



Re-Match Holding A/S announces intention to launch an Initial Public Offering on Nasdaq First North Premier Growth Market in Copenhagen

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Re-Match Holding A/S announces intention to launch an Initial Public Offering on Nasdaq First North Premier Growth Market in Copenhagen

Herning, Denmark, 6 September, 2021 - Re-Match Holding A/S ("Re-Match" or the "Company"), a pioneer within sustainable recycling of artificial turf, today announced its intention to launch an initial public offering ("IPO" or "Offering") of its shares and to apply for its shares to be admitted to trading on Nasdaq First North Premier Growth Market in Copenhagen. The Offering is contemplated to consist of an initial public offering to retail and institutional investors in Denmark and private placements to institutional investors in certain other jurisdictions (excluding the United States). The Offering outside the United States will be made in compliance with Regulation S under the U.S. Securities Act of 1933.

Laurits Mathias Bach Sørensen, Chairperson of the board of directors of Re-Match, said:

"Re-Match's patented recycling process is converting a massive, rapid growing, global waste problem into a sustainable business and job creation while significantly reducing plastic and CO₂ pollution. Raising funds through an IPO is a natural next step for Re-Match to continue the global expansion of its unique circularity business within a growing market with volume visibility. We are pleased that a group of reputable cornerstone investors together with existing shareholders have signed up for around half of the offering, and see that as a vote of confidence in the management team and our growth potential."

Nikolaj Magne Larsen, CEO and co-founder of Re-Match, said:

"Since 2016, Re-Match has recycled more than 110,000 tons of artificial turf at our factory in Herning, ensuring that plastic fibers corresponding to more than 490 million plastic bags have been reused instead of being incinerated or disposed as waste. With an expected annual average growth rate from 2020 to 2023 of 10% in the number of new artificial turfs installed, and an expected turf life time of around 8-12 years, we are looking into a sizeable, growing market with volume visibility. A successful IPO will enable us to execute on our plans to roll-out the next five factories and ensure a sustainable alternative to some of the artificial turfs being disposed globally on an annual basis corresponding to ~60 billion plastic bags which will otherwise go into the ground."

The contemplated IPO is expected to consist solely of an offering of new shares to be issued by the Company to raise proceeds of DKK 230 million and to convert a convertible loan from existing shareholders of DKK 23.6 million to shares, corresponding to a total Offering of DKK 253.6 million plus a customary overallotment option for issuance of additional shares corresponding to proceeds of up to DKK 30 million. The proceeds from the Offering will support the execution of Re-Match's factory roll-out plan to expand to new regions, repay debt and strengthen its balance sheet to facilitate further growth. The total offer size and offer price will be announced in connection with the expected publication of the Prospectus.

Certain new and current investors have undertaken to subscribe for shares in the contemplated IPO based on a pre-money equity valuation of the Company corresponding to approximately DKK 350 million. The investors that have undertaken to subscribe for shares comprise SEB Investment Management on behalf of clients for DKK 40 million, AkademikerPension for DKK 29 million, and LD Fonde for DKK 8 million (together the “Cornerstone Investors”). Furthermore, Nordic Alpha Partners Fund I K/S intends to remain a supportive shareholder of the Company, and on top of their conversion of debt to equity corresponding to DKK 15.6 million as described further down in the announcement, the growth fund has also undertaken to subscribe for new shares corresponding to DKK 21.1 million totaling an aggregated equity subscription commitment of DKK 36.7 million. In addition, members of the Board of Directors, management and other existing shareholders have undertaken to convert debt to equity as part of the Offering corresponding to DKK 8.0 million in addition to subscribing for new shares corresponding to DKK 2.0 million. The total equity subscription commitment from the Cornerstone Investors, existing shareholders, management and members of the Board of Directors is approximately DKK 124 million.

With the proceeds from the Offering, the Company expects to execute the Company’s near-term roll-out plan consisting of the construction of five new factories, where three of them are anticipated to be fully owned and the other two structured as joint ventures of which a joint venture agreement is already in place for France. The Company’s long-term ambition is to establish 24 factories by 2030.

Re-Match in brief

Re-Match is an artificial turf recycler headquartered in Herning, Denmark, where the Company also operates its factory. The Company’s patented recycling process enables artificial turfs to be disposed in a sustainable way. Re-Match sources worn-out artificial turfs, for which the Company is paid a gate fee. The Company then processes the turfs through its mechanical recycling process and subsequently sells the clean recycled output materials back to turf producers, installers as well as other industries – ready to be used in new production cycles.

