RENEWCELL

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

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

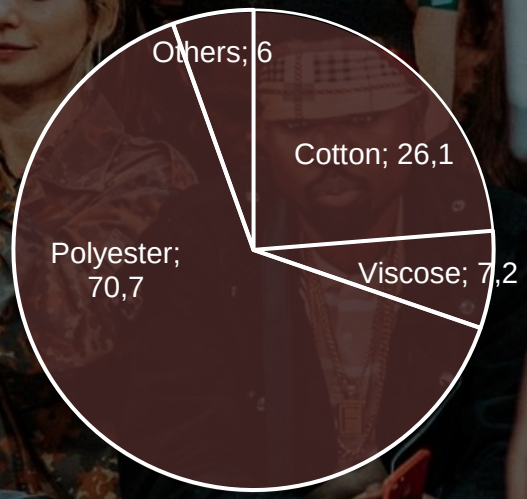
The fashion industry has sustainability issues

- A single pair of jeans needs up to 10,000 liters of water
- Polyester clothing causes 35 percent of ocean microplastics
- Every year, more than 200 million trees are cut down to make fabrics
- Less than 1 percent of clothes are recycled back into clothing

With billions more yearning to express themselves through style, the challenge is amplified

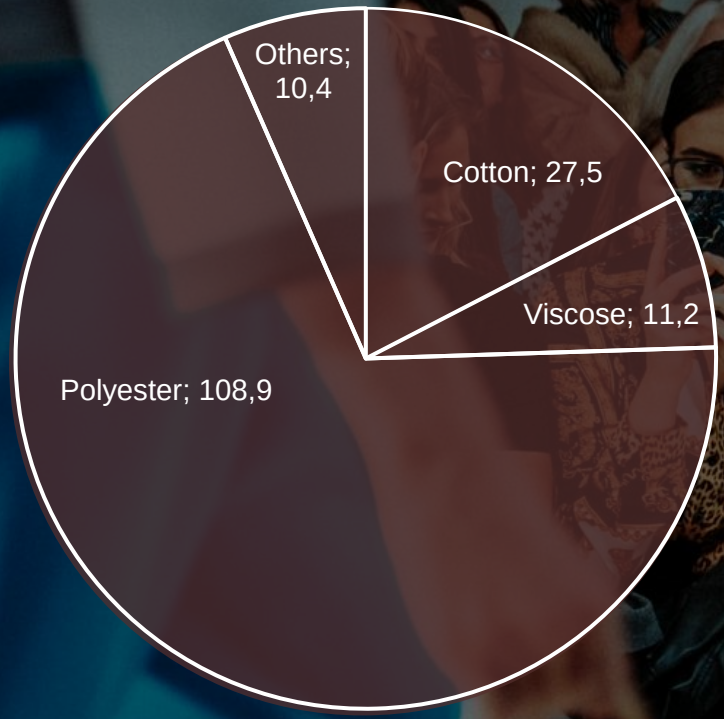
Global fiber market

~110 million tonnes



2019

~160 million tonnes



2030

Most brands have committed to change, but how will it happen?

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**

adidas®

"Our ambition is to be a sustainable company"

30% reduction of CO_2 emissions in value chain **by 2030** and climate neutrality **by 2050**

All available “sustainable” options have major drawbacks

Brands have committed to a transition in raw materials…

Conventional

Cotton	Polyester	Viscose
Water	CO_2 emissions	Deforestation
Fertilizers	Chemicals	Land use
Pesticides	Microplastics	Chemicals
Labor	Non-recyclable	Biodiversity
Land use (CO_2)	Biodegradability	CO_2 impact
Biodiversity		

“Sustainable”

