

# RENEWCELL

A person wearing blue denim jeans is climbing a large, curved, reddish-brown structure that resembles a giant arm or a piece of industrial machinery. The background is a solid teal color. The person's legs are visible, and they are in a dynamic, upward-moving pose.

## Year-end 2021

### Q4 Interim Report Presentation

Re:NewCell AB (publ)  
Listed on Nasdaq First North Premier Growth  
Market Short name RENEW — ISIN Code  
SE0014960431 Certified Adviser FNCA

Photo credit: Levi Strauss & Co

Recognition  
Fast Company's World's Most Innovative Companies 2021  
Time Magazine 100 Best Inventions 2020  
Drapers Sustainable Fashion Awards 2020 (Shortlist)

# Strong customer interest and new production records

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## Financial Summary

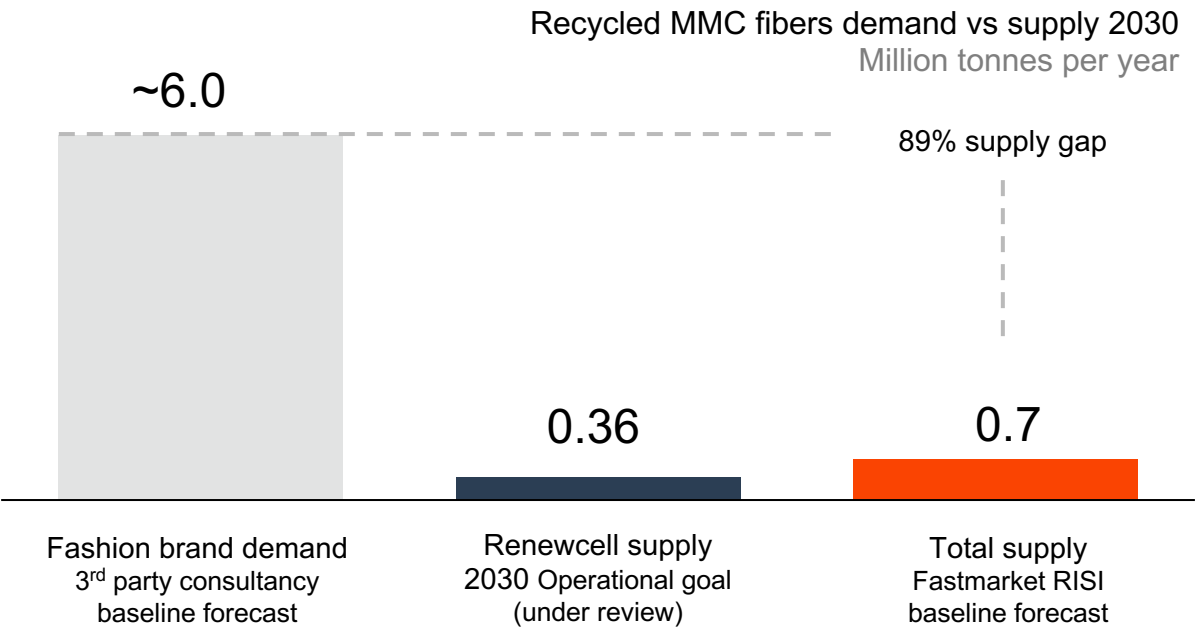
- Net sales for the period amounted to SEK 1,313 thousand (232).
- The loss after financial items amounted to SEK -66,224 thousand (-21,071).
- Cash flow from operating activities amounted to SEK -52,711 thousand (-15,994).
- Cash flow from investing activities was SEK -93,240 thousand (-29,492).
- Earnings per share, before and after dilution, amounted to SEK -2,2 (-0,9).
- The net cash position\* equaled SEK -254,867 thousand (-711,996).

## Highlights

- Production records in the Kristinehamn demonstration facility
- Establishment of Renewcell 1 progressing well
- Letter of intent with Kelheim Fibers GmbH for production of up to 10 000 tonnes of Circulose®-based fibers.
- First loan disbursements corresponding to approximately SEK 320 million.
- At the beginning of December 2021, all production of Circulose® dissolving pulp at Renewcell's plant in Kristinehamn certified as 100% recycled according to Recycled Claim Standard (RCS).
- Multi-year purchasing agreements with three different European textile sorters - SOEX in Germany, Texaid in Switzerland, and Sysav in Sweden.

