



# Interim Report

## Q1 2023

### Quarter 1 — 2023 in brief

From January 1 2023 Re:NewCell AB (publ) (“Renewcell”) is reported as a group using IFRS accounting principles. The parent company, Re:NewCell AB, which contains all the business activities, will continue to report using the RFR2 accounting principles (see page 2). Comparable figures are therefore presented only for the parent company (and according to RFR2).

#### January – March, group

(IFRS)

- Net sales during the period amounted to SEK 29.7m
- Operating profit before depreciation and amortization (EBITDA) during the period amounted to SEK -80.3m
- Net profit/loss for the period was SEK -125.4m
- Cash flow from operating activities amounted to SEK -101.6m
- Cash flow from investing activities amounted to SEK -55.9m
- Earnings per share, both before and after dilution, amounted to -3.3 SEK per share
- The company’s net debt at the end of the period was SEK 1,006.5m of which leasing debt was SEK 319.7m

#### January – March, parent company

(RFR2, compared to the same period last year)

- Net sales during the period amounted to SEK 29.7m (2.0)
- Operating profit before depreciation and amortization (EBITDA) during the period amounted to SEK -86.0m (-46.3)
- Net profit/loss for the period was SEK -123.9m (-54.0)
- Cash flow from operating activities amounted to SEK -104.5m (-101.5)
- Cash flow from investing activities amounted to SEK -55.9m (-183.4)
- Earnings per share, both before and after dilution, amounted to -3.3 SEK per share (-1.8)
- The company’s net debt at the end of the period was SEK 686.9m (22.6)

### **Change in accounting principles**

- Re:NewCell AB reports from January 1 2023 as a group according to IFRS accounting principles. The parent company continues to report according to RFR2, in accordance with Swedish law, and the parent company's figures are therefore reported separately above in order to allow comparison between periods. See note 2 for further details.

### **Events during the quarter**

- The ramp up has continued during the quarter and the production of prime quality pulp has increased successively from approximately 500 tonnes in January, to approximately 650 tonnes in February and approximately 1,150 tonnes in March. Total production during the quarter amount to about 3,350 tonnes of which approximately 2,400 tonnes were prime quality. 2,061 tonnes were delivered to customers.
- On March 22 a fire occurred at Renewcell's textile recycling plant Renewcell 1 in Sundsvall. The fire occurred in a shredding unit and a filter unit in the shredding area at Renewcell 1. After a clean-up and repairs production was restarted on March 31.
- On March 28 a Letter of Intent was signed with China Textile Academy Green Fiber Co. Ltd., an innovative Chinese lyocell fiber producer, concerning a long term commercial collaboration around man-made cellulosic fiber production. The agreement affirms the two companies' intent to work together to supply lyocell textile fibers made using Circulose®, the 100% recycled textile pulp made by Renewcell, to global fashion brands in the coming years.
- On March 30 Renewcell and the leading Chinese viscose manufacturer Tangshan Sanyou announced the next step in their partnership to make fashion circular that stretches back to 2018. The two companies' new shared ambition is to offer manufacturers and brands Circulose® viscose fibers made from 100% recycled textiles in commercial quantities starting in 2024.

### **Events after the quarter**

- During the month of April 1,600 tonnes of prime quality pulp were produced in Ortviken. Total production was 1,700 tonnes and 1,350 tonnes were delivered to customers.
- On April 28 Renewcell's lenders agreed to extend the company's existing credit facility with an additional amount of up to SEK 75m to support the company during the ramp-up of Renewcell 1 in Ortviken.

# Financial overview, group

According to IFRS, SEKm	Jan-Mar
	<b>2023</b>
Net sales	29.7
Operating profit before depreciation and amortization (EBITDA)	-80.3
Profit after tax	-125.4
Cash flow from operating activities	-101.6
Cash flow from investing activities	-55.9
Equity	739.6
Net debt	1,006.5
Equity ratio (%)	36.3
Average number of employees	121

# Financial overview, parent company

According to RFR2, SEKm	Jan-Mar	Jan-Dec	
	<b>2023</b>	<b>2022</b>	<b>2022</b>
Net sales	29.6	2.0	12.6
Operating profit before depreciation and amortization (EBITDA)	-86.0	-46.3	-252.0
Profit after tax	-123.9	-54.0	-300.0
Cash flow from operating activities	-104.5	-101.5	-399.0
Cash flow from investing activities	-55.9	-183.5	-880.2
Equity	740.1	620.9	863.9
Net debt	686.9	22.6	516.8
Equity ratio (%)	43.2	50.2	47.1
Average number of employees	121	115	130

# CEO's comments

Promoting the circular economy is an important challenge in all sectors and for many governments. The EU has recently decided on new rules to promote the circular economy, with a particular focus on textiles and fashion. The USA is also focusing hard on sustainability and circularity with the IRA program which is intended to support the green transition. China has also defined in the 14th five year plan "increased efficiency in resource allocation" as a priority with the ambition to establish a recycling industry covering the whole of society by 2025. It is clear that Renewcell is coming at the right time and has a promising future.

