

## Renewcell completes a directed issue of 3,333,333 new shares to Swedish and international institutional investors, raising gross proceeds of approximately SEK 240 million

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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 16 May 2023 and with deviation from the shareholders’ preferential right, resolved to carry out a directed share issue of 3,333,333 new shares at a subscription price of SEK 72 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 Nordea Bank Abp, filial i Sverige (“Nordea”) and Pareto Securities AB (“Pareto” and together with Nordea, the “Managers”). The Directed Share Issue was subscribed by a number of Swedish and international institutional investors and existing shareholders, H&M Group, Girincubator AB (via the family affiliated Girindus Investments AB), Handelsbanken Fonder, AMF Fonder and Storebrand Fonder among others.

The bookbuilding procedure which was announced by the Company earlier today has been completed. The Board of Directors of Renewcell has decided to carry out a directed issue of 3,333,333 new shares, at a subscription price of SEK 72 per share, consequently raising proceeds of approximately SEK 240 million before transaction costs.

The proceeds from the Directed Share Issue will mainly be used to finance operational expenses during a longer ramp-up of production (partly due to the fire in March 2023), additional working capital requirements and increased capital expenditures (“CAPEX”). It is the Board of Directors’ assessment that the Directed Share Issue covers the Company’s funding need, without the need for additional equity, to complete the production ramp-up of Renewcell 1 to 60,000 tonnes in the first stage and then to 120,000 tonnes in a later stage. The assessment takes into account the delayed start-up and slower than expected production ramp-up, provided that no further unexpected negative events occur such as lengthy production stops, technical production limitations or other similar events.

Due to the Directed Share Issue, the number of shares and votes in the Company will increase by 3,333,333 from 37,366,216 to 40,699,549. The Directed Share Issue entails a dilution of approximately 8.2 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). The share capital will increase by SEK 85,074.77 from SEK 953,676.70 to SEK 1,038,751.47.

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. Given the market volatility seen during 2022, that is still ongoing during 2023, the Board of Directors has assessed that a rights issue would also require a rather significant underwriting from a guarantor syndicate that would entail additional costs and/or additional dilution depending on the type of remuneration for such underwriting. The more time-consuming rights issue alternative would also further delay the production ramp-up of Renewcell 1 to 60,000 tonnes in the first stage and then to 120,000 tonnes in a later stage, which in turn would lead to a corresponding delay of revenue generation that may cause a further need for external funding. The Company has concluded that a delayed ramp-up is not in the best interest of the shareholders. Unlike a rights issue, the Directed Share Issue can also broaden as well as strengthen the shareholder base and provide 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 favourable alternative for Renewcell and in the best interest of all the Company's shareholders. As the subscription price in the Directed Share Issue was determined through a bookbuilding procedure at arm's length, the Board of Directors assesses that the subscription price reflects current market value and demand.

#### **Extension of revolving credit facility**

The company holds a so-called revolving credit facility ("RCF") of SEK 150 million issued by a bank syndicate consisting of Nordea, BNP Paribas and Svensk Exportkredit (SEK). The RCF, which the Company has fully drawn, was originally due in October 2023 but has now been extended on original terms, initially to April 2024. After the end of the first quarter of 2023, another RCF of SEK 75 million was issued to the Company by the same bank syndicate (the "New RCF"), which gives the Company a total available amount under the RCF and the New RCF of SEK 225 million. As of today, the Company has drawn SEK 37.5 million of the New RCF. The drawn amount under the New RCF shall be repaid in October 2023 or when the Company carries out a new issue, depending on which of these events occurs first. Following the Directed Share Issue, the bank syndicate has agreed to extend the period for repayment of the drawn amount under the New RCF subject to certain conditions, including the Company receiving the desired gross proceeds in the Directed Share Issue.

#### **Lock-up**

The Company has, subject to certain exemptions, undertaken, in favour of the Managers, not to issue additional shares 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 Nordea as Sole Global Coordinator and Joint Bookrunner and Pareto as Joint Bookrunner. Advokatfirman Vinge KB is legal advisor to the Company and Baker & McKenzie Advokatbyrå KB is legal advisor to the Sole Global Coordinator and Joint Bookrunners.

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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 make fashion circular.

Through its patented process, Renewcell is able to recycle cellulosic textile waste, such as worn-out cotton clothes and production scraps, transforming it into a pristine new material called CIRCULOSE®. Fast Company named Renewcell one of the World's Most Innovative Companies in 2021 and 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 Certified Adviser, +46(0)8-528 00 399, info@fnca.se.

This information constitute inside 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 2023-06-30 00:45 CEST.

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### **Attachments**

Renewcell completes a directed issue of 3,333,333 new shares to Swedish and international institutional investors, raising gross proceeds of approximately SEK 240 million