

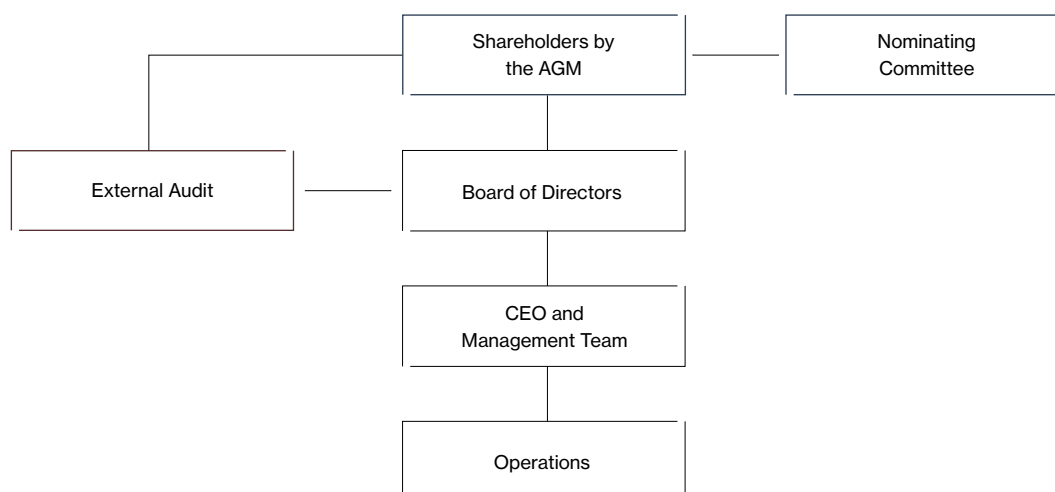
Corporate Governance Report

Introduction

Renewcell AB is a Swedish public company that has been listed on First North Premier in Stockholm since November 26, 2020. Renewcell is governed via the general meeting of shareholders, the Board of Directors and the Chief Executive Officer as well as Renewcell's Group management in accordance with, inter alia, the Companies Act, First North Premier's Rulebook for Issuers, the Swedish Corporate Governance Code, the articles of association, Renewcell's Code of Conduct (policy for responsible ownership, management and responsible investments in Renewcell) as well as the Board of Directors' and the CEO's Rules of Procedure.

Renewcell applies the Swedish Corporate Governance Code (the "Code") from November 26, 2020 and hereby submits this Corporate Governance Report. Since the company has only applied the Code since November 26, some provisions in the Code have yet to be applied for the first time by Renewcell. Some circumstances concerning Renewcell's corporate governance and application of the Code will, therefore, for natural reasons, be described for the first time in the company's 2021 Corporate Governance Report. The Corporate Governance Report has been prepared by the Board of Directors of Renewcell AB in accordance with the rules of the Code and the Swedish Annual Accounts Act.

Corporate governance structure



Articles of association

The current articles of association were adopted at the EGM held on November 13, 2020. The articles state, inter alia, that the Board of Directors is to be domiciled in Stockholm, that Board members are to be elected by the AGM annually until the close of the next AGM and that the Board of Directors is to consist of no less than three Board members and no more than seven Board members and a maximum of seven deputy members. The complete articles of association is available on Renewcell's website, www.renewcell.com.

Annual General Meeting

The Annual General Meeting (AGM) is the company's highest decision-making body. At the general meeting, shareholders resolve on central issues. The AGM adopts, inter alia, the income statement and balance sheet, appropriation of the company's earnings, discharge of liability for the Board members and the CEO, election of the Board of Directors and auditors as well as remuneration to the Board of Directors and auditors. The company's total shares amount to 30,799,426 common shares with each share entitling the holder to one vote. Renewcell's shares have been listed on First North Premier since November 26, 2020. For information on the company's largest shareholders, refer to page 44.

The notice convening Renewcell's AGM must, in accordance with the Swedish Companies Act, be given no earlier than six weeks and no later than four weeks before the AGM. Notice to other general meetings of shareholders is to be given no earlier than six weeks and no later than three weeks before the general meeting of shareholders. Notice convening the AGM is to take place through advertising in Post- och Inrikes Tidningar and on Renewcell's website. An advertisement that official notice has been issued is to be announced in Dagens Industri.

