated and based on historical experience together with other factors, including any expectations of future events that are considered reasonable under the prevailing conditions. The Group makes estimates and assumptions about the future. The estimates for accounting purposes derived from these, by definition, rarely correspond to the actual results. The estimates and assumptions that may pose a risk of significant adjustments to the carrying amounts of assets and liabilities during the next financial year are set out below.

Own software

Development costs are maintained based on what is described in the section "Intangible assets". The Group has estimated the technical life that affects the reported cost of depreciation in the income statement and the valuation of assets in the balance sheet.

Income

The Group has analyzed and evaluated IFRS 15 as a set of rules and has made assessments of the time when control is transferred to the customer on an ongoing basis during the contract period or at a specific time. Revenue recognition is based on this assessment.

The Group also has agreements where the underlying fair value of different types of income does not always correspond to the design of the agreement, which requires assessments. Cases such as these may arise in connection with procurements where the procurement documents are designed in such a way that the terms and specifications of the agreement differ from the fair value of each type of revenue. In such cases, the Group reviews the agreements regarding pricing, delivery dates and delivery approvals. The actual fair value per type of revenue can then be calculated and the agreed sales price distributed over the term of the agreement.

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INFORMATION FOR INDIVIDUAL ITEMS

Note 2 Net sales	The Group		Parent Company
	2019/2020	31-08-2019	2019/2020
Net sales divided into business segment			
Waste collection	18 231 883	12 540 880	0
Platform	32 792 362	6 805 193	0
Waste drop off (BIGbin)	8 300 477	3 684 256	0
	<u>59 324 722</u>	<u>23 030 329</u>	<u>0</u>

Note 2 Net sales**Net sales divided into geographical areas**

Ireland	58 145 038	23 030 329	0
UK	1 179 684	0	0
	<u>59 324 722</u>	<u>23 030 329</u>	<u>0</u>

Note 3 Purchasing and sales within the Group	The Group		Parent Company
	2019/2020	31-08-2019	2019/2020

Intra-group purchases or sales have not occurred

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Note 4 Other Operating Income	The Group		Parent Company
	2019/2020	31-08-2019	2019/2020
Other Operating Income divided by type			
Research and Development Grants	158 250	0	0
Other Incomes	1 228 114	0	0
	<u>1 386 364</u>	<u>0</u>	<u>0</u>

Note 5 Remuneration to auditors	The Group		Parent Company
	2019/2020	31-08-2019	2019/2020
Audit Fees	600 000	100 000	300 000
Audit Fees beyond assignment	0	0	0
Tax advice	0	0	0
Other Services	0	0	0
	<u>600 000</u>	<u>100 000</u>	<u>300 000</u>

Audit fees refer to the auditor's work for the statutory audit and auditing activities to different types of quality assurance services. Other services are those that are not included in auditing assignments, auditing activities or tax advice.

Note 6 Administration Costs	The Group		Parent Company
	2019/2020	31-08-2019	2019/2020
Other External Costs	18 194 530	5 172 217	0
Staff Costs	19 851 738	5 075 953	489 935
Depreciation and Amortization	2 531 514	849 234	0
Total	40 577 782	11 097 404	489 935

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Note 7 Staff	The Group		Parent Company
	2019/2020	31-08-2019	2019/2020
<i>Average number of employees</i>			
The average number of employees is calculated based upon Full Time Employees	42	23	1
<i>Salaries</i>			
Salaries, bonuses, social security costs and pension costs have been paid in the following amounts: The Board and the CEO:			
Salaries and benefits	2 178 016	878 420	372 800
	<u>2 178 016</u>	<u>878 420</u>	<u>372 800</u>
Other Employees:			
Salaries and benefits	14 031 763	3 710 536	0
Social security costs	1 317 196	472 563	117 135
Total Board and Other Employees	<u>17 526 975</u>	<u>5 061 519</u>	<u>489 935</u>
Gender distribution on the Board and company management			
Number of Board Members	6	3	6
Of which are women	0	0	0
Of which are men	6	3	6
Note 8 Finance Costs			
	2019/2020	31-08-2019	Parent Company 2019/2020
Interest expense	3 054 187	37 952	2 419 532
Exchange rate differences	1 081 180	0	0
	<u>4 135 367</u>	<u>37 952</u>	<u>2 419 532</u>

