



# Kollect on Demand Holding AB

INTERIM REPORT

JULY - DECEMBER 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](mailto:CA@mangold.se), [www.mangold.se](http://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](http://www.kollect.ie).



Kollect On Demand Holding AB (publ) (“Kollect”) reports revenues of SEK 45.0 million, for the second half of 2023, an increase of 30% compared to the same period in 2022, with adjusted EBITDA losses improved by 76% year-on-year.

Waterford, Ireland – March 21, 2024, Kollect On Demand Holding AB (publ) (“Kollect” or the “Company”) (Nasdaq: KOLL), is pleased to publish its Interim Report for July – December 2023.

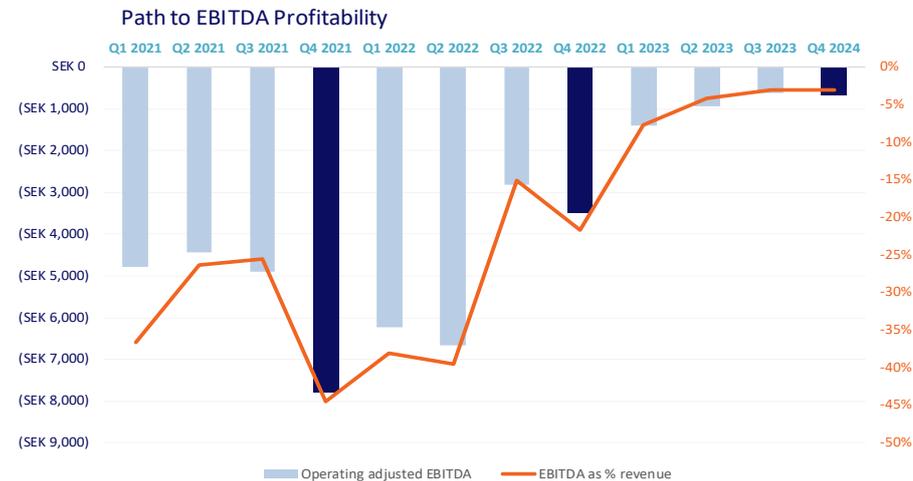
## Highlights for the Quarter

- Revenue for Q3 2023 was SEK 24.5 million (an increase of 32% year on year) and revenue for Q4 2023 was SEK 20.6 million (an increase of 28% year on year). For the period July – December 2023, revenue was SEK 45.0 million, an increase of 30% year on year.
- Recurring revenue for Q3 2024 was SEK 15.2 million (an increase of 65% year on year) and recurring revenue for Q4 2023 was SEK 12.6 million (an increase of 26% year on year). For the period January – June 2023, recurring revenue was SEK 27.8 million, an increase of 45% year on year.
- For the period July – December 2023, gross profit was SEK 14.5 million, an increase of 47% year on year.
- Gross margin for July – December 2023 was 32% compared to 28% for the same period in 2023.
- Adjusted EBITDA for Q3 2023 was -SEK 0.66 million (an improvement of 78% year on year) and adjusted EBITDA for Q4 2023 was -SEK 0.6 million (an improvement of 73% year on year). For the period July – December 2023, total adjusted EBITDA was -SEK 1.278 million, an improvement of 76% year on year when adjusted EBITDA was -SEK 5.2million.
- The Adjusted EBITDA margin for July – December 2023 was -3%, compared to -15% In the same period, 12 months earlier.