Shareholders wishing to attend the AGM must notify the company before the final date stated in the convening notice. This date may not be a Saturday or Sunday, a public holiday, Midsummer Eve, Christmas Eve or New Year's Eve and must not fall earlier than five banking days before the AGM. Shareholders may nominate one or two deputies for the AGM provided that the shareholder has notified the company in line with the terms set out above.

Shareholders who wish to propose a matter to be addressed at the general meeting must send a written request to this effect to the Board of Directors. Such a request must typically be received by the Board of Directors no later than seven weeks prior to the general meeting.

Renewcell's 2020 AGM took place before the company had begun to apply the Code. The AGM was therefore not carried out in accordance with what is stated in the Code. The 2021 Corporate Governance Report will contain more detailed information concerning the AGM that took place during the year.

2021 AGM

The next AGM for the shareholders of Renewcell will be held on May 19, 2021. Due to the coronavirus the board has decided that the annual general meeting shall be held without the physical presence of shareholders, agents and outsiders and that shareholders shall have the opportunity to exercise their voting rights only by post before the meeting. Information about the of the resolutions of the general meeting are published as soon as the outcome of the postal vote is finally compiled. More information about The Annual General Meeting is available on Renewcell's website.

Nomination Committee

At the EGM that was held on July 10, 2020, it was resolved that the Nomination Committee, ahead of the 2021 AGM, was to comprise of the Chairman of the Board and one member appointed by each of the three largest shareholders based on ownership of the company on the closing date of the third quarter of the fiscal year. In the event that any of three largest shareholders waive their right to appoint a member to the Nomination Committee, this right is transferred to the shareholder who, following these three shareholders, has the next largest ownership in the company. The Board of Directors must convene the Nomination Committee. The Board member appointed as Chairman of the Nomination Committee is appointed by the largest shareholder unless the Nomination Committee unanimously appoint another Board member.

If the shareholder that appointed the Nomination Committee member no longer belongs to the three largest shareholders no later than three months prior to the AGM, the Committee member that was appointed by this owner surrenders their position and the shareholder who is now among the three largest shareholders has the right to appoint a member to the Nomination Committee. However, unless there is a specific reason, no change should be made to the composition of the Nomination Committee if only a marginal change in ownership has taken place or if the change has occurred later than three months prior to the AGM. In the event that a Committee member steps down from the Nomination Committee before their work is complete, the shareholder who appointed the member must appoint a new member. If this shareholder no longer belongs to the three largest shareholders, a new member is appointed pursuant to the order stipulated above. A shareholder who has appointed a Nomination Committee member has the right to dismiss this member and appoint a new member of the Nomination Committee.

Changes to the composition of the Nomination Committee must be publicized immediately. The mandate period for the Nomination Committee runs until a new Nomination Committee is appointed. The Nomination Committee must carry out the work that is incumbent upon the Nomination Committee in accordance with the Code.

The Nomination Committee for the 2021 AGM consists of Per Olofsson (appointed by Girincubator AB and Girindus Investments AB together), Nanna Andersen (appointed by H&M Fashion AB), Boris Gyllhamn (appointed by Almi Invest GreenTech AB) and Mia Hemmingson (Chairman of the Board).

The Board of Directors and its work

The work of the Board of Directors is conducted pursuant to the Code and other applicable Renewcell rules and regulations. The Board of Directors' overriding task is to administer Renewcell's affairs and organization and to develop its strategy and issue overall guidelines. In accordance with Renewcell's articles of association, the Board of Directors is to comprise no less than three and no more than seven Board members with no more than seven deputy members. The Board of Directors currently comprises five members. For a more detailed description of the Board members, including background information and other significant appointments, refer to page 12. The Code contains rules pertaining to the independence of the Board members and stipulates a requirement that the majority of Board members must be independent in relation to the company, company

management and the company's largest shareholders. All current Board members are independent in relation to the company and company management. In addition, three of Renewcell's Board members are also independent in relation to the company's largest shareholders, refer also to page 12. Information about the remuneration of Board members is available in the Annual Report, Note 7.

