

**Re-Match Holding A/S**

**HI-Park 415  
Hammerum  
7400 Herning**

**Business Registration No. 35 46 55 29**

**Interim Report  
January– June 2021**

## Contents

	<u>Page</u>
Management Commentary	1
Condensed Consolidated Income Statement	3
Condensed Consolidated balance sheet	4
Condensed Consolidated statement of changes in equity	6
Condensed Consolidated cash flow statement	7
Notes	8
The independent auditor's review report on the interim financial statements	13
Statement by Management	15

## Management Commentary

### Development in activities

#### Financial review for the first six months of 2021

##### Re-Match's business

##### Primary activities

Re-Match Holding A/S (the "Company" or "Re-Match") is an artificial turf recycler that enables artificial turfs to be disposed in a sustainable way. The Company, sources worn-out artificial turfs in return of a gate fee after which the Company downsizes, dries, and separates the turf and subsequently, sells the recycled clean output materials back to the turf producers and installers as well as other industries.

##### Background

Artificial turf makes it possible to do sports in areas with adverse weather conditions and water shortage while also accommodating more intensive use compared to natural grass. However, with a lifetime of around 8-12 years, disposal and replacement have become an imminent issue as traditional disposal methods mainly comprise landfill and incineration, which both have severe negative impact on the environment. Fortunately, Re-Match has developed a recycling process reducing plastic and CO<sub>2</sub> pollution by which Re-Match is tapping into the global underlying mega trends such as the push for a greener agenda, circularity and the search for sustainable solutions to mitigate an appertaining waste problem.

##### Highlights

Key figures and KPIs	H1 2021	H1 2020
Revenue (DKK <sub>m</sub> )	13.0	10.5
Adjusted revenue (DKK <sub>m</sub> ) <sup>1</sup>	14.0	16.0
Adjusted revenue incl. Joint Ventures (DKK <sub>m</sub> ) <sup>2</sup>	18.1	16.0
Adjusted revenue incl. Re-Match part of Joint Ventures (DKK <sub>m</sub> ) <sup>3</sup>	15.7	16.0
Input inventory (full-size soccer pitches <sup>4</sup> )	143	136
Turf processed (full-size soccer pitches <sup>5</sup> )	54	34
Plastic bags saved (m pcs.) <sup>6</sup>	48,7	37.4
CO <sub>2</sub> saved (tons) <sup>7</sup>	24,018	12,971
FTEs	37	33

<sup>1</sup> Adjusted revenue is defined as revenue including IFRS corrected deferred income related to front-end income

<sup>2</sup> Adjusted revenue is defined as revenue including IFRS corrected deferred income related to front-end income

<sup>3</sup> Adjusted revenue is defined as revenue including IFRS corrected deferred income related to front-end income

<sup>4</sup> Assuming one full-size soccer pitch is equivalent to 250 tons of artificial turf

<sup>5</sup> Assuming one full-size soccer pitch is equivalent to 250 tons of artificial turf. The factory in Herning was closed for approximately 2 months due to COVID-19.

<sup>6</sup> Assuming one plastic bag weighs 10.75 grams

<sup>7</sup> Compared to incineration

**Development in activities**

1 January to 30 June 2021 was a half year where Re-Match still felt the influence of COVID-19, which led to our key markets of replacement of turf being again hit by travel restrictions making it difficult for our customers to replace turf for a period, however, we did not shut down the factory in H1 2021, as we did for two months in H1 2020.

Despite the difficult circumstances, H1 2021 turned out to be much better than H1 2020 in terms of financial performance, as the revenue was DKK 2,5 mio. higher, corresponding to 24%. This was mainly due to the shut down of the factory in Herning in H1 2020, higher production in 2021 and higher sales of back-end products.

The back-end revenue increased by 81% in the first half of 2021, and front-end increased by 79%. Other revenue decreased with -31%, primarily due to customers paying transportation fees directly, instead of through Re-Match.

