2022 Annual Report

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Content

Chairperson & CEO letter

Following the IPO of Re-Match in December 2021, the strategy and targets were clear. We wanted to build a new factory in the Netherlands in 2022 and to improve the value of our back-end products. At the same time, we expected, as communicated, to increase costs more than previous years due to the construction of the Dutch factory and while only having one operational factory we expected 2022 financially to be the toughest year for Re-Match.

With that in mind, 2022 was a defining year for Re-Match. In January Re-Match ordered the factory line for its first factory based on the new blueprint – the Tiel factory – and less than twelve months later the Tiel factory recycled its first artificial turf.

The adjusted revenue for 2022 reached record high numbers with more than DKK 50m for the group, reflecting the growth in the front-end market and contrasting the IFRS revenue numbers which went down due to the temporary, partial shutdown in Herning.

The increasing energy prices, in response to the war in Ukraine, and its effect on energy costs necessitated a temporary, partial production shutdown in the Herning factory in November and December.

Throughout the year, Re-Match has exercised a significant ramp-up of the organisation, as planned, across the whole group as part of the preparation for the global factory roll-out.

Another target for Re-Match was to increase the value of the back-end products which has been achieved through new sales agreements.

Finally, early in 2023, the Board of Directors announced the intention to delist Re Match from Nasdaq First North following a transaction agreement with Verdane and NAP of up to DKK 235m in gross proceeds. As part of the delisting, it was important for Re-Match that the minority shareholders would be treated well and therefore a unique structure was developed for the minority shareholders for them to participate in the delisted company as a shareholder.

The outlook for 2023 is very positive, as the factory in Tiel, the Netherlands, has started up ensuring that the IFRS revenue for Tiel will match or exceed Herning. In addition, the refurbished factory in Herning is also expected to increase throughput per hour, though it has been partially idle for the first three months of 2023.

TIEL FACTORY

As stated in the prospectus from the IPO, the most significant milestone of 2022, was the construction and commissioning of the Tiel factory, based on the new blueprint. Despite significant global supply chain issues causing shortages on materials and key components that were used in the building and factory line, Re-Match achieved several central milestones. In the first half of the year the equipment for the factory was ordered and the construction of the factory building was completed. In the second half, a grant of EUR 4.5m for the factory was granted by the Dutch government, the assembly of the factory line was initiated and the hiring and onboarding of production workers and supporting staff was intensified. Finally, in December the first material was recycled, and as of the release of this report, the factory has already in periods been exceeding the hourly production volume expected mid-2023 while the quality and purity of materials are looking very promising and being sold as fast as they are being produced.

COST AND PRICES

In response to the historically high energy prices that occurred in 2022, Re-Match decided to adapt its activities and down-ward adjust the level of operation at the Herning factory to reduce costs. The temporary, partial production shutdown of processing artificial turf also meant that less recycled material was available for sale. The period has, however, enabled the company to move forward planned maintenance, energy saving initiatives and upgrades to the factory, which in turn is expected to improve the performance of the factory once production is resumed.

We expect the production in Herning to resume in April 2023, and with higher production volumes, however due to partial shutdown Re-Match will not be able to accept the normal amount of used artificial turf pitches in 2023.

In 2022 there was a significant increase in the demand for recycled materials in industries outside of the turf industry. Not only has this diversified the company's sales outlet, but it has also had a positive effect on the prices of back-end materials. Furthermore, with a potential upcoming rubber-ban, it is important to have demonstrated the ability to provide materials with a quality that lives up to the high requirements in most industrial applications.

OTHER FACTORIES

In the French Joint Venture, the organisation has prepared for the upcoming construction of the factory in Erstein, where a location was secured early in the year. Throughout the year, Eric Levresse (CEO of Re-Match France) and his team have worked to secure financing for the building and the factory line, totalling EUR 19.5m including a grant of EUR 2.3m, onboarding key employees and preparing the market by engaging with relevant stakeholders within and outside the turf industry. The ground-breaking happened in March 2023 and the first artificial turf will be recycled in 2024.
In the US, a site for the first Re-Match factory outside Europe was secured in the middle of the year. Re-Match applied for all relevant permits to commence operations during 2022 and expect to start construction in 2023 along with further market activities. Taking it all together, Re-Match sees that the total turnover of new factories will increase as prices on front- and back-end products rises, although the profitability margin is expectedly unchanged compared to the IPO expectations due to higher costs stemming from inflation.

SIGNIFICANT INVESTMENT

In the beginning of 2023 and based on the achievements of 2022 Re-Match announced major plans about a delisting from the stock market as part of the recently disclosed funding plan of up to DKK 235m in gross proceeds, in multiple tranches. With continued support from Nordic Alpha Partners and a new significant commitment from Verdane, the Board of Directors decided to recommend a delisting of Re-Match to the benefit of the company and its shareholders. The decision to delist was approved at an Extraordinary General Meeting on 23rd of March 2023. With the new funding plan, Re-Match is in a strong position to realise its global strategy of 24 factories before 2031.

Re-Match at a glance

IFRS Revenue

DKK'000	**2022**	**2021**	**Change**
Front-end	11,074	14,974	-26.0%
Back-end	4,316	5,249	-17.8%
Other	12,211	8,339	46.4%
Total	**27,601**	**28,562**	

Key figures and KPIs

DKK'000	**2022**	**2021**	**2020**
Revenue (DKKm)	27.6	28.6	28.5
Deferred revenue	9.7	2.5	14
Adjusted revenue	37.3	31.1	42.5
Adjusted revenue incl. Joint venture	51.1	43.1	44.4
Adjusted revenue incl. Re-Match part of Joint venture	45.6	35.9	43.3
Balance sheet total	360.4	253.2	133.9
Tangible assets	86.7	64.6	68.9
Equity	10.5	113.5	-10.2
Input inventory *(full-size soccer pitches at 220 tons)*	317	145	175
Turf processed *(full-size soccer pitches at 220 tons)*	88	118	96
CO2 saved compared to incineration (tons)	27,249	37,917	29,580
FTE's	55	38	34

REVENUE

The revenue for 2022 fell slightly to DKK 27,602t from DKK 28,562t in 2021 which is in line with the previously communicated revenue expectations for 2022. Despite the temporary, partial production shutdown, Re-Match managed to keep revenue close to last year. However, the revenue composition changed between 2021 and 2022.

For front-end, the revenue fell from DKK 14,974t in 2021 to DKK 11,074t in 2022. The decrease is caused by an overall reduction in total production volume in H2, which can be attributed to the temporary, partial production shutdown and multiple test-runs with different artificial turf types and lower throughput rate.

Back-end revenue in 2022 fell to DKK 4,316t from DKK 5,249t in 2021. The fell in back-end revenue is explained partly by the fall in total production volume and partly by a shift in markets during 2022. In 2021, Re-Match sold a significant amount of back-end materials to UK, where the price of sand and rubber is significantly higher, however the transport cost for UK is high. Since the transport costs increased during 2022 it was no longer profitable to ship materials to the UK, causing lower revenue and transport costs consequently.

Other revenue (transport, roll-up, etc.) increased from DKK 8,339t in 2021 to DKK 12,211t in 2022 corresponding to an increase of 46%.
Other revenue is a service for the customers, not a core revenue stream for Re-Match and have a very low margin. In addition, more pitches were relatively sourced from the Nordics, where the transport distance is high. On front-end, customers are more inclined to accept higher transport costs as Re-Match provide a unique recycling service, that is not available locally.

Furthermore, the Re-Match Group has experienced a significant increase in adjusted revenue. Including Re-Match France, adjusted revenue has increased by DKK 8,0m from DKK 43.1m in 2021 to DKK 51.1m in 2022, corresponding to an increase of 18.3%. This is mainly caused by a shift towards higher gate fees from countries, such as the Nordics, the Netherlands and France where the public recycling fee is higher.

Key figures & KPIs

Consolidated statement of profit and loss and other comprehensive income

DKK'000	**2022**	**2021**
Revenue	27,601	28,562
Cost of sales	-29,950	-29,437
Gross profit/loss	**-2,349**	**-875**
Other external expenses	-31,583	-15,477
Special items	0	-20,643
Staff costs	-38,207	-29,076
Other operating income	868	575
Depreciation, amortisation and impairment losses	-12,384	-7,523
Operating profit/loss	**-83,655**	**-73,019**
Share of profit of a joint venture	353	0
Financial income	8,308	548
Financial expenses	-13,353	-19,953
Profit/loss before tax	**-88,348**	**-92,424**
Tax for the year	0	0
Profit/loss for the year	**-88,348**	**-92,424**

Adjusted consolidated statement of profit and loss

DKK'000	**2022**	**Non-recuring costs**	**Net 2022**
Revenue	27,601	0	27,601
Cost of sales	-29,950	0	-29,950
Gross profit/loss	**-2,349**	**0**	**-2,349**
Other external expenses	-31,583	9,068	-22,515
Special items	0	0	0
Staff costs	-38,207	1,075	-37,132
Other operating income	868	0	868
Depreciation, amortisation and impairment losses	-12,384	0	-12,384
Operating profit/loss	**-83,655**	**10,143**	**-73,512**

CONSOLIDATED AND ADJUSTED FINANCIAL STATEMENT OF PROFIT AND LOSS

As previously communicated in the prospectus, 2022 was expected to be the least profitable year in Re-Match's global expansion. In 2022 Re-Match realised a loss of DKK 83,655, which is heavily influenced by costs associated with the factory expansion in Tiel, since Re-Match generates significant costs but not yet revenue from customers. Insights into the change in loss of the year between 2021 and 2022 is provided in the Notes section. Note that in 2021, Re-Match incurred significant costs associated with the IPO.

The dramatic increase in energy prices (gas and electricity) has had a significant effect on the cost of sales and a direct effect on Re-Match realising a gross loss, despite the effort to reduce energy consumption with the temporary, partial shutdown to production. Compared to 2021, energy costs have increased by DKK 3.8m, while energy consumption in production went down by 12.0%

In 2022, other external expenses increased from DKK 13,734t to DKK 22,515t after non-recurring expenses. In Denmark, other external expenses increased DKK 4.7m due to increased utility costs, travel activities from returning to pre-COVID levels and frequent travel of the SWAT team to Tiel in addition to upgrades of the IT infrastructure. necessitated by the factory start-up. Furthermore, an additional DKK 2.1m were booked in temporary storage costs associated with the ramp-up of the Tiel factory, clearing of external sites in Herning and hand-over of the lease in Pennsylvania,

In Tiel onboarding of new employees contributed to DKK 7.9m in staff costs (salaries, benefits, etc.). Less capitalization of staff costs to the EU Horizon project, organisational professionalisation in Herning and new employees located in the US also caused increases in overall staff costs.

In 2022, Re-Match had DKK 10.1m in non-recurring costs which included advisory costs related to financing, temporary rent in NL and US, write-off on debtors and one-time staff costs associated with the temporary, partial production shutdown.

Management has chosen to restate the 2021 comparative figures for deferred tax assets and equity due to the identification of incorrect accounting treatment of IAS 12.

Even though the approved budget and business plan both in prior periods and at 31st of December 2022 reflects that the Company and Group will be generating taxable profits in the foreseeable future, it is the Management's assessment that the recognition of the deferred tax assets did not meet the strict criteria of IAS 12 'convincing evidence'. Needless to say, Re-Match still expect to be able to utilize the tax losses carried forward, as the Group's profitability increases.

Operational highlights

DENMARK

The Re-Match factory in Herning was negatively impacted by the high energy prices that hit Europe in 2022. In November, normal production was eventually stopped, and some employees were unfortunately dismissed. Production was also affected by multiple test-runs with different types of artificial turf and lower throughput rates. The separation process changed over to cleaning old mixed material and turning 90% of it into clean sand. At the same time a major renovation and optimisation of the downsizing section, where the gas is consumed, was initiated to increase capacity, reliability, and efficiency. This is expected to complete in March 2023, so the factory is back to normal production in April 2023.

THE NETHERLANDS

The machinery for the new factory in Tiel was ordered in January 2022 with the challenging target of being installed and able to recycle material by the end of 2022. In March, Re-Match received the keys for the factory building in which the machinery would be placed and the offices located. This building process had already started in 2021. Immediately, artificial turf were brought to the site ready to be processed. Installation of the machines started in June and commissioning commenced in November. The first rolls of turf were run through the factory in December as planned.

The factory will ramp up production in 2023 and plans to have 24/7 operation in July.

FRANCE

The next Re-Match factory to be constructed will be located in Erstein, France. The financing and the site were secured during 2022. The machinery was ordered in December and the installation is planned to commence in October 2023 with commissioning in Q1 2024. This factory will have the same capacity as the Dutch factory as it is based on the same basic Re-Match technology blueprint.

USA

In July 2022, Re-Match signed a 20-year lease for a site in Tamaqua, Pennsylvania. The site includes a building of over 12,000 m2 suitable for warehousing. The plans are to build an extension in 2023 that can house a recycling line that Re-Match also plans to order in 2023. The intention is to have an operational factory by the end of 2024.

A sub-tenant was found in November 2022 for a 12-month lease to cover expenses while permitting and engineering is performed.

Commercial highlights

THE NORDIC REGION

The front-end sales for the Re-Match factory in Herning were positive compared to budget although it was negatively impacted by the lower output due to the temporary, partial production shutdown in November and December. Especially key customers in Norway have delivered as expected and some have exceeded the plan.

Focus on front-end was in 2022 on the Swedish market that still is sending the artificial turf carpet to incineration. The effect from these actions is now showing a positive effect in the first two months of 2023.

The sales of sand and rubber back to the artificial turf industry did not meet the expectations due to the lower output from the factory in Herning.

A Letter-of-Intent has been signed an acoustic panel company for 1,000 tons of plastic fibres. The expectations during the first months of 2023 have not been met, but Re-Match expect that it will pick up in the second quarter of 2023.

A cooperation with another plastic company has been started up for making granules through extrusion of the plastic fibres. Our product can then be used in different kinds of moulding, or it can be compounded.

A large order from Sweden within the steel industry has been placed for the sand/rubber mix and fine sand.

THE NETHERLANDS, BELGIUM & NORTH-EAST OF GERMANY

The front-end sales did live up to the expectations in 2022. The newly finished factory in Tiel has had a very positive effect on the expectations for the future sales of both front- and back-end sales. Re-Match are now able to show in these markets that they are not only collecting artificial turf , and thereby creating a liability, but Re-Match are actually able to deal with a very large environmental problem.

The back-end sales have over the last two quarters of 2022 shown a very positive trend, that has been proven during the first three months of production in Tiel, where the quality of the output has made it possible to get rubber out to customers already now – both for the Dutch market as well as for export. There are also customers waiting to be supplied with sand and fibres.

However, the front-end sales for the Dutch factory will be under pressure in 2023 due to lack of storage capacity.

FRANCE, SOUTH OF GERMANY, AUSTRIA & SWITZERLAND

In this region the front-end sales were below the expectations for 2022. Especially the German market has been disappointing due to very low pricing from alternative solutions. We expect that Germany will follow the other European markets in 2023 or 2024 to demand true recycling . With the new factory in the Netherlands the French sales team will start focussing on back-end sales as well. Some smaller orders have already been secured and Re-Match are still negotiating with customers especially in Germany for all three types of back-end materials.

USA

The US market is being prepared for both front- and back-end sales. Re-Match is not able to take in artificial turf yet, but the company is visiting planners and artificial turf producers for the front-end sales, and for the back-end sales Re-Match is preparing the market by visiting potential industrial customers in order to make annual agreements. As the customers would like to see the quality on an on-going basis, Re-Match is following the transportation rates from Europe to the US closely and expects to be able to send some material across during 2023.

Outlook 2023

Re-Match expects that 2023 will bring significant improvements to the financial and operational performance as the ramp-up of production at the Tiel factory progresses and Herning factory has been improved while seeing lower energy costs. Improve prices on both front- and back-end materials will also contribute positively.

