

# RENEWCELL

## Q2 2022

### Interim Report Presentation

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



# Renewcell: The investment case in brief

**1**

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Massive global demand for circular fashion

**2**

Commercially proven 100% circular material

**3**

Investing in rapid scale-up of capacity

# Q2 in brief:

## Start up ongoing - Capacity expansion on track – strong demand

### Financial Summary

- Net sales for the period amounted to SEK 2,457 thousand (228)
- EBITDA for the period amounted to SEK -54 411 (-20 661) thousand
- Profit after tax amounted to SEK -68,403 thousand (-23,407)
- Cash flow from operating activities amounted to SEK -77,574 thousand (-10,269)
- Cash flow from investing activities was SEK -334,826 thousand (-40,921)
- Earnings per share, before and after dilution, amounted to SEK -2.1 (-0.8)
- Net debt\* at the end of the period amounted to SEK 119,524 (-588,958) thousand. The company's cash totaled SEK 447,239 (594,999) thousand

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

### High-lights

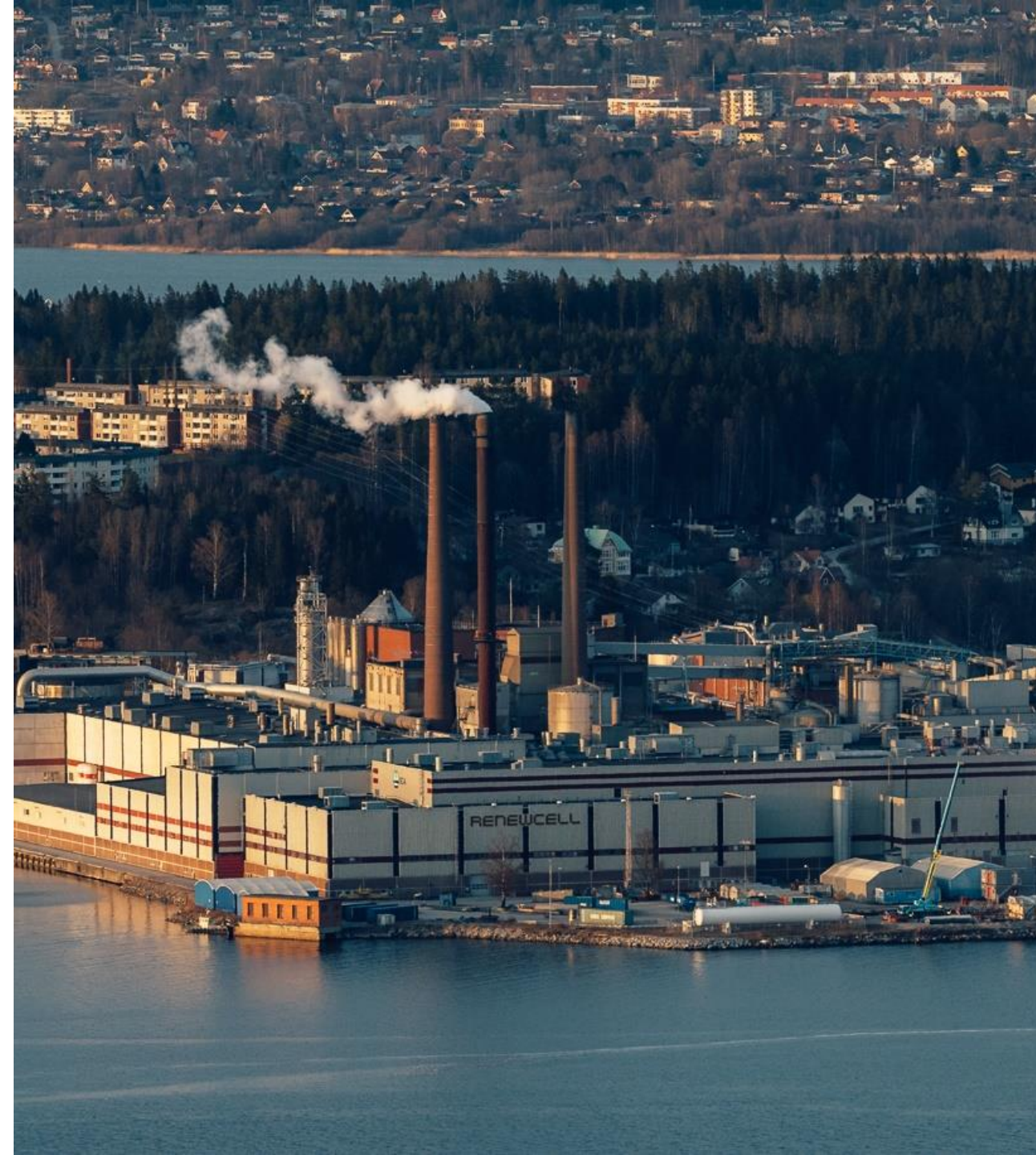
- On May 11, a directed share issue of 3,085,727 new shares to Swedish and international institutional investors was carried out, thereby raising SEK 324 m before issue costs
- On April 21, Renewcell was named the winner of the category Sustainable Textile Innovation in the annual Drapers Sustainable Fashion Awards
- On June 8, the Danish luxury brand GANNI announced its first launch of products manufactured in part with Circulose® within the "Fabrics of the Future" initiative
- Renewcell partnered with HeiQ AeoniQ to replace polyester and nylon with yarn manufactured by Circulose®
- In June, Renewcell announced that Circulose® will become the first official partner of Copenhagen Fashion Week's talent program CPHFW NEWTALENT. The collaboration is long-term and covers five seasons starting from SS23
- Toby Lawton joining in October as new CFO
- Michael Berg appointed Chairman of the Board by the Annual General Meeting