Other external expenses have increase to 12,5 mio. in H1 2021 from 3,9 mio. in H1 2020, an increase of 8,6 mio. The increase is mainly due to expenses incurred in preparation of the expected IPO.

**Joint venture**

In July 2020, Re-Match established the Company's first joint venture setup with a group of French investors to launch Re-Match France and subsequently, swiftly enter the French market which comprises a strategic platform from which the Company can service France, Switzerland, Austria, Luxembourg, Southern Germany and Northern Italy. The joint venture partners contribute with local know-how and access to key stakeholders relevant for Re-Match's success in the region.

H1 2021 was the first full period of sales operations in France, and the focus was hiring sales people and marketing activities. We also started collecting pitches for our future production in France, and this led to an adjusted revenue for the H1 2021 of DKK 4,1 mio.

**Executive Management and Board of Directors**

During H1 2021, Re-Match strengthened the Company's competences in the senior management team with key hiring of experienced employees in the following positions: CSO, Plant Manager and HR Officer.

**Other key events during H1 2021**

In February 2021, Re-Match successfully conducted a funding round among existing shareholders strengthening the balance sheet and repaired the equity at that time by raising DKK 37,250,000 (DKK 14,900,000 in equity and DKK 22,350,000 in convertible debt).

In March 2021, Re-Match was accredited the ISO 9001, one of the world's most recognised Quality Management System standards, certifying the Company's quality and process governance which again cements the Company's commitment to increase the standard and transparency in the artificial turf disposal and recycling industry. In April, the Company was granted the last necessary permit (the environmental permit) to initiate construction of the factory in the Netherlands

**Significant events occurring after the end of H1 2021**

In August 2021 we broke ground to the new factory in Tiel, the Netherlands, which will be operational in 2022.

**Outlook**

Coming into H2 2021, the company will derive attention towards raising capital to fund the international growth journey comprising the near-term roll-out plan of three fully owned factories and two joint venture structured factories expected to be constructed during the next years.

## Condensed Consolidated Income Statement

	<u>Note</u>	<u>H1 2021</u> <u>DKK`000</u>	<u>H1 2020</u> <u>DKK`000</u>
Revenue	3	12,977	10,470
Cost of sales		-12,565	-11,472
<b>Gross profit/loss</b>		<b>412</b>	<b>-1,002</b>
Other external expenses		-12,494	-3,919
Staff costs		-9,687	-10,282
Other operating income		1,258	1,027
Depreciation, amortisation and impairment losses		-3,804	-3,355
<b>Operating profit/loss</b>		<b>-24,315</b>	<b>-17,531</b>
Financial income		11	107
Financial expenses		-5,911	-5,910
<b>Profit/loss before tax</b>		<b>-30,215</b>	<b>-23,334</b>
Tax for the period		0	-1,529
<b>Profit/loss for the period</b>		<b>-30,215</b>	<b>-24,863</b>
<b>Other comprehensive income</b>			
<i>Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Exchange differences on translation of foreign operations		-18	255
<b>Other comprehensive income for the year, net of tax</b>		<b>-18</b>	<b>255</b>
<b>Total comprehensive income for the year</b>		<b>-30,233</b>	<b>-24,608</b>
Earnings per share, basic (DKK)		-1,97	-1,73
Earnings per share, diluted (DKK)		-1,36	-1,33

## Condensed Consolidated balance sheet

	<u>Note</u>	<b>30-06-21</b> <b>DKK`000</b>	<b>31-12-20</b> <b>DKK`000</b>
Intangible assets		9,123	6,841
Property, plant and equipment		25,183	26,105
Right-of-use assets		41,603	42,819
Deposits		2,411	2,411
Deferred tax	4	16,288	16,288
Other financial assets		6,554	6,554
<b>Total non-current assets</b>		<b>101,162</b>	<b>101,018</b>
Inventory		7,337	6,815
Trade receivables		8,937	3,034
Income tax receivables		0	103
Other receivables		20,017	16,697
Prepayments		1,069	199
Cash		6,503	6,016
<b>Total current assets</b>		<b>43,863</b>	<b>32,864</b>
<b>Total assets</b>		<b>145,025</b>	<b>133,882</b>