# CEO Comments

## Operational and financial performance

John O'Connor, CEO, stated: "We have continued on our path to profitability in the second half of 2023 and are delighted with how this year closed out. It has been clear that in the last 12-18 months, we have relentlessly focused on improving our operating EBITDA. We have done this through continuing to focus on revenue growth and to do so whilst reducing our expenses. Many companies are able to do one of these two, and I am immensely proud of our team for being able to deliver both at the same time. We have continued to improve our adjusted EBITDA as a percentage of revenue, which for July – December 2023



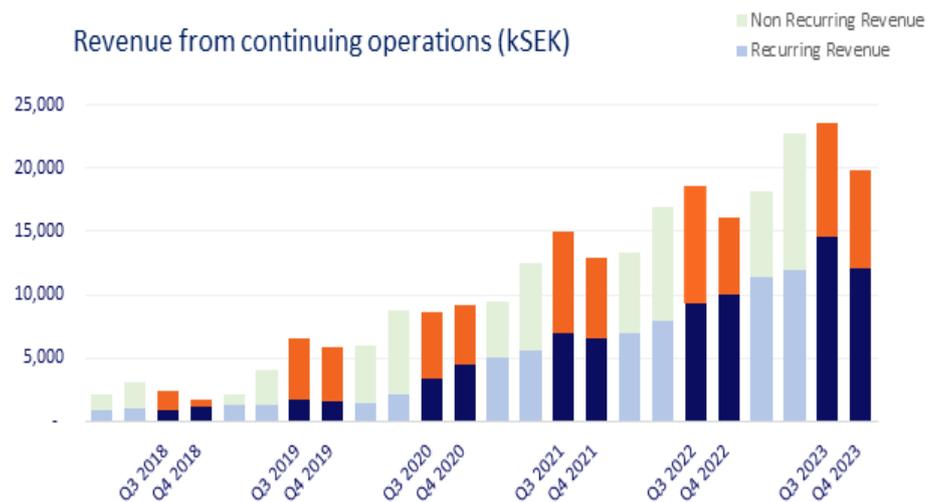
was -3%, compared to -15% in the same 6 month period in 2022. On a quarterly basis, the improvement was consistent, with an adjusted EBITDA margin of -3% in both Q3 2023 and Q4 2023, which compared to -16% in Q3 2022 and -15% in Q4 2022.

The year-on-year revenue growth rate for the second half of the year was 30% and was consistent across both quarters (32% in Q3, 28% in Q4). The

revenue growth 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 45%. 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 2,000 5 star reviews across all platforms, and are consistently rated as the top performing customer service team in our industry.

### Drawdown of loan from Beachpoint Capital

In Q3 2023, the Company also announced the drawdown of the loan from Beachpoint Capital. The initial

drawdown was for €1m, though the Company had signed an agreement to enable it to draw down on up to €4m. Some of the proceeds from this loan were also used to pay down the SBCI loan.

One of the clauses in the loan from Beachpoint Capital was for the Company to delist within 12 months of signing the agreement (by 3 September 2024). However, upon completion of the acquisition of Mashup PLC, Kollect has received written confirmation from Beachpoint that this condition is regarded as satisfied. The acquisition is subject to shareholder approval at the EGM, which is scheduled to take place on 27 March 2024.

### Acquisition of Mashup PLC

It was announced on 23 February 2024, that Kollect had entered into an agreement to purchase 100% of the share capital of Mashup PLC.

The Transaction shall complete by making payment in the form of newly issued shares in the Company (the "Transaction"). Mashup owns a 78-acre property in Ireland with planning permission for a recycling facility for up to 25,000 tonnes per annum and planning permission for a 4MW solar farm that could be utilized to power the recycling facility. The board of directors of Kollect resolved on an issue in kind directed to the shareholders of Mashup with payment in the form of non-cash consideration consisting of all the shares in Mashup.

The resolution on the share issue is conditional on the approval by an extraordinary general meeting of the Company and the Transaction is conditional on the (i) completion of a satisfactory due diligence, (ii) an extraordinary general meeting in the Company approving the Transaction, and on (iii) Longford Acquisition Limited and VE Energy Limited, sellers of Mashup (the "Sellers") and both controlled by Andrew Byrne, board member of Kollect, receiving conditional exemption from the obligation to submit a public takeover offer for all shares in the Company from the Swedish Securities Council. This exemption has been granted, and a copy of the decision is available on the Kollect investor website.