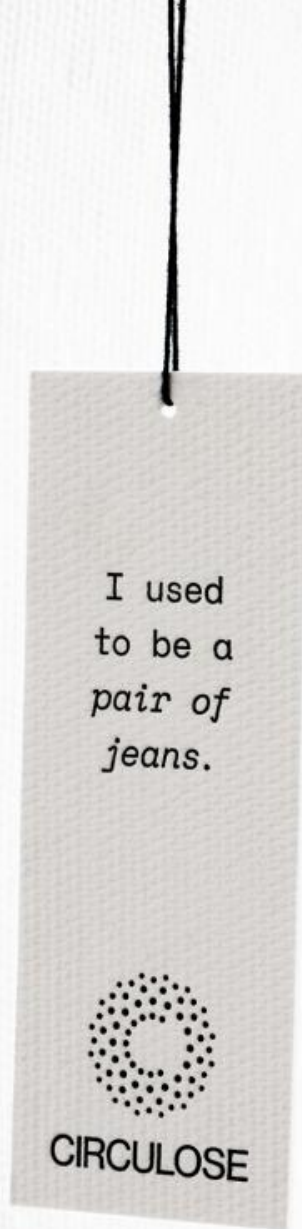


# Renewcell 1

## – start up ongoing

- The world's first commercial scale 100% textile-to-textile polymer recycling plant
  - Sundsvall, Sweden
  - 60,000 metric tons capacity in H1 2022, 120,000 metric tons 2023/24
  - Brownfield site, co-located with SCA
  - 100% renewable energy
  - First of its kind in the world
- After several test runs of the facility using water, textile waste is now run through sections of the process for quality assurance and adjustments
- The full process line is expected to be connected within the upcoming month
- The next step is a gradual process ramp-up over 3-6 months focused on capacity and product quality





# Continued strong demand and new partnerships

Renewcell is engaged in advanced customer dialogues and see good opportunities to establish higher price levels, as well as to compensate for increase in transport and energy costs

- New partnership with the Swiss innovator HeiQ AeoniQ to develop a commercial Circulose® based yarn as a replacement for the polyester and nylon markets
- GANNI announced it's first launch of products made partially with Circulose®
- Circulose® the first official partner to Copenhagen Fashion Week's talent program CPHFW NEWTALENT. The partnership covers five seasons starting from SS23 on the 9-12 of August