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Note 9 Tax on Profit for the year	2019/2020	31-08-2019
The Group		
Current tax	0	0
Deferred tax	0	0
	<hr/> 0	<hr/> 0
 <i>Reconciliation of effective tax</i>		
Results before tax	-21 313 589	-2 230 723
Tax expense 12.5%	2 664 199	278 840
Capital contribution	-1 290 387	0
Non-deductible expenses	-141 813	0
Losses carried forward	-1 213 999	-278 840
 Parent Company		
	2019/2020	
Current tax	0	
Deferred tax	0	
	<hr/> 0	
 <i>Reconciliation of effective tax</i>		
Results before tax	-2 909 467	
Tax expense 21.4%	622 626	
Losses carried forward	-622 626	

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Note 10 Intangible Assets	The Group		Parent Company
	2019/2020	31-08-2019	2019/2020
Capitalized expenses for development work			
Opening Balance	835 141	835 141	0
Additions	50 612	0	0
Closing Accumulated Cost value	<u>855 753</u>	<u>835 141</u>	<u>0</u>
Accumulated Depreciation	-332 600	-221 257	0
Depreciation charge	-302 884	-111 344	0
Closing accumulated depreciation charge	<u>-635 484</u>	<u>-332 600</u>	<u>0</u>
Closing carrying value	250 268	502 540	0

Note 11 Tangible Fixed Assets	The Group		Parent Company
	2019/2020	31-08-2019	2019/2020
Opening Balance	489 780	148 890	0
Additions	6 394 940	340 890	0
Closing Cost value	<u>6 884 720</u>	<u>489 780</u>	<u>0</u>
Accumulated Depreciation	-33 117	-29 898	0
Depreciation charge	-358 848	-3 219	0
Closing accumulated depreciation charge	<u>-391 965</u>	<u>-33 117</u>	<u>0</u>
Closing carrying value	<u>6 492 755</u>	<u>456 663</u>	<u>0</u>

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Note 12 Right of Use	The Group		Parent Company
	2019/2020	31-08-2019	2019/2020
Leasing			
Opening Balance	5 671 132	4 373 164	0
Additions	2 725 991	1 297 968	0
Closing Cost value	<u>8 397 123</u>	<u>5 671 132</u>	<u>0</u>
Accumulated Depreciation	-755 742	-471 759	0
Depreciation charge	-1 969 135	-283 983	<u>0</u>
Closing accumulated depreciation charge	<u>-2 724 877</u>	<u>-755 742</u>	<u>0</u>
Closing carrying value	<u>5 672 246</u>	<u>4 915 390</u>	<u>0</u>
Leasing Costs	2019/2020	31-08-2019	
At the beginning of the year	2 756 124	3 305 247	
Additions during the year	1 593 723	511 293	
Payments during the year	-804 316	-1 025 384	
Interest	-114 364	-35 032	
Closing balance	3 431 168	2 756 124	
Future minimum leasing fees for non-cancellable leasing agreements are due for payment as follows:			
Due in 1 year	561 933	477 88	0
Due between 2 to 5 years	2 869 235	2 278 243	0
Due after more than 5 years	0	0	0
	<u>3 431 168</u>	<u>2 756 124</u>	<u>0</u>

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Note 13 Shares in Group Companies**31-12-2020****The Parent**

Company and Organization Number	Number of Shares	Ownership	Recorded Value
Kollect on Demand Limited, Org No. 573 790	12 660	100%	11 616 966
Kollect on Demand (UK) Limited, Org No. 12097213	100	100%	1 238
BIGbin Waste Tech Limited Org No. 672 818	100	100%	1 047
			11 619 251

Information on equity and earnings	Equity Capital	Results
Kollect on Demand Limited	9 851 183	-18 315 053
Kollect on Demand (UK) Limited	240 902	-255 149
BIGbin Waste Tech Limited	-158 281	166 081
Opening Asset value	0	
Acquisition through non-cash issue	11 616 966	
Purchase	2 285	
Closing accumulated acquisition values	11 619 251	
Closing carrying amount	11 619 251	

Note 14 Prepayments and Accrued Income	The Group		Parent Company
	2019/2020	31-08-2019	2019/2020
Other expenses	28 455	241 961	0
	28 455	241 961	0

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Note 15 Information on Share Capital

Date	Quoted Value (kr)	Number of Shares	Change in share capital	Total share capital
29-08-2019 Company formation	1.00	500 000	500 000	500 000
21-11-2019 Rights Issue	1.00	395 276	395 276	895 276
21-11-2019 Share Split (4:1)	0.25	2 685 828	0	895 276
09-01-2020 Rights Issue	0.25	1 091 808	272 952	1 168 228
25-02-2020 Exchange of convertibles	0.25	257 251	64 318	1 232 546
25-02-2020 Execution of warrants	0.25	29 242	7 311	1 239 856
28-02-2020 Rights Issue	0.25	26 185	6 546	1 246 403
03-09-2020. Rights Issue	0.25	900 000	225 000	1 471 403
At the end of the year	0.25	5 769 077	1 471 403	1 471 403

Parent Company**31-12-2020**

Warrants at the beginning of the period	0
Warrants issued during the year	3 692 805
Warrants exercised during the year	0
Total warrants at the end of the year	3 692 805

The subscription period for the warrants is from 6 August 2021 – 20 August 2021, after which they will expire.

