

# Coloreel receives financing from Nefco – Swedish innovation furthers circularity in the textile industry

May 19, 2022 - On-demand thread colouring and fully recycled materials reduce the environmental impact of embroidery and make Coloreel a unique partner for sustainable clothing companies.

Nefco, the Nordic Green Bank, has signed a loan agreement with Coloreel Group AB to support its growth and expansion on global markets. The technology developed by Coloreel will lead to positive environmental effects within the textile industry by minimising thread waste, use of chemicals and wastewater.

All known embroidery machines on the market today rely on individual pre-coloured reels of thread for each colour used in the embroidery process. The Swedish company Coloreel's unique, patented technology addresses this issue by using a single recycled polyester thread as input, thereby eliminating the need for pre-coloured threads, which are a significant cause of wastewater pollution. Coloreel's on demand solution will also reduce the amount of wasted thread in the embroidery process.

“We are excited to provide this financing for Coloreel because the company has the potential to make embroidery and clothing production far more sustainable than it is today and enable a major step towards circularity in the textile industry,” said Fredrik Larsson, Investment Adviser, Nefco.

Coloreel's innovation was driven by the significant environmental impact of the textile industry and the challenges posed by traditional methods of handling threads, which require many hundreds of thread reels to be stocked while still not ensuring the right colours are available to complete subsequent production orders. Based in Jönköping, southern Sweden, Coloreel is primarily looking to grow on global markets.

“The Nefco financing will go a long way in supporting our international expansion. It is also a strong acknowledgement of the sustainability benefits we can offer the textile industry,” said Torbjörn Bäck, CEO, Coloreel.

Using 100% recycled polyester threads, Coloreel offers the design freedom of digital print, including unlimited colours and effects, while delivering quality embroidery.

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