

A large, stylized orange graphic on the left side of the page, resembling a hand holding a piece of waste or a recycling symbol.

Kollect on Demand Holding AB

INTERIM REPORT

JANUARY - JUNE 2023



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 (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.

For more information, visit www.kollect.ie.



Kollect On Demand Holding AB (publ) (“Kollect”) reports revenues of SEK 41.1 million, for the first half of 2023, an increase of 36% compared to the same period in 2022, with EBITDA losses improved by 83% year-on-year.

Waterford, Ireland – August 10, 2023, Kollect On Demand Holding AB (publ) (“Kollect” or the “Company”) (Nasdaq: KOLL), is pleased to publish its Interim Report for January – June 2023.

Highlights for the Quarter

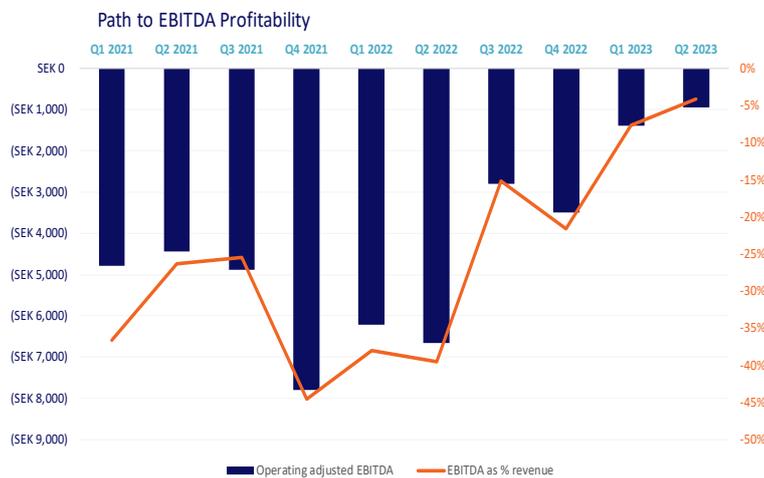
- Revenue for Q1 2023 was SEK 18.3 million (an increase of 37% year on year) and revenue for Q2 2023 was SEK 22.7 million (an increase of 35% year on year). For the period January – June 2023, revenue was SEK 41.1 million, an increase of 36% year on year.
- Recurring revenue for Q1 2023 was SEK 11.4 million (an increase of 64% year on year) and recurring revenue for Q2 2023 was SEK 12.0 million (an increase of 48% year on year). For the period January – June 2023, recurring revenue was SEK 23.4 million, an increase of 55% year on year.
- Gross Profit for Q1 2023 was SEK 5.7 million (an increase of 40% year on year) and gross profit for Q2 2023 was SEK 6.1 million (an increase of 24% year on year). For the period January – June 2023, gross profit was SEK 11.7 million, an increase of 32% year on year.
- Gross margin for January – June 2023 was 28.5% compared to 29.4% for the same period in 2022.
- Operating expenses for January – June 2023 were SEK 14.0 million, a reduction of 36% compared to the same period in 2022 where expenses were SEK 21.8 million.
- Adjusted EBITDA for Q1 2023 was negative SEK 1.4 million (an improvement of 78% year on year) and adjusted EBITDA for Q2 2023 was negative SEK 0.8 million (an improvement of 87% year on year). For the period January – June 2023, total adjusted EBITDA was negative -SEK 2.2 million, an improvement of 83% year on year.

CEO Comments

Operational and financial performance

John O'Connor, CEO, stated: "We have continued on our path to profitability in the start of 2023 and are delighted with how this year has progressed. We have continued to improve our EBITDA as a percentage of revenue, which for Q2 2023 was -4%, compared favourably to -8% in Q1 2023 but significantly improved compared to Q1 2022 of -38% and -40% in Q2 2022.

This improvement has been driven by a continued sharp and determined focus on minimising operating



costs, and expanding efficiencies. That we have been able to reduce operating costs by 36% in January – June 2023 compared to the same period in the prior year (reductions of 31% in Q1 and 40% in Q2 compared to the prior year).