The Board of Directors works pursuant to established rules of procedure that regulate, inter alia, the frequency and agenda of Board meetings, distribution of material to the meetings and information that is presented to the Board as well as issues to be resolved. Rules of procedure regulate the allocation of work between the Board of Directors, the Chairman of the Board and the CEO and define the authority of the CEO. The Chairman of the Board prepares the Board meetings together with the CEO. In addition to making decisions on the company's strategy, business plans and financial plans, the Board evaluates the company's operations and development. The CEO and company management report on operations, development, progress and financial reporting at each board meeting.

The Board resolves on important issues such as material agreements, the budget and major investments. In accordance with the rules of procedure, the Board of Renewcell intends to hold at least four regular meetings per calendar year in addition to the inaugural meetings and meetings in conjunction with the approval of quarterly reports.

Board procedures and Board meetings.

At the inaugural Board meeting following the AGM, Renewcell's Board of Directors establishes rules of procedure with instructions pertaining to the allocation of work between the Board of Directors and the CEO and instructions for financial reporting. The Board is convened to at least four scheduled meetings in addition to the statutory meeting. The meetings are coordinated insofar as possible to coincide with the timing of financial reporting and the general meeting of shareholders. In addition to the ordinary meetings, the Board of Directors can be convened for additional meetings if required. The Board of Directors held one minuted Board meeting between November 26 and December 31, 2020. All Board members were present at this meeting.

In addition to the Board meetings, the Chairman of the Board and CEO maintain an ongoing dialogue concerning the management of the company. The CEO, Patrik Lundström, is responsible for the business plan being pursued and the ongoing management of the company's matters as well as daily operations in the company. On a continuous basis,

the Board receives information containing follow-up of the development of the company's investments, sales, operating results and operating capital as well as comments concerning how various parts of operations are developing. The outcomes of several key performance indicators are also reported.

In addition, the main shareholders, Board members and CEO complete a detailed annual evaluation of the Board based on the established rules of procedure. The evaluation consists of, inter alia, the composition of the Board of Directors, individual Board members and the Board's work and procedures.

Board committees

Audit Committee

The Board of Directors has chosen not to establish an audit committee, but rather to allow the entire Board of Directors to carry out the duties incumbent on such a committee under the Code. These duties consist of:

- Monitoring and ensuring the quality of the company's financial reporting to the Board of Directors
- Monitoring the efficiency of financial reporting concerning the company's internal control, auditing and risk management
- Keeping informed about the audit of the Annual Report
- Reviewing and supervising the work of the auditors
- Assist with the AGM's choice of auditors and remuneration
- Regularly meet with the auditor, discuss and keep informed of the focus and coordination of the external and internal audits
- Evaluate the auditor and inform the Nomination Committee of the outcome

Remuneration Committee

The Board of Directors has chosen not to appoint a remuneration committee, but rather to allow the entire Board of Directors to carry out the duties incumbent on the remuneration committee under the Code. In terms of remuneration issues, this means that the Board must:

- Prepare proposals concerning remuneration policies, remuneration and other terms of employment for the CEO and senior executives.
- Review and evaluate ongoing and completed programs concerning variable remuneration for company management.
- Review and evaluate application of the guidelines

for the remuneration of senior executives that are determined by the AGM and other remuneration structures and remuneration levels in Renewcell. Issues concerning remuneration and other terms of employment for the CEO are prepared by the Chairman of the Board. Decisions on these issues are resolved at meetings of the Board of Directors, in which the CEO does not participate. Remuneration and other terms of employment for other senior executives is negotiated and agreed on together with the CEO. In addition, the Board monitors and evaluates all programs for variable remuneration to company management. The Board monitors and evaluates application of the guidelines for the remuneration of senior executives that are determined by the AGM and other remuneration structures and remuneration levels in the company. No remuneration is issued for the completion of these duties.

Evaluation of the work of the Board of Directors

The Board of Directors carries out an annual evaluation of the work of the Board. The evaluation provides the Board members with the opportunity to present their views on working methods, Board material, their own and other Board members' efforts and the scope of their assignment. The evaluation is carried out internally each year. Board members may respond to a number of questions in writing. The Chairman of the Board compiles, analyzes and presents proposals for possible measures to be taken. When desired, the proposals are discussed within the Board of Directors. Since the company has only applied the Code for a short period of time, an evaluation of the 2020 operational year has not been conducted.