The ramp up of Renewcell 1 in Ortviken is continuing and we are successively increasing production in a controlled way every month. Using the experience we have built up in our Kristinehamn plant we can solve many issues quickly. We work systematically to steadily increase production every day. During Q1 we have been at an average capacity utilization of 22%. We are now aiming to increase production towards full capacity utilization at the end of the year. I do however have full respect for the complexity of a ramp-up such as ours, but we are well on the way.

The fire which occurred on March 22 started in a shredder and then spread to a filter and was put out within two hours. It was limited to one shredder and to one filter unit where a number of filter socks were damaged. After putting out the fire and making an assessment and plan we were able to inform that we would be up and running again within two weeks. The factory started up again after 10 days. The cost for the clean-up and repair work is estimate to about SEK 2m.

We have met with a number of customers during the quarter and I have personally been in New York and met customers as well as joining the Intertex trade fair in Shanghai in early April. When we meet fashion brands the message is clear that our customers are seeking a sustainable business model where they are also able to verify that they have green fibers in their textiles. During Intertex our partners Sanyou and Yibin published that they will increase the share of Circulose™ from 30% to 50% during the second half of 2023 and up to 100% during 2024.

So far during 2023 we have launched with PVH feat. Shawn Mendes classics reborn, Cos tee modern classics, TRIARCHY denim Cellcius and Ganni denim. An overview of all the launches can be found at <https://circulo.se/en/>.

During the quarter we have discussed with our lenders and during April we took up an increased credit facility of 75

MSEK as a complement to support the company during the ramp-up of Renewcell 1.

In summary I can state that the customer interest is still strong and our production and sales teams work systematically and are taking significant steps in the right direction. I believe that we are well positioned to be fully ramped up to the annual capacity level of 60,000 tonnes at the end of 2023 and can thereafter scale up further to 120,000 tonnes during 2024.



Stockholm, May 2023  
Patrik Lundström, CEO.

# Comments on the report

## Financial overview

January-March (compared to the same period last year). The figures below are reported both for the group (according to IFRS accounting principles) and for the parent company (according to RFR2 accounting principles) unless stated otherwise.

### Net sales

During the period January-March net sales amounted to SEK 29.7m (2.0). The increase is due to higher sales volume. Most of the sales during the quarter were for Circulose® pulp to fiber producers which during the period amounted to 2,061 tonnes (163).

### Operating costs

During the period costs for raw materials and consumables amounted to SEK -68.3m (-10.0). The increase is mainly due to the new operation in Ortviken (Renewcell 1). The consumption of energy and other input costs has been relatively high, even with limited finished goods production volumes, to the ramp-up of Renewcell 1.

Other operating expenses for the group amounted to SEK -24.3m in the period. Other operating expenses in the parent company amounted to SEK -30.0m (17.1). The increase is mainly due to the ramp-up of the Renewcell 1 operation and a provision of SEK 2.0m in relation to the expected repair costs from the fire. The difference between the group and the parent company related to differences in the accounting for leases between the group and the parent company according to IFRS16.

Personnel costs for the period amounted to SEK -31.0m (-21.9), the increase is due to a higher number of shift workers at Ortviken. The average number of employees has increased to 121 (115) people.

### Operating profit before depreciation and amortization (EBITDA)

EBITDA in the group amounted to SEK -80.3m. EBITDA in the parent company amounted to SEK -86.0m (-46.3). The change is mainly to the build up of the operations in connection to the establishment of Renewcell 1 in Ortviken, Sundsvall together with the consumption of energy and input costs in connection with the ramp-up. The difference between the group and the parent company related to differences in the accounting for leases between the group and the parent company according to IFRS16.

Net profit was also impacted by other operating income of SEK 0.4m (1.2) which is mainly related to foreign exchange gains and also the sale of scrap from Renewcell 1 and other

operating costs for the period of SEK -0.2m (-0.5) for foreign exchange losses.

### Depreciation

Depreciation in the group for the period amounted to SEK -25.3m. Depreciation in the parent company for the period amounted to SEK -20.5m (-2.5). Depreciation is mainly related to the fixed assets at Renewcell 1 in Ortviken, Sundsvall, which started on January 1 2023. The difference between the group and the parent company related to differences in the accounting for leases between the group and the parent company according to IFRS16.

### Financial net

Net financial items for the period in the group amounted to SEK -20.1m. Net financial items for the period in the parent company amounted to SEK -17.4m (-7.3). The increase is mainly related to increase net debt. The difference between the group and the parent company related to differences in the accounting for leases between the group and the parent company according to IFRS16.

### Net debt

Net debt in the group at the end of the period was SEK 1,006.5m. Net debt in the parent company at the end of the period was SEK 686.9m, an increase of SEK 170.1m since December 31. The increase is mainly due to cash flow from operating activities and cash flow from investing activities. The difference between the group and the parent company related to differences in the accounting for leases between the group and the parent company according to IFRS16. Leasing debt in the group at the end of the period was SEK 319.7m.

### Cash flow, investments and liquidity

Cash flow from operating activities for the period in the group amounted to SEK -101.6m. Cash flow from operating activities in the parent company amounted to SEK -104.5m (-101.5). The difference between the group and the parent company related to differences in the accounting for leases between the group and the parent company according to IFRS16.