## Condensed Consolidated balance sheet

	<u>Note</u>	<u>30-06-21</u> <u>DKK`000</u>	<u>31-12-20</u> <u>DKK`000</u>
Share capital		15,777	14,682
Retained earnings		-51,933	-35,141
Translation reserve		827	845
Other capital reserve		15,343	9,399
<b>Total equity</b>		<b>-19,986</b>	<b>-10,215</b>
Interest bearing liabilities		54,753	39,183
Lease liabilities		43,614	44,205
Contract liabilities	3	19,262	18,409
<b>Total non-current liabilities</b>		<b>117,629</b>	<b>101,797</b>
Interest bearing liabilities		5,251	7,337
Lease liabilities		1,912	1,727
Credit institutions		28	0
Government grants		11,143	12,401
Trade payables		5,630	3,226
Other payables		15,159	9,527
Contract liabilities	3	8,259	8,082
<b>Total current liabilities</b>		<b>47,382</b>	<b>42,300</b>
<b>Total liabilities</b>		<b>165,011</b>	<b>144,097</b>
<b>Total equity and liabilities</b>		<b>145,025</b>	<b>133,882</b>

## Condensed Consolidated statement of changes in equity

DKK'000	Share capital	Retained earnings	Translation reserve	Other capital reserve	Total
<b>2021</b>					
<b>Opening balance at 1 January</b>	<b>14,682</b>	<b>-35,141</b>	<b>845</b>	<b>9,399</b>	<b>-10,215</b>
Net profit/loss for H1 2021		-30,215			-30,215
Other comprehensive income:			-18		-18
<b>Total comprehensive income</b>	<b>0</b>	<b>-30,215</b>	<b>-18</b>	<b>0</b>	<b>-30,233</b>
Capital increase	1,095	13,423			14,518
Share-based payments				268	268
Compound financial instruments				5,676	5,676
<b>Closing balance at 30 June</b>	<b>15,777</b>	<b>-51,933</b>	<b>827</b>	<b>15,343</b>	<b>-19,986</b>

DKK'000	Share capital	Retained earnings	Translation reserve	Other capital reserve	Total
<b>2020</b>					
<b>Opening balance at January 1</b>	<b>14,394</b>	<b>7,526</b>	<b>-4</b>	<b>8,696</b>	<b>30,612</b>
Net profit/loss for H1 2020		-24,863			-24,863
Other comprehensive income			255		255
<b>Total comprehensive income</b>	<b>0</b>	<b>-24,863</b>	<b>255</b>	<b>0</b>	<b>-24,608</b>
Capital increase					
Share based payments				684	684
<b>Closing balance at June 30</b>	<b>14,394</b>	<b>-17,337</b>	<b>251</b>	<b>9,380</b>	<b>6,688</b>
Net profit/loss for H2 2020		-24,219			-24,219
Other comprehensive income			594		594
<b>Total comprehensive income</b>	<b>0</b>	<b>-24,219</b>	<b>594</b>		<b>-23,625</b>
Capital increase	288	6,415			6,703
Share based payments				19	19
<b>Closing balance at December 31</b>	<b>14,682</b>	<b>-35,141</b>	<b>845</b>	<b>9,399</b>	<b>-10,215</b>



## Condensed Consolidated cash flow statement

	<u>Note</u>	<u>H1 2021</u> <u>DKK'000</u>	<u>H1 2020</u> <u>DKK'000</u>
Operating profit/(loss)		-24,315	-17,531
Depreciation, amortisation and impairment losses		3,804	3,355
Change in working capital		-1,549	-5,222
Share-based payment expense		268	684
Compound financial instrument expense		1,773	498
Income taxes received		103	-
Interest received		11	-
Interest paid		-4,373	-4,304
<b>Cash flow from operating activities</b>		<b>-24,278</b>	<b>-22,520</b>
Investments in intangible assets		-2,905	-216
Investments in tangible assets		-156	-1,772
Change in deposits		-	-18
Receipt of government grants		-1,258	339
<b>Cash flow from investing activities</b>		<b>-4,319</b>	<b>-1,667</b>
Repayment of borrowings		17,415	-467
Payment of principal portion of lease liabilities		-2,442	-2,298
Capital contributions		14,518	-
<b>Cash flow from financing activities</b>		<b>29,491</b>	<b>-2,765</b>
<b>Change in cash and cash equivalents</b>			
Net cash flow		894	-26,952
Net foreign exchange difference		-407	258
Cash at 1 January		6,016	28,020
<b>Cash at 30 June</b>		<b>6,503</b>	<b>1,326</b>