Management team

The company's management team comprises ten individuals including the CEO. Refer to page 12 and 13 for further information about each individual in the management team. The management team convene on an ongoing basis primarily to discuss the Group's financial development, ongoing projects and other strategic issues.

Remuneration during the 2020 fiscal year

For information concerning remuneration to the CEO, the Board of Directors and other senior executives, refer to Note 7.

Auditors

Pursuant to the articles of association, the company is to have one auditor, with or without deputies, or alternatively, one auditing firm. Renewcell's auditors are appointed on an annual basis by the AGM. The nomination of auditor will be made by

the Nomination Committee prior to the 2021 AGM. The auditor is tasked with, on behalf of the shareholders, examining the company's annual accounts and consolidated accounts, the Board of Directors' and the CEO's administration and the Corporate Governance Report. This examination and the Auditors' report are presented at the AGM. At the 2020 AGM, Mazars AB was re-elected as Renewcell's auditor until the close of the 2021 AGM. Michael Olsson is the auditor-in-charge.

Internal audit

In accordance with the provisions of the Code item 7.3, the Board of Directors must annually evaluate the need for a separate audit function (internal auditing). The Board is of the opinion that there is currently no need for such a function. Instructions are in place for an ongoing evaluation to be conducted to ensure that the individuals in the organization who are responsible for preparing the financial reports have the necessary expertise and resources to do so.

The Board of Directors' description of internal control concerning financial reporting for the 2020 fiscal year

Renewcell's Board of Directors is responsible for the company's internal control. The internal control is to ensure:

- Reliable financial reporting and information about operations. Compliance with applicable laws, instructions, guidelines, etc.
- Appropriate and cost-efficient operations.

Renewcell's internal control is designed to ensure that reporting is prepared in accordance with applicable laws and regulations and that it follows the requirements that applicable to companies whose shares are admitted to trading on First North Premier.

With the aim of creating and maintaining functioning control, the Board has established a number of fundamental significant documents for financial reporting, including separate rules of procedure for the Board of Directors and instructions to the CEO. It is primarily the responsibility of the CEO to ensure compliance with these documents in daily operations. The CEO reports regularly to the Board in accordance with established procedures. In addition, reports are provided by the company's auditors.

Other important fundamental control documents include the company's Insider policy and Information policy. The documents set out above are reviewed annually and revised if required. In addition to the documents listed above, the company's accounting and financial handbook is applied

that covers accounting guidelines, policies, principles and procedures.

Control activities

Control activities comprise the policies and procedures that contribute to ensuring management's directives are complied with and that necessary measures are taken to identify the risks that can prevent the company from reaching its goals. Control activities are present across all levels of the organization and in all functions. These comprise a number of divergent activities such as approvals, permits, controls, reconciliations, evaluation of operational performance, hedging of assets and the allocation of responsibilities. The company's CFO is responsible for ensuring that all control activities are carried out and maintained. Most control activities are a natural part of the company's key processes and comprise of a mix of preventive and detective controls including: approvals of authorized individuals at different levels in the organization via the arm's length principle, two-party approval for payments, clear attestation and decision-making procedures, clear decision-making processes, ongoing sampling from business systems to identify material deviations from the organization's goals or policies, monthly earnings analyses, regular contact with the organization's personnel outside of the ordinary decision hierarchy.

Information and communication

External and internal information is governed by the Group's Communication and IR policy. A separate section addresses responsibility, procedures and rules. The policy is continually evaluated to ensure that information to the stock market maintains a high quality and complies with stock exchange regulations. Financial information such as interim reports, annual reports and important events are published via press releases and on Renewcell's website. Management reporting is directly connected to financial reporting as far as is possible. Renewcell has a predefined reporting package, which also includes financial reporting. The reporting package is distributed each month to the Board of Directors and senior management. The most important control documents concerning financial reporting are regularly updated and are communicated to relevant individuals through regular meetings.

Follow-up

Ongoing evaluation is carried out continuously to assess whether or not internal control is still efficient. The most important monitoring control in Renewcell is the continual follow-ups of operations that management carry out and the principle that all material decisions are made based on a duality principle.

