

EU backs Renewcell to boost circularity in the fashion industry

- European Investment Bank lends up to SEK 311 million (€30.75 million) to fashion industry innovator Renewcell for first commercial scale factory in Sundsvall.
- Renewcell's product Circulose® is the only commercially available textile-to-textile recycled material of virgin equivalent quality.
- The credit line is supported under InnovFin, funded by the EU's Horizon 2020 research and innovation programme.

The European Investment Bank (EIB) has signed a loan agreement of up to SEK 311 million with Renewcell from Sweden. The loan was extended under "InnovFin – EU Finance for Innovators", with the financial backing of the European Union under Horizon 2020, the EU's programme for research and innovation. The full effectiveness of the agreement is contingent upon approval of the terms at an extraordinary general meeting by the shareholders of Renewcell. A summons to the extraordinary general meeting will be communicated at a later time.

The Sweden-based fashion innovator has devised a way to turn discarded clothing into Circulose®, a pulp of which new fabric can be made, thus boosting circular economy as a concept in the fashion industry. After proving their concept, Renewcell will use the EIB-loan to build their first full commercial-scale textile recycling plant, able to produce 60,000 tonnes per year, at the Ortviken industrial site near Sundsvall.

In the coming decade, the global middle class is expected to continue to grow, which will cause an increase in fashion consumption. Thus, and with an eye to climate change, the fashion industry needs to shift to circularity. In its bid to make the fashion industry more circular, Renewcell's technology can be an important factor in reaching the EU's target for waste reduction, as well setting the tone for the development of the European recycling industry. The company is able to supply commercial volumes of 100% textile-to-textile recycled materials, and is now scaling up to meet the growing demand for its product Circulose® with backing from Europe.

"When it comes to revolutionising existing industries, this really is cutting-edge." said EIB Vice-President Thomas Östros . "As the EU's climate bank, it is definitely a priority for us to support projects that can turn around current business models, to make them more sustainable or even circular. After financing Northvolt and Nilar's new battery concepts, this is yet another innovative Swedish company we are very proud to get behind. Renewcell has the potential to seriously reduce the climate impact of the fashion industry, something we are happy to assist with."

Mariya Gabriel, European Commissioner for Innovation, Research, Culture, Education and Youth, said: *“I am delighted to announce our first circular economy project supported under InnovFin Energy Demonstration Projects. Not only it will be a crucial addition to our portfolio, I expect it to pave the way for several new projects in this domain, which we need to accelerate in order to reduce waste and pollution.”*

Renewcell CEO, **Patrik Lundström**, added: *“We see the investment at Ortviken, Sundsvall as part of an Industrial Evolution to sustainability, in which we put existing skills, infrastructure and know-how of Swedish industry into a new circular context. We are proud to have the backing of the EIB in our effort to make fashion circular at scale.”*

Background Information:

The **European Investment Bank (EIB)** is the long-term lending institution of the European Union owned by its Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy goals. In terms of research projects, the EU bank previously also helped to finance the Large Hadron Collider at CERN.

InnovFin - EU Finance for Innovators - Under Horizon 2020, the EU research and innovation programme for 2014-2020, the European Commission and the European Investment Bank Group (EIB and EIF) launched a new generation of financial instruments and advisory services in 2014 to help innovative firms access finance more easily. InnovFin – EU Finance for Innovators offers a range of tailored products which provides financing in support of research and innovation by small, medium-sized and large companies and the promoters of research infrastructure.

Founded by innovators from Stockholm’s KTH Royal Institute of Technology in 2012, **Renewcell** is a multi-award-winning sustaintech company based in Sweden. The company’s vision is to inspire an Industrial Evolution to a sustainable world by producing high quality materials from recycled textiles.

Through its patented process, Renewcell is able to upcycle cellulosic textile waste, such as cotton clothes, transforming it into a pristine new material called Circulose®. Fast Company name Renewcell as one of the World’s Most Innovative Companies 2021. Circulose® was also included on TIME Magazine’s list of the 100 Best Inventions 2020.

Renewcell is a publicly listed company with shares traded on Nasdaq First North Premier Growth Market with the ticker name RENEW and ISIN code SE0014960431. FNCA Sweden AB is Renewcell’s Certified Adviser, +46(0)8-528 00 399, info@fnca.se.

Press contacts:

EIB: Tim Smit, +352 691 286 423, t.smit@eib.org

European Commission: Flora Matthaes, +32 460 755148, flora.matthaes@ec.europa.eu

Renewcell: Harald Cavalli-Björkman, +46 705 903 204, harald.cavalli-bjorkman@renewcell.com

Image Attachments

Patrik Lundström, CEO Renewcell - Thomas Östros, VP EIB - Christian Danielsson, Head of Representation European Commission

Attachments

EU backs Renewcell to boost circularity in the fashion industry