# Capacity expansion ahead of plan – evaluation of opportunity of raising operational goals

- Decision to expand Renewcell 1 (Ortviken) from 60,000 tonnes to 120,000 tonnes
- No impact on initial 60 kton commissioning plan
- Decision to evaluate raised operational goals, including potential 360,000 tonnes annual capacity by 2025.
- BNP Paribas and Carnegie to explore financing





# Renewcell: The investment case in brief

1

Massive global demand for circular fashion

2

Commercially proven 100% circular material

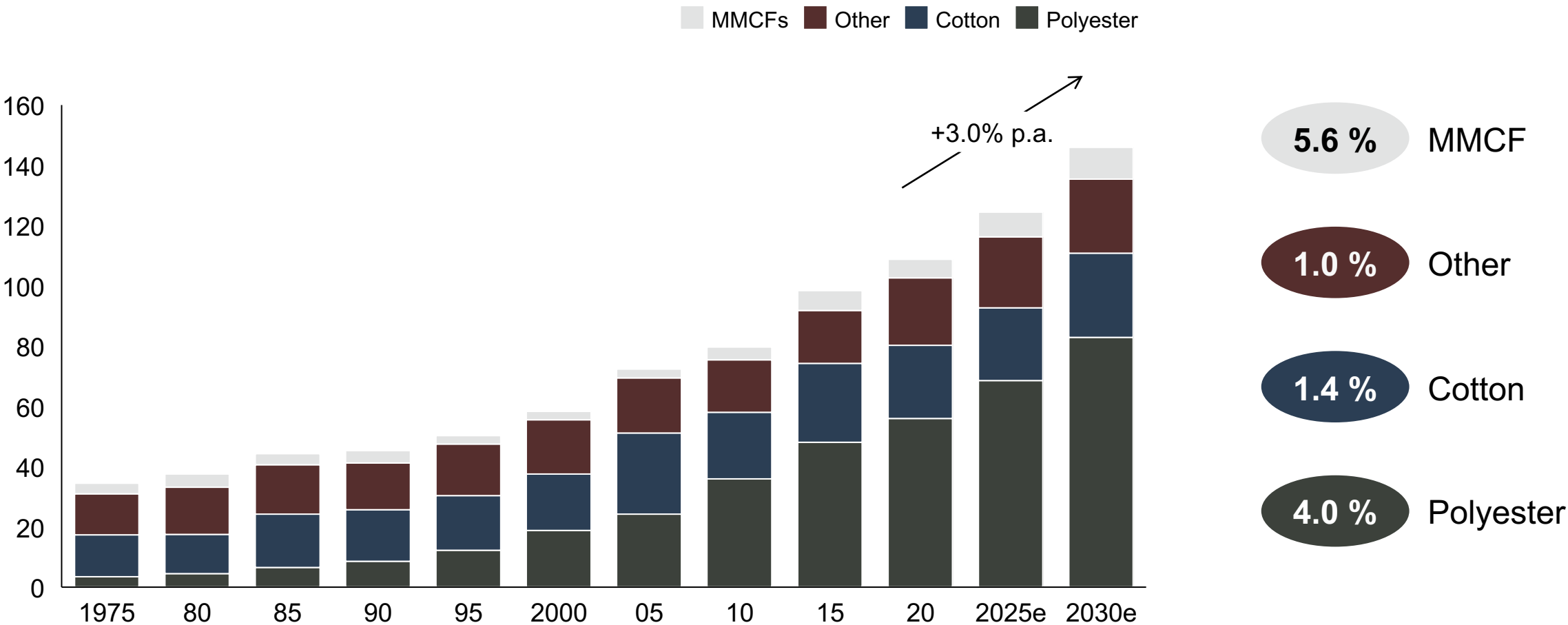
3

Investing in rapid scale-up of capacity

# With billions more joining the global middle class, fashion's sustainability challenge will grow

Historical and forecasted global fiber production, mn tons