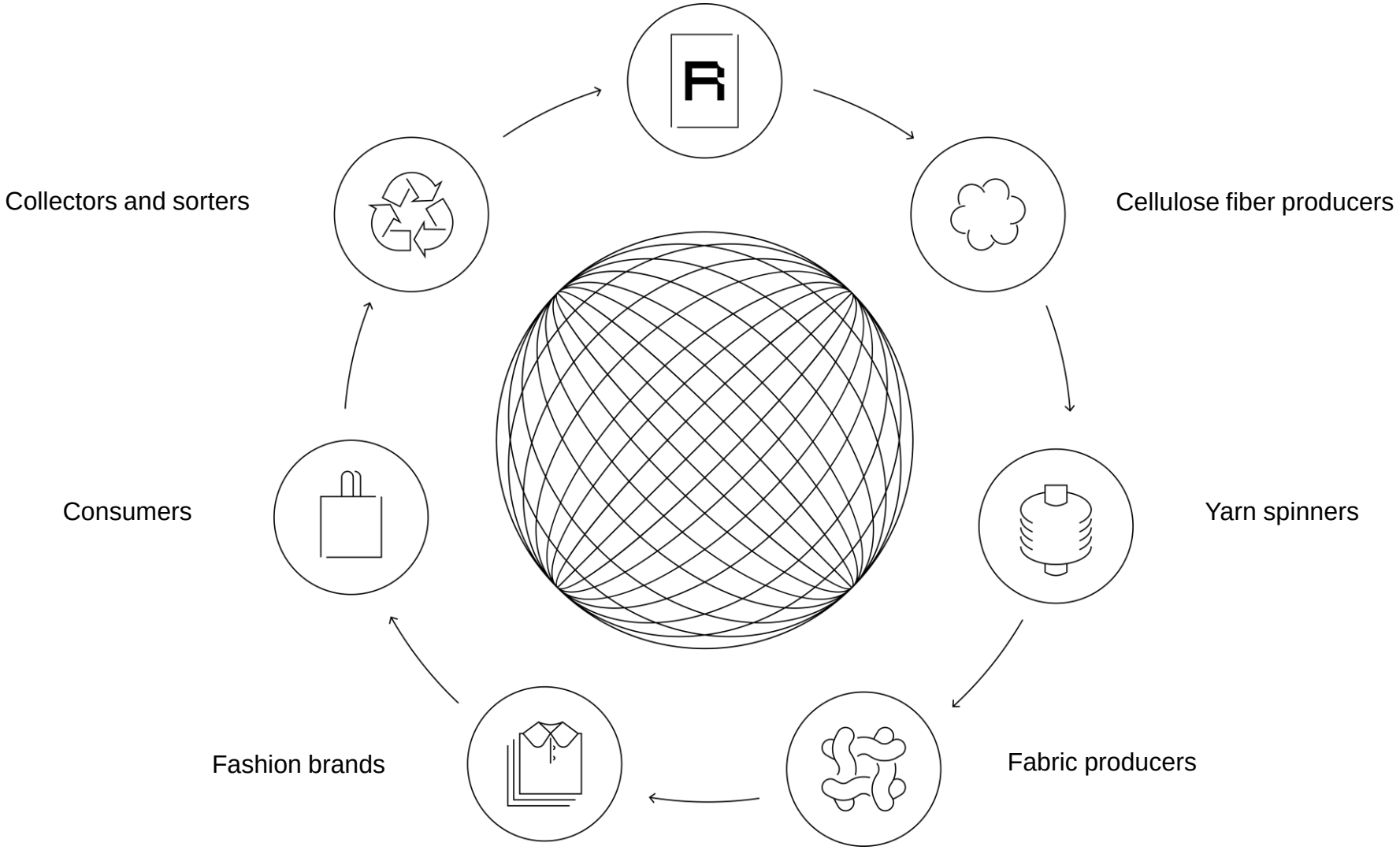
BCI / Organic Cotton	Recycled polyester	FSC Lyocell Ecovero
Water	CO_2 emissions	Deforestation
Fertilizers	Chemicals	Land use
Pesticides	Microplastics	Chemicals
Labor	Non-recyclable	Biodiversity
Land use (CO_2)	Biodegradability	CO_2 impact
Biodiversity		Price
Price		

…but counting on existing options creates risk

Risks

- Brand value
- Margins
- Market share
- Financing
- Regulation
- Talent acquisition

