

Sustaintech leader Renewcell initiates early capacity expansion and reviews operational and financial goals due to strong customer interest

On the basis of strong customer interest for Renewcell's unique 100% recycled product Circulose®, the Board of Directors of Renewcell has decided to initiate an expansion of the company's Renewcell 1 (Ortviken, Sundsvall) plant from 60,000 to 120,000 metric tons of total annual capacity ahead of plan. The decision does not affect the commissioning planned for mid this year for the initial 60,000 metric tons. The Board has also decided to review the company's operational and financial goals, evaluating the opportunity to bring forward the operational goal of reaching 360,000 metric tons of annual capacity to 2025 from 2030 as was originally planned. The Board will also consider how much to increase the long term operational goal in order to strengthen Renewcell's market leading position. BNP Paribas and Carnegie have been retained by the company to explore the financing for raising the operational goals.

The large and rapidly growing impact of virgin textile fiber production and fashion waste has become a focus for consumers, NGOs, regulators, fashion brands, manufacturers and ESG investors worldwide. New market research developed by Renewcell forecasts that the baseline fashion industry demand for recycled man-made cellulosic fibers of the kind made from Circulose®, Renewcell's unique 100% recycled dissolving pulp, will amount to around 6 million metric tons annually in 2030. With just 0.7 million metric tons of annual supply capacity, including the 360,000 metric tons from Renewcell, forecasted to come online until then, the industry will need to rely on speeding up the scaling of sustaintech innovators like Renewcell to close the gap and make fashion circular.

"The global fashion industry is committed to going circular, and we are determined to contribute as much and as fast as we can to attain this crucial goal. With demand signals from fiber and fashion brand partners soaring since the time of our IPO, we need to push ahead in Sundsvall and also raise the long term ambition", says Patrik Lundström, CEO of Renewcell.

"The Board views the society-wide shift to circularity and sustainability as one of the greatest value creation opportunities in history. Capturing this opportunity requires innovations that scale quickly, such

as Renewcell's unique textile-to-textile recycling process. Today's announcement signals the Board's strong confidence in the company's market leading position, now and in the future." says Mia Hemmingson, Chairman of the Board of Directors.

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About Renewcell

Founded by innovators from Stockholm's KTH Royal Institute of Technology in 2012, Re:NewCell AB (publ) ('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 named Renewcell 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.

This information is information that Re:NewCell AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2022-02-16 07:30 CET.

Image Attachments

Renewcell 1, Ortviken, Sundsvall, Sweden - Photo: Alexander Donka
Patrik Lundström, CEO - Photo: Alexander Donka
Mia Hemmingson, Chairman of the Board - Photo: Alexander Donka

Attachments

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