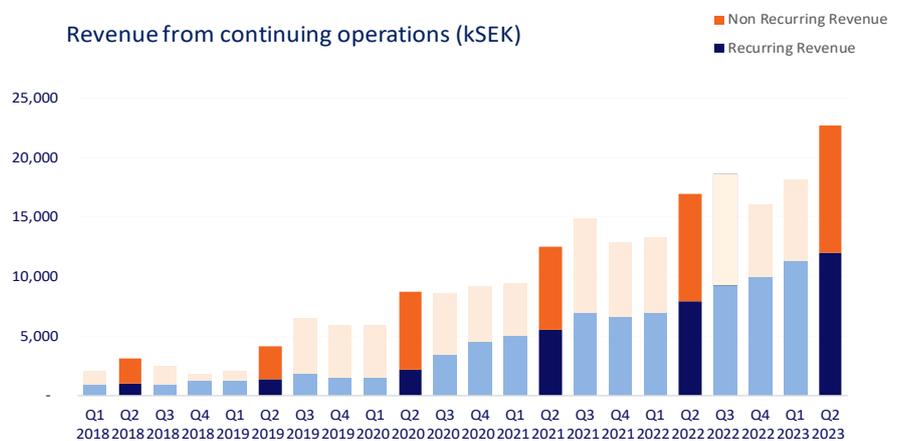
I am even more pleased that we have been able to do so whilst not sacrificing the core of our business which is expanding revenue growth. The year-on-year growth rate for the first half of the year was 36% and was consistent across both quarters (37% in Q1, 35% in Q2) and is a testament to the hard work of the team, the deployment of our internal technical infrastructure and

operating procedures as well as the gap which we have found in the market and the value which we drive for our customers.

The largest driver in the growth in revenue has been the strong performance of the commercial department

and we have seen year on year growth in our recurring revenue of 55%. The team continue to add new customers, as well as improving the offering to our customers. The tertiary services increase our revenue with our existing customers, improve the likelihood of winning new customers because of our suite of services and also entrench our relationships with our customers increasing their stickiness and their lifetime value.

Revenue from continuing operations (kSEK)



Central to the development of the business has been excellent customer service, and I am also particularly pleased that we have not had to sacrifice this as we have delivered on our revenue growth and cost improvement as we now have nearly 1,500 5 star reviews across all platforms, and are consistently rated as the top performing customer service team in our industry.

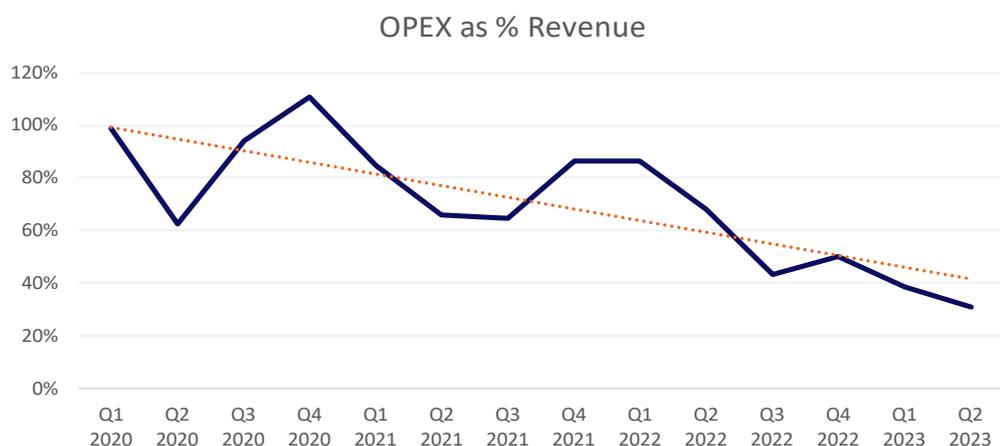
The company has also launched a new SaaS product "Greenstreams" into apartment complexes, which was in the trial phase with a small number of customers. The Greenstreams service reduces bin room management costs by up to 50% by providing an apartment complex with a fully managed bin room, a bulky

waste management solution which eliminates illegal dumping and improves recycling rates within the bin room.

New Services

During Q4 of 2022 we launched a number of new services for domestic customers. These services are “Home services” and are complimentary to the existing waste services which we offer to households. These services are window cleaning, garden services, pressure washing, gutter and fascia cleaning and septic tank removal. This follows our existing strategy of targeting industries with a fragmented supplier base, where suppliers do not have the experience or resource to acquire customers digitally, when the customers themselves are

online struggling to find these services. We are pleased with the start that these services have made to our business and whilst they are not yet material to our business, there are promising signs for the future.



Extension of existing loan

In Q1 2023, the Company also announced the extension of its SBCI term loan from long term finance partner Invoice-Fair. This loan, of approximately EUR 500K will support the financing of the company on its path to profitability.