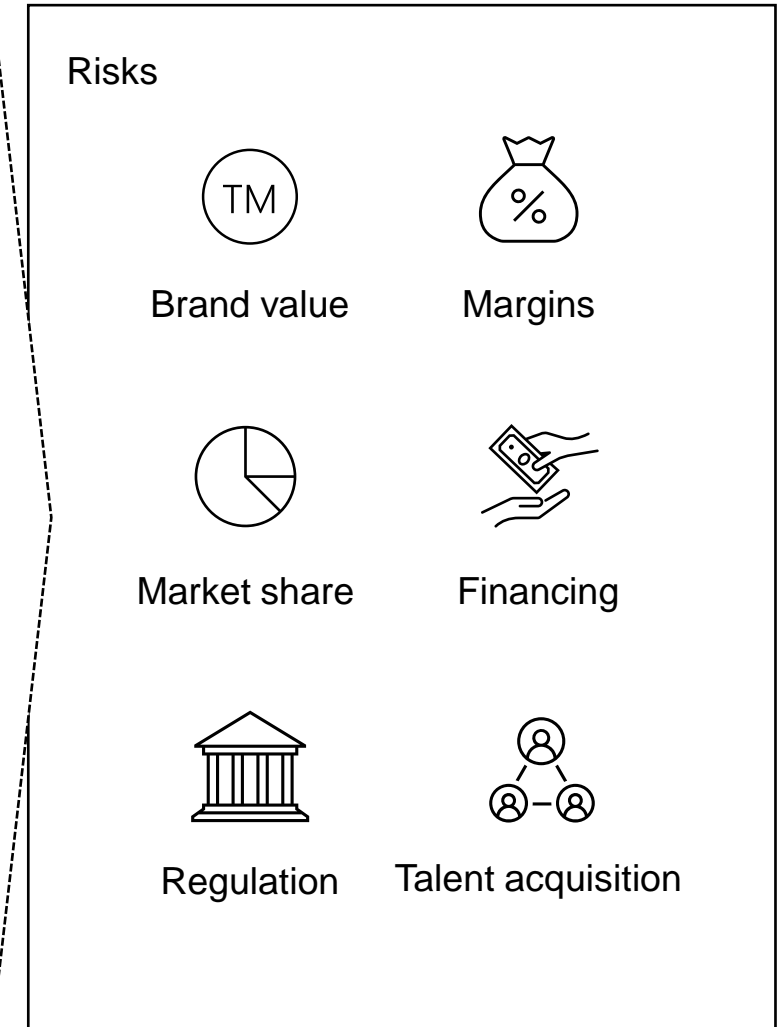