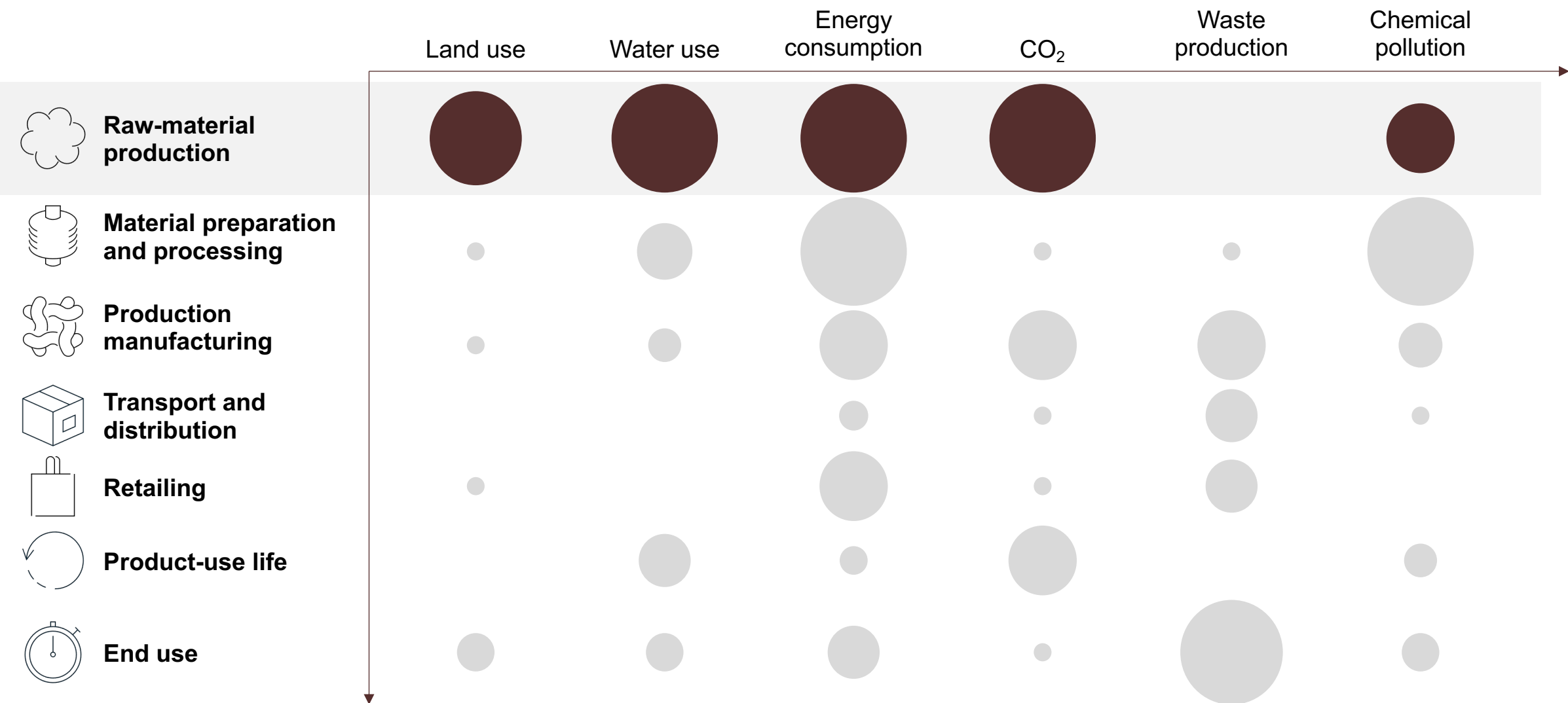
CAGR 2020-30, %



Source: Textile Exchange, Preferred Fibre & Materials Market Report 2020

# Fashion's biggest problem is raw materials

Relative negative impact throughout lifecycle of a piece of clothing



Source: McKinsey fashion on climate report

# Many major brands have made commitments to increase use of circular materials

## H&M Group

*“The fashion industry needs to move from a linear business model to a circular one”*

**100%** recycled or other sustainably sourced materials **by 2030**

## INDITEX

*“We conceive our sustainability project as a work in progress. A never ending task”*