In 2023, the Tiel factory will continue to produce more and more recycled material from artificial turf that can be sold for use in new products or in new artificial turf pitches. This will have a significant positive effect on revenue in 2023, while costs will not increase proportionally. It is expected that the Tiel factory will reach cashflow positive during some months of 2023, however, it will not be until 2024 that the factory will demonstrate full year profitability.

For the Herning factory, it is expected that the financial performance will improve in 2023 on a month-by-month basis as well, since the upgrades made during the temporary, partial production shutdown will improve production performance going forward. Combined with the current trend of increasing prices and commercial agreements, it is expected that the Herning factory will operate a level that would have ensured a positive gross profit if full production had taken place throughout 2023.

In December 2022 the factory line for the French factory in Erstein was ordered. In March 2023, the construction of the factory building commenced. Once the building has been completed, the installation of the factory line will begin. It is expected that the overall length of construction, installation, and ramp-up timeline of the Erstein factory will closely resemble the Tiel factory, thereby ensuring that the first artificial turf will be recycled in 2024.

In 2022 Re-Match was not able to increase its front-end prices to existing customers to counter the increasing energy prices due to the length of commitments towards customers. However, a proportional increase to front-end gate fees is expected in 2023 and despite continued price increases in 2023, the overall profitability margin of new factories is expected to remain unchanged.

Looking a bit further into the horizon, the next two factories after the French factory will be built in the US. The first factory in the US will be in Pennsylvania, where a site was secured during 2022. During 2023 Re-Match will onboard more personnel in order to initiate the construction of the factory and carry out more intense market preparations. A second factory in the US will follow afterwards.

Risk management

COST DEVELOPMENTS

As already mentioned in the Annual report 2021, the supply chain bottlenecks from the aftermath of Covid-19 and the war in Ukraine, would affect the costs structure of Re-Match. The company has, as a consequence, seen much higher energy prices especially in Europe and inflation remains high. This has resulted in increased costs of operations but also increased capital expenses at the new factories. Similarly, Re-Match also expects that the cost of new factory lines will increase permanently in the future as a result of the global wide high inflation.

As it is with most recycling businesses, Re-Match's technological process is relatively energy intensive, which means that the profitability of the business is dependent on changes in energy prices. Although energy prices have decreased since the peak during 2022, permanent changes to the cost structure of factories are expected going forward. To counteract this, Re-Match will on a continued basis assess the need to lock in energy prices one and two years in advance and have already partially done so for 2023 and 2024.

However, it is the expectation that the higher cost of operations can be offset by increases to both front- and back-end fees as more and more back-end products have been sold through different sales outlets and to new industries, while there has been a significant interest from other companies to engage in commercial agreements. Consequently, Re-Match expect the overall profitability of new factories remains unchanged.

HIRING NEW EMPLOYEES

A significant risk to the roll-out of new factories is being able to hire the right people in each market Re-Match enter, onboarding and retaining new employees. In 2022, in the Re-Match Group (including the French Joint Venture) the number of employees increased from 43 to 66 (55 not including the French Joint Venture). An important achievement that underlines Re-Match's ability to attract the right people. Re-Match's environmental purpose serves as a competitive advantage as talent is increasingly seeking a purpose that they can identify with, besides enticing opportunities and remuneration. This is also something that is highlighted in a regular employee survey.

With the impressive start to the operational capabilities of the new Tiel factory an effort is currently being made to onboard new employees to reach full operationality as fast as possible. All administration roles have been filled and the recruitment of production employees have been intensified.

In the French Joint Venture all key manager roles including plant manager and regional sales managers have been found. With the recent commencement of the construction of the factory building and ordering of the factory line, the recruitment process of the remaining staff will be intensified here as well.

POTENTIAL RUBBER BAN

The European Commission has drafted a proposal to ban the use of rubber granules as infill in sports pitches, and it was expected that the proposal would be adopted by the end of 2022 with a 6-year phasing out period. The decision was postponed until the 1st of March 2023, where a vote in the European Commission was planned. This was again postponed due to the need of further investigation.

The aim of the proposal that the commission has drafted is to avoid the spread of microplastics. Across Europe, between 18,000 and 72,000 tons of granules escape from artificial grass pitches annually. In addition to run-off, granules escape through rubbish disposal, surface water drains, players' clothing and the machines used for maintenance. The expected change has little impact on the business of Re-Match as we are prepared and can easily change the processes to fit other solutions than rubber infill.

Re-Match experienced increased demand for its recycling solution from cities in Europe that will look to have their turfs recycled in an environmentally responsible and circular way, which the company offer. Re-Match also expect to see less unregulated solutions such as on-site separation of pitches. Such solutions are a big environmental problem since these processes generate a lot of dust and microplastics. These problems are avoided when complete turf is separated in dedicated recycling facilities.

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 to play 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 a 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 CO_2 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. 110 pitches per year and the capacity on the new factories will be approx. 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 and to achieve this, it is necessary to establish that all new factories will be able support this goal. Therefore, a factory blueprint has been developed and with only minor tweaks, Re-Match will be able to replicate the concept anywhere in the world - thereby providing significant support towards the long-term goal of having 24 factories globally. The international roll-out has been set in motion and Re-Match is executing on the plans to build the first five factories. This is on track - and when this is achieved, Re-Match will have proof that it is possible to reach the long-term goal.

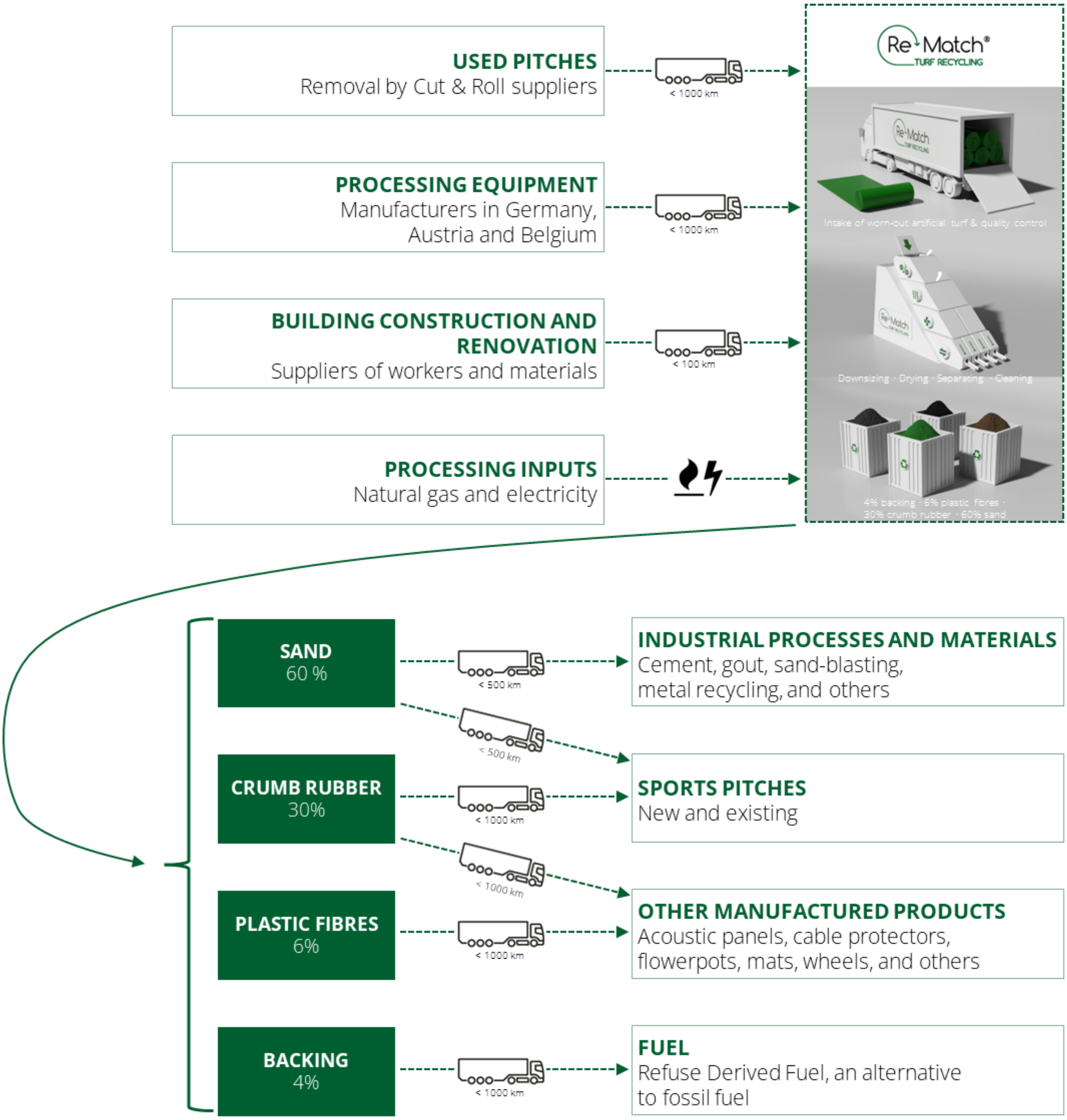
With the ideal production facilities in place, the next task is to engage with customers and at Re-Match a strong customer focus is central to how success should be achieved. Wherever customers meet Re-Match, they should see a company that instils confidence in its capabilities, transparency in its processes and that acts with integrity. This is how the brand should be delivered and therefore, great care is taken in both recruitment and training of new employees in order to ensure that this will be achieved.
At Re-Match there is true passion about the work and the impact delivered through it - and employees are proud to take part in realising the company vision.

Business model

The Re-Match business model is built around a sustainability agenda, the concept of circularity, and the reuse of critical resources.

PRODUCTS & SERVICES

Our primary service is the recycling of artificial sports pitches on behalf of local authorities, turf manufacturers and turf installers. The result is four materials: recycled sand, crumb rubber, backing and plastic fibres. These materials are used in a wide range of industrial and manufacturing processes ranging from the production of acoustic panels to the laying of new pitches.



Caption: Figure 1 shows the core elements of the Re-Match value chain, from supply to operations

USED PITCHES

A typical full-size pitch weighs around 220 tons and we grade the quality before accepting it. Local contractors then cut the pitch into manageable strips, which are rolled and placed in plastic sleeves to help prevent loss of material and ensure environmentally safe storage. The pitch is then transported by road to our factory.

RECYCLING

Each incoming pitch is marked with a unique batch number to provide customers with traceability. From the storage site, the rolls of turf are placed in the conveyor, which leads to a fully mechanized recycling process with four key steps: drying, shredding, separation and cleaning. All recycling takes place at our factories in Denmark and Netherlands. The construction of a third site, a joint venture in France, is due to complete in 2024.

QUALITY

Importantly for customers, the final materials are graded for size and colour and quality tested. Results often show equivalence to virgin materials. Each batch of product is traceable back to the pitch it originated from.

SALES

Each factory has its own sales function and serves recycling customers in a radius of around 1,000 km. Recycled materials are sold to companies in a similar radius. The profitability of our business model is not dependent on subsidies.

WHY RECYCLE INSTEAD OF REUSE?

For many products, re-use is preferred to recycling, but industry reports show this is not the case for artificial pitches.

For example, a FIFA investigation[1] concluded that re-use would only be acceptable if recycling was unavailable and there was a viable market for the used product. The report found little evidence of a market for old pitches and that turf cut into smaller sections for domestic use would almost certainly end up in landfill or incineration.
A second report[2] by AMI Consulting Group reached the same conclusion, saying that re-use simply "delays the problem". Further it found that the lack of recycling of artificial turf is a "key threat" to the health of the industry. In 2021, 64Mm^2 of turf was replaced globally, forecast to rise to 90Mm^2 by 2025. The current recycling capacity is a small fraction of this volume. Re-Match provides a much-needed solution.

[1] *Environmental Impact Study of Artificial Football Turf by Eunomia Research & Consulting Ltd for FIFA, March 2017*

[2] *The Global Market for Artificial Turf, AMI Consulting Group, May 2022*

Environment

As a recycler, the maximisation of the commercial value of materials and sales volume are the most important factors for the environmental performance of our business.

In 2022 we recycled the equivalent of 88 standard pitches, equivalent to avoiding carbon emissions by approximately 27,250 tons compared to incineration.

CARBON EMISSIONS AVOIDED

		2021	2022	Change
Compared to landfilling	tons CO_2e	6,750	4,644	-29.4%
Compared to incineration	tons CO_2e	37,917	27,249	-28.1%

The table shows the carbon emissions avoided by the recycling of artificial turf at the Danish factory in 2021 and 2022 compared to landfilling and incineration[3] .

FACTORY BUILDINGS AND EQUIPMENT

Re-Match factories are located at leased properties designed for our needs. Our first factory, located in Denmark, has provided us with several years of experience in running a turf recycling plant.

The learnings from this period have been incorporated into the blueprint for subsequent factories, such as those in Netherlands and France, and are expected to raise the environmental performance of our expanding operations. The optimization to the factory design means that less energy will be consumed per ton of turf processed while the back-end material will be of a higher purity thereby improving the commercial value of our products. We will also invest in upgrades to make the Danish factory more efficient.

OPERATIONS

Not only do we support the sustainability agenda though our business model, but we also strive to apply sound ESG principles to minimise the footprint of our operations. Below you can read the steps we have already taken, as well as our near-term plans.

ENERGY EFFICIENCY

The Dutch factory has an EU Energy Performance Certificate rating of A+++ and is expected to require less electricity, gas and diesel per ton of production thanks to advances in production technology.

SOLAR PANELS

In 2023 we will install solar panels on the roofs of the Dutch and French factories, and these are expected to deliver at least 15% of the energy needs of these factories. There are currently no plans to add solar panels to the Danish factory.

[3] Compares the resource intensity to the carbon emissions associated with the production of new material (Meil & Bushi, Athena Sustainable Materials Institute, 2006) and incineration of artificial turf (Universal Textile Industries, 2013). When artificial turf is diverted from landfilling, the carbon emissions associated with production of new materials is avoided, and when diverted from incineration the emissions from both production of new material and incineration of old is avoided. The calculation assumes all recycled material is sold for use in new products and none is sent for incineration. Waste is excluded. Independent ESG consultant Klinkby Enge has approved the methodology.

HEAT RECOVERY

In Netherlands and France, we recover heat from the dryer and circulate it back into the dryer, thereby improving overall energy efficiency. In early 2023 we invested in a similar heat recovery system for Denmark.

PRODUCT DOCUMENTATION

Since 2021 we have provided product traceability back to the original pitch material and tested each batch for polycyclic aromatic hydrocarbons to ensure compliance with safety limits.
Since the documentation we provide on our products is key to their market value, we aim to strengthen our documentation even more in line with customer and regulatory demands.

In the short term, we aim to add the amount of consumables (gas, electricity, diesel) used in each batch, as well as waste generated. Longer term, we aim to develop a lifecycle assessment according to ISO 14040 as the basis for an environmental product declaration.

FACTORY CERTIFICATION

To help ensure our customers are confident in the quality of our operations, we have secured third-party certification of key aspects of our process according to leading international standards.

As of 2022, our Danish company has achieved the following certifications:

- ISO 9001 Quality Management: the operation of a system to deliver the right quality end-products
- ISO 14001 Environmental Management: the operation of a system for improving our environmental performance
- EuCertPlast: the production of truly recycled material – in other words, nothing is added or taken away
- EU Environmental Technology Verification (ETV): the efficacy of the recycling process

In 2023 we plan to secure ISO 9001, ISO 14001, BRL and EuCertPlast. certification of our operations in the Netherlands. Our under-construction factory in France will follow suit in 2024.

We are also working on certification under RAL, a German-based quality mark that will describe a precise process for handling artificial turf, including recycling. This is a new standard, still under development, so it will be years before certification is possible.

EU TAXONOMY

The EU taxonomy is a classification system establishing a list of environmentally sustainable economic activities. Its purpose is to create security for investors, protect from greenwashing and help companies become more climate friendly.