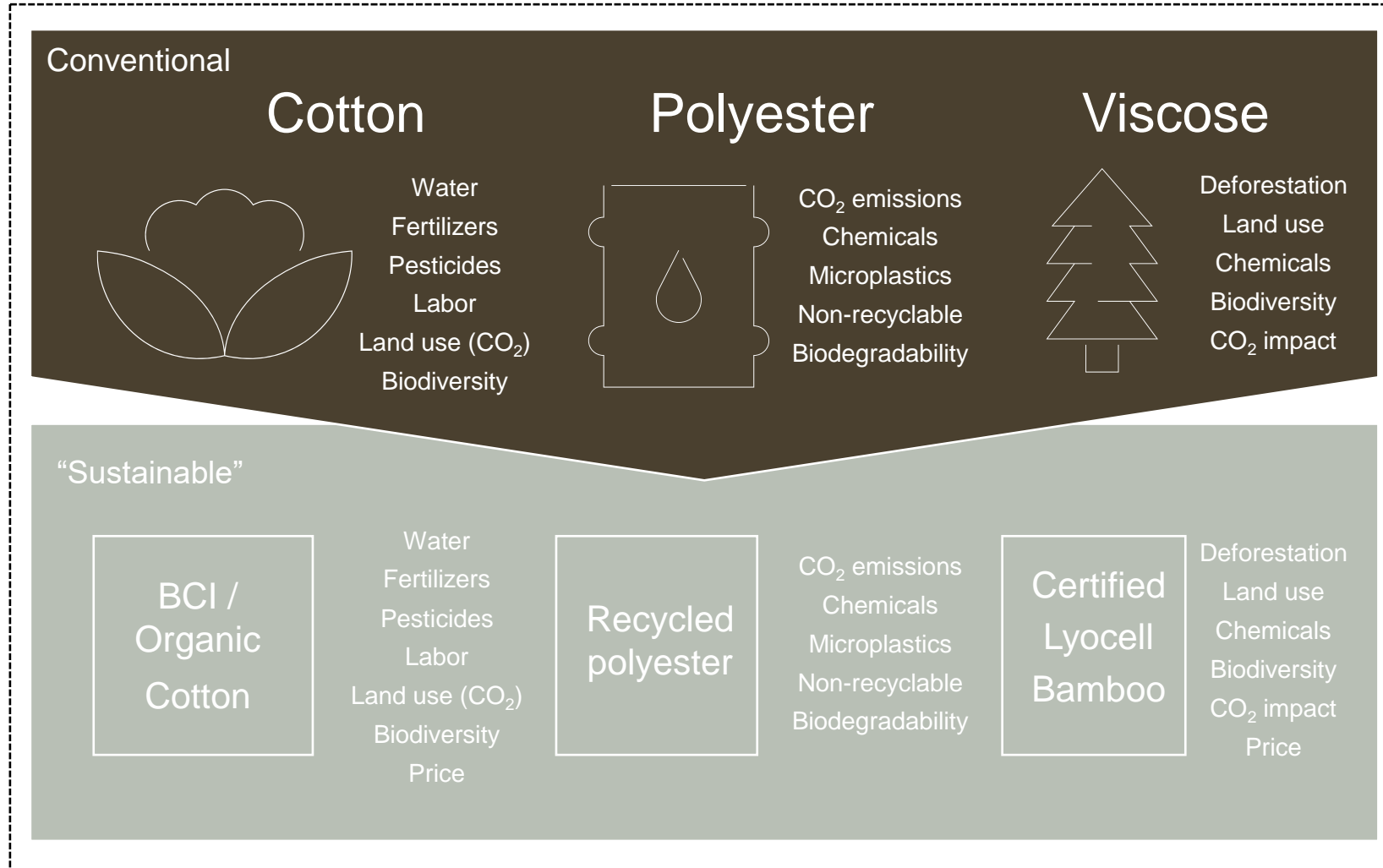


