

Kollect on Demand Holding AB

Disposal of Waterford Bin Business

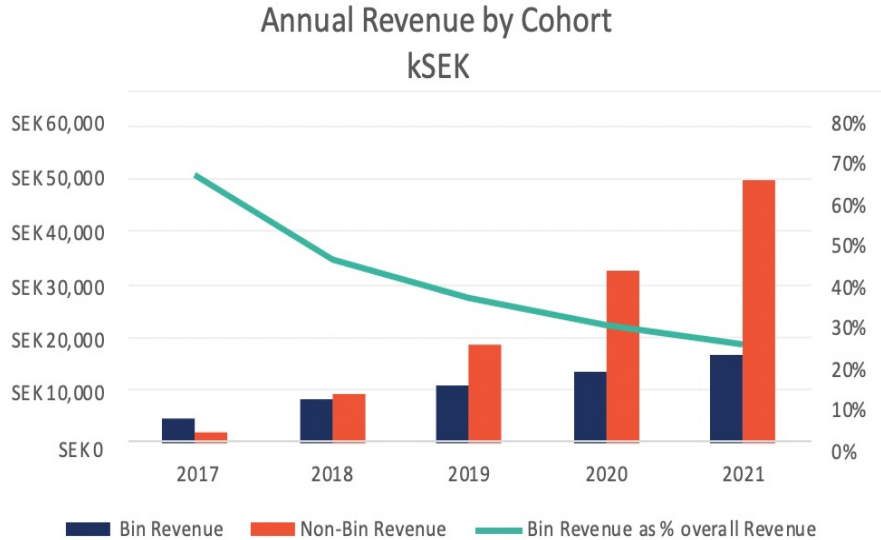
- Kollect operates an online sustainable waste removal platform that connects domestic and commercial customers with licenced waste operators.
- Separately, Kollect runs a physical waste drop-off business, BIGbin, with smart compactor bins in prominent, convenient locations available 7 weeks a week.
- We are in the waste industry, but not a waste company.
- The process for disposing of domestic waste has traditionally been analogue and offline with poor customer experience; this is the gap that Kollect fills.

- Background to transaction
 - Disposal of traditional bin waste collection business
 - Only in 1 city – Waterford, Ireland
 - Customers, trucks, drivers, insurance, fuel
- Structure of transaction
 - EUR 2.3m/ approx. MSEK 25
 - All cash – paid upfront at completion
- The purchaser
 - Beaparc - Ireland's largest waste company

DISPOSAL - KEY FINANCIAL INFORMATION

	FY2021	FY2021	FY2021
kSEK	KODHAB - Consolidated	KODHAB - Continuing Operations	Waterford Bin Business
Revenue	SEK 66,662	SEK 50,288	SEK 16,374
Cost of Sales	(SEK 42,264)	(SEK 34,823)	(SEK 7,441)
Gross Profit	SEK 24,398	SEK 15,466	SEK 8,932
	37%	31%	54%
Operating Expenses	(SEK 42,846)	(SEK 36,414)	(SEK 6,432)
Other Income	SEK 685	SEK 685	SEK 0
Profit/(Loss) for the period before tax	(SEK 17,763)	(SEK 20,263)	SEK 2,500

- A material part of overall revenue, though declining in significance
- Operating expenses only include direct costs and not overheads (management time, customer service time etc.)
- Staff redeployed where possible within the business



- Focus on core business
- Revenue in the other parts of the business were growing much faster than bin collection business
- 3 year CAGR from 2018 – 2021:
 - Non-bin collection business 75%
 - Bin collection business 25%

- Bin collection was no longer core to the business
- Accelerating costs (e.g. rapidly rising fuel costs, wages and insurance)
- Consideration represents a significant proportion of Kollect's market cap (57% at close, Thurs 3rd March 2022)
- Reinvesting proceeds will make a material impact to future growth of the online platform
- Future growth in bin business would require significant capital investment

- Reduced recurring revenue
 - Offset as we grow the commercial offering
- Reduced gross margin
 - At scale, improved net margin
- Higher growth rates
 - Other areas grew a consolidated rate of 55% in 2021, while the bin collection business grew by 20%
- Improved reporting
 - Two distinct business models (platform and BIGbin) allows for improved reporting

- Repayment of debt
- 2024 strategy
 - Organic growth through geographic expansion and new products, supported by M&A
 - Driving business online and self-service for all customers and suppliers
 - Making sure technology is at the source of each process and customer relationship
 - Constantly improving cost effectiveness across the business

- Platform Business
 - Ireland
 - UK
 - New products
 - New Markets
- BIGbin
 - New locations across Ireland
- New separate, segregated reporting metrics

