

# Q1 2022 Trading update





“At Re-Match, we take pride in the fact that we continue to deliver on the plan laid out in our IPO - with the building of new factories, ordering of machinery and hiring of local talent. In addition, we have received recognition for our efforts to provide a sustainable solution for worn-out artificial turf in the form of a significant grant which came as a pleasant surprise”

*Nikolaj Magne Larsen - CEO and Co-Founder*

# Business highlights



## SALE AND COMMERCIAL EXPANSION ON TRACK

### IFRS Revenue

The sales performance in Q1 is according to expectations, delivering IFRS revenue of DKK 4.4M in 2022 vs. DKK 4.2M in 2021, an increase of 4,8%. The increase was supported mainly by higher back-end revenues. The performance on the front-end IFRS revenue was DKK 3.1M in Q1 2022 vs. DKK 3.2M in 2021 a decrease of -4%. The back-end IFRS revenue grew from DKK 0.4M in 2021 to DKK 0.6M in 2022 a growth of around 80%. The IFRS revenue and adjusted revenue in Q1 are traditionally low, due to seasonality in the business of artificial turf replacement, resulting in a lower profitability in Q1.

### Adjusted Revenue

The adjusted revenue or actual invoiced revenue shows a decline in Q1 front-end income mainly due to a very positive

start in the Belgian market in 2021. However, the positive trend in back-end revenue means that also the total revenue has increased from 2021 to 2022 with 7%.

Expectations for front-end revenue for 2022 is in line with 2021 while we expect to increase back-end sales in 2022 compared to 2021. The next significant revenue increase will come as the planned factories become operational.

## KEY PERFORMANCE INDICATORS

Gross profit remains positive with DKK 0.3M, which is at the level from Q1 2021. The EBITDA for Q1 2022 was DKK -12.2M, an increase from Q1 2021 (DKK -8.4M) which is mainly due to increased staff cost in connection with hirings for the new Dutch plant. At the end of Q1 2022 Re-Match has 43 FTEs, compared to 36 FTEs at the end of Q1 2021.

### IFRS Revenue:

	Q1 2022	Q1 2021	
Front-end	3,095,454	3,238,440	-4%
Back-end	648,081	359,032	81%
Other	626,121	561,042	12%
<b>Total</b>	<b>4,369,656</b>	<b>4,158,515</b>	<b>5%</b>

### Adjusted Revenue:

	Q1 2022	Q1 2021	
Front-end	943,316	1,143,656	-18%
Back-end	648,081	359,032	81%
Other	626,121	561,042	12%
<b>Total</b>	<b>2,217,517</b>	<b>2,063,731</b>	<b>7%</b>

## Key figures and KPIs

<i>DKKm</i>	<b>Q1 2022</b>	<b>Q1 2021</b>	<b>Change</b>	<b>FY 2021</b>	<b>FY 2020</b>	<b>Change</b>
Revenue	4.4	4.2	4.8%	28.6	28.5	0.4%
Adjusted revenue	2.2	2.1	4.8%	31.1	42.5	-26.8%
Adjusted revenue incl. Joint venture	2.6	2.7	-3.7%	43.1	44.4	-2.9%
Adjusted revenue incl. Re-Match part of Joint venture	2.4	2.3	4.3%	35.9	43.3	-17.1%
Gross profit	0.3	0.2	50.0%	-0.9	1.0	-190.0%
EBITDA bsi*	-12.2	-8.4	-45.2%	-44.9	-27.7	-62.1%
Special items	0.0	0.0	0.0%	-20.6	0.0	0.0%
EBIT	-14.1	-10.2	-38.2%	-73.0	-34.5	-111.6%
Gross margin bsi*	6.9%	4.3%	2.5 ppt	-3.1%	3.5%	-6.7 ppt
EBITDA margin bsi*	-280.2%	-201.1%	-79.1 ppt	-156.8%	-97.1%	-59.7 ppt
EBIT margin bsi*	-322.1%	-244.9%	-77.0 ppt	-255.2%	-121.1%	-134.2 ppt
Balance sheet total	229.4	151.7	51.2%	253.2	133.9	89.1%
Tangible assets	99.8	67.7	47.4%	64.6	68.9	-6.2%
Equity	103.0	-10.7	1062.6%	113.5	-10.2	-1212.7%
Input inventory (full-size soccer pitches at 220 tons)	126	159	-20.8%	145	175	-17.1%
Turf processed (full-size soccer pitches at 220 tons)	27	24	12.5%	118	84	40.5%
Plastic bags saved compared to inceneration (m pcs.)	38	33	15.2%	164	117	40.2%
CO2 saved compared to inceneration (tons)	10,816	9,599	12.7%	47,268	33,595	40.7%
FTE end of period	43	36	19.4%	38	34	11.8%