Cash flow from investing activities for the period in the group and the parent company amounted to SEK -55.9m (-183.5). Investments mainly related to Renewcell 1. The company

estimates that the total investment for 120,000 tonnes will amount to about SEK 1.45b (excluding leasing capex). The reported value of Renewcell 1 before depreciations in the balance sheet (excluding leasing capex) amounted to SEK 1,287.0m (642.1) which is an increase with SEK 644.9m compared to the same period last year.

Cash flow from financing activities in the group amounted to SEK 45.7m. Cash flow from financing activities in the parent company amounted to SEK 48.6m (147.3). The change is related to increased loan drawings and the amortization of loans. The difference between the group and the parent company related to differences in the accounting for leases between the group and the parent company according to IFRS16.

The company's cash and cash equivalents at the end of the period amounted to SEK 180.7m (415.7).

# Invitation to presentation of Renewcell's Q1 report

Re:NewCell AB (publ) ('Renewcell') will publish its report for Q1 2023 on Wednesday, May 3, at around 08.00 (CET). On the same day, at 10.00 (CET) the Company's CEO Patrik Lundström, and CFO Toby Lawton will present the report in a live webcast.

The presentation will be webcasted live by Infront Direkt Studios and will be made available afterwards on-demand at [www.renewcell.com](http://www.renewcell.com). Participants will have the opportunity to ask questions in a Q&A session following the presentation. The presentation will be held in English.

The live webcast can be accessed at this link: <https://youtube.com/live/dnTzieg33yk>

The recorded webcast, report and presentation materials will be published on Renewcell's website [www.renewcell.com](http://www.renewcell.com) after the broadcast.

Patrik Lundström  
CEO

## Contact details

For questions regarding this report, please contact:  
Toby Lawton, CFO, +46 70 242 29 47

## Financial calendar

- The company plans to hold a Capital Markets Day on May 11, 2023
- The company will hold its Annual General Meeting on May 16, 2023
- Interim report for the second quarter 2023 will be published on August 29, 2023
- Interim report for the third quarter 2023 will be published on November 7, 2023

Note: This information is such information that Renewcell is obliged to make public pursuant to the EU's Market Abuse Regulation. This report has been prepared with a Swedish and an English version. In the event of any discrepancies between the two, the Swedish version applies. This information was published, through the agency of the contact persons below, on 15 February 2023 at 08:00 CET.

# Financial reports

Group (according IFRS)

## Income statement

MSEK	Note	Jan-Mar
		<b>2023</b>
Net sales	4	29.7
Other operating income	4	0.4
Change in inventories		13.4
Raw materials and consumables		-68.3
Other external costs		-24.3
Personnel costs		-31.0
Other operating expenses		-0.2
<b>Operating profit before depreciation, amortization and impairment (EBITDA)</b>		<b>-80.3</b>
Depreciation and write-down	7, 8	-25.3
<b>Operating profit</b>		<b>-105.7</b>
Other interest income and similar income terms		0.0
Interest expenses and similar expense items		-20.1
<b>Total financial items</b>		<b>-20.1</b>
<b>Profit/loss after financial items (EBT)</b>		<b>-125.8</b>
Income tax		-
Deferred tax		0.4
<b>Result*</b>		<b>-125.4</b>
*The result for the period corresponds to the total result.		
Earnings per share, before dilution		-3,3
Earnings per share, after dilution		-3,3
No. of shares		37,358,417
Average No. of shares before dilution		37,358,417
Average No. of shares after dilution		38,686,797



# Balance sheet

Group (according to IFRS)

MSEK	Note	31 Mar 2023
<b>ASSETS</b>		
<b>Fixed assets</b>		
Intangible assets	7	10.3
Improvement expenses on leased property	7	182.9
Machinery and other technical plant	7	1,135.3
Inventory – tools and installations	7	2.8
Assets under construction and advances regarding intangible and tangible assets	7	34.7
Right-of-use assets	8	295.7
Other long-term receivables		0.5
Deferred tax assets		6.1
<b>Total fixed assets</b>		<b>1,668.4</b>
<b>Current assets</b>		
Inventory		180.9
Accounts receivable		0.1
Other current receivables		2.5
Cash held in reserved accounts	10,11	125.5
Prepaid expenses and accrued income		4.1
Cash and bank balances	10,11	55.2
<b>Total current assets</b>		<b>368.4</b>
<b>TOTAL ASSETS</b>		<b>2,036.8</b>

MSEK	Note	31 Mar 2023
<b>EQUITY AND LIABILITIES</b>		
Share capital		0.9
Other paid in capital		1,441.7
Result for the period and the year		-703.0
<b>Total equity</b>		<b>739.6</b>
<b>Long-term liabilities</b>		
Long-term liabilities to credit institutions	10	685.2
Long-term leasing liabilities		308.9
Deferred tax liabilities		6.0
<b>Total long-term liabilities</b>		<b>1,000.0</b>
<b>Current liabilities</b>		
Other liabilities to credit institutions	10	182.4
Leasing liabilities		10.8
Accounts payable		50.8
Other current liabilities		5.0
Accrued expenses and prepaid income		48.1
<b>Total current liabilities</b>		<b>297.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,036.8</b>

# Condensed change in equity

Group (according to IFRS)