**100%** sustainable cotton, **100%** recycled polyester, and **100%** sustainable linen **by 2025**

## patagonia®

*“We’re In Business To Save Our Home Planet”*

**100%** renewable or recycled materials **by 2025**

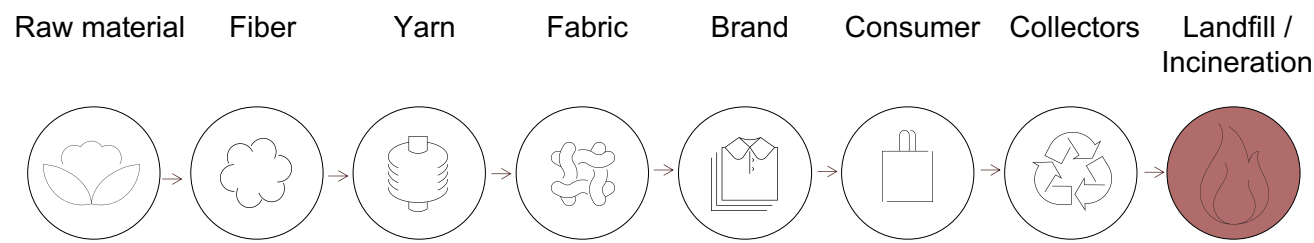
## PRIMARK®

*“We know we need to do better. We need to do things differently, and we need to do more.”*

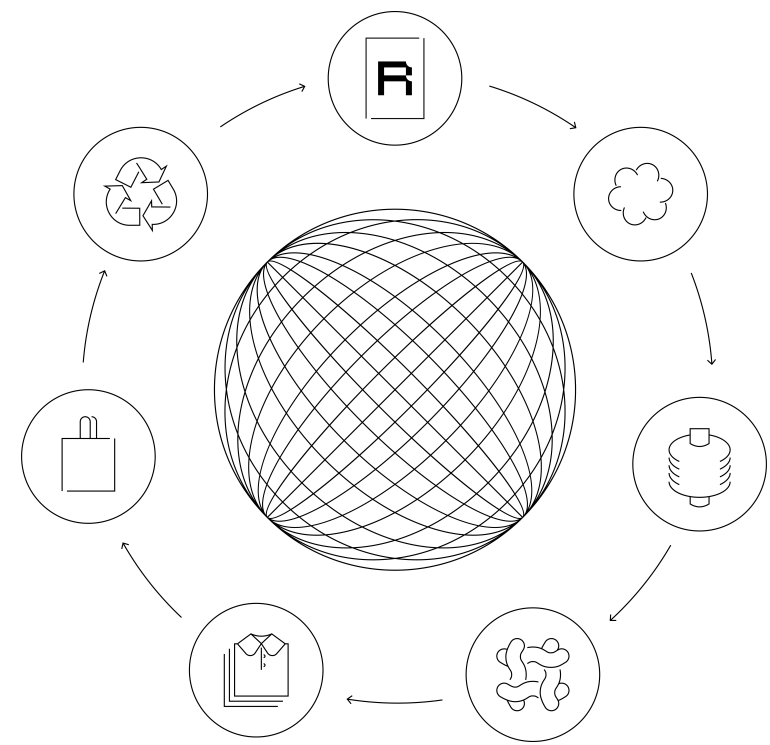
**All of our clothes** will be made from recycled or more sustainably sourced materials **by 2030**