\* Before special items

As most other companies, Re-Match has seen increasing costs, especially for gas and electricity during the last months. This will lead to overall higher costs in 2022 compared to 2021. There is also uncertainty around the supply of gas over time, so we have already identified solutions to eliminate gas completely from our process. This will help us to minimize geopolitical risks and enable us to secure the future locations for our factories with more ease. In addition, we have started raising our prices to compensate for this increase in costs. The inventory of full-size pitches at the end of Q1 2022 is now 126 compared to 159 at the end of Q1 2021 (excluding JVs). The decrease partly reflects a greater focus on quality rather than quantity, and partly the increased production volume, which was up 40.5% for the full year 2021, and is up 12.5% year-over-year for Q1 2022.

During Q1 2022, Re-Match has recycled 5,916 tonnes (equal to 27 full size pitches of 220 tonnes) of artificial turf through our unique, patented machinery in Herning, Denmark. The

CO2 saved compared to incineration in Q1 2022 was 10,816 tonnes, an increase of 12.7% year-over-year, this can also be seen in the equivalent number of plastic bags saved, which increased by 15.2% to 38 million for Q1 2022.

### **FACTORY PERFORMANCE AND EXPANSION ON TRACK**

As stated in the 2021 Annual Report, the expectation for the revenue for the full year 2022 on IFRS basis is similar to that of 2021, since only the Herning factory will be running throughout 2022. The Herning factory continues to run successfully and continues to reach future target efficiency levels in Q1 2022. In addition to the ISO 9001 certification received last year, we successfully obtained the ISO 14001 certification for our operations in Denmark, thereby delivering yet another key milestone for the new industry standards we are setting. All Re-Match operations will be ISO 9001 and 14001 certified as part of the factory blueprint.



**Our new Dutch plant**



Loading bays at our Dutch factory

As stated in January 2022, the machinery was ordered according to plan and the initial components are expected to arrive during the summer 2022 in order to become operational on time and we still expect the Dutch factory to be operational at the end of 2022.

The potential impact on the project from global shortage of steel and key components to the machinery is being carefully monitored and mitigation plans are continuously being updated.

During Q1 Re-Match received a grant of EUR 4.5M (equal to DKK 33.5M) from the Dutch Government in recognition of Re-Match bringing new technology with significant positive environmental impact to the Dutch market. This grant was not expected and not part of the IPO presentation. The grant will be paid out over a 2-year period and depending upon Re-Match successfully building the machine in Tiel, Holland.

During Q1 2022 key recruitments were further successfully completed with local high-quality employees entering the organization in the Netherlands and receiving on-boarding and training in Denmark. Close cooperation with the Danish

organization ensures synergies, support and learnings are captured for the further expansion.

The expansion in to the US market has gained momentum. The co-founder of Re-Match, Dennis Andersen, has agreed to step into the role as Vice President, Sales, US, and lead the commercial expansion. Dennis brings significant experience and network from the industry in US and we are confident that the expansion plans into the US will progress according to strategy and plan.