A copy of the unaudited consolidated balance sheet post-acquisition of Mashup PLC is shown below. It should also be noted that between December 2023 and the date of announcement of the acquisition (23 February 2024), the cash balance of Mashup PLC had increased by EUR 300k (approx. SEK 3.4m).

|                             | SEK '000 | Dec-23            |
|-----------------------------|----------|-------------------|
| Fixed Assets                |          | SEK 135,891       |
| Trade and other receivables |          | SEK 27,293        |
| Bank and cash               |          | SEK 4,284         |
| <b>Total current assets</b> |          | <b>SEK 31,577</b> |
| Trade and other payables    |          | SEK 25,102        |
| Long Term Liabilities       |          | SEK 59,955        |
| <b>Total Liabilities</b>    |          | <b>SEK 85,057</b> |
| <b>Net Assets</b>           |          | <b>SEK 82,412</b> |
| <b>Equity</b>               |          | <b>SEK 82,412</b> |



## Events in the Quarter

### Trading in the period

Recurring revenues from continuing operations were up 45% in the second 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 though slower growth, having increased 11% 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 management information system has also allowed it to focus advertising spending more profitably on a per-job basis.

During the period, the Company continued to focus on maintaining gross margins achieving a gross margin of 32% from its continuing operations, which was ahead of its margin in prior periods. Specifically, compared to the prior year, the margin was ahead by 4 percentage points (H2 2022 margin was 28%). This outcome was largely attributable to the focus on improving margins in all revenue verticals, which has been a key focus for the team over the past 6 months.

The Company also saw the benefits of its detailed cost review which it began in the second 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: July- December 2023 | H2 2023 |        | H2 2022 |        | var.       | Var % |
|----------------------------------|---------|--------|---------|--------|------------|-------|
| Revenue                          | SEK     | 45,031 | SEK     | 34,748 | SEK 10,283 | 30%   |
| Gross Profit                     | SEK     | 14,503 | SEK     | 9,835  | SEK 4,668  | 47%   |
| Gross Margin                     |         | 32%    |         | 28%    | 4%         | 14%   |
| EBITDA                           | -SEK    | 1,278  | -SEK    | 5,231  | SEK 3,953  | -76%  |
| EBITDA margin                    |         | -3%    |         | -15%   | 12%        | -81%  |

| Key Figures Q3 2023 | Q3 2023 |        | Q3 2022 |        | Variance  | %    |
|---------------------|---------|--------|---------|--------|-----------|------|
| Revenue             | SEK     | 24,460 | SEK     | 18,540 | SEK 5,920 | 32%  |
| Gross Profit        | SEK     | 7,224  | SEK     | 5,224  | SEK 2,000 | 38%  |
| Gross Margin        |         | 30%    |         | 28%    | 2%        | 5%   |
| EBITDA              | -SEK    | 617    | -SEK    | 3,054  | SEK 2,437 | -80% |
| EBITDA margin       |         | -3%    |         | -16%   | 14%       | -85% |

| Key Figures Q4 2023 | Q4 2023 |        | Q4 2022 |        | Variance  | %    |
|---------------------|---------|--------|---------|--------|-----------|------|
| Revenue             | SEK     | 20,571 | SEK     | 16,125 | SEK 4,446 | 28%  |
| Gross Profit        | SEK     | 7,279  | SEK     | 4,611  | SEK 2,668 | 58%  |
| Gross Margin        |         | 35%    |         | 28%    | 7%        | 26%  |
| EBITDA              | -SEK    | 661    | -SEK    | 2,427  | SEK 1,766 | -73% |
| EBITDA margin       |         | -3%    |         | -15%   | 12%       | -79% |