Artificial turf is becoming increasingly popular as an alternative to natural grass as it facilitates doing sports anywhere, including in areas with adverse weather conditions and water shortage, while also accommodating more intensive use. The global installed base of artificial turf is estimated by AMI Consulting to ~370,000 full size soccer pitch equivalents by 2023. However, with a lifetime of around 8-12 years, disposal and replacement of turfs have become an imminent issue as traditional disposal methods mainly comprise landfill and incineration, which both have severe negative impact on the environment. As an alternative, Re-Match offers a long-term sustainable disposal solution reducing CO₂ pollution and recycling plastic 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.

Re-Match constitutes what it believes is the only artificial turf recycler with a third-party verification that handles the entire worn-out turf in a fully mechanical thermal process without the use of water or chemicals. In the process, the turf is downsized, dried, separated and cleaned resulting in four clean main output components without the creation of additional waste products. The recycled granulated grass fibres are used within a host of other industries and recycled by either compounding or pelletizing ready to be used in production of new plastic products, while the infill (sand and rubber) is reused in new turfs or in other applications such as sand blasting and in the production of rubber wheels and rubber mats.

Re-Match’s mechanical process is granted the Environmental Technology Verification (“ETV”) by the EU evidencing the Company’s status as an eco-efficient technology. In addition to the ETV, Re-Match is accredited the ISO 9001, certifying the Company’s quality and process governance which together with the ETV verification cement the Company’s commitment to increase the standard and transparency in the artificial turf disposal and recycling industry. As of 30 June 2021, Re-Match’s core artificial turf separation process and infill separation process were patent protected in a total of 41 and 31 different countries, respectively, where the patents are in force until 2033 and until 2034 outside EU and US.

As of 30 June 2021, the Company’s factory in Herning, which became operational since 2016, has recycled 633 artificial turf pitches corresponding to ~111,000 tons of waste which is equivalent to saving ~495 million plastic bags and had 37 full-time employees.

Re-Match’s ambition is to accommodate the increasing demand for sustainable artificial turf disposal and provide artificial turf owners and installers with a better, cheaper and simpler end of life solution for their worn-out turf. The Company’s near-term factory roll-out plan comprising one factory in Tiel the Netherlands, which currently is under construction, two in the United States, one in France and one in the UK – the latter two as joint ventures with local partners.

The new factories are designed based on key learnings from the factory in Herning. A fully operational factory operating at 80% capacity level is expected to generate annual adjusted revenues in the range of EUR 10-13 million and deliver adjusted EBITDA (non-IFRS) in the range of EUR 3-5 million subject to uncertainty and depending on location. The new optimised factory blueprint has an annual capacity of 250 pitches and a payback period of ~3-5.5 years as well as a fully replicable ERP system.

Re-Match is currently owned by Nordic Alpha Partners Fund I K/S, the two co-founders, members of the management team, the Board of Directors and several other minority shareholders. In March 2021, the Company conducted an internal funding

round raising DKK 14.9 million in equity and DKK 22.35 million in convertible debt. The loan facility will convert to equity in connection with the Offering, however, the conversion will not raise any proceeds. Of the DKK 22.35 million, Nordic Alpha Partners Fund I K/S contributed with DKK ~15 million.

Key strengths of Re-Match

- *Mission-driven clean tech company offering both environmental and social benefits*
- *Large underlying market with double digit growth rates and high predictability from significant pent-up demand*
- *The only ETV verified artificial turf recycler globally with patented technology*
- *Economical attractive business model with a sustainable customer value proposition*
- *Proven platform and strong management team with international experience*
- *Global scale-up based on a tangible and de-risked roll-out plan*

Key financials

For the half year ended 30 June 2021, Re-Match's financials were

- Revenue: DKK 13.0 million (adjusted revenue (non-IFRS): DKK 14.0 million)
- Gross profit: DKK 0.4 million

For the financial year ended 31 December 2020, Re-Match's financials were

- Revenue: DKK 28.5 million (adjusted revenue (non-IFRS): DKK 42.5 million)
- Gross profit: DKK -1.3 million

Adjusted revenue includes the gate fee from receiving the worn-out turf. Accounting revenue only accounts the gate fee as front-end revenue when the respective turf has been processed, meaning that adjusted revenue will equal accounting revenue in a steady state where Re-Match receives a turf when another turf has been processed. Please refer to the financial statements available on the Company's website for further information.

