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Renewcell completes a directed issue of 3,085,727 new shares to Swedish and international institutional investors, raising proceeds of SEK 324m

The Board of Directors of Re:NewCell AB (publ) (“Renewcell” or the “Company”) has, based on the authorization granted by the annual general meeting held on 19 May 2021, resolved to carry out a directed share issue of 3,085,727 new shares at a subscription price of SEK 105 per share to Swedish and International institutional investors (the “Directed Share Issue”). The subscription price was determined through an accelerated book-building procedure performed by BNP Paribas SA (“BNP Paribas”) and Carnegie Investment Bank AB (publ) (“Carnegie” and together with BNP Paribas, the “Joint Bookrunners”). The Directed Share Issue was subscribed by a significant number of reputable Swedish and international institutional investors, among others, existing shareholders H&M Group and Girincubator AB (via the family affiliated Girindus Investments AB), Cliens Kapitalförvaltning, Handelsbanken Fonder and Swedbank Robur Fonder, as well as certain funds managed by SP Fund management company.

The bookbuilding procedure which was announced by the Company earlier today has been completed and the Board of Directors of Renewcell has decided to carry out a directed issue of 3,085,727 new shares, at a subscription price of SEK 105 per share, consequently raising proceeds of SEK 324,001,335 before transaction costs. A significant number of reputable Swedish and international institutional investors subscribed for shares in the capital raise, which was oversubscribed, among others, existing shareholders H&M Group and Girincubator AB (via the family affiliated Girindus Investments AB), Cliens Kapitalförvaltning, Handelsbanken Fonder and Swedbank Robur Fonder, as well as certain funds managed by SP Fund management company.

Patrik Lundström, CEO of Renewcell, comments:

”We are pleased to see the continued interest for Renewcell, and we see the broadening of the shareholder base as a vote of confidence for our business model. By accelerating the capacity expansion we are addressing the supply shortage created by the strong demand, increasing our first mover advantage in the circular pulp and textiles industry

and cementing our market leading position in the value chain. Today's transaction creates the right conditions for Renewcell's continued journey towards making fashion circular".

The total number of shares in Renewcell after the Directed Share Issue will amount to 33,943,003. The Directed Share Issue entails a dilution of approximately 9.1 percent of the number of shares and votes in the Company (calculated as the number of newly issued shares divided by the total number of shares in the Company after the Directed Share Issue). Through the Directed Share Issue, the number of shares and votes in the Company will increase by 3,085,727 from 30,857,276 to 33,943,003. The share capital will increase by SEK 78,754 from SEK 787,553 to SEK 866,307.

The proceeds from the capital raise will be used to accelerate the production capacity to 120,000 metric tons by 2023/24, mainly for capital expenditure and working capital needs.

Prior to the Directed Share Issue, the Board of Directors has also considered the possibility to raise the required equity through a rights issue but concluded that a rights issue would be significantly more time-consuming and entail significantly higher costs and increased exposure to potential market volatility compared to the Directed Share Issue. Unlike a rights issue, the Directed Share Issue has also broadened as well as strengthened the shareholder base and provided the Company with new shareholders, which the Board of Directors considers to be of great benefit to Renewcell. In the light of the above, the Board of Directors made the assessment that a Directed Share Issue with deviation from the shareholders' preferential rights was the most favorable alternative for Renewcell and in the best interest of the Company's shareholders. As the subscription price in the Directed Share Issue was determined through a bookbuilding procedure, the Board of Directors assesses that the subscription price reflects current market conditions and demand.

The Company will, subject to customary exemptions and the completion of the Directed Share Issue, undertake, in favor of the Joint Bookrunners, not to issue additional shares for a period of 180 calendar days from the settlement date of the Directed Share Issue. In addition, the members of the Company's Board of Directors as well as its management, subject to customary exemptions and the completion of the Directed Share Issue, undertake, in favor of the Joint Bookrunners, not to sell any shares in Renewcell for a period of 180 calendar days from the settlement date of the Directed Share Issue.

Advisors

In conjunction with the Directed Share Issue, the Company has engaged BNP Paribas and Carnegie as Joint Bookrunners. Advokatfirman Vinge KB is legal advisor to the Company and Baker McKenzie AB is legal advisor to the Joint Bookrunners.

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This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision to acquire or subscribe for shares in connection with the Directed Share Issue must be made on the basis of all publicly available information relating to the Company and the Company’s shares. Such information has not been independently verified by the Joint Bookrunners. The Joint Bookrunners is acting for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice

in relation to the transaction or any other matter referred to herein.

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This press release does not constitute an invitation to warrant, subscribe, or otherwise acquire or transfer any securities in any jurisdiction. This press release does not constitute a recommendation for any investors' decisions regarding the Directed Share Issue. Each investor or potential investor should conduct a self-examination, analysis and evaluation of the business and information described in this press release and any publicly available information. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for future results. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, beliefs, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as "believe", "expect", "anticipate", "intend", "may", "plan", "estimate", "will", "should", "could", "aim" or "might", or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors and readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertake to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nasdaq First North Growth Market Rulebook.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "MiFID II Product Governance

Requirements”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the shares in the Company have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “EU Target Market Assessment”). Solely for the purposes of each manufacturer's product approval process in the United Kingdom, the target market assessment in respect of the shares in the Company has led to the conclusion that: (i) the target market for such shares is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (“UK MiFIR”); and (ii) all channels for distribution of such shares to eligible counterparties and professional clients are appropriate (the “UK Target Market Assessment” and, together with the EU Target Market Assessment, the “Target Market Assessment”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares in the Company may decline and investors could lose all or part of their investment; the shares in the Company offer no guaranteed income and no capital protection; and an investment in the shares in the Company is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed Share Issue. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II or UK MiFIR; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in the Company.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in the Company and determining appropriate distribution channels.

Contacts

Patrik Lundström

CEO

patrik.lundstrom@renewcell.com

+46 76 183 47 17

Hugo Petit

CFO

hugo.petit@renewcell.com

+46 70 7787196

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 2022-05-11 23:25 CEST.

Attachments

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