# Oversubscribed share issue

- Oversubscribed share issue of 324 MSEK enabling Renewcell to expand from 60,000 to 120,000 metric tons of capacity at Renewcell 1, two years ahead of the original plan
- Strong interest among investors despite challenging capital market environment
- Shareholders base broadened with reputable Swedish and international institutional investors
- New term sheet signed in relation to a working capital facility of 150 MSEK from a consortium of banks further strengthening liquidity

# The shift to “sustainable” is not enough

Brands have committed to a transition in raw materials...



# Estimated addressable market for Circulose®

- Circulose® can technically address 100% of the viscose demand, 30% of the cotton demand, and 15% of the polyester demand
- Total addressable demand for fashion equals 28-30 million metric tons in 2030
- During Q2, Renewcell partnered with Swiss innovator HeiQ AeonIQ to replace polyester and nylon with yarn manufactured by Circulose®

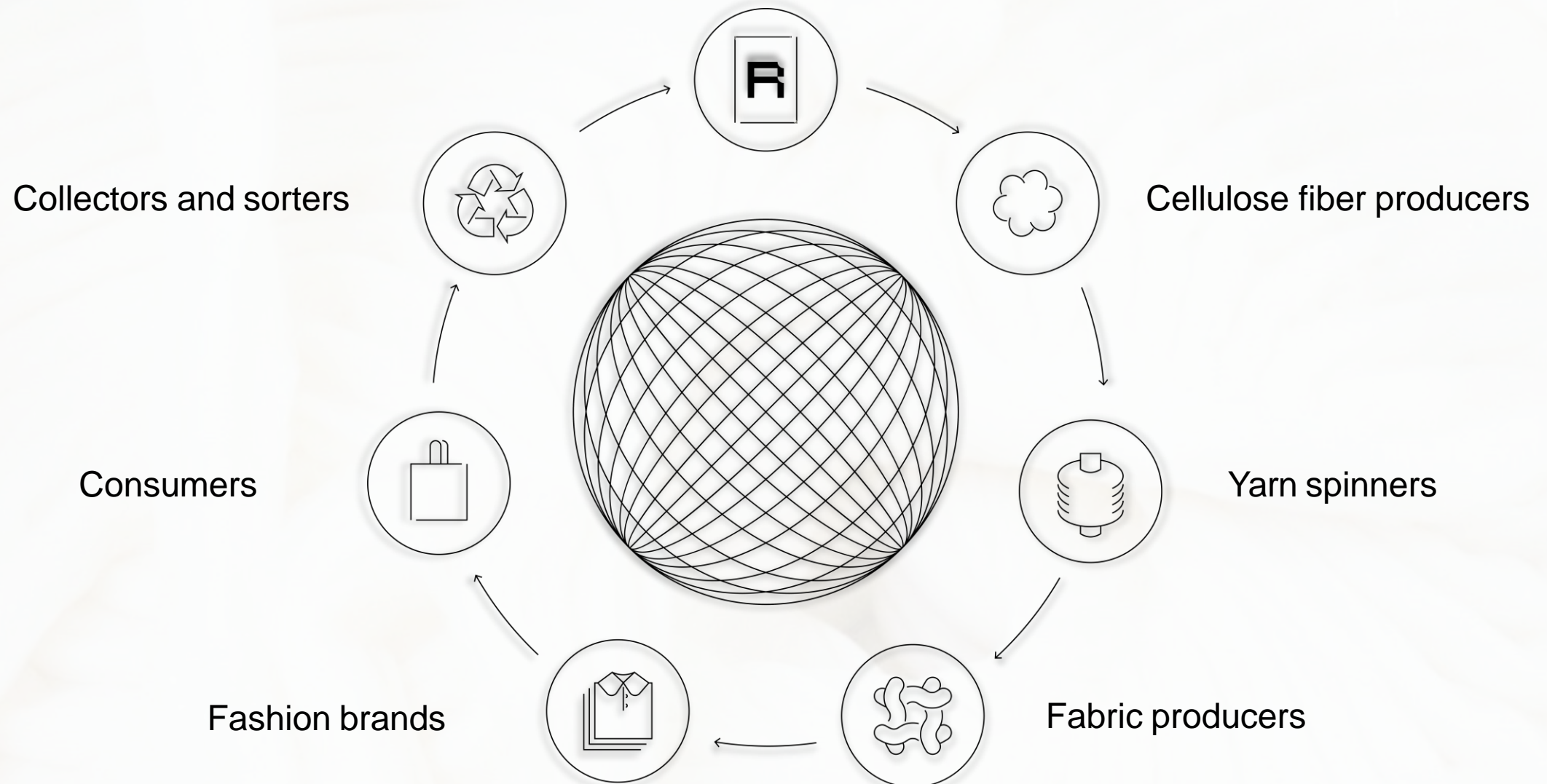
Type of material	Demand (mtonnes/year)	Addressable demand (%)	Addressable demand (mtonnes/year)
Viscose	11	100	11
Cotton	44	30	13
Polyester	31	15	5
<b>Total</b>	<b>86</b>		<b>29</b>

\* Total textile industry equals approx. 160 million MT 2030 of which 86 million MT will be used for garments





# Renewcell closes the loop on fashion



# Our solution



## CIRCULOSE

A high quality material made from 100% recycled textiles – replacing cotton, plastic & virgin regenerated fibers