The Company also negotiated a new €100K overdraft (approx. SEK 1.18 million) facility with its Irish banker – Allied Irish Bank (“AIB”).

Events in the Quarter

Trading in the period

Recurring revenues were up 55% in the first half of 2023 reflecting the strong investment which the Company has made in its commercial team in the past number of years.

Non-recurring revenues also showed positive growth having increased 16% year on year. This was pleasing given the company’s focus on commercial revenue and that domestic households have been exposed to inflationary pressures during the cost of living crisis since the start of the year. The company’s improved MI system has also allowed it to focus advertising spending more profitably on a per-job basis.

During the Quarter, the Company continued to focus on maintaining gross margins achieving a gross margin of 29% from its continuing operations, which was in line with margins in the prior year and was in line with the margin from the same time in the previous year of 29%. This outcome was largely attributable to the revenue mix and a continued focus on maintaining gross margins on a vertical basis.

The Company also completed a detailed cost review and as a result of this, operating expenses were 36% lower in the first half of 2023 compared to the first half of 2022. The main driver was across wages and salaries and the company has been able to benefit from the efficiencies from its investment in backend technology.



Key Figures

Key Figures: Jan – June 2023	H1 2023	H1 2022	var.	Var %
Revenue from continuing operations	SEK 41,074	SEK 30,231	SEK 10,843	36%
EBITDA	(SEK 2,233)	(SEK 12,888)	SEK 10,655	83%
Gross Profit	SEK 11,715	SEK 8,903	SEK 2,808	32%
Gross Margin from continuing operations	29%	29%		

Key Figures: Q1 2023	Q1 2023	Q1 2022	var.	Var %
Revenue from continuing operations	SEK 18,344	SEK 13,361	SEK 4,983	37%
EBITDA	(SEK 1,392)	(SEK 6,221)	SEK 4,829	78%
Gross Profit	SEK 5,655	SEK 4,030	SEK 1,625	40%
Gross Margin from continuing operations	31%	30%		

Key Figures: Q2 2023	Q2 2023	Q2 2022	var.	Var %
Revenue from continuing operations	SEK 22,730	SEK 16,870	SEK 5,860	35%
EBITDA	(SEK 841)	(SEK 6,667)	SEK 5,826	87%
Gross Profit	SEK 6,056	SEK 4,873	SEK 1,183	24%
Gross Margin from continuing operations	27%	29%		

Costs

Operating expenses in the first half of 2023 were 36% lower than in the first half of 2022, despite growth in revenue of 36% and an increase in Gross Profit of 32% in the same period. The costs for Q1 2023 were 31% lower than in Q1 2022, and the costs in Q2 2023 were 40% lower than Q2 2022. The Company had previously announced a cost saving plan which has been delivered in this period.

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

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

Waste Drop-Off

During the Quarter, BIGbin Waste Technology Limited ("BIGbin") continued to develop its business, with the total number of operational sites remaining at 42.

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

Exchange Rate

The Company's primary operating currency is Euro. All exchange rates are sourced from the European Central Bank.

Since the Quarter End

Trading since the Quarter End

In line with previous months, trading in the third quarter of 2023 has been strong and shows year-on-year growth in line with projections, whilst maintaining strong gross margins and a strict cost discipline.

Waste Drop Off

At the end of the quarter, the company had 42 operational sites. At the end of Q2 2022, the Company had 40 sites (+5% year-on-year).

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

John O'Connor, CEO
+353 871 218 907
john@kollect.ie

Recurring and non-recurring revenue breakdown

- Recurring revenue from continuing operations in the first half of 2023 was up 55% on the first half of 2022 and reflects the strategic focus on recurring revenue and the strong performance of the commercial team.
- Non-recurring revenue from continuing operations was up 16% in the period January – June 2023, compared to the same period in the prior year.