According to our 2022 self-assessment, Re-Match is eligible under the taxonomy. Re-Match fulfils the taxonomy's 'substantial contribution' criteria for climate mitigation in addition to some of its 'do no significant harm' requirements. We aim to demonstrate full alignment with all requirements by 2024 at the latest.

QHSE MANAGEMENT

To help manage and document our work with quality, environmental performance, health and safety, and employee competences, we implemented Sherlock, a web-based QHSE management platform in 2022. Sherlock will be used across all international operations, making it easier to add new factories, spot whether staff have the correct training, and ensure similar quality across factories.

Social

Our employees are the key to our success. Therefore, it is they who receive virtually all our attention and resources on the social agenda. We invest in safety, education, diversity, and high-performing teams.

SAFETY

The safety of our people, partners and subcontractors is a key focus area and our target is zero accidents. The Danish factory has a "Green Smiley" (indicating no outstanding issues) from the Danish Working Environment Authority and external visitors are provided with written safety information. We aim to continuously strengthen the safety culture, especially at our production sites where the biggest risks lie. We apply this approach to all our activities from training of procedures and stringent documentation to management of health and safety and communication of an integrated health and safety culture.

In 2022 there were three accidents, two at the Danish factory, one in Netherlands. All were minor injuries resulting in a few days absence. Two of the injuries would have been prevented if the workers had used the safety equipment provided and for the third injury, we have made changes to the equipment to prevent a similar accident in the future.

To help improve safety and avoid accidents in the future, we hired an independent consultant to carry out a risk assessment. The outcome is that we are rolling out safety mindset training, process changes, and a system for the reporting of near misses, risk spots, and other feedback. These will be implemented at both our operational factories by mid-2023.

We have also identified capital investments to improve safety and working conditions in Denmark. These include improved ventilation and dust filtering, a hydraulic lift platform, and a new baling machine. We expect to make these investments in 2023.

HIGH-PERFORMING TEAMS

Apart from keeping our employees healthy and safe, we also want to enhance a work environment that is high-performing and fun to work in. To that end we are adopting Patrick Lencioni's Five Behaviours model for teams. The ideal team characteristics are trust, productive conflict, commitment, accountability, and attention to results. Implementation of the model started in 2022 with the senior management team. Plant management and individual contributors will be trained in the model in the first half of 2023.

To supplement the team model, we have also adopted Lencioni's model of the Ideal Team Player. The focus here is on people who are humble, hungry and smart and we use the model in recruitment to help identify the best-fit candidates. We also map team competences to help ensure we recruit the required skills.

DIVERSITY & INCLUSION

Research shows that diverse perspectives and ways of working improve decision-making and outcomes. Therefore, towards the end of 2021 we created a diversity and inclusion policy to help ensure the organisation reflects the societies in which we operate.

Gender is a key target of the policy, and we aim for minimum 40% women on the board and at all management levels by end of 2023.

BOARD AND MANAGEMENT

In 2022 our Board of Directors had a gender balance equating to 20% female representation. The announced delisting will expectedly bring changes to the Board of Directors including female representation.

Among the senior management, we ended 2022 without female representation due to the departure of our HR director. We hope to appoint a woman to senior management by the end of 2023, which would bring female representation to 25%. However, due to the low turnover in senior management positions, we expect to fall short of 40%. Across management positions, women had 14% representation, the same as in 2021.

INCLUSION

In 2022, 42% of all employees were Danish nationals and 58% were other non-Danish nationals. In the Netherlands, France and USA, 100% of the employees were Dutch, French and American, respectively.

In Denmark most production workers are Eastern Europeans (primarily Polish and Ukrainian), while the majority of office workers are Danish.

EDUCATION

We want to support employees in their professional development, especially if it will help Re-Match achieve its goals.

If an employee has identified a relevant course – e.g., to enhance their technical, language or management skills – they may request support from their manager. If approved, Re-Match will offer to pay for the tuition fees and study materials, while the employee contributes their time.

Project work, such as the building or renovation of a factory, is an important activity for the success of Re-Match and we want to execute it efficiently. For this reason, we have offered all project managers and selected operational managers training in the PRINCE2 project management methodology. In 2022, 5 employees completed PRINCE2 training and a further 3 are expected to complete it in 2023.

SOCIAL KPI'S	**2022**	**2021**
FTE # *(Calculated based on the ATP-method)*	55	38
Diversity % *(Female FTEs / all FTEs)*	19.7%	16.6%
Diversity in management % *(Female FTEs / all FTEs)*	14%	14%
Gender pay gap % *(Female median salary / male median salary)*	109%	104%
Sick Leave % *(Number of sick days for all FTEs/number of FTEs)*	3.3%	2,5%
Nationals split % *(DK nationals vs. non-DK nationals)*	42% / 58%	65% / 35%
Board diversity *(Female members / all members)*	20%	14%

Governance

The aim of corporate governance at Re-Match is to advance a responsible culture that creates long-term shareholder value as well as confidence and trust in the company among all stakeholders. This culture is created by a framework that stands on three legs: our company values, management structure, and policies.

VALUES

The following five values are vital to our culture and the achievement of our mission:

- Sustainability: Doing something good for the environment and the long-term viability of the industry
- Integrity: Keeping our promises to customers, with the documentation to prove it
- Teamwork: If we are to achieve our goals, every employee must be a team player
- Passion: We want employees who are passionate about contributing to a sustainable future
- Execution: Planning is important but only through action will we learn and make progress

MANAGEMENT STRUCTURE

Re-Match has a two-tier management structure; a board of directors and an executive management. The two bodies are separate and have no overlapping members.

The board is responsible for the overall and strategic management of the business. It supervises Re-Match's activities, management and organisation. The board appoints and dismisses the members of the executive management, who are responsible for the day-to-day management of Re-Match.

Two members of the board resigned their positions in 2022, which have created a need to fill the vacant positions during 2023. To improve the diversity and strength of the Board of Directors, at least one new member following the announced delisting will be a woman. This will bring female board representation to two members out of six.

BOARD COMMITTEES

To assist the board with its evaluations and decision-making, the company has three board committees, each consisting of select board members and appointed others. The committees report and make recommendations to the board.

- Audit committee: Reviews select accounting and audit matters and assesses the company's internal controls and risk management systems
- Remuneration and nomination committee: Assists on board and executive management composition, appointments and remuneration
- ESG and capital markets committee: Provides guidance on materiality and actions to improve ESG performance and how to most efficiently navigate on the capital markets

You can read more about the committees in our corporate governance policy.

CORPORATE GOVERNANCE POLICY

As a publicly traded company on the Nasdaq First North Growth Market, we adhere to the Danish Recommendations on Corporate Governance. This requires Re-Match to report on its compliance with the recommendations according to the "comply or explain" principle.

At the time of reporting, Re-Match complies with the Recommendations on Corporate Governance in all material respects, except that we have opted to deviate on quarterly reporting.

ANTI-CORRUPTION

At Re-Match we believe that respect for business ethics and anti-corruption are foundational to a fair and sound business environment. We are committed to conducting business responsibly, and we have a zero-tolerance policy for bribery and corruption in any form.

We believe this is a low-risk topic for Re-Match, however in 2023 we will incorporate it into our materiality assessment

OTHER POLICIES

Our governance framework is supported by policies spanning a range of topics and you can read them on our website by clicking below:

- Sustainability policy
- Diversity policy
- Board and executive management remuneration policy
- Investor relations and stakeholder communications policy
- Tax policy
- Whistleblower policy

The policies will be reviewed on an ongoing basis in order to reflect what we deem is required for the business.

The Danish and Dutch businesses also have an employee handbook covering a wide range of topics such as culture, benefits, working environment, performance reviews, education, travel and more.

In 2023 we will evaluate whether to add other policies, such as a supplier code of conduct.

FUTURE DIRECTION

In March 2023, Re-Match's Board of Directors announced the intention to delist from Nasdaq First North Growth Market, following a funding agreement with Nordic Alpha Partners and Verdane of up to DKK 235m in gross proceeds.

Both Verdane and Nordic Alpha Partners are pioneers within sustainable investments that fully support our vision and ambition and the need for accountability and transparency in the artificial turf industry.

With their support we are now ready for the next steps towards transforming the industry. First France. Then the US.

To ensure we have a clear vision of where to focus our ESG-agenda in the future while we expand, in 2023 we will undertake a materiality assessment, set long-term ESG goals and identify the strategies to achieve them.

Group management & Board of Directors

HENRIK GRAND PETERSEN
Chairperson
Independent

Danish, born 1970
Member since 2021

OTHER POSITIONS
CEO, Stena Recycling
Chairperson, ARI (The association of Waste & Resource industries in Denmark)

PREVIOUS EXPERIENCE
- President & CEO, RGS Nordic
- Board member, RGS Nordic
- COO, Fortum Waste Solutions
- COO, DISA Industries

LAURITS BACH SØRENSEN
Vice Chairperson
Not independent

Danish, born 1976
Member since 2019

OTHER POSITIONS
- Partner, Nordic Alpha Partners
- Board member, Spirii
- Board member, DyeMansion

PREVIOUS EXPERIENCE
- CEO, Aastra Telecom Denmark
- Chairperson, Microshade
- CEO, Microshade
- Chairperson, Ipvision

RASMUS FRØKIÆR ANKERSEN
Board Member
Independent

Danish, born 1983
Member since 2020

OTHER POSITIONS
CEO & Co-Founder, Sport Republic

PREVIOUS EXPERIENCE
- Author, *Professional football player*
- Chairperson, FC Midtjylland
- Board member, Brentford FC

KRISTIN PARELLO-PLESNER
Board Member
Independent

Danish, born 1974
Member since 2021

OTHER POSITIONS
SVP & Head of Group Sustainability, Danske Bank

PREVIOUS EXPERIENCE
- Director, Head of ESG at EKF Denmark's Export Credit Agency
- Board member (GreenMobility)

JAKOB FUHR HANSEN
Board Member (NAP)
Not independent

Danish, born 1970
Member since 2021

OTHER POSITIONS
- Partner, Nordic Alpha Partners
- Board member, Green Hydrogen
- Board member, Agro Intelligence
- Board member, Mater

PREVIOUS EXPERIENCE
- Partner, Vækstfonden
- CEO at Go'on Gruppen

NOTE

In 2022, Co-Founder Dennis Andersen and Ulrik Lundsfryd left the Board of Directors. Dennis is currently spearheading the expansion on the US market and the Business Development.
Ulrik chose to focus on his other business projects but remained an investor in the Re-Match.

Management board

NIKOLAJ MAGNE LARSEN
CEO
Co-Founder

Danish, born 1975
CEO since 2020

OTHER POSITIONS
Owner & Executive Management, Magne Larsen Investments

PREVIOUS EXPERIENCE
- Investment banking, Credit Suisse
- Principal Finance, Nomura
- Partner / CFO, ACP capital
- Board member, GCI Management GmbH
- Board member, Nordsee GmbH

NOTE
As previously announced, Thomas Bech Albertsen resigned from his position as CFO in Re-Match and left the company by the end of 2022. Since then, Re-Match have engaged external finance consultants to strengthen the finance department and to proceed with optimising the finance procedures and digital systems within the Re-Match group.

Meeting attendance

BOARD MEMBER	07/01	30/01	09/02	30/03	04/04	19/04 (AGM)	18/05	22/08	01/09	05/09	20/09	13/10	30/11
Henrik Grand Petersen	■	■	■	■	■	■	■	■	■	■	■	■	■
Laurits Bach Sørensen	■	■	■	■	■	■	■	■	■	■	■		■
Kristin Parello-Plesner	■	■	■	■	■	■	■	■	■	■	■	■	■
Jakob Fuhr Hansen			■	■	■	■	■	■	■	■	■	■	
Rasmus Frøkiær Ankersen						■	■		■		■	■	■
Ulrik Lundsfryd	■		■	■	■	■		■	■	■	■	■	
Dennis Andersen	■	■	■	■	■								

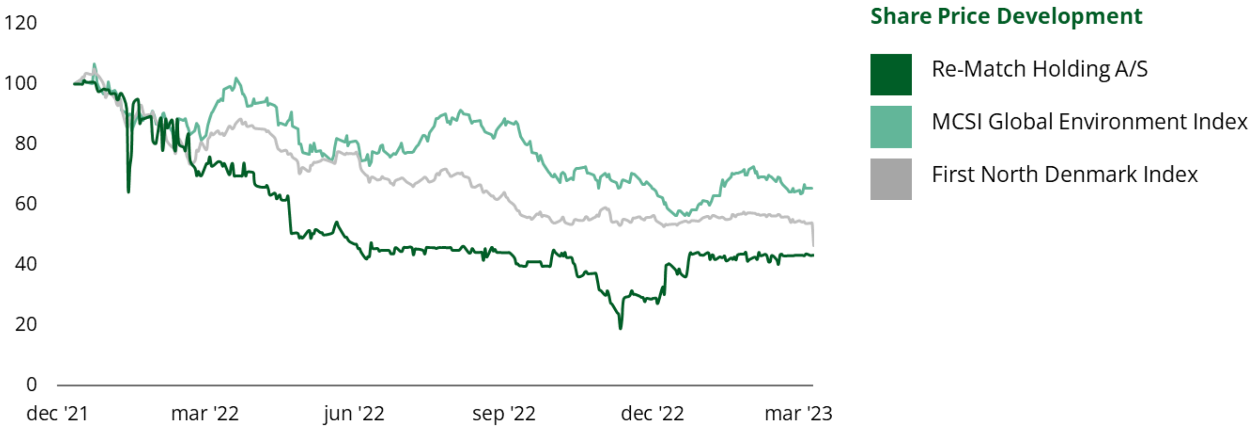
MANAGEMENT	07/01	30/01	09/02	30/03	04/04	19/04 (AGM)	18/05	22/08	01/09	05/09	20/09	13/10	30/11
Nikolaj Magne Larsen	■	■	■	■	■		■	■	■	■	■	■	■
Thomas Bech Albertsen		■	■	■	■		■				■	■	■

Shareholder information

SHARE PRICE DEVELOPMENT

The Re-Match share price closed at DKK 6.83 per share on the 24th of March 2023 corresponding to a total market capitalization of DKK 245m. Since the IPO of Re-Match on 23rd of December 2021, the share price has decreased by ~57%.

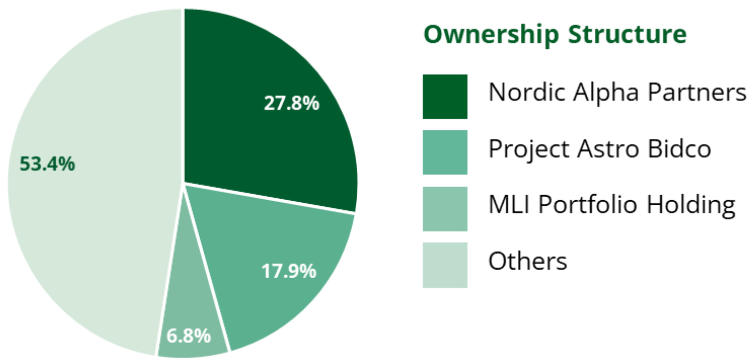
The Nasdaq First North Denmark Index, of which Re-Match is a component, decreased by ~46% in the same period. The MSCI, which represent more profitable large and mid-cap companies, have decreased by ~34% in the same period.



SHARE CAPITAL AND OWNERSHIP STRUCTURE

With the capital raise carried out on 1st of March 2023, the registered share capital of the company amounts to nominally DKK 35,893,744 divided into share of nominally DKK 1 each.

Re-Match only have one share class with no restrictions on ownership or voting rights. In the diagram "below" the composition of shareholders in Re-Match Holding A/S are shown.