MSEK	Share capital	Other paid in capital	Profit or loss brought forward	Comprehensive income for the period	Total equity
<b>Opening balance 2023-01-01</b>	<b>0.9</b>	<b>1,441.7</b>	<b>-283.5</b>	<b>-294.3</b>	<b>864.9</b>
Transfer of last year's result	-	-	-294.3	294.3	-
Paid, not yet registered share issue	-	-	0.1	-	0.1
Total income for the period	-	-	-	-125.4	-125.4
<b>Closing balance 2023-03-31</b>	<b>0.9</b>	<b>1,441.7</b>	<b>-577.6</b>	<b>-125.4</b>	<b>739.6</b>

# Cash flow statement

## Group (according to IFRS)

MSEK	Note	Jan-Mar
		<b>2023</b>
Operating activities		
Operating profit/loss before financial items		-105.6
Interest received		0.0
Interest paid		-11.4
Adjustments for items not included in cash flow:		
Depreciation and write-downs		25.3
		<b>-91.8</b>
<b>Change in working capital</b>		
Change in inventory		-3.4
Change in accounts receivable		3.4
Change in other current assets		19.4
Change in accounts payable		-40.7
Change in other current operating liabilities		11.3
<b>Cash flow from operating activities</b>		<b>-101.6</b>
<b>Investment activities</b>		
Investments in intangible fixed assets		-0.1
Investments in tangible fixed assets		-55.8
<b>Cash flow from investing activities</b>		<b>-55.9</b>
<b>Financing activities</b>		
Paid, not yet registered share issue		0.1
New loans		61.7
Transaction costs for financing		-0.3
Amortization of liabilities for right-of-use assets		-2.8
Amortization of loans		-12.9
<b>Cash flow from financing activities</b>		<b>45.7</b>
<b>Cash flow for the period</b>		<b>-111.8</b>
Cash and cash equivalents at the beginning of the period		292.9
Exchange differences in cash and cash equivalents		-0.3
<b>Cash and cash equivalents at the end of the period</b>	10	<b>180.7</b>

# Financial reports

## Parent company (according to RFR2)

### Income statement

MSEK	Note	Jan-Mar		Jan-Dec
		2023	2022	2022
Net sales	4	29.7	2.0	12.6
Other operating income	4	0.4	1.3	6.3
Change in inventories		13.4	-	5.5
Raw materials and consumables		-68.3	-10.0	-69.6
Other external costs		-30.0	-17.2	-87.0
Personnel costs		-31.0	-21.9	-116.2
Other operating expenses		-0.2	-0.5	-3.5
<b>Operating profit before depreciation, amortization and impairment (EBITDA)</b>		<b>-86.0</b>	<b>-46.3</b>	<b>-252.0</b>
Depreciation and write-down	7	-20.5	-2.5	-11.0
<b>Operating profit</b>		<b>-106.5</b>	<b>-48.8</b>	<b>-263.0</b>
Other interest income and similar income terms		0.0	2.0	0.9
Interest expenses and similar expense items		-17.3	-7.3	-37.8
<b>Total financial items</b>		<b>-17.3</b>	<b>-5.2</b>	<b>-36.9</b>
<b>Profit/loss after financial items (EBT)</b>		<b>-123.9</b>	<b>-54.0</b>	<b>-299.9</b>
<b>Result*</b>		<b>-123.9</b>	<b>-54.0</b>	<b>-299.9</b>
*The result for the period corresponds to the total result.				
Earnings per share, before dilution		-3,3	-1,8	-9,0
Earnings per share, after dilution		-3,3	-1,8	-9,0
No. of shares		37,358,417	30,857,276	37,358,417
Average No. of shares before dilution		37,358,417	30,837,993	33,369,330
Average No. of shares after dilution		38,686,797	32,335,766	35,479,790

# Balance sheet

## Parent company (according to RFR2)

MSEK	Note	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>ASSETS</b>				
<b>Fixed assets</b>				
<b>Intangible fixed assets</b>				
Intangible assets	7	10.3	4.2	10.9
<b>Total intangible fixed assets</b>		<b>10.3</b>	<b>4.2</b>	<b>10.9</b>
<b>Tangible fixed assets</b>				
Improvement expenses on leased property		182.9	-	185.2
Machinery and other technical plant		1,106.4	54.0	1,123.7
Inventory – tools and installations		2.8	3.2	3.1
Assets under construction and advances regarding <del>intangible and tangible assets</del>		34.7	647.6	6.2
<b>Total tangible assets</b>	<b>7</b>	<b>1,326.9</b>	<b>709.0</b>	<b>1,318.2</b>
Shares in group companies	6	0.0	-	-
Other long-term receivables		0.5	-	0.5
<b>Total financial assets</b>		<b>0.5</b>	<b>-</b>	<b>0.5</b>
<b>Total fixed assets</b>		<b>1,337.7</b>	<b>709.0</b>	<b>1,329.7</b>
<b>Current assets</b>				
Inventory		180.9	26.9	177.5
Accounts receivable		0.1	1.7	3.5
Other current receivables		2.5	38.8	22.3
Cash held in reserved accounts	10,11	125.5	350.0	175.5
Prepaid expenses and accrued income		9.7	45.2	9.3
<b>Total current receivables</b>		<b>318.7</b>	<b>462.7</b>	<b>388.2</b>
<b>Cash and bank balances</b>				
Cash and bank balances	10,11	55.2	65.7	117.4
<b>Total current assets</b>		<b>374.0</b>	<b>582.5</b>	<b>505.6</b>
<b>TOTAL ASSETS</b>		<b>1,711.6</b>	<b>1,237.5</b>	<b>1,835.2</b>