## Reconciliation of EBITDA

| Reconciliation of EBITDA | H2 2023    | H2 2022    |
|--------------------------|------------|------------|
| Profit before tax        | -SEK 5,777 | -SEK 7,538 |
| Depreciation             | SEK 1,786  | SEK 1,496  |
| Interest                 | SEK 2,218  | SEK 215    |
| Other operating income   | SEK -      | SEK -      |
| Share based payments     | SEK 496    | SEK 596    |
| Adjusted EBITDA          | -SEK 1,278 | -SEK 5,231 |

| Reconciliation of EBITDA | Q3 2023    | Q3 2022    |
|--------------------------|------------|------------|
| Profit before tax        | -SEK 3,098 | -SEK 3,627 |
| Depreciation             | SEK 893    | SEK 699    |
| Interest                 | SEK 1,588  | SEK 125    |
| Other operating income   | SEK -      | SEK -      |
| Share based payments     | SEK -      | SEK -      |
| Adjusted EBITDA          | -SEK 617   | -SEK 2,803 |

| Reconciliation of EBITDA | Q4 2023    | Q4 2022    |
|--------------------------|------------|------------|
| Profit before tax        | -SEK 2,679 | -SEK 3,910 |
| Depreciation             | SEK 893    | SEK 797    |
| Interest                 | SEK 629    | SEK 90     |
| Other operating income   | SEK -      | SEK -      |
| Share based payments     | SEK 496    | SEK 596    |
| Adjusted EBITDA          | -SEK 661   | -SEK 2,427 |

## Costs

Cash operating expenses in the second half of 2023 were 3% lower than in the second half of 2022, despite growth in revenue of 30% and an increase in Gross Profit of 47% in the same period. 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, as well as continuing to support the development of the commercial department, recurring revenue was 45% higher in H2 2023 compared to H2 2022. On the non-commercial revenue, the company continued its strategy to focus on more intent based lead generation which proved to be more cost effective, in addition to the hard work of its Google Adwords experts which to drive paid sales, in addition to the work on search engine optimization ("SEO") as well as increasing online reviews to nearly 2,000 5 star reviews to drive organic sales.

## 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 built upon the completed 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. A price increase in Q3 2023 was also implemented.

## 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 first quarter of 2024 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 Q4 2022, the Company had 40 sites (+5% year-on-year).

### Acquisition of Mashup PLC

As stated above, the Company announced its intention to complete the acquisition of Mashup PLC. This statement was released on Friday 23 February 2024, and is subject to approval at the EGM on 27 March 2024.

John O'Connor, CEO

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## Recurring and non-recurring revenue breakdown

- Recurring revenue in the second half of 2023 was up 45% 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 30% in the period July - December 2023, compared to the same period in the prior year.

| Revenue Breakdown (SEK '000s) | July - Dec 2023 | July - Dec 2022 | var.       | var. % |
|-------------------------------|-----------------|-----------------|------------|--------|
| Recurring Revenue             | SEK 27,773      | SEK 19,148      | SEK 8,625  | 45%    |
| Non-Recurring Revenue         | SEK 17,259      | SEK 15,517      | SEK 1,742  | 11%    |
|                               | SEK 45,031      | SEK 34,748      | SEK 10,366 | 30%    |

| Revenue Breakdown (SEK '000s) | Q3 2023    | Q4 2023    | var.      | var. % |
|-------------------------------|------------|------------|-----------|--------|
| Recurring                     | SEK 15,186 | SEK 9,182  | SEK 6,004 | 65%    |
| Non Recurring                 | SEK 9,274  | SEK 9,358  | -SEK 84   | -1%    |
|                               | SEK 24,460 | SEK 18,540 | SEK 5,920 | 32%    |

| Revenue Breakdown (SEK '000s) | Q4 2023    | Q4 2022    | var.      | var. % |
|-------------------------------|------------|------------|-----------|--------|
| Recurring                     | SEK 12,586 | SEK 9,966  | SEK 2,620 | 26%    |
| Non Recurring                 | SEK 7,985  | SEK 6,159  | SEK 1,826 | 30%    |
|                               | SEK 20,571 | SEK 16,125 | SEK 4,446 | 28%    |



# Financial Information

## Accounting policies

Kollet On Demand Holding AB (publ)'s consolidated financial statements as of and for the six month period ended 31 December 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.