The Re-Match factory expansion plan, which will result in a total of 24 operational factories in 10 years, is on track and the next factories in Pennsylvania and France are on the horizon. In France the lease of the factory site has been signed and next steps are in progress. In Pennsylvania, negotiations are currently progressing as regards securing a site and as both projects progress, the decision on which factory to launch after the one in Tiel, the Netherlands, will follow later in 2022. The new factories, including the one in the Netherlands, will have more than twice the capacity of the Herning factory. Since a large part of the production costs are fixed and the output more than double, the new plants will be profitable.

# Equity Story



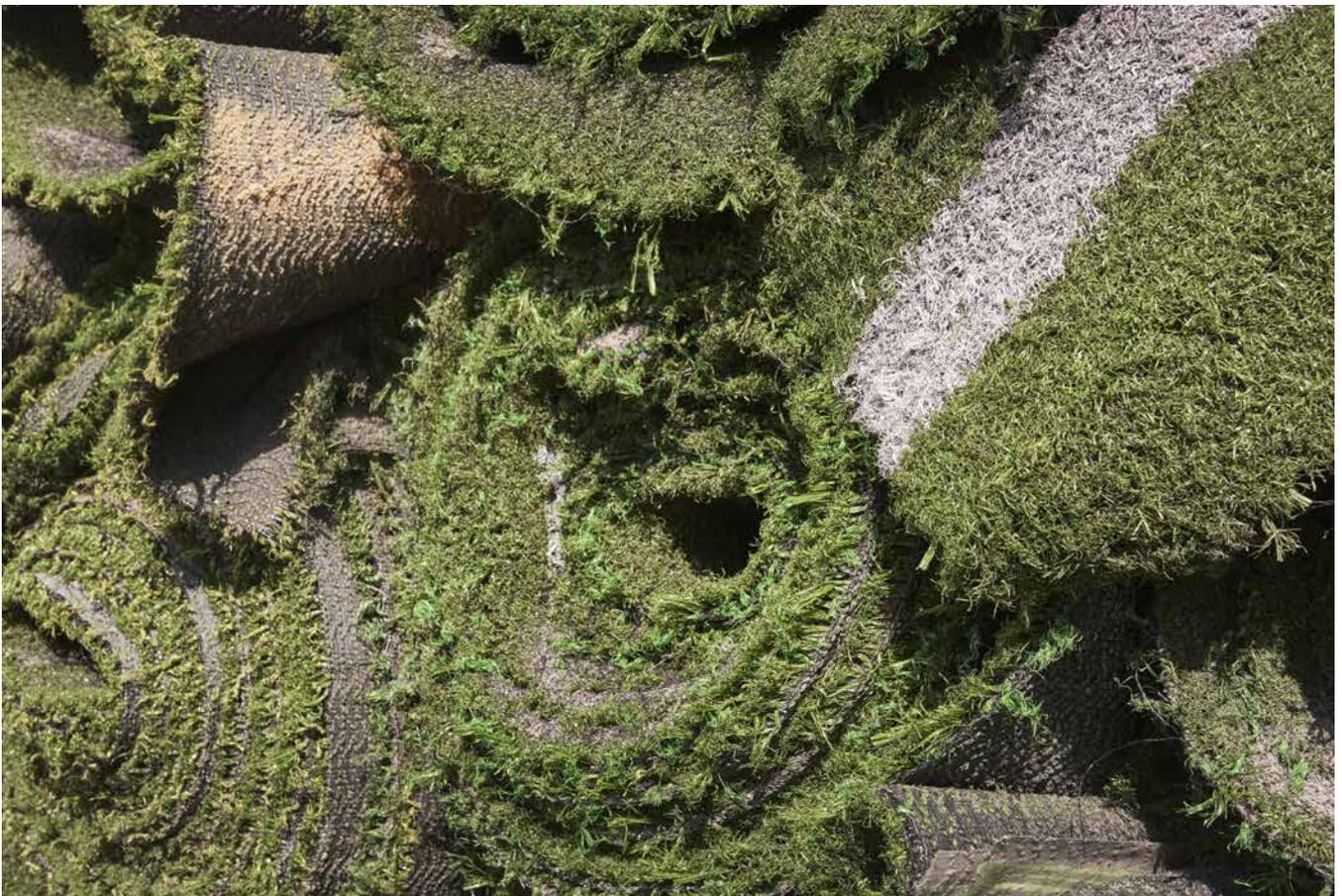
## **DELIVERING ON STRATEGY, CHANGING AN INDUSTRY**

Re-Match has developed a patented and certified process that uses state-of-the-art machinery to recycle worn-out artificial turf pitches. It turns what would otherwise be a waste problem with a significant negative environmental impact into clean and separated end products that can replace virgin products in the installation of new pitches or for use in other industries.

With the increasing wealth among populations around the world comes a demand for more opportunities for playing sports and thereby improving the health and wellbeing of people. This also means that more and better sports surfaces are needed - and among those are artificial turf pitches. These pitches allow for higher-frequency usage for longer periods of the year and do not require fertilizing or irrigation. This is

good for both health and environment but after 8- 12 years the pitches are worn out and need to be replaced. This is where Re-Match steps in to ensure that the valuable material in the turf can be recycled instead of ending up in landfills or being incinerated. The result is a reduction of plastic and CO2 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.

What differentiates the turf recycling market from most others, is the predictability of its size and development. This is because the lifespan of pitches installed is app. 10 years. As an example, the number of pitches in need of recycling in 2025 - based on global installation numbers from 2015 - is expected to surpass 24.000 pitches and the figure for 2030 is 40.000.





In Herning, capacity is to recycle app. 100-120 pitches per year and the capacity on the new factories will be 230-250 full-size artificial soccer pitches per year.