Revenue Breakdown (SEK '000s)	Jan - Jun 2023	Jan - June 2022	
Recurring Revenue	23,421	15,073	55%
Non-Recurring Revenue	17,653	15,158	16%
	41,074	30,231	36%

Revenue Breakdown (SEK '000s)	Q1 2023	Q1 2022	
Recurring Revenue	11,443	6,979	64%
Non-Recurring Revenue	6,901	6,397	8%
	18,344	13,376	37%

Revenue Breakdown (SEK '000s)	Q2 2023	Q2 2022	
Recurring Revenue	11,978	8,094	48%
Non-Recurring Revenue	10,752	8,761	23%
	22,730	16,855	35%



Financial Information

Accounting policies

Kollect On Demand Holding AB (publ)'s consolidated financial statements as of and for the six month period ended 30 June 2023, have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

Exchange Rates

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

Auditor Review

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

Income Statement

	SEK '000	Jan - Jun 2023	Jan - Jun 2022	Full year 2022
Revenue		SEK 41,074	SEK 30,230	SEK 64,888
COS		SEK 29,359	SEK 21,327	SEK 46,554
Gross Profit		SEK 11,715	SEK 8,903	SEK 18,334
Operating expenses		SEK 13,944	SEK 21,791	SEK 40,904
Operating EBITDA		(SEK 2,233)	(SEK 12,888)	(SEK 22,570)
Depreciation		SEK 1,749	SEK 1,281	SEK 2,682
Interest		SEK 352	SEK 468	SEK 683
Loss from operating activities		(SEK 4,334)	(SEK 14,637)	(SEK 25,935)
Profit from discontinued operations			SEK 230	SEK 1,694
Other income inc. disposal of subsidiary		SEK 0	SEK 24,800	SEK 25,885
Total Profit / Loss for the period		(SEK 4,334)	SEK 10,393	SEK 1,644
Total Number of shares		9,531,422	9,531,422	9,531,422
Result per share		-0.45	1.09	0.17
Total number of shares after the impact of dilution		9,865,022	9,531,422	9,531,422
Result per share		-0.44	1.09	0.17

Balance Sheet

	SEK '000	Jun-23	Jun-22	Dec-22
Fixed Assets		SEK 20,812	SEK 18,307	SEK 20,656
Trade and other receivables		SEK 9,956	SEK 11,966	SEK 7,965
Bank and cash		SEK 1,946	SEK 16,385	SEK 3,822
Total current assets		SEK 11,902	SEK 28,351	SEK 11,788
Trade and other payables		SEK 21,382	SEK 25,361	SEK 17,688
Long Term Liabilities		SEK 10,434	SEK 3,511	SEK 8,697
Total Liabilities		SEK 31,815	SEK 28,916	SEK 26,385
Net Assets		SEK 899	SEK 17,786	SEK 5,790
Equity		SEK 899	SEK 17,786	SEK 5,790

Statement of Changes in Equity

	Share Capital	Other contributed capital	Retained earnings including the result for the year	Total
01/01/2022	2,382	49,121	(44,110)	7,393
Profit for the period			10,393	10,393
30/06/2022	2,382	49,122	(33,717)	17,786
01/01/2023	2,382	49,736	(46,784)	5,233
Loss for the period			(4,334)	(4,334)
30/06/2023	2,382	49,736	(51,118)	899

Cash Flow

	Jan - June 2023	Jan - June 2022	FY 2022
Profit/(Loss) after tax	-SEK 4,334	-SEK 13,229	-SEK 22,170
Finance Costs	SEK 352	SEK 468	SEK 181
Depreciation Costs	SEK 1,401	SEK 502	SEK 2,317
Non Cashflow items including FX	SEK 910	SEK 1,441	-SEK 1,758
Amortization	SEK 348	SEK 115	SEK 829
Trade and other receivables	-SEK 1,991	-SEK 5,404	SEK 25
Trade and other payables	SEK 1,114	SEK 9,701	-SEK 9,101
Net cash from operating	-SEK 2,200	SEK 16,553	-SEK 29,677
Sale of business	SEK 0	SEK 23,622	SEK 23,622
Payment for intangibles	SEK 0	-SEK 1,302	SEK 7,727
Payment for PPE	-SEK 1,905	-SEK 5,147	-SEK 12,408
Net cash flows from investing	-SEK 1,905	-SEK 6,449	SEK 18,941
Proceeds from the issue of share capital	SEK 0	SEK 0	SEK 0
Movement in finance leases	-SEK 257	-SEK 570	-SEK 1,140
Movement in bank loans	SEK 2,836	-SEK 2,730	SEK 7,090
Interest paid	-SEK 352	-SEK 468	SEK 0
Net cash flows from financing activities	SEK 2,228	-SEK 3,769	SEK 5,950
Net Increase/Decrease	-SEK 1,877	SEK 7,777	-SEK 4,786
Opening Cash	SEK 3,822	SEK 8,608	SEK 8,608
Closing Cash	SEK 1,946	SEK 16,385	SEK 3,822