# Renewcell makes fashion circular

Linear



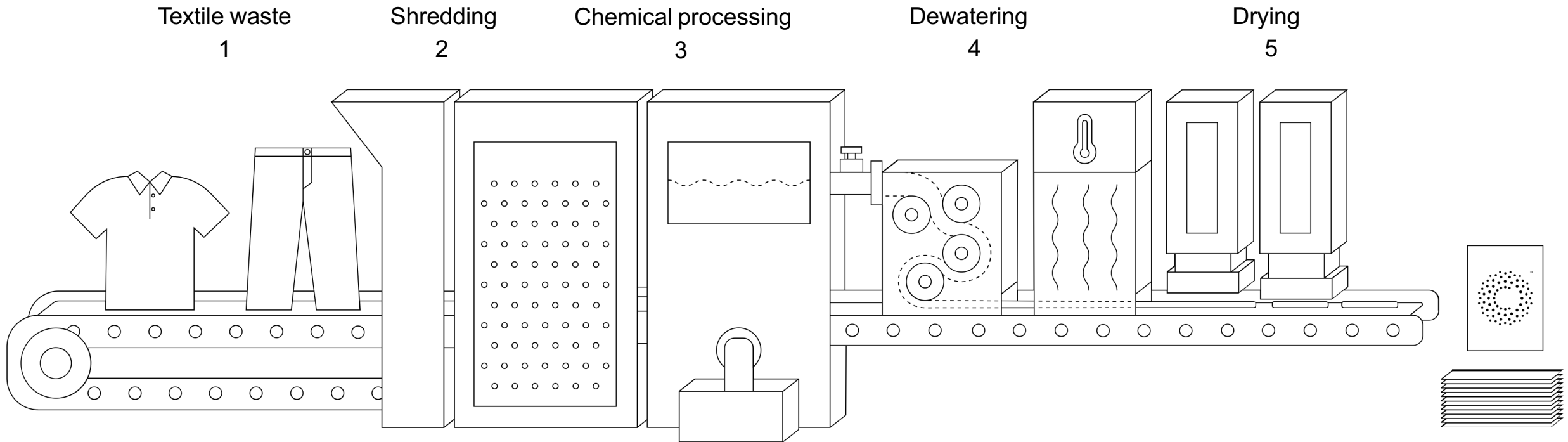
Circular





# Our technology is built on the legacy of Swedish process industry

- Developed over the course of a decade by researchers at KTH Royal Institute of Technology, Stockholm
- Multiple global patents held
- Key know-how kept as trade secrets





# Focus on rapid scale-up at Renewcell 1, Ortviken

- Sundsvall, Sweden
- 120,000 metric tonnes
- Brownfield site, co-located with SCA
- 100% renewable energy
- First of its kind in the world
- Commissioning 60 kton Q2 2022





# Milestones for Renewcell 1 (60kt)

Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
<ul style="list-style-type: none"> <li>✓ 75 percent of main supplier agreements signed</li> <li>✓ Maintenance and upgrade of existing equipment started</li> <li>✓ Recruitment of 50 full-time employees completed</li> </ul>	<ul style="list-style-type: none"> <li>✓ 90 percent of main supplier agreements signed</li> <li>✓ Disassembly and removal completed</li> <li>✓ Formal transfer of the site to Renewcell</li> <li>✓ Environmental permit granted</li> <li>✓ Project financing completed</li> </ul>	<ul style="list-style-type: none"> <li>✓ Preparation of machine hall for new layout and new installations completed</li> <li>✓ Piling and adaptation of the basement in the machine hall completed</li> </ul>	<ul style="list-style-type: none"> <li>✓ Installation of drying line to be completed</li> <li>✓ Onboarding of new full-time employees starts</li> </ul>	<ul style="list-style-type: none"> <li>• Installation of baling line to be completed</li> <li>• Machine installation to be completed</li> <li>• Commissioning of certain individual process steps to be done</li> </ul>	<ul style="list-style-type: none"> <li>• Commissioning of all individual process steps to be done</li> <li>• Commissioning of complete production line to be done</li> </ul>

Negotiations & Permits → Building & Modifications → Installation Equipment → Commissioning → Start of Plant