ANNOUNCEMENT OF INTENTION TO DELIST

On the 1st of March 2023, the board of directors announced the intention to delist the company which the board of directors decided was in the best interest of the company and the shareholders. As part of the plan, a transaction agreement has been entered into with Nordic Alpha Partners (Nordic Alpha Partners Fund I K/S), Verdane (Euros Co-Invest (D) AB) and the "Offeror" (Project BidCo ApS, which is a company controlled by Verdane). The agreement includes multiple capital raises in connection with investments by Nordic Alpha Partners and Verdane directly or indirectly through the Offeror, totalling gross proceeds of up to DKK 235m, as well as the Offeror's voluntary unregulated public offer to all shareholders to acquire shares in Re-Match. In the Public Tender Offer, shareholders in Re-Match will be offered to (i) sell their shares in Re-Match for DKK 7.00 per share, or (ii) exchange their shares in Re-Match to shares in the Offeror at a 1:1 ratio (the "Public Tender Offer").

Based on this transaction it is the intention to delist the company in Q2 after which the company will no longer follow the disclosure requirements of First North.

SHARE INFORMATION

Stock Exchange: Nasdaq Fist North
Index: First North Premier Growth Market
Share capital (DKK): 35,893,744
Number of shares: 35,893,744
Nominal value (DKK): 1
ISIN code: DK0061553674
Trading symbol: RMATCH
Treasury shares: n/a

FINANCIAL CALENDER

Annual General Meeting: 22nd of May 2023
Q1 2023 Trading statement: 31st of May 2023
Q2 2023 Interim report: 31st of August 2023
Q3 2023 Trading statement: 30th of November 2023

Financial Review

Our new factory in Tiel, Netherlands

Statement by management

The Board of Directors and the Executive Board have today considered and adopted the Annual Report of Re-Match Holding A/S for the financial year 1st of January – 31st of December 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 Company

Financial Statements have been prepared in accordance with the Danish Financial Statements Act. Management's Review has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position at 31st of December 2022 of the Group and the Parent Company and of the results of the Group and Parent Company operations and consolidated cash flows for the financial year 1st of January – 31st of December 2022.

In our opinion, Management's Review includes a true and fair account of the development in the operations and financial circumstances of the Group and the Parent Company, of the results for the year and of the financial position of the Group and the Parent Company as well as a description of the most significant risks and elements of uncertainty facing the Group and the Parent Company.

We recommend that the Annual Report be adopted at the Annual General Meeting.

Herning, 31st of March 2023

EXECUTIVE BOARD

Nikolaj Magne Larsen

BOARD OF DIRECTORS

Henrik Grand Petersen, Chairperson

Laurits Mathias Bach Sørensen

Kristin Parello-Plesner

Jakob Fuhr Hansen

Rasmus Frøkiær Ankersen

Independent auditor’s report

To the Shareholders of Re-Match Holding A/S

OPINION

In our opinion, the Consolidated Financial Statements give a true and fair view of the Group’s financial position at 31 December 2022 and of the results of the Group’s operations and cash flows for the financial year 1 January to 31 December 2022 in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act.

Moreover, in our opinion, the Parent Company Financial Statements give a true and fair view of the Parent Company’s financial position at 31 December 2022 and of the results of the Parent Company’s operations for the financial year 1 January to 31 December 2022 in accordance with the Danish Financial Statements Act.

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Re-Match Holding A/S for the financial year 1 January - 31 December 2022, which comprise income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies, for both the Group and the Parent Company, as well as statement of comprehensive income and cash flow statement for the Group (“financial statements”).

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

STATEMENT ON MANAGEMENT’S REVIEW

Management is responsible for Management’s Review.

Our opinion on the financial statements does not cover Management’s Review, and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read Management’s Review and, in doing so, consider whether Management’s Review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. Moreover, it is our responsibility to consider whether Management’s Review provides the information required under the Danish Financials Statements Act.

Based on the work we have performed, in our view, Management’s Review is in accordance with the Consolidated Financial Statements and the Parent Company Financial Statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement in Management’s Review.

MANAGEMENT'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and further requirements in the Danish Financial Statements Act and for the preparation of Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- Conclude on the appropriateness of Management’s use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s and the Parent Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Herning, 31 March 2023
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR No 33 77 12 31

Rasmus Friis Jørgensen
State Authorised Public Accountant
mne28705

Jacob Brinch
State Authorised Public Accountant
mne35447

Financial statements

Consolidated statement of profit or loss and other comprehensive income

DKK'000	Note	2022	2021
Revenue	5	27,601	28,562
Cost of sales		-29,950	-29,437
Gross profit/loss		**-2,349**	**-875**
Other external expenses		-31,583	-15,477
Special items	31	0	-20,643
Staff costs	6	-38,207	-29,076
Other operating income		868	575
Depreciation. amortisation and impairment losses	9	-12,384	-7,523
Operating profit/loss		**-83,655**	**-73,019**
Share of profit of a joint venture	17	353	0
Financial income	10	8,308	548
Financial expenses	11	-13,353	-19,953
Profit/loss before tax		**-88,348**	**-92,424**
Tax for the year	12	0	0
Profit/loss for the year		**-88,348**	**-92,424**

Other comprehensive income *Other comprehensive income that may be reclassified to profit or loss in subsequent periods (net of tax):*			
Exchange differences on translation of foreign operations		-467	-743
Other comprehensive income for the year, net of tax		**-467**	**-743**

Total comprehensive income for the year		**-88,815**	**-93,167**

Earnings per share (DKK)	23	-3.07	-4.83
Earnings per share. diluted (DKK)	23	-3.07	-4.83

Consolidated statement of financial position

DKK'000	Note	31-12-22	31-12-21
Intangible assets	13	16,375	12,587
Property. plant and equipment	14	86,703	24,094
Right-of-use assets	15	191,217	40,479
Deposits	16	1,735	2,053
Deferred tax	12	0	0
Investments in joint venture	17	9,293	0
Other financial assets	18	5,823	5,823
Total non-current assets		**311,146**	**85,036**
Inventory	19	4,187	5,011
Trade receivables	20	3,125	3,470
Other receivables	21	26,110	24,180
Receivables from joint ventures		323	0
Prepayments		1,701	1,010
Cash		13,766	118,244
Total current assets		**49,212**	**151,915**
Total assets		**360,358**	**236,951**

Consolidated Financial Statements
Consolidated statement of financial position

DKK'000	Note	31-12-22	31-12-21
Share capital	23	28,751	28,704
Retained earnings		-28,877	58,897
Translation reserve		-365	102
Other capital reserve	25	10,978	9,494
Total equity		**10,487**	**97,197**
Interest bearing liabilities	24	32,731	14,461
Lease liabilities	15	191,338	40,264
Provisions		2,150	3,566
Contract liabilities	5	9,700	21,125
Total non-current liabilities		**235,919**	**79,416**
Interest bearing liabilities	24	16,790	4,786
Lease liabilities	15	5,420	4,923
Government grants	7	33,158	13,937
Trade payables		18,195	12,564
Other payables		11,289	16,191
Contract liabilities	5	29,100	7,937
Total current liabilities		**113,952**	**60,338**
Total liabilities		**349,871**	**139,754**
Total equity and liabilities		**360,358**	**236,951**

Consolidated statement of changes in equity

DKK'000	Share capital	Retained earnings	Translation reserve	Other capital reserve	Total
2022					
Balance on 1st of January	**28,704**	**58,897**	**102**	**9,494**	**97,197**
Net profit/loss for the period	0	-88,348	0	0	-88,348
Other comprehensive income	0	0	-467	0	-467
Total comprehensive income	**0**	**-88,348**	**-467**	**0**	**-88,815**
Capital increase	47	0	0	0	47
Gain on own shares	0	574	0	0	574
Share based payments	0	0	0	1,484	1,484
Balance on 31st of December	**28,751**	**-28,877**	**-365**	**10,978**	**10,487**

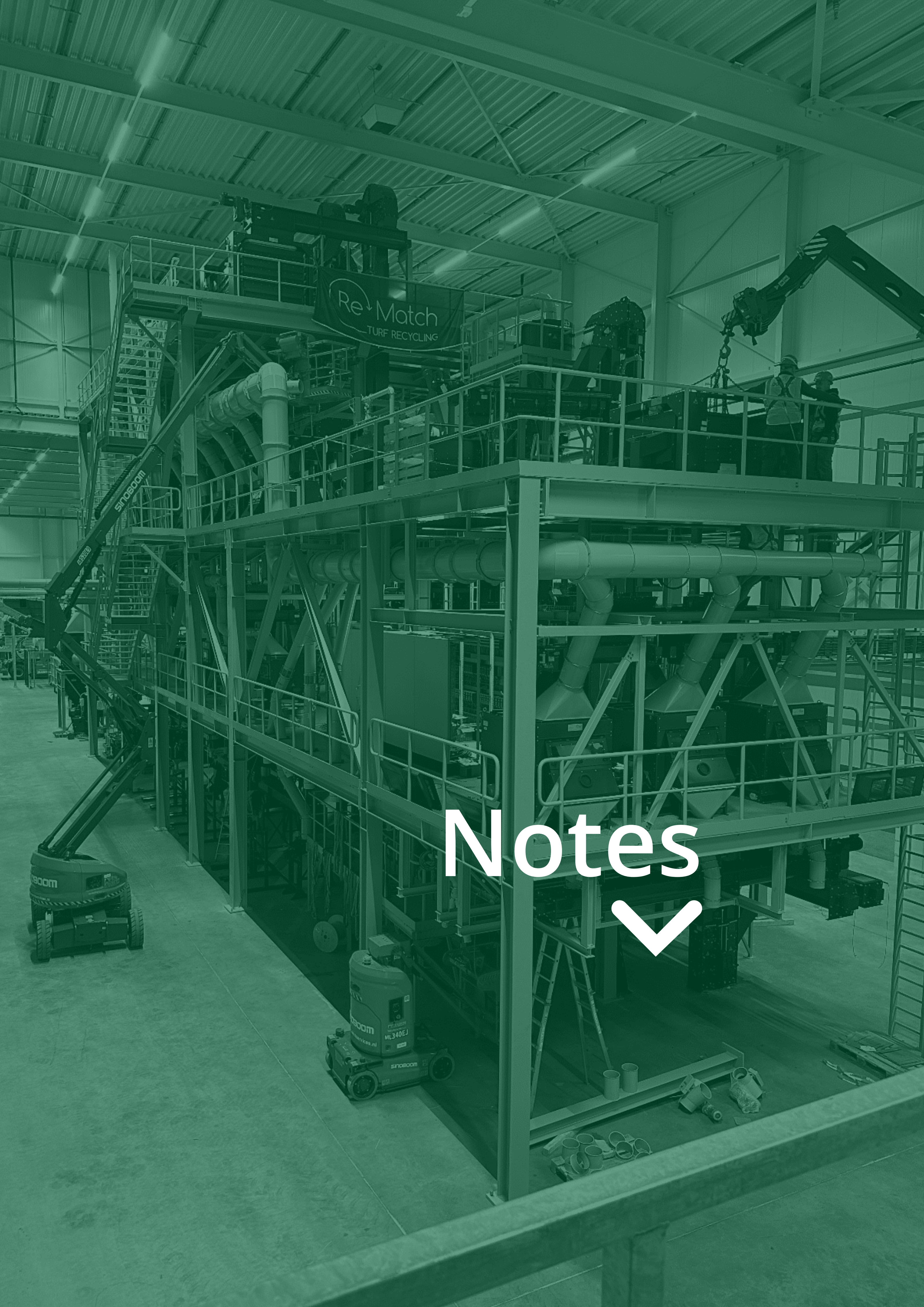
DKK'000	Share capital	Retained earnings	Translation reserve	Other capital reserve	Total
2021					
Balance on 1st of January	**14,682**	**-51,429**	**845**	**9,398**	**-26,504**
Net profit/loss for the period	0	-92,424	0	0	-92,424
Other comprehensive income	0	0	-743	0	-743
Total comprehensive income	**0**	**-92,424**	**-743**	**0**	**-93,167**
Capital increase	14,022	200,523	0	0	214,545
Cost relating to capital increase	0	-5,750	0	0	-5,750
Share based payments	0	0	0	7,018	7,018
Compound financial instrument	0	7,977	0	-6,922	1,055
Balance on 31st of December	**28,704**	**58,897**	**102**	**9,494**	**97,197**

Consolidated Financial Statements
Consolidated statement of changes in equity (continued)

DKK'000	Share capital	Retained earnings	Translation reserve	Other capital reserve	Total
2020					
Balance on 1st of January	**14,394**	**7,526**	**-4**	**8,695**	**30,611**
Corrections of error	0	-16,288	0	0	-16,288
Restated total balance on 1st of January	**14,394**	**-8,762**	**-4**	**8,695**	**14,323**
Net profit/loss for the period	0	-49,082	0	0	-49,082
Other comprehensive income	0	0	849	0	849
Total comprehensive income	**0**	**-49,082**	**849**	**0**	**-48,233**
Capital increase	288	6,415	0	0	6,703
Share based payments	0	0	0	703	703
Balance on 31st of December	**14,682**	**-51,429**	**845**	**9,398**	**-26,504**

Consolidated Financial Statements
Cash flow statement

DKK'000	Note	2022	2021
Operating loss		-83,655	-73,019
Depreciation. amortisation and impairment losses	9	12,384	7,523
Change in working capital	22	9,015	11,644
Share-based payment expense	8	1,484	7,018
Income taxes received/paid		0	103
Interest paid		-1,690	-9,457
Cash flow from operating activities		**-62,462**	**-56,188**
Investments in intangible assets	13	-5,693	-7,758
Investments in tangible assets	14	-65,042	-160
Change in deposits	16	318	358
Capital increase, joint venture		-7,450	0
Receipt of government grants		19,221	1,536
Cash flow from investing activities		**-58,646**	**-6,024**
Proceeds from borrowings	24	33,509	23,268
Repayment of borrowings	24	-4,310	-34,485
Paid amount, exercised warrants		40	0
Payment of principal portion of lease liabilities	15	-13,167	-4,856
Gain on own shares		561	190,460
Cash flow from financing activities		**16,632**	**174,387**
Change in cash and cash equivalents			
Net cash flow		-104,476	112,175
Net foreign exchange difference		0	53
Cash on 1st of January	27	118,244	6,016
Cash on 31st of December	**27**	**13,768**	**118,244**



Notes

1. Accounting policies

The Group's Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and additional Danish disclosure requirements for the financial statements of reporting class B enterprises with additions of certain provisions for reporting class C enterprises, cf. the Danish Executive Order on Adoption of IFRSs ("IFRS-Bekendtgørelsen") issued in accordance with the Danish Financial Statements Act ("DFSA").

BASIS OF PREPARATION

The Financial Statements are presented in Danish kroner (DKK). All amounts have been rounded to nearest DKK thousand, unless otherwise indicated.

The Financial Statements have been prepared on a going concern basis and in accordance with the historical cost convention, except where IFRS explicitly requires use of other values.

For the purpose of clarity, the Financial Statements and the notes to the Financial Statements are prepared using the concepts of materiality and relevance. This means that line items not considered material in terms of quantitative and qualitative measures or relevant to financial statement users are aggregated and presented together with other items in the Financial Statements. Similarly, information not considered material is not presented in the notes.

The accounting policies, except as described below, have been applied consistently during the financial year and for the comparative figures.

BASIS OF CONSOLIDATION

The Consolidated Financial Statements comprise the Financial Statements of Re-Match Holding A/S (the Parent) and subsidiaries which are entities controlled by Re-Match Holding A/S. The Group controls an entity when it directly or indirectly owns more than 50% of the voting rights or may otherwise exercise a controlling influence.

NAME	COUNTRY	OWNER-SHIP
Re-Match A/S	Herning, Denmark	100%
Re-Match Limited	London, United Kingdom	100%
Re-Match AS	Oslo, Norway	100%
Re-Match USA, Inc.	Delaware, USA	100%
Re-Match Netherlands B.V.	Rijen, Netherlands	100%

Re-Match Holding A/S has a 60% (2021: 40%) interest in Re-Match France. The Group's interest is accounted for using the equity method in the Consolidated Financial Statements.

PRINCIPLES OF CONSOLIDATION

The Consolidated Financial Statements are prepared on the basis of the Financial Statements of the Parent and its subsidiaries.