<b>MSEK</b>	<b>Note</b>	<b>31 Mar 2023</b>	<b>31 Mar 2022</b>	<b>31 Dec 2022</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital		1.0	0.8	1.0
Share premium reserve		1,441.7	954.2	1,441.7
Profit or loss brought forward		-578.6	-280.0	-278.8
Result for the period and the year		-123.9	-54.0	-299.9
<b>Total equity</b>		<b>740.1</b>	<b>620.9</b>	<b>863.9</b>
Long-term liabilities to credit institutions	10	685.2	433.6	676.6
<b>Total long-term liabilities</b>		<b>685.2</b>	<b>433.6</b>	<b>676.6</b>
Other liabilities to credit institutions	10	182.4	4.7	133.0
Accounts payable		50.8	160.8	118.8
Other current liabilities		5.0	3.6	5.4
Accrued expenses and prepaid income		48.1	13.7	37.5
<b>Total current liabilities</b>		<b>286.3</b>	<b>182.9</b>	<b>294.8</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,711.6</b>	<b>1,237.5</b>	<b>1,835.2</b>

# Condensed change in equity

Parent company (according to RFR2)

MSEK	Share capital	Share premium reserve	Profit or loss brought forward	Comprehensive income for the period	Total equity
<b>Opening balance 2022-01-01</b>	<b>0.8</b>	<b>953.5</b>	<b>-146.6</b>	<b>-133.4</b>	<b>674.2</b>
Transfer of previous year's result	-	-	-133.4	133.4	-
New share issue	0.0	0.7	-	-	0.7
Total income for the period	-	-	-	-54.0	-54.0
<b>Closing balance 2022-03-31</b>	<b>0.8</b>	<b>954.2</b>	<b>-280.0</b>	<b>-54.0</b>	<b>620.9</b>
<b>Opening balance 2022-04-01</b>	<b>0.8</b>	<b>954.2</b>	<b>-280.0</b>	<b>-54.0</b>	<b>620.9</b>
New share issue	0.2	507.1	-	-	507.2
Issue expenses	-	-19.6	-	-	-19.6
Share warrants	-	-	1.2	-	1.2
<b>Closing balance 2022-12-31</b>	<b>1.0</b>	<b>1,441.7</b>	<b>-278.8</b>	<b>-299.9</b>	<b>863.9</b>
<b>Opening balance 2023-01-01</b>	<b>1.0</b>	<b>1,441.7</b>	<b>-278.8</b>	<b>-299.9</b>	<b>863.9</b>
Transfer of last year's result	-	-	-299.9	299.9	-
Paid, not yet registered share issue	-	-	0.1	-	0.1
Total income for the period	-	-	-	-123.9	-123.9
<b>Closing balance 2023-03-31</b>	<b>1.0</b>	<b>1,441.7</b>	<b>-578.6</b>	<b>-123.9</b>	<b>740.1</b>



# Cash flow statement

## Parent company (according to RFR2)

MSEK	Note	Jan-Mar		Jan-Mar
		2023	2022	2022
Operating activities				
Operating profit/loss before financial items		-106.4	-48.8	-263.0
Interest received		0.0	-	0.8
Interest paid		-8.7	-0.0	-3.2
Adjustments for items not included in cash flow:				
Depreciation and write-downs		20.5	2.5	11.0
<b>Cash flow from operating activities before changes in working capital</b>		<b>-94.6</b>	<b>-46.3</b>	<b>-254.3</b>
<b>Change in working capital</b>				
Change in inventory		-3.4	-19.8	-170.4
Change in accounts receivable		3.4	-0.1	-1.9
Change in other current assets		19.4	-19.0	2.8
Change in accounts payable		-40.7	-14.9	7.4
Change in other current operating liabilities		11.3	-1.4	18.5
<b>Cash flow from operating activities</b>		<b>-104.5</b>	<b>-101.5</b>	<b>-397.9</b>
<b>Investment activities</b>				
Investments in intangible fixed assets		-0.1	-2.1	-7.6
Investments in tangible fixed assets		-55.8	-181.4	-872.2
Investments in financial fixed assets		-	-	-0.5
Investments in group companies		-0.0	-	-
<b>Cash flow from investing activities</b>		<b>-55.9</b>	<b>-183.5</b>	<b>-880.3</b>
<b>Financing activities</b>				
New share issue		-	0.7	507.9
Paid, not yet registered share issue		0.1	-	-
Issue expenses		-	-	-19.6
Issue of share warrants		-	-	1.2
New loans		61.7	150.2	541.3
Transaction costs for financing		-0.3	-3.0	-5.5
Amortization of loans		-12.9	-0.6	-5.8
<b>Cash flow from financing activities</b>		<b>48.6</b>	<b>147.3</b>	<b>1,019.7</b>
<b>Cash flow for the period</b>		<b>-111.8</b>	<b>-137.6</b>	<b>-258.5</b>
Cash and cash equivalents at the beginning of the period		292.9	551.4	551.4
Exchange differences in cash and cash equivalents		-0.3	2.0	0.0
<b>Cash and cash equivalents at the end of the period</b>	10	<b>180.7</b>	<b>415.7</b>	<b>292.9</b>

# Notes

## Note 1 — Accounting and measurement policies

### General information

Re:NewCell AB (publ) with subsidiaries ('ReNewCell' or the 'Group') operates within the recycling of textiles. The business is located in Kristinehamn, Sundsvall and Stockholm. In Kristinehamn is ReNewCell's first production facility and in Ortviken is the new production facility that was completed in the second half of 2022.