### Quality



Equal or higher quality compared to regenerated fibers made from wood

### Price



Price point lower than cotton & regenerated fibers

### Drop-in product



Inserted into existing value chain without alterations

### Sustainable



Climate friendly with minimal environmental impact

### Circular

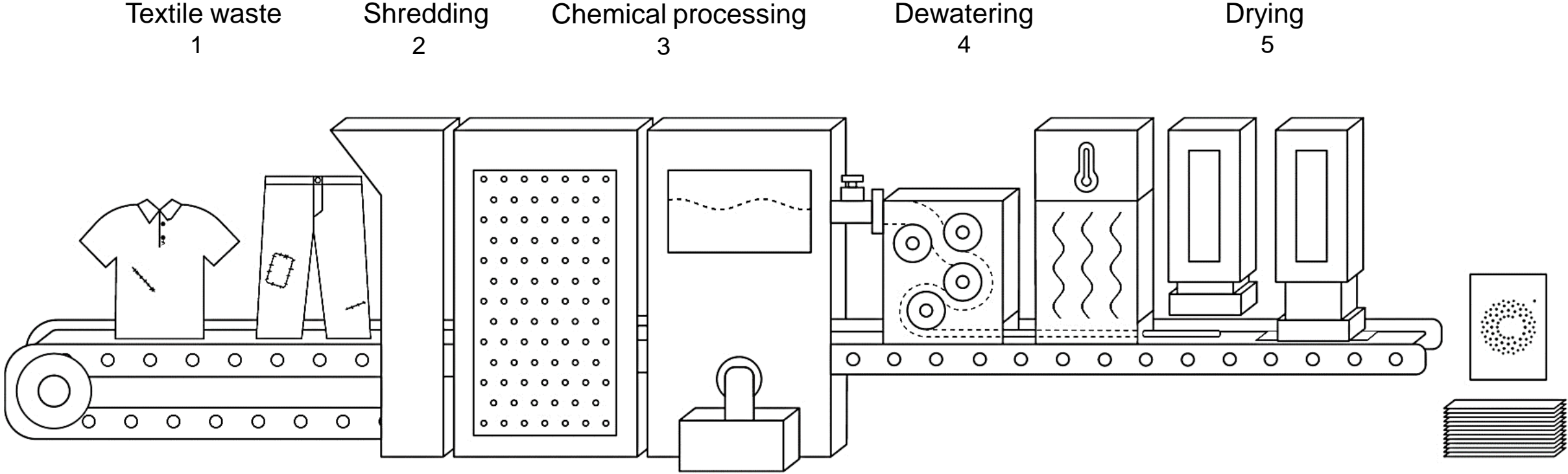


Can be recycled repeatedly



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

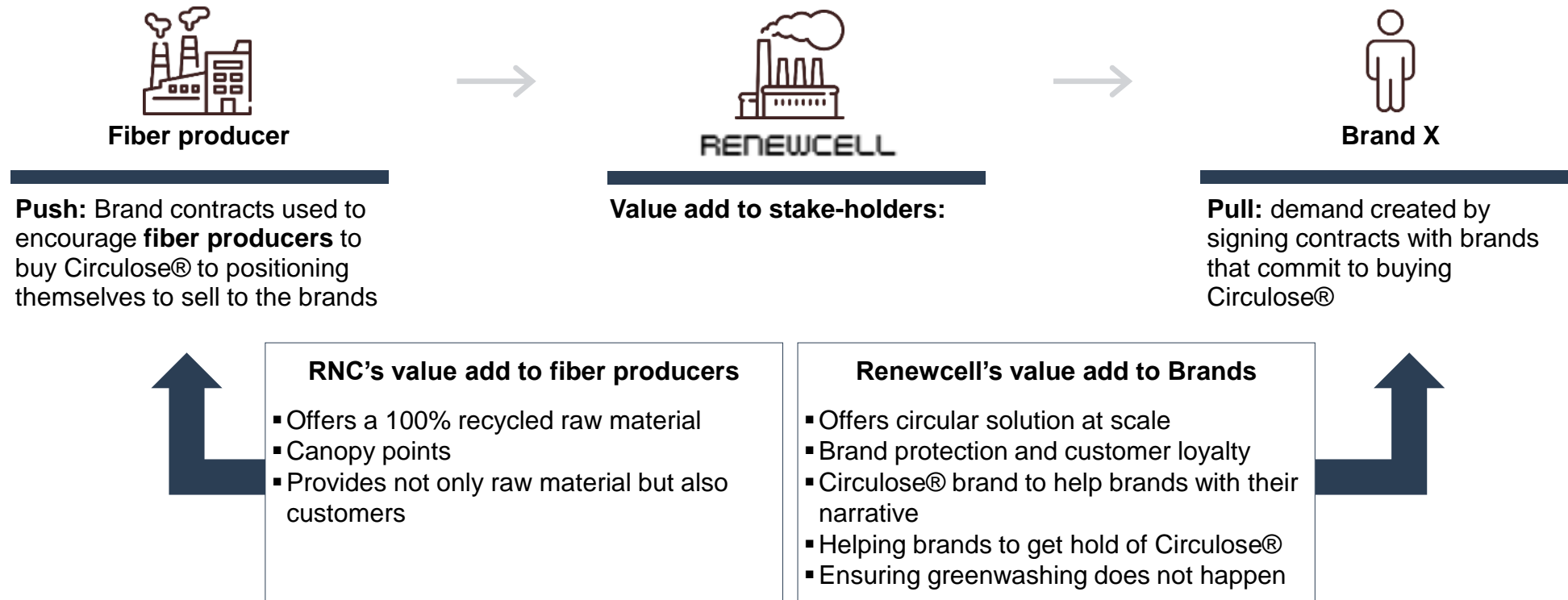
- Developed over the course of a decade by researchers at KTH Royal Institute of Technology, Stockholm
- Multiple global patents held
- Key know-how kept as trade secrets