The Consolidated Financial Statements are prepared by combining items of a uniform nature and subsequently eliminating intercompany transactions, internal shareholdings and balances and unrealised intercompany gains or losses. The Financial Statements used for consolidation are prepared in accordance with the Group's accounting policies.

The line items of subsidiaries are recognised 100% in the Consolidated Financial Statements. Investments in subsidiaries are offset by the interest's share of subsidiaries' net assets at the acquisition date at fair value.

Accounting policies are described in full in this note below.

NON-IFRS FINANCIAL MEASURES

The Group uses certain financial measures that are not defined in IFRS to describe the Group's financial performance. These financial measures may therefore be defined and calculated differently from similar measures in other companies, and thus not be comparable.

FOREIGN CURRENCY TRANSLATION

Transactions denominated in currencies other than the functional currency are considered transactions in foreign currency.

On initial recognition, transactions nominated in foreign currencies are translated to the functional currency at the exchange rates at the transaction date. Foreign exchange rate adjustments arising between the transaction date and the date of payment are recognised in the statement of profit or loss in financial income or financial expenses.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates at the reporting date. The difference between the exchange rates at the reporting date and at the date of transaction or the exchange rate in the latest Financial Statements is recognised in the statement of profit or loss in financial income or financial expenses.

CHANGES TO COMPARATIVE FIGURES

The 2021 comparative figures for deferred tax assets and equity have been restated due to the identification of incorrect accounting treatment of IAS 12. As the Company and Group has a history of taxable losses, IAS 12 Income Taxes requires that convincing evidence is available to support Management's assessment that sufficient taxable profits will be available in the future.

Even though the approved budget and business plan both in prior periods and at 31 December 2022 reflects that the Company and Group will be generating taxable profits in the foreseeable future, it is Management's assessment that the recognition of the deferred tax assets did not meet the strict criteria of IAS 12 'convincing evidence', as the budget and business plan are sensitive to the timing and level of investments and similar factors.

Consequently, deferred tax assets as of 1st of January 2021 and 31st of December 2021 have been restated to DKK 0 for the Company and the Group. The effects of the changes to the comparative figures for 2020 and 2021 are:

	Deferred tax asset	Retained Earnings
1st of January 2020	16,288	7,526
Correction of error	-16,288	-16,288
1st of January, restated	**0**	**-8,762**
31st of December 2020	**0**	**-51,429**
31st of December 2021	**0**	**58,897**

CASH FLOW STATEMENT

The cash flow statement is presented using the indirect method and shows cash flows from operating, investing and financing activities for the year as well as the Group's cash and cash equivalents at the beginning and end of the financial year.

Cash flows from operating activities are calculated based on operating profit/loss, adjusted for the cash flow effect of non-cash operating items, working capital changes, financial expenses paid and income tax paid.

Cash flows from investing activities comprise payments in connection with the acquisition and sale of non-current intangible assets, property, plant and equipment, and financial assets.

Cash flows from financing activities comprise payments arising from changes in the size or composition of the Group's share capital and dividend paid. Cash and cash equivalents comprise cash at bank and in hand.

STATEMENT OF PROFIT & LOSS

REVENUE

The Group recognises revenue from receiving waste for recycling and subsequently selling the output raw materials to customers. Revenue is mainly derived from receiving gate fees for handling the disposal of artificial turf, but in the long-term revenue will mainly be derived from selling raw materials.

Revenue recognition requires an agreement with the customer, which creates enforceable rights and obligations between the parties, has commercial substance, and identifies payment terms. In addition, it must be probable that the consideration determined in the contract will be collected.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

The Group recognises revenue when it transfers control of the goods to a customer. All revenue is derived from contracts with customers. No significant element of financing is deemed present as the sales are made with a credit term of 10 days, which is consistent with market practice.

Front-end

Front-end revenue is a fee for receiving old fields (gate fee). The fee is received for a promise of recycling the materials into new raw materials to reduce waste. Revenue is recognised when the recycling process is finished. Receivables are recognised when goods are received (picked up by transport) and income is deferred until the recycle process is finished.

Back-end

Back-end revenue is income from selling raw materials. After recycling an old field, several types of raw materials are made; sand in different versions, SBR rubber in different versions and other types. This is primarily sold to maintain soccer pitches but also other production customers using the materials in e.g., furniture production. Revenue is recognised when the customer has control over the raw materials. Customers have control when the materials are delivered at the destination.

Other

Other revenue types are roll-up and transportation. Rollup is a service where old fields are cut up to be removed.
Transport can be both transport of old fields to Re-Match and transport of raw materials to the customer. For both services, a sub-contractor is involved. Re-Match is acting as a principal in both scenarios. The Group has generally concluded that it is the principal in those revenue arrangements, because it typically controls the goods or services before transferring them to the customer. Roll-up is recognised when the work is done, as this is always a separate performance obligation.
Transport is not distinct from front-end or back-end and is recognised as bundled performance obligation at a point of time.

COST TO OBTAIN A CONTRACT

The Group pays sales commission to its employees based on the contracts that they obtain for sales of goods. The commissions are expensed when incurred, as the underlying customer contracts have a duration of less than a year.

EXPENSES FOR RAW MATERIALS AND CONSUMABLES

Expenses for raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

GOVERNMENT GRANTS

Government grants relating to costs are deferred and recognised in profit or loss as other operating income over the period necessary to match them with the costs that they are intended to compensate. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

OTHER EXTERNAL EXPENSES

Other external expenses comprise sales and marketing costs, external consultancy costs, other employee - related costs, IT and software costs, investor relations costs, loss allowances for doubtful trade receivables and other administrative expenses.

SPECIAL ITEMS

Special items include significant income and expenses of a special nature in terms of the Group’s revenue-generating operating activities that cannot be attributed directly to the Group’s ordinary operating activities, such as expenses related to the IPO.

STAFF COSTS

Staff costs consist of salaries, sales commissions, bonuses, pensions and social costs, share-based payments, vacation pay, and other benefits. Salaries, bonuses, pensions and social costs, share-based payments, vacation pay, and other benefits are recognised in the year in which the associated services are rendered by the employees. The Group has entered into retirement benefits schemes and similar agreements with employees. Contributions to defined contribution plans are recognised in the statement of profit or loss in the period to which they relate, and any contributions outstanding are recognised in the statement of financial position as other liabilities.

SHARE-BASED PAYMENTS

The Board of Directors and the Board of Management have been granted warrants. The warrants are measured at fair value at the grant date and are recognised as an expense in staff costs over the vesting period. Expenses are set off against equity. The fair value of the warrants is measured using the Black & Scholes valuation method or other generally accepted valuation techniques. The calculation takes into account the terms and conditions under which the warrants are granted. Fair value is not subsequently remeasured. Consideration received for warrants sold is recognised directly in equity.

FINANCIAL INCOME AND FINANCIAL EXPENSES

Financial income and expenses include interest income, interest expense, amortisation of borrowing costs and realised and unrealised exchange gains and losses.

TAX

Tax on the profit or loss for the year comprises the year's current tax and changes in deferred tax. The tax expense relating to the profit or loss for the year is recognised in the statement of profit or loss, and the tax expense relating to items recognised in other comprehensive income and directly in equity, respectively, is recognised in other comprehensive income or directly in equity. Exchange rate adjustments of deferred tax are recognised as part of the adjustment of deferred tax for the year.

Current tax payable and receivable is recognised in the statement of financial position as the expected tax on the taxable income for the year, adjusted for tax paid on account. The current tax charge for the year is calculated based on the tax rates and rules enacted at the statement of financial position date.

Deferred tax is calculated using the liability method on all temporary differences between the accounting and taxable values of assets and liabilities.

Deferred tax assets are assessed yearly and only recognised to the extent that it is more likely than not that they can be utilised. Deferred tax assets, including the tax value of tax losses carried forward, are recognised as other non-current assets and measured at the amount at which they are expected to be realised, either by setting off deferred tax liabilities or by setting off tax on future earnings within the same legal entity or a jointly taxed entity.

Deferred tax is measured based on the tax legislation and statutory tax rates in the respective countries that will apply under the legislation in force on the statement of financial position date when the deferred tax asset is expected to crystallise as current tax. Changes in deferred tax resulting from changes in tax rates are recognised in the statement of profit or loss.

The Group recognises deferred tax assets relating to losses carried forward when Management finds that these can be offset against taxable income in the foreseeable future. An assessment is made taking into consideration the effect of restrictions in utilisation in local tax legislation. Future taxable income is assessed based on budgets as well as Management's expectations regarding growth and operating margin in the coming years.

Re-Match A/S is included in a national joint taxation with its Parent. The tax charge for the year is allocated between the Danish jointly taxed companies in proportion to their taxable income, taking taxes paid into account.

BALANCE SHEET

INTANGIBLE ASSETS

Intangible assets with determinable useful lives comprise completed and in -progress development projects, patents and software and are measured at cost less accumulated amortisation and impairment losses. Completed development projects by the Group are recognised as an asset if the cost of development is reliably measurable and an analysis shows that future economic benefits exceed the cost.

Furthermore, development costs are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the asset so that it will be available for use
- management intends to complete the asset and use or sell it
- there is an ability to use or sell the asset
- it can be demonstrated how the asset will generate probable future economic benefits

- adequate technical, financial and other resources to complete the development and to use or sell the asset are available, and
- the expenditure attributable to the asset during its development can be reliably measured.

Cost is defined as development costs incurred to the development of plastic upcycling processes and consists primarily of direct salaries and other directly attributable costs.

Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the expected useful life on a straight-line basis. During the period of development, the asset is tested for impairment annually.

Amortisation and impairment charges are recognised in the statement of profit or loss.

Expected useful lives are reassessed regularly. The Group regularly reviews the carrying amounts of its finite-lived intangible assets to determine whether there is an indication of an impairment loss. Intangible assets are amortised on a straight-line basis over the expected useful lives of the finite-lived assets, which are as follows:

– Patents: 5-20 years
– Software: 5 years

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise plant and machinery, leasehold improvements and other fixtures and fittings, tool and equipment. Plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Plant and machinery and fixtures and fittings, tools and equipment, are depreciated on a straight-line basis over the expected useful lives of the finite-lived assets, which are as follows:

– Plant and machinery: 3-25 years
– Other fixtures and fittings, tools and equipment: 3-5 years

Property, plant and equipment is tested for impairment if indications of impairment exist. Property, plant and equipment are written down to their recoverable amount if the carrying amount exceeds the higher of the fair value less costs to sell and the value in use. Depreciation and impairment charges are recognised in the statement of profit or loss.

LEASES

When entering into an agreement, the Group assesses whether an agreement is a lease agreement or contains a lease element.

The right-of-use asset is measured at cost, which is calculated as the present value of the lease obligation plus any direct costs related to the entering into of the lease and prepaid lease payments.
The right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the useful life of the asset.
The Group leases properties which include a service element in the payments to the lessor. This service is deducted from the lease payment when measuring the lease obligation. Where the Group cannot reliably separate lease and non-lease items, it is considered a single lease payment.

Short-term leases with a maximum lease term of 12 months and leases where the underlying asset has a low value are not recognised in the statement of financial position.

The lease term is defined as the non-cancellable period of a lease together with periods covered by options to extend the lease if it is reasonably certain that the options will be exercised, and periods covered by options to terminate the lease if it is reasonably certain that the options will not be exercised. A number of leases contain extension and termination options in order to guarantee operational flexibility in managing the leases.

The lease obligation, which is recognised in "Lease liabilities", is measured at the present value of the remaining lease payments, discounted by the Group's incremental loan interest rate if the implicit interest rate is not stated in the lease agreement or cannot reasonably be determined. The lease obligation is subsequently adjusted if:

– The value of the index or interest rate on which the lease payments are based changes.
– There is a change in the expectations related to exercise of options to extend or shorten the lease period due to a material event or material change in circumstances which are within the control of the lessee.

– The lease term is changed as a result of exercising an option to extend or shorten the lease term.

Subsequent adjustments of the lease obligation are recognised as a correction to the right-of-use asset. However, if the right-of-use asset has a value of DKK 0, a negative reassessment of the right-of-use asset is recognised in the statement of profit or loss.

DEPOSITS

On initial recognition, deposits are measured at fair value and subsequently at amortised cost less impairment losses, if any.

INVESTMENT IN A JOINT VENTURE

The Group's investment in its joint venture is accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date. Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment separately. The statement of profit or loss reflects the Group's share of the results of operations of the joint venture. Any change in other comprehensive income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture are eliminated to the extent of the interest in the joint venture. The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the joint venture. The Financial Statements of the joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss within 'Share of profit of a joint venture' in the statement of profit or loss. Upon loss of significant influence or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

INVENTORIES

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

> Finished goods cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

FINANCIAL ASSETS

INITIAL RECOGNITION AND MEASUREMENT

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

SUBSEQUENT MEASUREMENT

For purposes of subsequent measurement, financial assets are classified in these categories:

– Financial assets at amortised cost (debt instruments)

– Financial assets at fair value through profit or loss.

FINANCIAL ASSETS AT AMORTISED COST (DEBT INSTRUMENTS)

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost include trade receivables (see policy below).

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes derivative instruments.

TRADE RECEIVABLES

Provision for expected credit losses is made when the Group does not expect to collect all amounts due. The provision is determined by individually assessing them for likelihood of recovery. The provision reflects lifetime expected credit losses, i.e., possible default events over the expected life of the trade receivables, weighted by the probability of that default occurring. Judgement has been applied in determining the level of provision for expected credit losses, taking into account the credit risk characteristics of customers and the likelihood of recovery assessed on a combination of collective and individual basis as relevant. While the provision is considered appropriate, changes in estimation basis or in economic conditions could lead to a change in the level of provision recorded and consequently on the charge or credit to profit or loss.

For trade receivables relating to accounts which are long overdue with significant amounts or known insolvencies or non-response to collection activities, they are assessed individually for impairment allowance. The Group determines the provision for expected credit losses by evaluating each customer individually and assessing them for likelihood of recovery, taking into account prevailing economic conditions and forward - looking assumptions.

The Group measures the loss allowance for trade receivables at an amount equal to the lifetime expected credit losses. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to its recognised amount is recognised in profit or loss, as an impairment loss or a reversal of an impairment loss. Trade and other receivables are written off (either partially or in full) when there is no reasonable expectation of recovery.

However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The costs of allowances for expected credit losses and write-offs for trade receivables are recognised in the statement of profit or loss in other external expenses.

The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables in note 20. The Group does not hold collateral as security.

PREPAYMENTS

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

INTEREST -BEARING LIABILITIES

Interest -bearing liabilities are measured at amortised cost.

TRADE PAYABLES AND OTHER PAYABLES

Other payables include bonus and commission accruals, vacation pay obligations, payroll taxes and VAT. Payables are measured at cost.

Management has assessed the impact of new or amended and revised accounting standards and interpretations (IFRSs) issued by the IASB and IFRSs endorsed by the European Union effective on or after 1st of January 2022. It is assessed that application of amendments effective from 1st of January 2022 has not had a material impact on the consolidated financial statements for 2022. Furthermore, Management does not anticipate any significant impact on future periods from the adoption of these amendments.

2. Assumptions for recognition and measurement

The Group and the parent company have recognised non-current assets at a total value of DKK 311,146t, non-current contract liabilities DKK 9,700t and provisions DKK 2,150t.

The valuation is based on future plans for the establishment of a number of profitable production facilities in the current and new subsidiaries abroad. These will ensure that future revenues are obtained on development projects, that the production facility in Denmark achieves increased future earnings by, among other things, support and optimization of subsidiaries. These new production facilities are expected to be able to realise, among other things, a higher output and better quality compared to the current Danish production facilities.

The parent company has a stock of untreated pitches, which will not generate positive earnings under the current production setup. The value of Contract liabilities is recognised on the condition that pitches stored abroad are handled at the new facilities, where the production costs per tons are expected to be lower than the current ones in Denmark.