ReNewCell sells its product under the product brand name Circulose®.

The group operates on an international market and exports its entire production to customers abroad. ReNewCell's direct customer target group is mainly located in China, India, Indonesia, Germany, Japan, USA and Austria.

The parent company is a limited company registered in Sweden with its registered office in Stockholm. The visiting address for the head office is Cardellgatan 1, 114 36 Stockholm.

All amounts are reported in millions of kronas (MSEK) unless otherwise stated.

### *Preparation of consolidated accounts*

This interim report for the group has been prepared in accordance with IAS34 Interim reporting and applicable regulations in the Annual Accounts Act. The interim report for 1 January – 31 March 2023 is the first published consolidated financial statements in accordance with IFRS. Group relationship arose on March 10, 2023 when that subsidiary (Renewcell Sweden AB) was acquired. No group has existed in 2022. The parent company has prepared its annual report for 2022 in accordance with RFR 2 Accounting for legal entities.

Comparative figures are not included in the consolidated accounts as the group relationship arose on March 10, 2023. The parent company's income statement has been included in the consolidated accounts from January 1, 2023. The cash flow for the group has been prepared with a starting point 1st of January 2023.

## Note 2 — Summary of important accounting principles

The group was formed on March 10, 2023, which is why there are no reconciliations to present as a first-time adopter of IFRS.

The difference between the parent company's accounting principles RFR2 and IFRS consists of IFRS 16, Lease liabilities and IAS 23, Loan expenses. The leasing liability mostly relates to the factory premises in Ortviken. The adjustment according to IAS 23 refers to the capitalization of interest during the build-up phase of Renewcell 1.

See a full statement of accounting principles on Renewcell AB's website, <https://www.renewcell.com/en/accounting-principles/>

## Note 3 — Risks and uncertainties

The company is exposed to various risks related to industry and market, financial, operational, legal and climate risks. Financial risks primarily consist of liquidity and refinancing risk, interest rate risk and currency exposure. Operational risks primarily refer to risks for:

- Establishment of production facility
- Suppliers
- Environmental permit
- Costs for inputs and services
- Production loss at production facilities
- IT-systems and cyber threats
- Key people
- Health and safety

For more information on the above-mentioned risks and uncertainties, please refer to the Company's annual report for 2022.

## Note 4 — Revenue

### Net sales

Net sales per geographic market	Jan-Mar	Jan-Mar	Jan-Dec
MSEK	2023	2022	2022
Asia	29.3	2.0	12.2
Other	0.4	0.0	0.4
<b>Total</b>	<b>29.7</b>	<b>2.0</b>	<b>12.6</b>

Net sales per product area	Jan-Mar	Jan-Mar	Jan-Dec
MSEK	2023	2022	2022
Dissolving pulp	29.2	1.8	10.3
Fiber	0.5	0.2	2.3
<b>Total</b>	<b>29.7</b>	<b>2.0</b>	<b>12.6</b>

Other operating income	Jan-Mar	Jan-Mar	Jan-Dec
MSEK	2023	2022	2022
Exchange rate gains	0.2	0.1	3.3
Excise tax refund electricity	0.0	0.4	1.2
Sales of scrap	0.1	0.2	1.0
Government grants received	0.1	0.1	0.6
Other	0	0.0	0.0
<b>Total</b>	<b>0.4</b>	<b>1.3</b>	<b>6.3</b>

## Note 5 — Financial assets and liabilities

### Financial instruments per category

	Group/Parent company	Group/Parent company	Parent company	Parent company	Parent company	Parent company
	Reported value	Fair value	Reported value	Fair value	Reported value	Fair value
Assets						
MSEK	2023-03-31	2023-03-31	2022-03-31	2022-03-31	2022-12-31	2022-12-31
Other long-term receivables	0.5	0.5	-	-	0.5	0.5
Accounts receivable	0.1	0.1	1.7	1.7	3.5	3.5
Other current receivables	0.0	0.0	0.0	0.0	0.0	0.0
Cash held in reserved accounts	125.5	125.5	350.0	350.0	175.5	175.5
Cash and bank balances	55.2	55.2	65.7	65.7	117.4	117.4
<b>Total</b>	<b>181.3</b>	<b>181.3</b>	<b>417.5</b>	<b>417.5</b>	<b>296.9</b>	<b>296.9</b>
<b>Liabilities</b>						
Accounts payable	50.8	50.8	160.8	160.8	118.8	118.8
Liabilities to credit institutions	867.6	971.1	438.4	486.9	809.6	907.8
Other current liabilities	-	-	-	-	-	-
Accrued liabilities	25.9	25.9	3.7	3.7	16.4	16.4
<b>Total</b>	<b>944.3</b>	<b>1,047.8</b>	<b>603.0</b>	<b>651.4</b>	<b>948.9</b>	<b>1,047.0</b>

Reported value of accounts receivables, other receivables, cash and cash equivalents, accounts payables and other liabilities constitutes a reasonable approximation of fair value. Fair value for borrowing (liabilities to credit institutions) is provided for informational purposes and is calculated by discounting future cash flows of capital and interest discounted at the current market rate. Valuation at fair value has been done according to level 3. Fair value amounts to SEK 971.1 (486.9) million.