# Push/pull strategy, creating demand and value through the value chain

Renewcell creates pull from brands to push its product to fiber producers



# Brands are committed



“This is our promise: to always work toward a better, more sustainable society”

Reducing absolute GHG emissions from raw materials, fabric and garment production by **20% to 2030**

## 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**

*Renewcell offtake agreement signed*

## 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**

*Renewcell pilot ongoing*

# Selected retail launches to date



Arket x Circulose®  
58% Wool, 42% Viscose (made with 30% Circulose®)



H&M Conscious Exclusive x Circulose®  
Viscose 100% (50% Circulose®)



Levi's 501® x Circulose®  
60% cotton, 40% Viscose (made with 40% Circulose®)



Object x Circulose®  
100% viscose (made with 30% Circulose®)



Vero Moda x Circulose®  
100% viscose (made with 30% Circulose®)



KappAhl x Circulose®  
100% Viscose (made with 50% Circulose®)



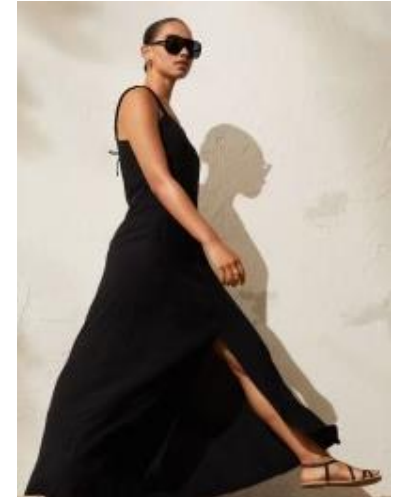
Gina Tricot designed by: Hanna MW x Circulose®  
100% Viscose (made with 50% Circulose®)



Levi's 502 x Circulose®  
60% cotton, 40% Viscose (made with 50% Circulose®)



GANNI x Circulose®  
100% Viscose (made with 50% Circulose®)



H&M x Circulose®  
100% Viscose (made with 30% Circulose®)



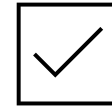
# Financial overview

	April - June		January – June		January - December
<b>SEK thousand</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
Operation's net sales	2,457	228	4,491	829	2,778
Profit/loss after financial items (EBT)	-68,403	-23,417	-122,417	-42,667	-133,430
Result and total comprehensive income for the period	-68,403	-23,407	-122,417	-42,667	-133,430
Cash flow from operating activities	-77,574	-10,269	-179,078	-33,417	-117,695
Cash flow from investing activities	-334,826	-40,921	-518,318	-87,895	-312,174
Total assets	1,628,929	911,247	1,628,929	911,247	1,115,133
Equity	865,905	757,753	865,905	757,753	674,235
Net cash / Net debt*	119,524	-588,958	119,524	-588,958	-254,867
Equity ratio (%)	53.2	83.2	53.2	83.2	60.5
Average number of employees	139	40	131	32	47

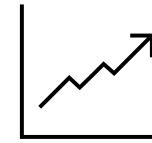
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# Summary and outlook



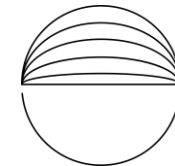
Renewcell 1 – start up ongoing



High interest from customers



New strategic partnerships with brands and yarn manufacturer



Well-positioned to lead the way to a sustainable world