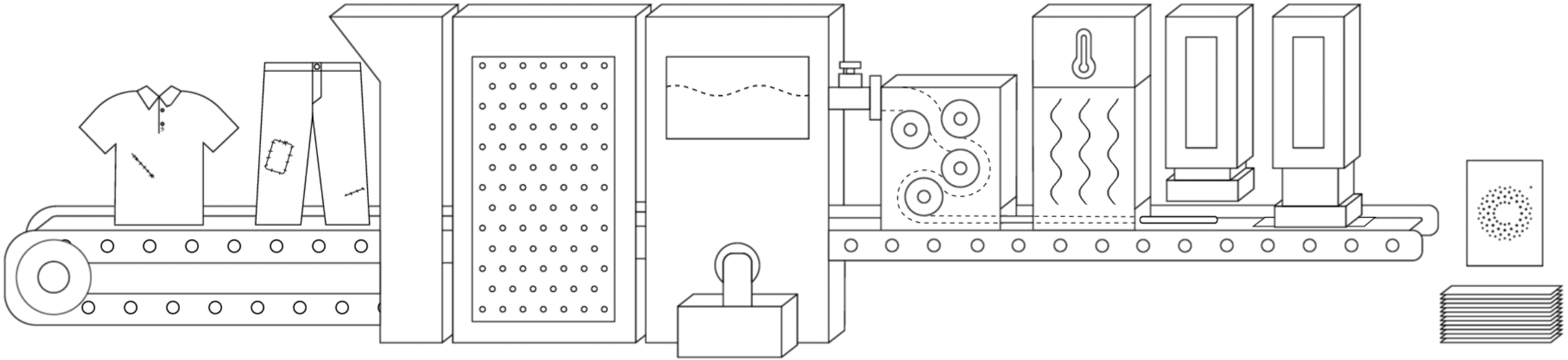
Renewcell closes the loop on fashion



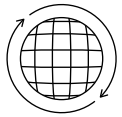
A technology built on the legacy of Swedish industry

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

Textile waste 1 | Shredding 2 | Chemical processing 3 | Dewatering 4 | Drying 5

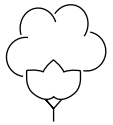


We are going beyond carbon neutral



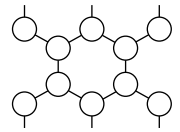
Net climate change impact
kg CO_2e /kg

Freshwater use
Litres / kg

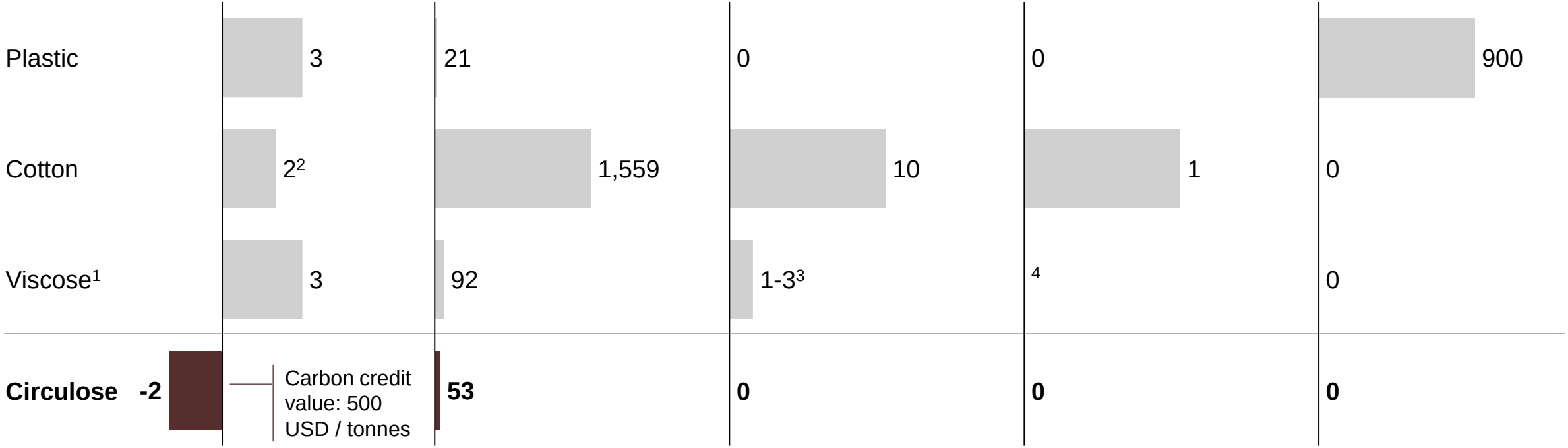


Arable land use
m2 / kg

Pesticide use
Litres / MT



Microplastic pollution
Fibers shed / m2 of fabric



1. Non-cotton cellulosic; 2. CO2 impact from cotton ranging from 0.5-4 kg CO2 equivalents per kg fibers (excluding CO2 sequestered in the fiber), but it is not unusual with results up to about 6 kg CO2 equivalents, all based on 14 studies over 50 different production routes; 3. Indicative; 4. Information missing