## Notes

1. Significant accounting policies
2. Segment information
3. Revenue
4. Income tax and deferred tax
5. Composition of The Group
6. Share capital and earnings per share
7. Subsequent events

## Notes

### 1. Significant accounting policies

The report has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and additional Danish disclosure requirements for listed companies. The report is condensed and should be read in conjunction with the Group's Annual Report 2020. Annual Report 2020 provides a full description of the significant accounting policies.

The consolidated financial statements are presented in Danish kroner (DKK) which is also the accounting currency of the Parent Company.

#### New standards effective as per January 1, 2021

On 1 January 2021, the Group implemented the amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (Interest Rate Benchmark Reform, phase 2) and IFRS 16 (Covid-19 Related Rent Concessions).

None of these changes had any effect on the consolidated financial statement.

### 2. Segment information

For management purposes and based on internal reporting information, the Group originates its revenue from three reportable segments, namely:

- The Front-end segment, including revenues originating from sales of recycling artificial turf
- The Back-end segment, including revenue originating from the sales of raw materials (e.g. sand, fibre, etc.)
- A segment defined as Other, which includes revenue deriving from additional services provided by Re-Match A/S to their customers, such as transport and roll-up services.

Services included in the "Other" category have been aggregated because of similar economic characteristics, such as the nature of the products and services provided.

The Executive Management is the Chief Operating Decision Maker (CODM), which is made up of the senior leadership across the respective functional areas and is responsible for the strategic decision -making and for the monitoring of the operating results of the single operating segment for the purpose of performance assessment. Segment performance is evaluated based on revenue and is measured consistently with revenue in the Consolidated Financial Statements. The statement of profit or loss in management information is not separated into segments, and therefore no further information is disclosed. For the split of revenue per segment, please refer to note 3.

### 3. Revenue

DKK'000	H1 2021	H1 2020
Front end	6,857	3,837
Back end	2,520	1,396
Other	3,600	5,237
<b>Total</b>	<b>12,977</b>	<b>10,470</b>

#### Geographical markets

DKK'000	H1 2021	H1 2020
Nordics	4,829	4,024
DACH	534	1,854
Benelux	6,442	4,575
USA	0	0
Rest of Europe	1,172	17
<b>Total</b>	<b>12,977</b>	<b>10,470</b>

#### Contract liabilities

DKK'000	H1 2021	31.12.20
Cost at 1 January	26,491	12,513
Recognised during the year	-3,933	-5,134
Additions	4,963	19,112
<b>Cost at 30 June and 31 December</b>	<b>27,521</b>	<b>26,491</b>

Management expects that approximately 30% of the transaction price allocated to the unsatisfied contracts as of June 30 2021 will be recognised as revenue during the next year (DKK 8 million). Approximately 49%, DKK 13 million, will be recognised in the financial year 2022.

### 4. Deferred tax

Unrecognized deferred tax assets, mainly arising from tax losses, amount approximately to DKK 16.9 million (2020: DKK 10.3 million).

## Notes

### 5. Composition of The Group

The Group has the following subsidiaries at June 30, 2021:

<u>Name</u>	<u>Country</u>	<u>Ownership</u>
Re-Match A/S	Herning, Denmark	100%
Re-Match Limited	London, United Kingdom	100%
Re-Match A/S	Oslo, Norway	100%
Re-Match USA, Inc.	Delaware, USA	100%
Re-Match NL	Rijen, Netherlands	100%

Re-Match Holding A/S has a 40% interest in Re-Match France. The Group's interest is accounted for using the equity method in the Consolidated Financial Statements.