CONTINUOUS OF THE "ROLL-OUT PLAN 2022-2026"

Management expected by the end of 2021 to build at least 5 new factories by the end of 2026. These are; one factory in the Netherlands, one in France, one in the UK and two in the US. During the year the factory in the Netherlands have been finalised. It is assumed that the production capacity will continue to increase significantly within a short period of years, so that the Group will be able to handle up to 300,000 tons in 2026. In line with the increased capacity, it is expected that production will also result in a higher output, whereby increased volumes of back-end products can be sold. Future expectations are that the back-end products will represent an ever-increasing share of the total revenue. This is, among other things, due to a better separation of the products and at the same time a continued development of new processes by which fibres increasingly can be recycled and sold.

Management expects increased pressure on the recirculation of products and thus, over time, also price increases for raw materials such as sand, rubber and plastic.

The plan incorporates a limited price increase for the products over the period. Production costs such as electricity and gas are updated in March 2022 and based on forward prices, which are above historically realized levels. In addition, several other costs such as maintenance, big bags and sleeves are all factored in at current prices, which are very high.

Management expects that the roll-out plan can be realized and that the liquidity/financing for the establishment of the increased production capacity can be achieved through a combination of grants, bank/region loans and equity, which is already underway in the Netherlands, France and the United States.

If the roll-out plan is not realized, the recognized values of the assets and provisions will be adversely affected.
The roll-out plan is based on management's current expectations and schedules. The plan is based on a number of future events and assumptions that are inherently subject to uncertainty.

Q1 2023 has been realized according to management's expectations in the Roll-out plan for 2023, with production and revenue being on par with plans.

3. Critical accounting judgements and key sources of estimation uncertainty

As part of the preparation of the Financial Statements, Management makes a number of accounting estimates and assumptions as a basis for recognising and measuring the Group's assets, liabilities, income and expenses as well as judgements made in applying the entity's accounting policies. The estimates, judgements and assumptions made are based on experience gained and other factors that are considered prudent by Management in the circumstances, but which are inherently subject to uncertainty and volatility.

The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur, for which reason the actual results may differ from the estimates and judgements made. The accounting policies are described in detail in note 1 to the Financial Statements to which we refer.

Management considers the following accounting estimates and judgements to be significant in the preparation of the Financial Statements.

JUDGEMENTS

Determining the lease term of contracts with renewal and termination options – Group as lessee.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease.

ESTIMATES AND ASSUMPTIONS

SHARE-BASED PAYMENTS

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model, including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 8.

The assumptions may be incomplete or inaccurate, and unforeseen events or circumstances may occur, for which reason the actual results may differ from the estimates and judgements made.

CAPITALISATION OF COSTS FOR DEVELOPMENT PROJECTS

Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed. Management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits when determining the amount to be capitalised.

4. 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 5.

In 2022, one customer exceeded 10% of total revenue. The customer belonging to the front-end segment accumulated for 10,4% within the geographical market of Norway. (2021: One customer with accumulated front-end revenue of 12,1% within the geographical market of Norway).

5. Revenue

From external customers

DKK'000	**2022**	**2021**
Front end	11,074	14,974
Back end	4,317	5,249
Other (Transport, roll-up revenue etc)	12,211	8,339
Total	**27,601**	**28,562**

Geographical markets

DKK'000	**2022**	**2021**
Denmark (Nordics)	2,947	2,726
Norway (Nordics)	12,781	7,326
Sweden (Nordics)	3,975	1,730
Nordics, rest	271	662
Netherland (Benelux)	4,107	7,872
Belgium (Benelux)	582	4,674
DACH	22	1,827
USA	431	0
Rest of Europe	2,485	1,745
Total	**27,601**	**28,562**

Contract liabilities

DKK'000	**2022**	**2021**
Cost at 1st of January	29,062	26,491
Recognised during the year	-9,996	-14,277
Additions	19,735	16,848
Cost at 31st of December	**38,800**	**29,062**

Management expects that approximately 0 % (2021: 28%) of the transaction price allocated to the unsatisfied contracts as of year-end 2022 will be recognised as revenue during the next reporting period and amount to DKK 29.1m (2021: DKK 8m). Approximately 25% (2021: 72%), DKK 9.7m (2021: DKK 21m), will be recognised in the financial year 2024.

6. Staff costs

DKK'000	2022	2021
Salaries	35,212	26,267
Share-based payments	1,484	7,018
Pensions	3,612	1,270
Other social security costs	1,214	461
Transferred to development costs	-3,587	-5,988
Other staff costs	272	48
Total	**38,207**	**29,076**

Average numbers of employees during the year	**55**	**38**

Board of Directors and Key Management Personnel

DKK'000	2022			
	Remune-ration	Pension	Share-Based Payments	Total
Board of Directors	751	0	0	751
Key Management Personnel	4,014	321	1,394	5,729
Total	**4,765**	**321**	**1,394**	**6,480**

Board of Directors and Key Management Personnel

DKK'000	2021			
	Remune-ration	Pension	Share-Based Payments	Total
Board of Directors	398	0	0	398
Key Management Personnel	3,655	163	5,556	9,374
Total	**4,053**	**163**	**5,556**	**9,772**

Members of the Board of Directors have received remuneration for work other than work in the Board. In 2022 this amounts to remuneration of DKK 300t (2021: DKK 1,363t).

Employment contracts for members of the Key Management Personnel contain terms and conditions that are common to those of their peers in similar companies, including terms of notice and non-competitive clauses.

7. Government grants

The Group has received government grants relating to the development of a production site in Tiel, the Netherlands, as well as grants relating to further develop their recycling method, in 2022 to the amount of DKK 20,021t (previous years: 14,910t). There are no unfulfilled conditions or other contingencies attached to these grants. The group did not benefit directly from any other form of government assistance.

During the year 868t have been recognised in other operating income (2021: DKK 575t)

8. Share-based payments

DKK'000	**2022**	**2021**
Cost of share-based payments	1,484	7,018
Total	**1,484**	**7,018**

Costs of share-based payments are recognised as staff costs with a corresponding effect in equity. Consideration received for warrants sold is recognised directly in equity. In addition, during the year all employees have been granted 200 shares, hence an expense of 90 DKK'000 have been booked.

The Group offers warrants to members of the Executive management. Each share option converts into one ordinary share of Re-Match Holding A/S on exercise. No amounts are paid or are payable by the recipient on receipt of the option. The options carry neither right to dividends nor voting rights. Options may be exercised in case of exit events or at the latest in 2024.

Options are exercisable at an agreed price on the date of grant. The vesting period is 1-3 years. If the options remain unexercised after the exercise period, the options expire. Options are forfeited if the employee leaves the Group before the options vest

Specification of outstanding warrants

Number of warrants

	Weighted average exercise price DKK	**Board of Directors**	**Employees**	**Total**
Outstanding at 1st of January 2021	9.11	74,071	287,871	**361,942**
Granted	-	982,672	348,802	**1,331,474**
Exercised	-	-	-	**-**
Cancelled	-	-74,071	-75,828	**-149,899**
Outstanding at 31st of December 2021	**9.11**	**982,672**	**560,846**	**1,543,518**
Granted	-	-	-	**-**
Exercised	1	-	-40,441	**-40,441**
Cancelled	-	-75,827	-	**-75,827**
Outstanding at 31st of December 2022	**10.11**	**906,845**	**520,405**	**1,427,250**

8. Share-based Payments (continued)

Outstanding warrants have the following characteristics:

Outstanding warrants

	Weighted average exercise price DKK	Vesting period	Exercise period	2022	2021
Warrants granted in 2019	1.00	19 Mar – 21 Mar	21 Mar – 24 Sep	287,871	287,871
Warrants granted in 2021, prior IPO	1.00	19 Nov – 21 Dec	21 Dec – 24 Nov	382,123	422,564
Warrants granted in 2021, post IPO	16.00	21 Dec – 23 Feb	22 Dec – 24 Dec	757,257	833,084
Outstanding at 31st of December				**1,427,251**	**1,543,519**

No warrants are exercised in 2022.

	2022	2021
Average remaining life of outstanding warrants at 31st of December (years)	2.0	3.0
Exercise price for outstanding warrants at 31st of December (DKK)	1-16	1-16

The fair value of the warrants issued is measured at calculated market price at the grant date based on the Black & Scholes option pricing model. The calculation is based on the following assumptions at the grant date:

	Warrants granted in 2021	Warrants granted in 2019
Average share price (DKK)	16.00	8.15
Expected volatility rate (% p.a.)	35%	35%
Risk-free interest rate (% p.a.)	0	0
Expected warrant life (no. years)	0-3	2
Exercise price (DKK)	1.00-16.00	1.00
Fair value all warrants. after dilution (DKK'000)	9,513	2,343

Expected volatility rate is applied based on the annualised volatility on relevant peer groups derived from the standard deviation of daily observations over 12 months ending in 2021.

The implementation of the finalized warrant contracts has resulted in minor changes in the comparative numbers from 2021.

In March 2023, the Board of Directors set forth a recommendation to EGM a delisting of the company and attract new capital required to potentially accelerate the roll out of further factories. Included in this recommendation are to waive granted warrants not vested yet, hence the remaining fair value of the program is expected to be recognised in 2023.

9. Depreciation, amortisation and impairment losses

DKK'000	**2022**	**2021**
Amortisation of intangible assets	1,905	2,011
Depreciation of property plant and equipment	2,200	2,147
Depreciation of right-of-use assets	8,279	3,365
Total	**12,384**	**7,523**

10. Financial income

DKK'000	**2022**	**2021**
Foreign exchange income	6,818	548
Other financial income	1,490	0
Total	**8,308**	**548**

11. Financial expenses

DKK'000	**2022**	**2021**
Interest expenses	3,271	9,416
Foreign exchange losses	779	789
Interest on convertible loans	0	6,663
Interest on lease liabilities	9,303	3,085
Total	**13,353**	**19,953**

12. Tax for the year

The major components of income tax expense for the years ended 31st of December 2022 and 2021 are:

DKK'000	**2022**	**2021**	**2020**
Current tax for the year	0	0	0
Current tax for previous years	0	0	-1,528
Changes in deferred tax	0	0	0
Income tax expense reported in the statement of profit or loss	0	0	-1,528
Profit/loss before tax	**-88,348**	**-92,424**	**-46,285**

Tax calculated as 22% of profit/loss before tax	19,447	20,333	10,183
Tax loss not recognised for the year	-19,447	8,321	-9,472
Non-deductible expenses	0	-34,179	30
Tax credit	0	0	0
Correction of development costs from previous years	0	0	-531
Correction of tax credit from previous years	0	0	-1,528
Other	0	5,525	-210
Effective tax	**0**	**0**	**-1,528**
Effective tax rate for the year (%)	**0.0%**	**0.0%**	**3.3%**

Deferred tax is recognised in the statement of financial position as follows:

DKK'000	**2022**	**2021**	**2020**
Deferred tax (asset)	**0**	**0**	**16,288**
Correction of error	0	0	-16,288
Deferred tax (asset), restated	**0**	**0**	**0**
Deferred tax (liability)	**0**	**0**	**0**
Total	**0**	**0**	**0**

Deferred tax assets have not been recognised for tax losses that arose in Denmark in the amount of DKK 40,855t (2021: DKK 29,717t) that are available for offsetting against future taxable profits of the Parent.

13. Intangible assets

2022

DKK'000	**Completed development projects**	**Development projects in progress**	**Patents**	**Software**	**Total**
Cost at 1st of January	7,012	6,139	3,510	2,724	19,385
Additions	0	4,586	1,024	83	5,693
Foreign exchange adjustments	0	0	0	0	0
Cost at 31st of December	**7,012**	**10,725**	**4,534**	**2,807**	**25,078**
Amortisation and impairment losses at 1st of January	-5,667	0	-625	-506	-6,798
Amortisation during the year	-925	0	-423	-557	-1,905
Amortisation and impairment losses at 31st of December	**-6,592**	**0**	**-1,048**	**-1,063**	**-8,703**
Carrying amount at 31st of December	**420**	**10,725**	**3,486**	**1,744**	**16,375**

Completed development projects relate to the development of plastic recycling. Management has an expectation of positive earnings from the project.

It is Management's assessment that the expected useful lives of the finite-lived assets, as well as the expected future revenue streams from the assets, are sufficient to cover the value of recognised developed projects at the reporting date

During the year, DKK 1,046t has been expensed as research and development (2021: DKK 1,743t)

13. Intangible assets (continued)

2021

DKK'000	Completed development projects	Development projects in progress	Patents	Software	Total
Cost at 1st of January	7,012	151	2,463	2,001	11,627
Additions	0	5,988	1,047	723	7,758
Cost at 31st of December	**7,012**	**6,139**	**3,510**	**2,724**	**19,385**
Amortisation and impairment losses at 1st of January	-4,441	0	-345	0	-4,786
Amortisation during the year	-1,226	0	-280	-506	-2,012
Amortisation and impairment losses at 31st of December	**-5,667**	**0**	**-625**	**-506**	**-6,798**
Carrying amount at 31st of December	**1,345**	**6,139**	**2,885**	**2,218**	**12,587**

14. Property, plant & equipment

DKK'000	Other fixtures and fittings, tools and equipment	Plant and machinery	Leasehold improvement	Total
2022				
Cost at 1st of January	1,966	30,404	1,358	33,728
Additions	453	62,368	2,221	65,042
Disposals	-700	0	0	-700
Cost at 31st of December	**1,719**	**92,772**	**3,579**	**98,070**
Depreciation at 1st of January	-927	-7,721	-986	-9,634
Depreciation during the year	-390	-1,613	-197	-2,200
Reversed depreciation	467	0	0	467
Depreciation at 31st of December	**-850**	**-9,334**	**-1,183**	**-11,367**
Carrying amount at 31st of December	**869**	**83,438**	**2,396**	**86,703**
2021				
Cost at 1st of January	1,962	30,248	1,358	33,568
Additions	4	156	0	160
Disposals	0	0	0	0
Cost at 31st of December	**1,966**	**30,404**	**1,358**	**33,728**
Depreciation at 1st of January	-553	-6,045	-865	-7,463
Depreciation during the year	-374	-1,676	-121	-2,171
Depreciation at 31st of December	**-927**	**-7,721**	**-986**	**-9,634**
Carrying amount at 31st of December	**1,039**	**22,683**	**372**	**24,094**

15. Leases

DKK'000	Property	Machinery	Total
2022			
Cost at 1st of January	49,414	654	50,068
Additions	156,356	2,292	158,648
Adjustments and revaluations	368	1	369
Cost at 31st of December	**206,138**	**2,947**	**209,085**
Depreciation at 1st of January	-9,077	-512	-9,589
Depreciation during the year	-8,107	-172	-8,279
Adjustments and revaluations	0	0	0
Depreciation at 31st of December	**-17,184**	**-684**	**-17,868**
Carrying amount at 31st of December	**188,954**	**2,263**	**191,217**
2021			
Cost at 1st of January	48,511	532	49,043
Additions	0	122	122
Adjustments and revaluations	903	0	903
Cost at 31st of December	**49,414**	**654**	**50,068**
Depreciation at 1st of January	-5,824	-401	-6,225
Depreciation during the year	-3,253	-111	-3,364
Depreciation at 31st of December	**-9,077**	**-512**	**-9,589**
Carrying amount at 31st of December	**40,337**	**142**	**40,479**

Carrying amounts of lease liabilities and movements during the period:

15. Leases (continued)

DKK'000	**2022**	**2021**
At 1st of January	45,186	45,932
Additions	158,648	122
Accrual of interest	9,303	3,085
Payments	-13,167	-4,856
Adjustments	-3,213	903
At 31st of December	**196,758**	**45,186**
Non-current	**191,338**	**40,264**
Current	**5,420**	**4,923**

The maturity of lease liabilities is disclosed in note 26.

The following amounts have been recognised in the statement of profit or loss:

DKK'000	**2022**	**2021**
Depreciation of right-of-use assets	8,279	3,364
Interest on lease liabilities	9,303	3,085
Expense relating to short-term leases (included in other external expenses)	6	121
Total amount recognised in the statement of profit or loss	**17,588**	**6,570**

The Group had total lease outflow of DKK 12,799t (2021: DKK 6.192t).