## Note 6 — Shares in group companies

Parent company			
KSEK	2023-03-31	2022-03-31	2022-12-31
Acquisitions during the period	25	-	-
<b>Reported value</b>	<b>25</b>	<b>-</b>	<b>-</b>
<b>Opening value for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>
Investments	25	-	-
<b>Closing value for the period</b>	<b>25</b>	<b>-</b>	<b>-</b>

The parent company's holdings of shares in subsidiaries as of March 31, 2023, note that the period's acquisition is shown here in KSEK.

Company name	Organization number	Registered office	Amount of shares	Share of equity, %	Reported value
Renewcell Sweden AB	559419-5306	Stockholm	25,000	100%	25

## Note 7 — Fixed assets

<b>Intangible fixed assets</b>			
<b>MSEK</b>	<b>31 Mar 2023</b>	<b>31 Mar 2022</b>	<b>31 Dec 2022</b>
<b>Cost, opening balance</b>	<b>12.4</b>	<b>4.5</b>	<b>4.5</b>
Acquisitions during the period	-	0.1	0.6
Reclassifications	-	-	7.3
<b>Carrying amount at the end of the period</b>	<b>12.4</b>	<b>4.6</b>	<b>12.4</b>
<b>Depreciation, opening balance</b>	<b>-1.5</b>	<b>-0.1</b>	<b>-0.1</b>
Depreciation for the period	-0.6	-0.2	-1.4
<b>Accumulated cost, closing balance</b>	<b>-2.0</b>	<b>-0.3</b>	<b>-1.5</b>
<b>Recognized amount</b>	<b>10.3</b>	<b>4.2</b>	<b>10.9</b>
<b>Improvement expenses on leased property</b>			
<b>MSEK</b>	<b>31 Mar 2023</b>	<b>31 Mar 2022</b>	<b>31 Dec 2022</b>
<b>Cost, opening balance</b>	<b>185.2</b>	-	-
Reclassifications	-	-	185.2
<b>Carrying amount at the end of the period</b>	<b>185.2</b>	-	<b>185.2</b>
<b>Depreciation, opening balance</b>	-	-	-
Depreciation for the period	-2.3	-	-
<b>Accumulated cost, closing balance</b>	<b>-2.3</b>	-	-
<b>Recognized amount</b>	<b>182.9</b>	-	<b>185.2</b>
<b>Machinery and other technical plant</b>			
<b>MSEK</b>	<b>31 Mar 2023</b>	<b>31 Mar 2022</b>	<b>31 Dec 2022</b>
<b>Cost, opening balance</b>	<b>1,153.4</b>	<b>70.7</b>	<b>70.7</b>
Acquisitions during the period	-	0.6	0.6
Reclassifications	0.1	5.7	1,082.0
<b>Carrying amount at the end of the period</b>	<b>1,153.5</b>	<b>77.1</b>	<b>1,153.4</b>
<b>Depreciation, opening balance</b>	<b>-29.7</b>	<b>-21.1</b>	<b>-21.1</b>
Depreciation for the period	-17.4	-2.0	-8.7
<b>Accumulated cost, closing balance</b>	<b>-47.1</b>	<b>-23.1</b>	<b>-29.7</b>
<b>Recognized amount</b>	<b>1,106.4</b>	<b>54.0</b>	<b>1,123.7</b>

## Inventory – tools and installations

MSEK	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>Cost, opening balance</b>	<b>4.8</b>	<b>4.0</b>	<b>4.0</b>
Acquisitions during the period	-	0.3	0.2
Reclassifications	-	-	0.7
<b>Carrying amount at the end of the period</b>	<b>4.8</b>	<b>4.2</b>	<b>4.8</b>
<b>Depreciation, opening balance</b>	<b>-1.8</b>	<b>-0.8</b>	<b>-0.8</b>
Depreciation for the period	-0.2	-0.2	-0.9
<b>Accumulated cost, closing balance</b>	<b>-2.0</b>	<b>-1.0</b>	<b>-1.8</b>
<b>Recognized amount</b>	<b>2.8</b>	<b>3.2</b>	<b>3.1</b>

## Assets under construction and advances regarding intangible and tangible assets

MSEK	31 Mar 2023	31 Mar 2022	31 Dec 2022
<b>Cost, opening balance</b>	<b>6.2</b>	<b>420.8</b>	<b>420.8</b>
Acquisitions during the period	28.6	232.6	860.7
Reclassifications	-0.1	-5.7	-1,275.2
<b>Carrying amount at the end of the period</b>	<b>34.7</b>	<b>647.6</b>	<b>6.2</b>

## Note 8 — Right-of-use assets

### Group company

MSEK	31 Mar 2023	31 Dec 2022
<b>Cost, opening balance</b>	<b>327.3</b>	<b>326.7</b>
Additional right-of-use assets	-	0.6
<b>Carrying amount at the end of the period</b>	<b>327.3</b>	<b>327.3</b>
<b>Depreciation, opening balance</b>	<b>-27.2</b>	<b>-9.4</b>
Depreciation for the period	-4.5	-17.8
<b>Accumulated cost, closing balance</b>	<b>-31.6</b>	<b>-27.2</b>
<b>Recognized amount</b>	<b>295.7</b>	<b>300.1</b>

## Note 9 — Share-based remuneration and option programs

During the quarter, no new shares were issued through exercise of options through warrants and employee stock option programs.