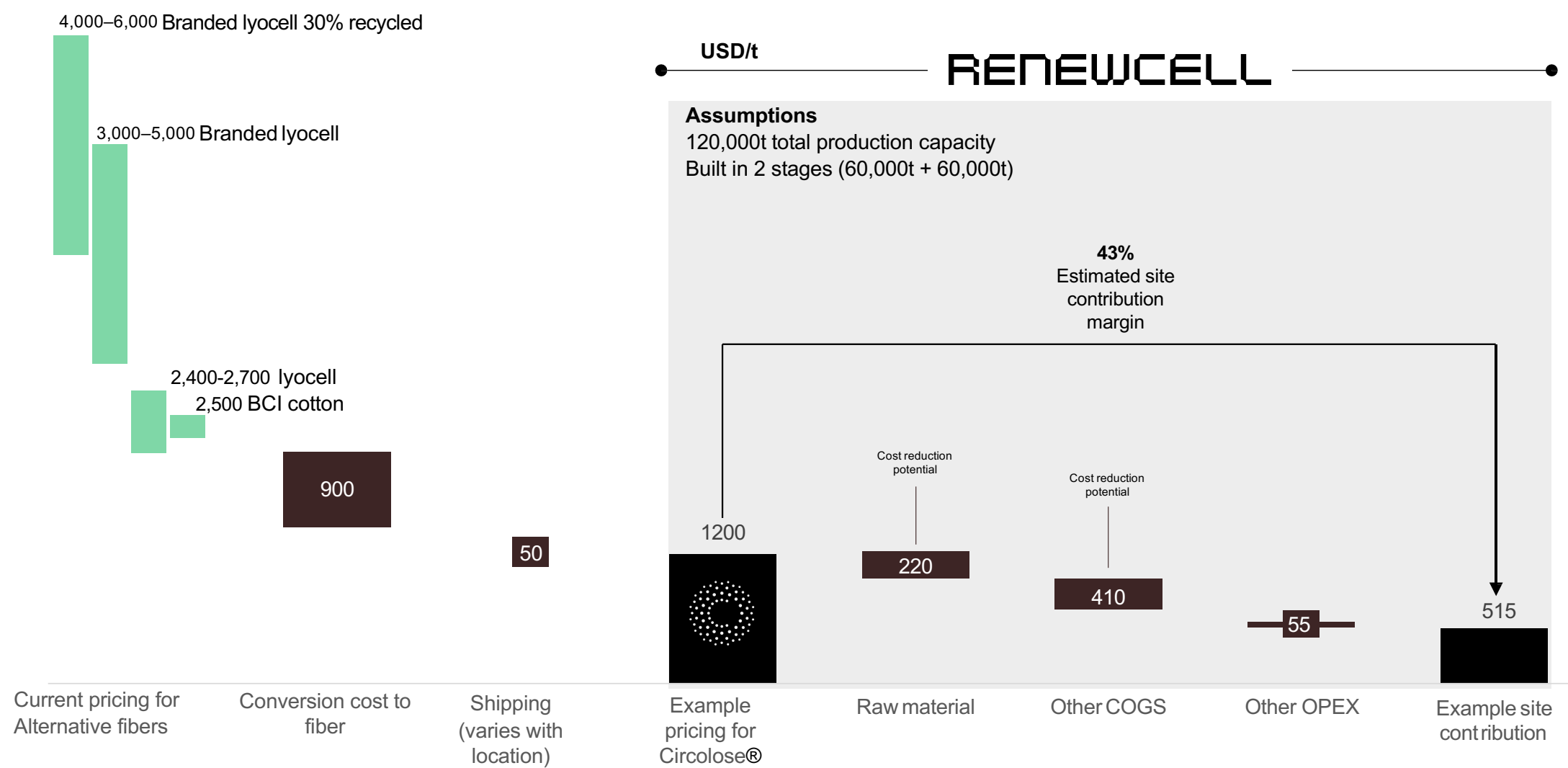


# Snapshots from Renewcell 1 main machine hall





# Unit economics for a standard 120,000 tonnes plant



# Financial overview

	Okt - Dec		Jan – Dec	
<b>SEK thousand</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Operation's net sales	1,313	232	2,778	1,453
Profit/loss after financial items (EBT)	-66,224	-21,071	-133,430	-68,722
Result and total comprehensive income for the period	-66,224	-21,071	-133,430	-68,722
Cash flow from operating activities	-52,711	-15,994	-117,695	-54,897
Cash flow from investing activities	-93,240	-29,492	-312,174	-30,195
Total assets	1,115,133	827,287	1,115,133	827,287
Equity	674,235	800,369	674,235	800,369
Net cash / Net debt*	-254,867	-711,996	-254,867	-711,996
Equity ratio (%)	60,5	96,7	60,5	96,7
Average number of employees	68	22	47	19

\* A negative number means that the total cash exceeds the total interest bearing debt.



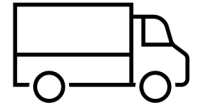
# Summary and outlook



Operations  
proceeding  
according to plan



We welcomed  
several new  
employees



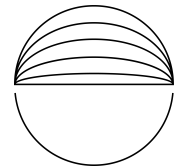
Successful  
mitigation of cost  
increases



New strategic  
partnerships with  
brands and textile  
sorters



High interest from  
customers and  
capacity expansion  
ahead of plan –  
further acceleration  
under evaluation



Well-positioned to  
lead the way to a  
sustainable world