Sole Global Coordinator and Bookrunner

ABG Sundal Collier Denmark, filial af ABG Sundal Collier ASA, Norge has been appointed to act as Sole Global Coordinator and Bookrunner in the contemplated Offering.

For more info please contact:

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Important notice

This announcement does not constitute a prospectus as defined by Regulation (EU) No. 2017/1129 of 14 June 2017 and nothing herein contains an offering of securities. No one should purchase or subscribe for any securities in the Company, except on the basis of information in any prospectus published by the Company in connection with a potential offering and admission of such securities to trading on Nasdaq First North Premier Growth Market in Copenhagen. Copies of any such prospectus will, if published, be available from the Company's registered office and, subject to certain exceptions, on the website of the Company.

This announcement and the information contained herein are not an offer to sell or a solicitation of any offer to buy any securities issued by the Company in the United States or any other jurisdiction where such offer or sale would be unlawful and this announcement and the information contained herein are not for distribution or release, directly or indirectly, in such jurisdictions. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) and may not be offered or sold within the United States absent registration or an applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. There is no intention to register any securities referred to herein in the United States or to make any offering of the securities in the United States.

In any member state of the European Economic Area (an “EEA Member State”), other than Denmark, this announcement is only addressed to and is only directed at, investors in that EEA Member State who fulfil the criteria for exemption from the obligation to publish a prospectus, including qualified investors, within the meaning of Article 2(e) of the Prospectus Regulation (EU) No. 2017/1129.

This announcement is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) to “qualified investors” (as defined in the UK Prospectus Regulation) who are (a) investment professionals falling within Article 19(5) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “Order”) or (b) high net worth entities falling within Article 49(2)(a) – (d) of the Order (the persons described in (i) and (ii) above together being referred to as “relevant persons”). The securities are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this announcement or any of its contents. The “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018.

ABG Sundal Collier Denmark, Filial af ABG Sundal Collier ASA, Norge (the “Sole Global Coordinator and Bookrunner”) and its respective affiliates are acting exclusively for the Company and no one else in connection with the potential Offering and will not regard any other person as its respective clients in relation to the potential Offering and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients, nor for providing advice in relation to the potential Offering, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

In connection with the potential Offering, the Sole Global Coordinator and Bookrunner and any of its affiliates, acting as investors for their own accounts, may subscribe for or purchase shares and in that capacity may retain, purchase, sell offer to sell or otherwise deal for their own accounts in such shares and other securities of the Company or related instruments in connection with the potential Offering or otherwise. Accordingly, references in the Prospectus, if published, to the shares being issued, offered, subscribed, acquired, placed or otherwise dealt in should be read as including any issue or offer to, or subscription, acquisition, placing or dealing by, the Sole Global Coordinator and Bookrunner and any of its affiliates acting as investors for their own accounts. The Sole Global Coordinator and Bookrunner does not intend to disclose the extent of any such investment or transactions otherwise than in accordance with any legal or regulatory obligations to do so.

Forward looking statements

Matters discussed in this announcement may constitute forward-looking statements. Forward-looking statements are statements that are not historical facts and that can be identified by words such as “believe”, “expect”, “anticipate”, “intends”, “estimate”, “will”, “may”, “continue”, “should” and similar expressions, as well as other statements regarding future events or prospects. Specifically, this announcement includes information with respect to projections, estimates and targets that also constitute forward-looking statements. The forward-looking statements in this announcement are based upon various assumptions, many of which in turn are based upon further assumptions. Although the Company believes that these assumptions were reasonable when made, these assumptions are inherently subject to significant known and unknown risks, uncertainties, contingencies and other important factors which are difficult or impossible to predict and are beyond its control. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations, projections, estimates and targets expressed or implied in this announcement by such forward-looking statements. The information, opinions and forward-looking statements contained in this announcement speak only as at its date, and are subject to change without notice.

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Attachments

- [Download announcement as PDF.pdf](#)
- [Re-Match Holding AS announces intention to launch an Initial Public Offer.docx](#)