### 6. Share capital and earnings per share

At June 30 2021, the share capital consisted of 15,777,515 (December 31, 2020: 14,681,315) shares with a nominal value of DKK 1 each.

The shares are not divided into classes and carry no right to fixed income.

#### DKK'000

Issued and fully paid-up shares:

**At January 1, 2020**, 14,394k shares of DKK 1 each

Capital increase	288
<b>At December 31, 2020</b>	<b>14,682</b>
Capital increase	1,095
<b>Share capital at June 30, 2021</b>	<b>15,777</b>

## Notes

### 6. Share capital and earnings per share (continued)

#### Earnings per share

DKK'000	H1 2021	H1 2020
The calculation of earnings per share is based on the following:		
Profit/loss for the period	-30,215	-24,863
Interest on convertible loan	4,363	2,240
Earnings for the purposes of diluted earnings per share	<u>-25,852</u>	<u>-22,623</u>
<b>Average number of ordinary shares for calculation of basic earnings per share:</b>	<u>15,372</u>	<u>14,394</u>
Average diluted effect of outstanding share options	648	362
Convertible loans	<u>3,033</u>	<u>2,223</u>
<b>Average number of shares for calculation of diluted earnings per share:</b>	<u><b>19,053</b></u>	<u><b>16,979</b></u>
Earnings per share, (EPS)	-1,97	-1,73
Earnings per share, diluted (DEPS)	-1,36	-1,33

### 7. Subsequent events

No events have occurred after the balance sheet date that will have a material effect on the parent company's or the Group's financial position.

## **The independent auditor's review report on the interim financial statements**

### **To the shareholders of Re-Match Holding A/S**

We have reviewed the interim financial statements of Re-Match Holding A/S for the accounting period 01.01.2021 to 30.06.2021, which comprise the income statement, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including a summary of significant accounting policies.

### **Management's responsibility for the interim financial statements**

Management is responsible for the preparation of interim financial statements in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and Danish disclosure requirements for listed companies, and for such internal control as Management determines is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's responsibility**

Our responsibility is to express a conclusion on the interim financial statements. We conducted our review in accordance with the International Standard on Engagements to Review Interim Financial Information Performed by the Independent Auditor of the Entity and additional requirements under Danish audit regulation. This requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared, in all material respects, in accordance with the applicable financial reporting framework. This also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with the International Standard on Engagements to Review Interim Financial Information Performed by the Independent Auditor of the Entity is a limited assurance engagement. The auditor performs procedures primarily consisting of inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the interim financial statements.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements for the accounting period 01.01.2021 to 30.06.2021 have not been prepared, in all material respects, in accordance with IAS 34, Interim Financial Reporting, as adopted by the EU, and Danish disclosure requirements for listed companies.

Copenhagen, August 23, 2021

**Baker Tilly Denmark**

Godkendt Revisionspartnerselskab

CVR-nr. 35 25 76 91

Henrik Sadolin Jørgensen

state authorised public accountant

MNE-nr. Mne33281



## Statement by Management

The Chief Executive Officer and the Board of Directors have today discussed and approved the interim financial report for Re-Match Holding A/S for the first half year of 2021

The interim financial report has been prepared in accordance with IAS 34 Interim reporting.

It is opinion of the Chief Executive Officer and the Board of Directors that the consolidated interim reporting gives a true and fair view of the Group's operations, and overall financial position, as well as a description of the most significant risks and uncertainties that the Group faces.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

Herning, August 23, 2021

## Executive Board

Nikolaj Magne Larsen

Thomas Holm Bech Albertsen

## Board of Directors

Laurits Mathias Bach Sørensen  
Chairman

Ulrik Lundsfryd

Kristin Parello-Plesner

Henrik Grand Petersen

Rasmus Frøkiær Ankersen

Jakob Fuhr Hansen

Dennis Andersen