## Next report

The next interim report that will be published will be for for H1 2024 on August 16 2024

## Annual Report

The Annual Report is scheduled to be published on 31 May 2024. This will be available at [Kollet.ie](http://Kollet.ie)

## Financial Calendar

|                        |                |
|------------------------|----------------|
| EGM                    | 27 March 2024  |
| Annual Report          | 31 May 2024    |
| Annual General Meeting | 20 June 2024   |
| H1 2024 Report         | 16 August 2024 |
| H2 2024 Report         | 28 March 2025  |

## Income Statement

| SEK '000  | Jul - Dec 2023 | Jul - Dec 2022 | Full year 2023 | Full year 2022 |
|---|----------------|----------------|----------------|----------------|
| Revenue   | SEK 45,031     | SEK 34,748     | SEK 86,105     | SEK 63,831     |
| COS   | -SEK 30,528    | -SEK 24,913    | -SEK 59,887    | -SEK 46,554    |
| Gross Profit  | SEK 14,503     | SEK 9,835      | SEK 26,218     | SEK 17,277     |
| Operating expenses                                  | -SEK 16,276    | -SEK 16,719    | -SEK 30,220    | -SEK 40,904    |
| Other operating income                              |                | SEK 1,057      |                | SEK 1,057      |
| Operating EBITDA                                    | -SEK 1,773     | -SEK 5,827     | -SEK 4,002     | (SEK 22,570)   |
| Depreciation  | -SEK 1,786     | -SEK 1,496     | -SEK 3,535     | -SEK 2,682     |
| Interest  | -SEK 2,218     | -SEK 215       | -SEK 2,570     | -SEK 683       |
| Loss from operating activities                      | -SEK 5,777     | -SEK 7,538     | -SEK 10,107    | (SEK 25,935)   |
| Profit from discontinued operations                 | 0              | 0              | SEK -          | SEK 1,694      |
| Other income inc. disposal of subsidiary            | 0              | 0              | SEK -          | SEK 25,885     |
| Total Profit / Loss for the period before tax       | -SEK 5,777     | -SEK 7,538     | -SEK 10,107    | SEK 1,644      |
| Total Number of shares                              | 9,531,422      | 9,531,422      | SEK 9,531,422  | 9,531,422      |
| Profit / Loss for the period per share              | -SEK 0.6       | -0.8           | -SEK 1.1       | 0.2            |
| Total number of shares after the impact of dilution | 10,198,622     | 9,865,022      | SEK 10,198,622 | 9,865,022      |
| Profit / Loss for the period per share              | -SEK 0.57      | -0.76          | -SEK 1.0       | 0.2            |

## Balance Sheet

|                             | SEK '000 | Dec-23            | Dec-22            |
|-----------------------------|----------|-------------------|-------------------|
| Fixed Assets                |          | SEK 19,367        | SEK 20,656        |
| Trade and other receivables |          | SEK 7,153         | SEK 7,695         |
| Bank and cash               |          | SEK 4,031         | SEK 3,822         |
| <b>Total current assets</b> |          | <b>SEK 11,184</b> | <b>SEK 11,518</b> |
| Trade and other payables    |          | SEK 15,099        | SEK 17,688        |
| Long Term Liabilities       |          | SEK 19,274        | SEK 8,697         |
| <b>Total Liabilities</b>    |          | <b>SEK 34,373</b> | <b>SEK 26,385</b> |
| <b>Net Assets</b>           |          | <b>-SEK 3,822</b> | <b>SEK 5,790</b>  |
| <b>Equity</b>               |          | <b>-SEK 3,822</b> | <b>SEK 5,790</b>  |