Before entering a new market, Re-Match initiates solid market intelligence gathering on local costs and market dynamics to build a business case. This is not only done to ensure profitability of the individual factory. Re-Match wants to be the global leader in true artificial turf recycling and aspires to transform it into becoming environmentally sustainable. The sand and the rubber can be used again when installing new artificial turf pitches and through the yarn-to-yarn project Re-Match is also developing a way to use the recycled fibre in the production of new yarn. Creating monostreams is the precondition for true circular economy and Re-Match wants to help the industry become more sustainable.

The factory blueprint will, with minor tweaks, be able to replicate the concept anywhere in the world - thereby providing significant support towards the long-term goal of having 24 factories globally. Based on the recent IPO, this international roll-out has been set in motion.

### **STATEMENT BY MANAGEMENT**

The Board of Directors and the Executive Board have today considered and approved the Quarterly Report of Re-Match Holding A/S for the financial period 1st January to 31st March 2022.

The Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act, and the Parent Financial Statements have been prepared in accordance with the Danish Financial Statements Act. The Management Commentary has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Financial Statements give a true and fair view of the Group's and the Parent's financial position at 31st March 2022 and of their results and operations as well as the consolidated cash flows for the financial period 1st January to 31st March 2022.

In our view, the Management Commentary contains a fair review of the development in the operations and financial circumstances of the Group and the Parent, of the results for the quarter and of the financial position of the Group and the Parent as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent.

The quarterly report has not been audited.

Herning, 31st May 2022

# Outlook for 2022

The outlook for 2022 remains as described in our Annual Report for 2021, which is a front-end revenue similar to 2021 (IFRS basis). To deliver on the plan of having production in the Netherlands end of 2022, it is vital to employ the right resources and teams. This process will lead to Re-Match bearing more costs than in the previous year. With a revenue

similar to 2021, this will lead to lower profitability as highlighted during the IPO process.

The plan for the opening for the Dutch plant is still on time to be at the end of 2022, despite bottleneck in the global supply chain.



Construction of the Dutch warehouse in the factory has been completed



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