The Group leases offices and lease terms are negotiated on an individual basis and contain different terms and conditions.

16. Deposits

DKK'000	**2022**	**2021**
Cost at 1st of January	2,053	2,411
Additions	424	0
Repayment	-742	-358
Cost at 31st of December	**1,735**	**2,053**

17. Investment in a joint venture

The Group has a 60% (2021: 40%) interest in a joint venture in France, Re-Match France. The Group has during the year acquired additionally 20% from the other investor in the joint venture. The Group's interest in Re-Match France is accounted for using the equity method in the Consolidated Financial Statements. Summarised financial information of the joint venture, based on its IFRS Financial Statements, and reconciliation with the carrying amount of the investment in the Consolidated Financial Statements are set out below:

Summarised statement of financial position of Re-Match France:

DKK'000	**2022**	**2021**
Current assets	33,037	10,487
Non-current assets	21,870	318
Current liabilities	39,419	11,880
Non-current liabilities	0	0
Equity	**15,488**	**-1,075**
Group's share in equity 60%	9,293	-430
Goodwill	0	0
Group's carrying amount of the investment	**9,293**	**0**

DKK'000	**2022**	**2021**
Revenue	10,488	9,214
Cost of sales	-9,650	-6,101
Staff costs	-2,477	-3,625
Other external expenses	-16	-810
Depreciations	-302	-126
Financial expenses	-79	0
Profit/loss before tax	**-2,036**	**-1,448**
Income tax	0	0
Profit/loss for the year	**-2,036**	**-1,448**
Other	0	0
Total comprehensive income for the year	**-2,036**	**-1,448**

Group's share of profit for the year	**-1,222**	**0**

18. Other financial assets

DKK'000	2022	2021
Convertible Loan at 1st of January	5,832	6,554
Additions	0	0
Fair value adjustment	0	-722
Convertible loans at 31st of December	**5,832**	**5,832**

The Group has made a convertible loan available to Re-Match France in an amount of EUR 880,000, which is not bearing interest. It has been included in other financial assets and classified as financial assets at fair value through profit or loss.

The EUR 880t convertible bonds investment in the joint venture is measured at fair value through profit or loss at an amount of DKK 0t as of 31st of December 2022 (31st of December 2021: DKK -722t). The bond bears no interest and can currently be converted into shares resulting in an increase in the ownership percentage from 60 to 96. Following such conversion, the partner has the right to subscribe for such a number of shares at the same issue price as the conversion price in the convertible bond to retain that the pre-conversion ownership percentage, 40, is retained.

Consequently, Re-Match will either obtain control upon conversion or additional capital will be contributed to the entity resulting in increased earnings in the entity. On this basis, Management has considered the convertible bond to have the nature of a demand deposit and consequently measured it at its nominal amount.

Fair value is determined based on level 3 input.

19. Inventories

DKK'000	**2022**	**2021**
Finished goods	4,187	5,011
Total inventory	**4,187**	**5,011**

During 2022 DKK 1,001t (2021: 648t) was recognised as an expense for inventories carried at net realisable value. This is recognised in cost of sales.

20. Trade receivables

DKK'000	**31/12/22**	**31/12/21**	**01/01/21**
Trade receivables	5,069	4,266	3,231
Write-downs	-1,944	-796	-197
Total	**3,125**	**3,470**	**3,034**

Expected credit loss

The below table details the maturity of trade receivables. The Group has assessed its expected credit losses on an individual level, and has deemed its expected losses immaterial, for which reason there no matrix for expected credit loss on groups of receivables has been made available, and furthermore the historical losses on trade receivables are limited as shown in the maturity analysis.

DKK'000	**Not past due**	**Overdue by 0-30 days**	**Overdue by 31-60 days**	**Overdue by >60 days**	**Write downs**	**Carrying amount of receivables**
31st of December 2022						
Trade receivables	538	1,334	260	2,937	-1,944	3,125
31st of December 2021						
Trade receivables	418	117	810	2,921	-796	3,470
1st of January 2021						
Trade receivables	331	294	196	2,410	-197	3,034

21. Other receivables

DKK'000	**2022**	**2021**
Warranties	18,215	18,294
VAT	5,309	5,605
Other	2,586	281
Total	**26,110**	**24,180**

Warranties relate to leases for storage space which are classified as short-term leases and not capitalised.

22. Working capital changes

DKK'000	**2022**	**2021**
Change in inventory and prepayments	133	993
Change in receivables	-1,585	-7,520
Change in trade payables and other debt	10,467	22,139
Total	**9,015**	**15,612**

23. Share capital and earnings per share

At 31st of December 2022, the share capital consisted of shares with a nominal value of DKK 1 each (31st of December 2021: DKK 1 each). The shares are not divided into classes and carry no right to fixed income.

Issued and fully paid-up shares:
DKK'000

At 1st of January 2021	**14,682**
Capital increase	14,022
At 31st of December 2021	**28,704**
Capital increase	47
Share capital at 31st of December 2022	**28,751**

Earnings per share
The calculation of earnings per share is based on the following:

DKK'000	**2022**	**2021**
Profit/loss for the year	-88,348	-92,424
Interest on convertible loan	0	11,920
Earnings for the purposes of diluted earnings per share	-88,348	-80,504
Average number of ordinary shares for calculation of basic earnings per share:	**28,750,841**	**16,654,036**
Average diluted effect of outstanding share options	0	428,764
Convertible loans	0	3,175,133
Average number of shares for calculation of diluted earnings per share:	**28,750,841**	**20,257,933**
Earnings per share. (EPS)	-3.07	-4.83
Earnings per share. diluted (DEPS)	-3.07	-3.97

24. Interest-bearing liabilities

DKK'000	**31/12/22**	**31/12/21**
At 1st of January	19,247	46,520
Additions	33,509	23,268
Paid interest	-1,543	0
Accrual of interest	2,618	7,630
Payments	-4,310	-34,485
Adjustments	0	-23,686
At 31st of December	**49,521**	**19,247**

Management has assessed the carrying amount to be equivalent to the fair value of the liabilities.

25. Other capital reserve

Other capital reserve is used to recognise the value of equity-settled share-based payments provided to employees, including Key Management Personnel, as part of their remuneration.

Refer to note 8 for further details of these plans.

26. Financial risks

Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The capital structure of the Group consists of net debt and equity.

Management reviews the capital structure continually to consider if the current capital structure is in accordance with the Group's and shareholders' interests.

Financial risk management

Due to the nature of its operations, investments, and financing, the Group is exposed to a number of financial risks. It is Group policy to operate with a low risk profile, so that currency risk, interest rate risk and credit risk only occur in commercial relationships.

The scope and nature of the Group's financial instruments appear from the statement of profit or loss and statement of financial position in accordance with the accounting policies applied. Provided below is information about factors that may influence amounts, time of payment, or reliability of future payments, where such information is not provided directly in the Financial Statements. This note addresses only financial risks directly related to the Group's financial instruments.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations towards the Group, resulting in a financial loss. The Group is exposed to credit risk primarily related to its trade and other receivables, receivables from group enterprises, contract assets and cash held at financial institutions.
The Group assesses default when the accounts receivable are due more than 90 days and the outstanding amount is written off, when there is a court order of bankruptcy from the counterparty. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of financial assets.

Foreign currency risk:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

The general objective of the Group's currency risk management is to limit and delay any adverse impact of exchange rate fluctuations on earnings and cash flows and thus increase the predictability of the financial results.

The Group also aims at balancing incoming and outgoing payments in local currency as much as possible as well as monitoring the development in exchange rates and adjusting price lists when required.

The Group issues invoices in local currency, which is why the incoming cash flow reflects different currencies. Historically, EUR has been the predominant invoiced currency. The Group has in all material aspects only transactions in DKK, EUR and USD. The foreign currency risk for EUR is limited due to a low volatility.

Going forward, Management expects higher frequency of foreign currencies in the incoming and outgoing cash flow. Consequently, Management has established bank accounts for these currencies, to reduce costs and lower the risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

DKK'000	**2022**	**2021**
Sensitivity to a 10% increase or decrease in USD exchange rate		
Effect on profit before tax	779	121
Effect on pre-tax equity	1,526	834

DKK'000	**Assets**		**Liabilities**	
	31/12/22	**31/12/21**	**31/12/22**	**31/12/21**
Currency: USD	3,627	3,037	18,884	36

Liquidity risk

The Group ensures sufficient liquidity resources by liquidity management. In order to limit the Group's counterparty risk, deposits are only made in well-reputed banks.

At 31st of December 2022, the Group's cash and cash equivalents amounted to DKK 13,626t (2021: DKK 118,244t).

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments which include estimated interest payments:

DKK'000	**On demand**	**<1 year**	**1 to 5 years**	**> 5 years**	**Total**
Year ended 31st of December 2022					
Interest-bearing liabilities	0	16,790	27,047	5,684	49,521
Lease liabilities	0	5,420	27,472	163,866	196,758
Trade and other payables	0	29,484	0	0	29,484
Total	**0**	**51,694**	**54,519**	**169,550**	**275,763**

DKK'000	**On demand**	**<1 year**	**1 to 5 years**	**> 5 years**	**Total**
Year ended 31st of December 2021					
Interest-bearing liabilities	0	4,785	14,462	0	19,247
Lease liabilities	0	1,944	10,230	33,013	45,187
Trade and other payables	0	27,105	1,649	0	28,754
Total	**0**	**33,834**	**26,341**	**33,013**	**93,188**

Interest rate risk

The Group's interest-bearing debt are all fixed rates at 31st of December 2022

26. Financial risks, financial instruments

DKK'000	**2022**	**2021**
Financial assets measured at fair value through profit and loss		
Other financial assets, convertible receivable from France JV	5,823	5,823
Total	**5,823**	**5,823**

Financial assets measured at amortised cost		
Deposits	1,735	2,053
Trade receivables	3,125	3,470
Other receivables	26,110	24,180
Cash	13,766	118,244
Total	**44,736**	**147,947**

Financial liabilities measured at amortised cost		
Interest-bearing liabilities	49,521	19,247
Trade payables	18,195	12,564
Other payables	11,289	16,191
Total	**79,005**	**48,002**

Classification of financial assets measured at amortised cost

Since the Group's financial instruments measured at amortised cost are either short-term and/or exposed to floating interest rates, Management has assessed that the carrying amount is a reasonable approximation of fair value.

27. Other disclosures relating to consolidated statement of cash flow

For the purpose of the statement of cash flows. cash and cash equivalents comprise the following at 31st of December:

DKK'000	**31/12/22**	**31/12/21**	**01/01/21**
Cash at banks and on hand	5,618	107,674	6,029
Cash set aside as security	8,148	10,603	0
Bank overdrafts	0	-33	-13
Cash and cash equivalents	**13,766**	**118,244**	**6,016**

Additional information on the changes to liabilities arising from financing activities can be found in the below tables:

2022 | DKK'000	**Other borrowings**	**Lease liabilities**	**Total**
Liabilities at 1st of January	19,248	45,187	64,435
Loans raised	33,508	0	33,508
New leases	0	167,951	167,951
Repayments	-4,310	-13,167	-17,477
Other	1,076	-3,213	-2,137
Liabilities at 31st of December	**49,521**	**196,758**	**246,280**

2021 | DKK'000	**Other Borrowings**	**Lease liabilities**	**Total**
Liabilities at 1st of January	46,520	45,932	92,452
Loans raised	23,668	0	23,668
New leases	0	122	122
Repayments	-34,485	-4,856	-39,341
Other	-16,455	3,989	-12,466
Liabilities at 31st of December	**19,248**	**45,187**	**64,435**

28. Guarantees, contingent liabilities and collateral

The Parent participates in a Danish joint taxation arrangement where Re-Match Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent is therefore liable to income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's Financial Statements.

29. Related parties

Shareholders	Registered office	Basis of influence
Nordic Alpha Partners Fund I K/S	Hellerup	32.18%
MLI Portfolio Holding ApS	Hellerup	8.45%
KAPITALFORENINGEN MP INVEST, DANSKE AKTIER	Copenhagen	4.98%
Danica Pension, Livsforsikring	Copenhagen	4.87%
LAC Invest Ikast ApS	Ikast	4.67%
DACH Invest ApS	Risskov	3.80%
Ulrik Lundsfryd	Klampenborg	3.01%
UI Investment ApS	Ikast	2.71%

Transactions with Nordic Alpha Partners Fund I K/S who has significant influence

DKK'000	2022	2021
Interest paid to Nordic Alpha Partners Fund I K/S	0	2,302
Amount owed to Nordic Alpha Partners Fund I K/S	0	0
Proceeds from conversion of loan	0	15,896
Proceeds from capital increase	0	35,000

Transactions with key management personnel of the entity

Key management personnel comprise the Board of Directors and the Executive Board and their related parties. Refer to note 8 in terms of share-based payment to Board of Directors and the Executive Board.

29. Related parties (continued)

Transactions with joint ventures in which the entity is a joint venturer

DKK'000	**2022**	**2021**
Sales to Re-Match France	0	0
Purchase from Re-Match France	0	95
Interest received from Re-Match France	0	0
Amount owed by Re-Match France, convertible loan	6,554	6,554
Amount owed by Re-Match France, intercompany	322	0
Amount owed to Re-Match France	0	0
Capital increase during the year	7,450	0

30. Events after the reporting period

In the beginning of 2023, Re-Match continued the ramp up of the Dutch factory and have achieved some important milestones. First of all, they have reached in excess of the target of 8 tons/hour during February 2023 which is significantly ahead of plan. Also very positive is the quality of the materials coming out as it so far looks better than the quality than the Herning factory.

Next step is to reduce the downtime and increase the shifts in order to achieve the monthly volume budgeted.

More importantly the company has conducted a thorough review of the company's capital situation and investigated the opportunities for raising further capital for both short-term and long-term needs.

After a competitive process run by AGB Sundal the Board of Directors decided that the best option was to recommend a delisting of the company and attract the capital required to potentially accelerate the roll out of further factories.

The company therefore agreed a large transaction, raising up to DKK 235m of new equity from existing owners Nordic Alpha Partners and new owner Verdane. This will enable Re-Match to become profitable and to build further factories starting in 2023. Other than the events recognised or disclosed in the consolidated financial statement, no events have occurred subsequent to 31st of December 2022 which could have significant impact on the consolidated financial statements.

31. Special items

Special items consist of costs to external advisors and investment banks in relation to the initial public offering (IPO) on 23rd of December 2021, that in accordance with IAS 32, should be expenses.

Special items are recognised as "Other external expenses" in the income statement, if not presented on a separate line.

No special items have occurred in the financial year 2022.