Total outstanding options from all programs 2023-03-31 allow the subscription of a maximum of 1.328,380 new shares.

For more information about the Company's incentive program, please refer to the Company's website and latest annual report.

## Note 10 — Cash and cash equivalents and financing

MSEK	31 Mar 2023	31 Mar 2022	31 Dec 2022
Cash held in reserved accounts	125.5	350.0	175.5
Cash and bank	55.2	65.7	117.4
<b>Total cash and cash equivalents</b>	<b>180.7</b>	<b>415.7</b>	<b>292.9</b>

MSEK	31 Mar 2023	31 Mar 2022	31 Dec 2022
Long-term liabilities to credit institutions	685.2	433.6	676.6
Short-term liabilities to credit institutions	182.4	4.7	133.0
<b>Total amounts owed to credit institutions</b>	<b>867.6</b>	<b>438.4</b>	<b>809.6</b>

Terms and repayment obligations	Due date	Carrying amount	Carrying amount	Carrying amount
Almi	2023	1.7	4.2	2.0
Credit facility	2023	150.0	-	100.0
ECA/EIB	2023-2030	715.9	434.2	707.6
<b>Total amounts owed to credit institutions</b>		<b>867.6</b>	<b>438.4</b>	<b>809.6</b>

Cash held in reserved accounts consists of approximately SEK 100 million in the “Debt Service Reserve” account and approximately SEK 25 million in the “Completion Reserve” account.

“Debt Service Reserve” consists of reserved cash to be able to pay amortizations and interest expenses on the loans for the upcoming 12 months. “Completion Reserve” consists of cash reserved up until “Production Test Date” when the production line can produce a total of 84% of maximum capacity.

## Note 11 — Pledged assets

MSEK	31 Mar 2023	31 Mar 2022	31 Dec 2022
Floating charges	10.0	10.0	10.0
Pledge cash	180.6	414.8	292.7
Pledged fixed assets	1,261.7	666.2	1,280.0
<b>Total pledged assets</b>	<b>1,452.3</b>	<b>1,091.0</b>	<b>1,582.7</b>

As security for the Company’s commitments and obligations under the Loan Agreements, the Company has, among other things, pledged cash, insurance, guarantees, agreements and some movable property related to the Company’s production facilities.

## Note 12 — Transactions with related parties

Remuneration to senior executives has been paid in accordance with the guidelines described in the latest Annual Report.

In addition, there are no transactions with related parties.

# Definitions of KPIs

## *Equity ratio*

Equity as a percentage of total assets.

## *Earnings per share, before dilution*

Profit for the period divided by the weighted average number of shares outstanding for the period.

## *Earnings per share, after dilution*

Earnings per share adjusted for the number of outstanding warrants. Option programs are instruments that can lead to dilution, but when the company's results are negative, no dilution effect occurs.

## *Equity per share*

Equity divided by number of shares outstanding at the end of the period. Significant estimates and assessments.

## *Cash and cash equivalents*

Cash and bank plus cash held in reserved accounts that are recognized as short-term financial assets. See Note 10.

## *Net debt*

Interest-bearing liabilities less cash and cash equivalents.

## *Earnings before interest, tax, depreciation and amortization (EBITDA)*

Profit before financial items and depreciation of tangible and intangible fixed assets.



# Share information

## Largest shareholders as of March 31, 2023

Shareholder	No. of shares and votes	Share of capital and votes (%)
H&M	3,934,440	10.53
Girincubator AB	3,933,290	10.53
Handelsbanken Fonder	3,438,914	9.21
Capital Group	2,986,984	8.00
AMF Pension & Fonder	1,530,169	4.10
Deka Investments	1,045,282	2.80
Swedoccean AB	1,008,689	2.76
Fidelity International (FIL)	966,956	2.59
Cliens Fonder	900,000	2.41
Norron Fonder	881,120	2.36
ALMI	688,878	1.84
Handelsbanken Liv Försäkring AB	556,278	1.49
Premier Miton Investors	488,372	1.31
Nordea Liv & Pension	483,159	1.29
Goldman Sachs Asset Management	471,041	1.26
Patrik Lundström	449,504	1.20
Michael Berg	400,000	1.09
Tomas Gahn	400,000	1.07
Aktia Asset Management	355,789	0.95
Gunnar Haglund	348,140	0.93
<b>Twenty largest shareholders</b>	<b>25,267,005</b>	<b>67.7</b>
Others	12,091,411	32.3
<b>Total</b>	<b>37,358,416</b>	<b>100</b>

Source: Monitor/Modular Finance