Note 16 Amounts owing to credit institutions	The Group		Parent Company
	2019/2020	31-08-2019	2019/2020
Opening balance	4 526 432	1 544 259	0
New loans	5 871 625	2 703 557	
Amortization of loans	-3 157 677	-74 906	
Interest	1 130 320	353 523	
Closing balance	8 370 700	4 526 433	0

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Note 17 Long Term Liabilities	The Group		Parent Company
	2019/2020	31-08-2019	2019/2020
Owed to credit institutions	257 120	270 584	0
Other Long Term Liabilities	2 890 692	2 278 643	0
	<u>3 147 812</u>	<u>2 549 227</u>	<u>0</u>

Note 18 Accrued Expenses and Prepaid Income	The Group		Parent Company
	2019/2020	31-08-2019	2019/2020
Accrued salaries including security contributions	750 606	0	0
Accrued costs of goods sold	147 763	97 754	0
Other accrued expenses	1 889 712	79 068	489 935
	<u>2 788 081</u>	<u>176 822</u>	<u>489 935</u>

Note 19 Allocation of profit or loss

Proposal for allocation of the company's profit

Share Premium available to the Annual General Meeting	19 780 094
Loss for the year	-2 909 467
	<u>16 870 627</u>

The Board proposed to transfer to a new account	16 870 627
	<u>16 870 627</u>

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Note 20 Pledged Collateral	The Group		Parent Company
	2019/2020	31-08-2019	2019/2020
Total pledged collateral	5 314 400	0	50 000

Liabilities for which collateral has been provided

The parent company's collateral provided above refers to bank guarantee. Kollect on Demand Ireland has a pledged security of €500 000 which has been valued at the exchange rate on the balance sheet date.

Note 21 Significant events after the financial year end

The first quarter of 2021 began with the Irish government increasing the Covid-19 restrictions by closing many (but not all) construction sites from January 11 2021 which was then extended to at least March 5, 2021. The effect of the Covid-19 restrictions has negatively impacted revenue from commercial waste, skip hire and junk removal.

In February 2021, the Company took out a new loan of SEK 4.8 million for the BIGbin business from an Irish bank to finance expansion to a further 10 locations during the year.

The Parent Company has increased its bridge loans with Formue Nord from SEK 3 million to SEK 6.5 million. The extended loan provides the company with financing until the warrant programme.

Two of the founders, John Hegarty and Robbie Skuse resigned from the board in February 2021. Both remain in the group in operational roles.

Note 22 Intergroup relations

All companies in the group are 100% owned subsidiaries.

Note 23 Definition of key figures

Equity to Asset Ratio	Adjusted equity as a percentage of total assets
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Note 24 Financial liabilities and liabilities

	The Group		Parent Company
	2019/2020	31-08-2019	31-08-2019
Accounts Receivable	1 899 846	1 283 062	0
Other receivables	2 406 677	0	0
Cash and cash equivalents	2 350 742	990 246	228 945
Total	6 657 265	2 273 308	228 945
Financial Liabilities			
Lease liabilities	3 431 168	2 756 125	0
Liabilities to credit institutions	8 370 701	4 526 433	3 121 812
Other liabilities	2 296 091	325 989	0
Accrued expenses	2 788 081	176 822	489 935
Total	16 886 041	7 785 369	3 611 747

Note 25 – Transactions with Related Parties

In 2018 a loan was received from one of the shareholders of the Company. The loan amounts to SEK 207,610 per 31-12-2020 (SEK 460,456 per 31-08-2019). No further transactions with related parties other than the above.

Note 26 – Aged analysis accounts receivable

	31-12-2020	31-08-2019
Current accounts receivables	1 156 251	841 504
Overdue accounts	31 – 60 days	451 961
Overdue accounts	61- 90 days	96 914
Overdue accounts	91 – 120 days	53 859
Overdue accounts	121- 150 day	21 038
Overdue accounts	More than 151 days	119 823
Total	1 899 846	1 283 062

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Stockholm

John O'Connor
CEO

Johnny Fortune

Maoiliosa O'Culachain

Stefan
Wikstrand

The audit report has been submitted by Mazars AB

Anders Fornstedt
Chartered Accountant