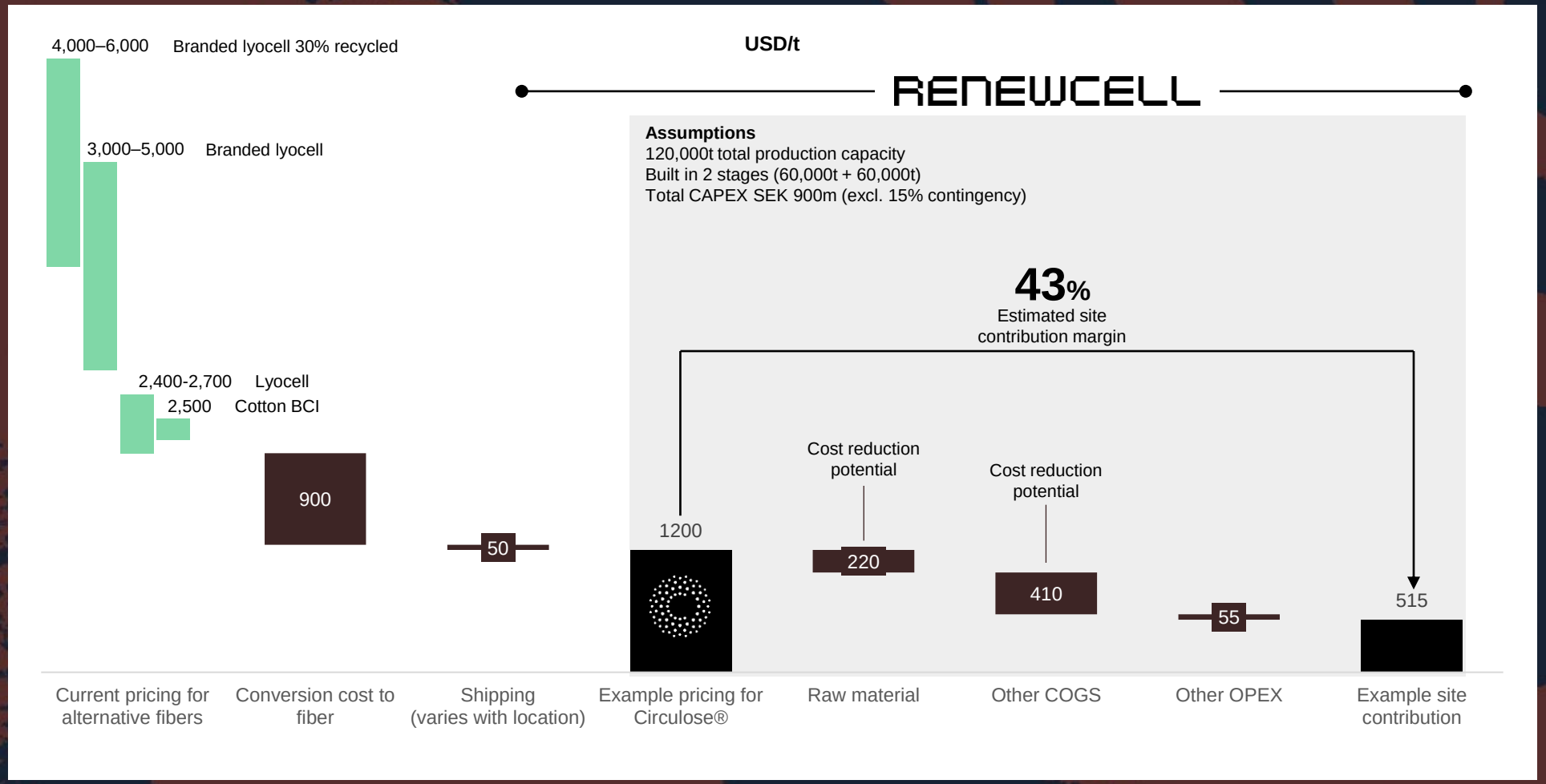
Source: Niinimäki et al “The Environmental Price of Fast Fashion” Nature 2020, SCS Global Services; Cotton Campaign, Carney Almroth et al, “ Quantifying shedding of synthetic fibers from textiles; a source of microplastics released into the environment” 2017, Wikifarmer, internal calculations