Parent income statement

DKK	Note	2022	2021
Gross profit/loss		**-14,170,519**	**-36,075,069**
Staff costs	3	-29,451,542	-28,549,675
Depreciation. amortisation and impairment losses	4	-4,356,173	-4,157,682
Operating profit/loss		**-47,978,234**	**-68,782,426**
Share of profit in joint venture		352,888	0
Financial income	5	6,777,940	2,544,044
Financial expenses	6	-2,121,096	-11,042,359
Profit/loss before tax		**-42,968,501**	**-77,280,741**
Tax for the year	7	0	0
Profit/loss for the year		**-42,968,501**	**-77,280,741**
Proposed distribution of profit and loss:			
Transferred to other statutory reserves		2,855,709	3,714,702
Retained earnings		-45,824,210	-80,995,443
Profit/loss for the year		**-42,968,501**	**-77,280,741**

Parent balance sheet

DKK	Note	2022	2021
Completed development projects		419,966	1,344,877
Development projects in progress		10,725,015	6,138,939
Patents		3,486,118	2,885,352
Software		1,744,050	2,218,269
Total intangible assets	**8**	**16,375,149**	**12,587,437**
Plant and machinery		21,187,839	22,683,077
Other fixtures and fittings, tools and equipment		448,476	1,035,401
Leasehold improvements		480,110	371,746
Total tangible assets	**9**	**22,116,425**	**24,090,224**
Investments in subsidiaries	10	429,959	429,959
Investments in joint ventures		9,292,888	0
Receivables from subsidiaries		67,865,118	18,074,590
Deferred tax assets		0	0
Deposits		1,351,840	2,053,454
Other financial assets		5,823,358	5,823,358
Total fixed asset investments		**84,763,163**	**26,381,361**
Total fixed assets		**123,254,737**	**63,059,022**
Finished goods and goods for resale		3,447,964	2,592,200
Inventory		**3,447,964**	**2,592,200**
Trade receivables		88,944	3,470,083
Other receivables		24,022,532	23,794,979
Prepayments		582,927	1,008,574
Total receivables		**24,694,403**	**28,273,636**
Cash		**13,336,205**	**117,891,493**
Total current assets		**41,478,572**	**148,757,329**
Total assets		**164,733,309**	**211,816,351**

Parent balance sheet

DKK	Note	31/12/22	31/12/21
Share capital		28,750,841	28,703,900
Reserve for development expenditure		8,693,085	5,837,376
Retained earnings		38,843,900	82,610,616
Total equity		**76,287,826**	**117,151,892**
Interest bearing debt	11	303,110	14,127,406
Deferred income		22,836,962	21,125,140
Provisions		2,150,000	3,565,721
Other payables		0	1,236,898
Total non-current liabilities		**25,290,072**	**40,055,165**
Interest bearing debt	11	16,087,955	5,120,892
Trade payables	11	3,160,052	12,674,302
Payables to subsidiaries		7,463,936	0
Other payables	11	7,335,735	14,939,824
Deferred income		29,107,733	21,874,276
Total current liabilities		**63,155,411**	**54,609,294**
Total liabilities		**88,445,483**	**94,664,459**
Total equity and liabilities		**164,733,309**	**211,816,351**
Unrecognised rental agreements and lease commitments	12		
Mortgages and collateral	13		
Subsequent events	14		
Special Items	15		

Statement of changes in equity

DKK	Share capital	Reserve for development costs	Retained earnings	Total
Equity beginning of year, 2022	**28,703,900**	**5,837,376**	**82,610,616**	**117,151,892**
Capital increase	46,941	0		46,941
Gain on own shares	0	0	573,561	573,561
Share based payments	0	0	1,483,933	1,483,933
Net profit/loss for the year	0	2,855,709	-46,564,287	-43,708,578
Equity end of year	**28,750,841**	**8,693,085**	**38,103,823**	**75,547,749**

DKK	Share capital	Reserve for development costs	Retained earnings	Total
Equity beginning of year, 2021	**14,681,315**	**2,122,674**	**-38,184,833**	**-21,380,844**
Capital increase	14,022,585	0	200,522,802	214,545,387
Costs relating to capital increase	0	0	-5,750,344	-5,750,344
Share based payments	0	0	7,018,434	7,018,434
Net profit/loss for the year	0	3,714,702	-80,995,443	-77,280,741
Equity end of year	**28,703,900**	**5,837,376**	**82,610,616**	**117,151,892**

DKK	Share capital	Reserve for development costs	Retained earnings	Total
Equity beginning of year, 2020	**14,393,561**	**931,203**	**16,789,137**	**32,113,901**
Correction of errors	0	0	-16,287,913	-16,287,913
Restated total balance at beginning of year, 2020	**14,393,561**	**931,203**	**501,225**	**15,825,989**
Capital increase	287,754			287,754
Share based payments	0	0	6,415,446	6,415,446
Net profit/loss for the year	0	1,191,471	-45,101,504	-43,910,033
Equity end of year	**14,681,315**	**2,122,674**	**-38,184,833**	**-21,380,844**

Notes

1. ACCOUNTING POLICIES

The Annual Report of Re-Match Holding A/S for 2022 has been prepared in accordance with the provisions of the Danish Financial Statements Act applying to reporting class B enterprises as well as selected provisions as regards larger entities.

BASIS OF RECOGNITION AND MEASUREMENT

Income is recognised in the income statement as earned, including value adjustments of financial assets and liabilities. All expenses, including amortisation, depreciation and impairment losses, are also recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. On subsequent recognition, assets and liabilities are measured as described below for each individual accounting item.

Certain financial assets and liabilities are measured at amortised cost using the effective interest method. Amortised cost is calculated as the historic cost less any instalments and plus/less the accumulated amortisation of the difference between the cost and the nominal amount.

On recognition and measurement, allowance is made for predictable losses and risks which occur before the Annual Report is presented and which confirm or invalidate matters existing at the balance sheet date.

CHANGES TO COMPARATIVE FIGURES

The 2021 comparative figures for deferred tax assets and equity have been restated due to the identification of incorrect accounting treatment of IAS 12. As the Company and Group has a history of taxable losses, IAS 12 Income Taxes requires that convincing evidence is available to support Management's assessment that sufficient taxable profits will be available in the future.

Even though the approved budget and business plan both in prior periods and at 31 December 2022 reflects that the Company and Group will be generating taxable profits in the foreseeable future, it is Management's assessment that the recognition of the deferred tax assets did not meet the strict criteria of IAS 12 'convincing evidence', as the budget and business plan are sensitive to the timing and level of investments and similar factors.

Consequently, deferred tax assets as of 1st of January 2021 and 31st of December 2021 have been restated to "nil" for the Company and the Group. The effects of the changes to the comparative figures for 2020 and 2021 are:

	Deferred tax asset	Retained Earnings
1st of January 2020	16,288	7,526
Correction of error	-16,288	-16,288
1st of January, restated	**0**	**-8,762**
31st of December 2020	**0**	**-51,429**
31st of December 2021	**0**	**58,897**

INCOME STATEMENT

Gross profit or loss

In pursuance of section 32 of the Danish Financial Statements Act, the company does not disclose its revenue.

Gross profit reflects an aggregation of revenue, changes in inventories of finished goods, work in progress and other operating income less costs of raw materials, consumables, and other external expenses.

REVENUE

Revenue from the sale of goods for resale and finished goods is recognised in the income statement, provided that the transfer of risk, usually on delivery to the buyer, has taken place and that the income can be measured reliably and is expected to be received.

EXPENSES FOR RAW MATERIALS AND CONSUMABLES

Expenses for raw materials and consumables include the raw materials and consumables used in generating the year's revenue.

OTHER OPERATING INCOME

Other operating income comprises items of a secondary nature relative to the company's activities, including gains on the sale of intangible assets and property, plant and equipment.

GOVERNMENT GRANTS

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. They are included in other operating income.

OTHER OPERATING EXPENSES

Other operating expenses comprise items of a secondary nature relative to the company's activities, including losses on the sale of intangible assets and property, plant and equipment.

OTHER EXTERNAL COSTS

Other external costs include expenses related to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

STAFF COSTS

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the entity's employees. The item is net of refunds made by public authorities. Management has chosen to recognize share-based payments in accordance with IFRS 2.

AMORTISATION, DEPRECIATION AND IMPAIRMENT LOSSES

Amortisation, depreciation and impairment losses comprise the year's amortisation, depreciation and impairment of intangible assets and property, plant and equipment.

FINANCIAL INCOME AND EXPENSES

Financial income and expenses are recognised in the income statement at the amounts relating to the financial year. Net financials include interest income and expenses, financial expenses relating to finance leases, realised and unrealised capital/exchange gains and losses on securities and foreign currency transactions, amortisation of mortgage loans and surcharges and allowances under the advance-payment-of- tax scheme, etc.

TAX ON PROFIT/LOSS FOR THE YEAR

Tax for the year, which comprises the current tax charge for the year and changes in the deferred tax charge, is recognised in the income statement as regards the portion that relates to the profit/loss for the year and directly in equity as regards the portion that relates to entries directly in equity.

BALANCE SHEET

INTANGIBLE ASSETS

Developments projects recognised in the balance sheet are measured at cost less accumulated amortisation and impairment losses.

Following the completion of the development work, development costs are amortised on a straight-line basis over the estimated useful life. The amortisation period is usually five years.

TANGIBLE ASSETS

Plant and machinery and fixtures and fittings, tools and equipment are measured at cost less accumulated depreciation and impairment losses.

The depreciable amount is cost less the expected residual value at the end of the useful life.

Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. The cost of self-constructed assets com- prises direct and indirect costs of materials, components, sub-suppliers and wages.

Straight-line depreciation is provided on the basis of the following estimated useful lives of the assets:

- Plant and machinery: 3-25 years
- Other fixtures and fittings, tools and equipment: 3-5 years
- Leasehold improvements: 3-10 years

LEASES

All leases are operating leases. Payments relating to operating leases are recognised in the income statement over the term of the lease. The company's total liabilities relating to operating leases and other rent agreements are disclosed under 'Contingencies, etc.'

INVESTMENTS IN SUBSIDIARIES

Investment in subsidiaries is measured at cost. If cost exceeds the recoverable amount, a write-down is made to this lower value.

STOCKS

Stocks are measured at cost using the FIFO method. Where the net realisable value is lower than the cost, inventories are recognised at this lower value.

The cost of goods for resale, raw materials and consumables comprises the purchase price plus delivery costs.

The cost of finished goods and work in progress includes the cost of raw materials, consumables, direct cost of labour and production/production overheads.

The net realisable value of stocks is calculated as the selling price less costs of completion and expenses incurred to effect the sale. The net realisable value is determined taking into account marketability, obsolescence and expected selling price movements.

RECEIVABLES

Receivables are measured at amortised cost.

PREPAYMENTS

Prepayments recognised under 'Current assets' comprise expenses incurred concerning subsequent financial years.

INCOME TAX AND DEFERRED TAX

Current tax liabilities and current tax receivables are recognised in the balance sheet as the estimated tax on the taxable income for the year, adjusted for tax on the taxable income for previous years and tax paid on account.

Deferred tax is measured according to the liability method in respect of temporary differences between the carrying amount of assets and liabilities and their tax base, calculated on the basis of the planned use of the asset and settlement of the liability, respectively.

LIABILITIES

Financial liabilities are recognised on the raising of the loan at the proceeds received net of transaction costs incurred. On subsequent recognition, the financial liabilities are measured at amortised cost, corresponding to the capitalised value, using the effective interest method.

Accordingly, the difference between the proceeds and the nominal value is recognised in the income statement over the term of the loan.

Other liabilities, which include trade payables, payables to group entities and other payables, are measured at amortised cost, which is usually equivalent to nominal value.

DEFERRED INCOME

Deferred income recognised under 'Current liabilities' comprises payments received concerning income in subsequent financial years.

FOREIGN CURRENCY TRANSLATION

On initial recognition, foreign currency transactions are translated applying the exchange rate at the transaction date.
Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses. If foreign currency transactions are considered cash flow hedges, the value adjustments are taken directly to equity.

Receivables and payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest Financial Statements is recognised in the income statement as financial income or financial expenses.

2. GOVERNMENT GRANTS

The Group has also received government grants relating to the development of a production site in Tiel, the Netherlands, in 2022 to the amount of DKK 20,021t (previous years: 14,580t). There are no unfulfilled conditions or other contingencies attaching to these grants. The group did not benefit directly from any other form of government assistance.

During the year 868t have been recognised in other operating income (2021: DKK 575t).

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3. Staff costs

DKK	**2022**	**2021**
Wages and salaries	27,917,586	25,877,280
Share based payments	1,483,933	7,018,434
Pensions	3,023,451	1,270,267
Other social security costs	465,189	323,520
Other staff costs	148,372	48,177
Total	**33,038,531**	**34,537,678**

Transfer to development costs	-3,586,989	-5,988,003
Total	**29,451,542**	**28,549,675**

Average numbers of employees at balance sheet date	41	34

Please refer to the disclosure in note 6 in the Consolidated Financial Statement for management remuneration.

4. Depreciation, amortisation and impairment losses

DKK	**2022**	**2021**
Amortisation of intangible assets	2,250,323	2,011,192
Depreciation of property, plant and equipment	2,105,850	2,146,490
Total	**4,356,173**	**4,157,682**

5. Other financial income

DKK	**2022**	**2021**
Interest income intercompany	3,173,298	1,178,945
Other financial income	1,490,000	0
Foreign exchange gains	2,114,642	1,365,099
Total	**6,777,940**	**2,544,044**

6. Other financial expenses

DKK	**2022**	**2021**
Foreign exchange losses and other adjustments	-1,587,595	-1,626,857
Other interest expenses	-533,501	-9,415,502
Total	**-2,121,096**	**-11,042,359**

7. Tax on profit/loss for the year

DKK	**2022**	**2021**
Current tax for the year	0	0
Deferred tax for the year	0	0
Total	**0**	**0**

8. Intangible assets

DKK	Completed development projects	Development projects in progress	Patents	Software	Total
2022					
Cost at 1st of January	7,011,969	6,138,939	3,510,406	2,723,891	19,385,205
Additions	0	4,586,076	1,368,959	83,000	6,038,035
Cost at 31st of December	**7,011,969**	**10,725,015**	**4,879,365**	**2,806,891**	**25,423,240**
Amortisation and impairment at 1st of January	5,667,092	0	625,054	505,622	6,797,768
Amortisation during the year	924,911	0	768,193	557,219	2,250,323
Amortisation and impairment at 31st of December	**6,592,003**	**0**	**1,393,247**	**1,062,841**	**9,048,091**
Carrying amount at 31st of December	**419,966**	**10,725,015**	**3,486,118**	**1,744,050**	**16,375,149**

Please refer to the description in note 13 to the Consolidated Financial Statement. Completed development projects relate to the development of plastic-upcycling. Management has an expectation of positive earnings from the project.

9. Property, plant and equipment

DKK	Plant and machinery	Other fixtures and fittings, tools and equipment	Leasehold improve-ments	Total
2022				
Cost at 1st of January	30,404,288	1,962,038	1,358,332	33,724,658
Additions	118,440	0	246,687	365,127
Disposals	0	-699,894	0	-699,894
Cost at 31st of December	**30,522,728**	**1,262,144**	**1,605,019**	**33,389,891**
Depreciation at 1st of January	7,721,211	926,637	986,586	9,634,434
Reversed depreciation	0	-466,818	0	-466,818
Depreciation during the year	1,613,678	353,849	138,323	2,105,850
Depreciation at 31st of December	**9,334,889**	**813,668**	**1,124,909**	**11,273,466**
Carrying amount at 31st of December	**21,187,839**	**448,476**	**480,110**	**22,116,425**

10. Financial assets

DKK	2022	2021
Investments in subsidiaries		
Cost at 1st of January	429,959	429,959
Additions	0	0
Cost at 31st of December	**429,959**	**429,959**

11. Interest bearing-debt

DKK	Debt at 1st January	Debt at 31st December	Due within 12 months	Due after more than 5 years
2022				
Interest bearing-debt	19,248,298	16,391,065	16,087,955	303,110
Trade and other payables	28,851,024	10,495,787	10,495,787	0
Total	**48,099,322**	**26,886,852**	**26,583,742**	**303,110**

12. Unrecognised rental and lease commitments

DKK	2022	2021
Operating lease liabilities. Total future lease payments:		
Within 1 year	216,477	126,076
Between 1 and 5 years	231,630	114,881
Total	**448,107**	**240,957**

13. Mortgages and collateral

As security for debt to other credit institutions and other debt, totalling DKK 19,500t the Company has been granted a company charge of which the carrying amount accounts for DKK 6,260t of December 2022.

Re-Match Holding A/S have provided a limited guarantee of EUR 1m related to Re-Match NL.

The Parent participates in a Danish joint taxation arrangement where Re-Match Holding A/S serves as the administration company. According to the joint taxation provisions of the Danish Corporation Tax Act, the Parent is therefore liable to income taxes etc. for the jointly taxed entities, and for obligations, if any, relating to the withholding of tax on interest, royalties and dividend for the jointly taxed entities. The jointly taxed entities' total known net liability under the joint taxation arrangement is disclosed in the administration company's Financial Statements.

14. Subsequent events

Refer to the consolidated annual report - note 30.

15. Special Items

Refer to the consolidated annual report - note 31.

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