## Statement of Changes in Equity

|                                  | Share Capital | Other contributed capital | Reserve    | Retained Earnings | Total shareholders equity |
|----------------------------------|---------------|---------------------------|------------|-------------------|---------------------------|
| 01/01/2022                       | SEK 2,383     | SEK 49,121                | SEK 247    | -SEK 44,354       | SEK 7,397                 |
| Other comprehensive income items | SEK -         | SEK 614                   | SEK -      | SEK -             | SEK 614                   |
| Share based payments             | SEK -         | SEK -                     | -SEK 3,866 | SEK -             | -SEK 3,866                |
| Loss of the period               | SEK -         | SEK -                     | SEK -      | SEK 1,644         | SEK 1,644                 |
| 31/12/2022                       | SEK 2,383     | SEK 49,736                | -SEK 3,619 | -SEK 42,711       | SEK 5,790                 |
|                                  |               |                           |            |                   |                           |
|                                  | Share Capital | Other contributed capital | Reserve    | Retained Earnings | Total shareholders equity |
| 01/01/2023                       | SEK 2,383     | SEK 49,736                | -SEK 3,619 | -SEK 42,711       | SEK 5,789                 |
| Loss of the period               | SEK -         | SEK -                     | SEK -      | -SEK 10,107       | -SEK 10,107               |
| Share based payments             | SEK -         | SEK -                     | SEK 496    | SEK -             | SEK 496                   |
| 31/12/2023                       | SEK 2,383     | SEK 49,736                | -SEK 3,123 | -SEK 52,818       | -SEK 3,822                |

## Cash Flow

|   | July - Dec 2023   | July - Dec 2022   | FY 2023           | FY 2022           |
|---|-------------------|-------------------|-------------------|-------------------|
| Profit/(Loss) after tax                         | -SEK 5,777        | -SEK 8,048        | -SEK 10,1107      | -SEK 391          |
| Finance Costs                                   | SEK 2,218         | SEK 125           | SEK 2,570         | -SEK 185          |
| Depreciation Costs                              | SEK 1,486         | SEK 2,088         | SEK 2,887         | SEK -             |
| Non Cashflow items including FX                 | SEK 496           | SEK -             | SEK 1,406         | SEK 2,372         |
| Amortization                                    | SEK 300           | SEK 95            | SEK 648           | SEK -             |
| Trade and other receivables                     | SEK 2,803         | SEK 3,128         | SEK 812           | -SEK 81           |
| Trade and other payables                        | -SEK 3,804        | -SEK 4,871        | -SEK 2,690        | -SEK 6,775        |
| <b>Net cash from operating</b>                  | <b>-SEK 2,279</b> | <b>-SEK 7,483</b> | <b>-SEK 4,479</b> | <b>-SEK 5,060</b> |
| Sale of business                                | SEK -             | SEK -             | SEK -             | SEK -             |
| Payment for intangibles                         | SEK -             | -SEK 839          | SEK -             | SEK 7,715         |
| Payment for PPE                                 | -SEK 341          | -SEK 2,286        | -SEK 2,246        | -SEK 13,774       |
| <b>Net cash flows from investing</b>            | <b>-SEK 341</b>   | <b>-SEK 3,125</b> | <b>-SEK 2,246</b> | <b>-SEK 6,059</b> |
| Proceeds from the issue of share capital        | SEK 0             | SEK 0             | SEK 0             | SEK 0             |
| Movement in finance leases                      | -SEK 235          | -SEK 513          | -SEK 492          | -SEK 1,869        |
| Movement in bank loans                          | SEK 6,597         | -SEK 992          | SEK 9,433         | SEK 7,999         |
| Interest paid                                   | -SEK 2,218        | -SEK 125          | -SEK 2,570        | SEK -             |
| <b>Net cash flows from financing activities</b> | <b>SEK 4,144</b>  | <b>-SEK 1,630</b> | <b>SEK 6,371</b>  | <b>SEK 6,130</b>  |
| FX  | SEK 561           | -SEK 112          | SEK 563           | SEK 203           |
| Net Increase/Decrease                           | SEK 2,085         | -SEK 12,350       | SEK 209           | -SEK 4,989        |
| Opening Cash                                    | SEK 1,946         | SEK 16,173        | SEK 3,822         | SEK 8,608         |
| Closing Cash                                    | SEK 4,031         | SEK 3,822         | SEK 4,031         | SEK 3,822         |