Our next facility

- Sundsvall, Sweden
- 60,000 metric tons capacity
- Brownfield site, co-located with SCA
- 100% renewable energy
- 1.5 billion SEK investment
- First of its kind in the world
- Commissioning H1 2022

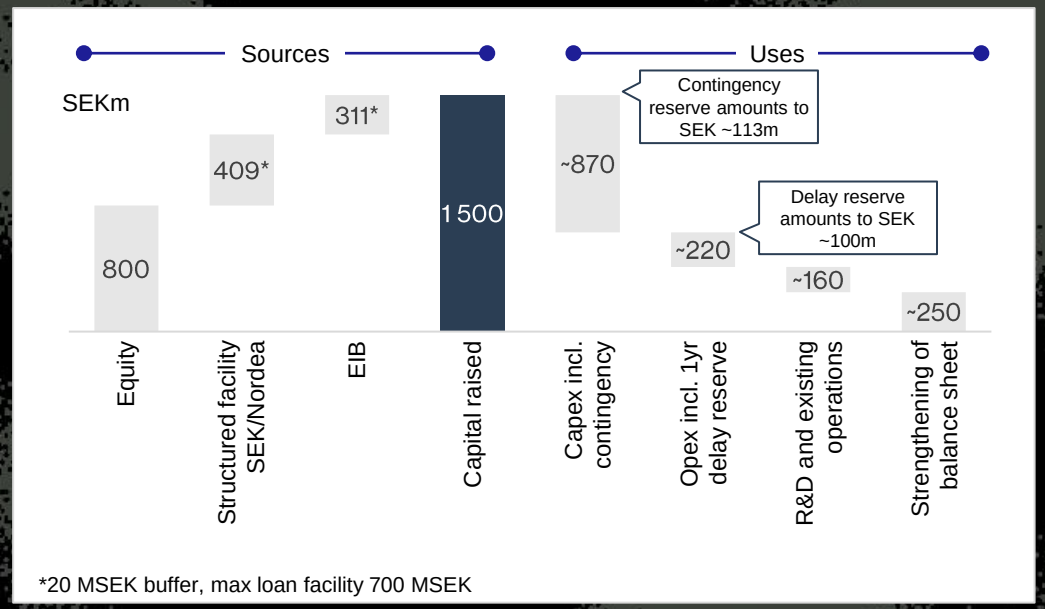
Ortviken

Unit economics for a standard 120,000t plant



Sources, uses and risk mitigations

Sources & uses and risk mitigants



*20 MSEK buffer, max loan facility 700 MSEK

Risk mitigants

Delay risk	▪ High in-house competence with project track record ▪ Installation experience from the Kristinehamn plant ▪ Utilities, logistics infra. and ground works in place ▪ Focus on installation of standardized machinery
Cost overrun risk	▪ Contingency capex reserve ▪ 12 months OPEX buffer in case of any delay ▪ Standardized pricing for equipment and machinery ▪ Utilities, logistics infra. and ground works in place
Environmt. permit risk	▪ Environmental permit approved with immediate effect in Q2 21

*20 MSEK buffer, max loan facility 700 MSEK

Financial and operational goals

Goals 2026

Installed production capacity:
250,000t

EBITDA margin:
30%

Equity/asset ratio:
50%

20 global brand launches
with Circulose®

Goals 2030

Installed production capacity:
360,000t

EBITDA margin:
> 30%

Equity/asset ratio:
> 50%

30 global brand launches
with Circulose®

Q3 21 in brief:
From preparations to construction and mounting of equipment

- Net sales of SEK 636K (328)
- Loss of SEK -24.5K (-15.9)
- Cash flow from operating activities SEK -31K (-13)
- Investments SEK 131K (0.3)
- Environmental permit for planned operations in Ortviken, Sundsvall, valid with immediate effect
- First disbursement of EIB financing
- LOI signed with Kelheim Fibres and Levi’s® Circular 501® launch announced October

Main takeaways

1	2	3
Massive global demand for circular fashion.	Commercially proven 100% circular material.	Investing in rapid scale-up of capacity.


Q&A