

Newheat raises 7 million euros to accelerate its development in renewable heat

Newheat, renewable heat supplier and French leader for solar heat production, announces the completion of a €7 million fundraising to support its development in France and internationally. **Under this fundraising, the French bank Bpifrance is investing via its FIEE fund dedicated to energy and the environment, alongside Newheat's main original shareholders Noria and Etchart.**

Newheat, which has six solar heat plants in operation and under construction, is the French leader of a market which, although still a niche, is set to grow strongly, as it offers a key decarbonization solution for large thermal energy consumers, such as manufacturers, communities and large greenhouse installations.



Founders Hugues Defréville (CEO) and Pierre Delmas (CTO) at the inauguration of the solar thermal plant supplying the Narbonne city heating network, on 21 October 2021.

A fundraising round to step up French and international expansion

Newheat provides comprehensive decarbonization solutions combining solar thermal technology, waste heat recovery, short- and long-term thermal storage and heat pumps. Thanks to its significant R&D effort, the Bordeaux-based company has twice been a winner of the “I-nov” Innovation Competition funded by the Investments for the Future programme (PIA). Newheat was founded in 2015 and is now the leader in solar thermal energy in France. Of the six solar heat plants of over 1000 sq m in France, four have been built and are operated by Newheat (two on district heating networks and two on industrial sites), and the construction of two further plants is due to start in the coming months, giving the company a total 40 MW of installed capacity.

In a first fundraising in 2017, the company raised € 1.8 million to accelerate its development, finance its first solar thermal plants and further its R&D work; in 2020, it secured € 15 million in funding to finalize five heat production plants.

This second € 7 million euro fundraising round will enable Newheat to:

- Pursue its recruitment, R&D and sales deployment activities;
- Confirm its position as an integrated provider of a “turnkey” heat production solution for its clients, by having the equity necessary to remain the majority owner of its projects. Newheat develops, designs, finances, builds and operates its plants to provide clients with directly competitive renewable heat, in return for a 15- to 25-year commitment to purchase;
- Confirm its international ambitions following the signing of a first project abroad, in Croatia. Decarbomalt Croatia, which will avoid 4,000 tonnes of CO2 emissions a year, was selected by the EU Innovation Fund which has particularly demanding award criteria.

The company, which currently employs 22 staff, plans to recruit an additional 10 people over the next two years to support French and international project development.

In addition to further investments from its original partners – the investment company Noria and the industrial group Etchart – Newheat welcomed the French bank Bpifrance on board as a new investment partner, via its FIEE fund dedicated to energy and the environment.

Boosting the development of renewable heat as a key lever of energy transition

This fundraising will contribute to developing a still largely unrecognised lever of energy transition, which nevertheless meets a need accounting for nearly half of French energy consumption – renewable heat.

Among the renewable heat production solutions, solar thermal technology is particularly virtuous, using a local and unlimited resource, with the best carbon footprint of the renewable energies, generating no local emissions or nuisances for residents and minimizing the impact on natural resources.

Hugues Defréville, CEO and co-founder of Newheat said: *“We are very happy with this fundraising, which means that we can continue stepping up our development, and welcome a new key shareholder, Bpifrance, whose industrial vision and intrinsic values are fully in line with our business model. Decarbonizing the heat sector, whether for industry or district heating networks, is one of the main challenges in the fight against global warming in which France and Europe are already far behind schedule. There is an urgent need to accelerate the development of our renewable, competitive and virtuous heat supply solutions, and thus offer an energy alternative to build a sustainable future.”*

Samia Ben Jemaa, Investment Director at Bpifrance added: *“The decarbonization of industry inevitably requires comprehensive and innovative renewable heat production solutions like Newheat knows how to develop. This investment matches perfectly the investment policy of the climate bank Bpifrance and the FIEE fund. Decarbonizing industry is indeed a strategic priority for us at the heart of today and tomorrow’s climate challenges. We are indeed delighted to support Newheat, which is already a leader in its market, in this new phase of its development in France and abroad, alongside its original partners.”*

Participants:

Investors:

- Bpifrance (Samia Ben Jemaa, Sophie Paquin)
- Noria (Christophe Guillaume, Benoit Praud)
- Etchart (Romain Schwager)
- Holdheat (Paul-François Croisille)

Investment Advice:

- Legal, fiscal and employment advisers: Chammas & Marcheteau (Romain Penloup, Lucie Guégan, Lola Chammas, Christophe Moreau)
- Financial advisers: Crowe HAF (Maxime Hazim, Thomas Corbineau, Julien Latrubesse)

Business Advice:

- Legal advisers: Altaïr Avocats (Jeanne Mucchielli, Pierre Gramage, Christine Léger)
- Tax advisers: Viguié Schmidt & Associés (Christel Alberti, Maxence Dubois)

Press contacts

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About Newheat: Founded in 2015, Newheat is a renewable heat supplier and the leader for solar heat in France. The company provides innovative decarbonization solutions for large consumers of heat, large-scale industrial sites and district heating networks. Its activities involve developing, designing, building, financing and operating heat production installations that can combine solar thermal technology, waste heat recovery and short- and long-term thermal storage systems. The company is based in Bordeaux and currently has six sites in operation or under construction with a total capacity of 40 MW. Newheat currently employs 22 staff and aims to implement carbon-free heat production plants with nearly 500 MW of capacity by 2028. www.Newheat.fr

About Newheat investors:



Bpifrance and the FIEE fund

Bpifrance's equity investments are made through Bpifrance Investissement. Bpifrance finances businesses – at every stage of their development – through loans, guarantees and equity investments. It provides support to businesses for innovation and export projects, including through a broad range of export insurance products. Bpifrance also provides extra-financial services for entrepreneurs, such as consulting, training, start-up networks and accelerators. Thanks to Bpifrance and its 48 regional offices, entrepreneurs have a single local contact to help them through the challenges they face.

The 100-million-euro FIEE fund aims to strengthen the equity of SMEs and mid-tier companies dedicated to renewable energies, energy efficiency and the circular economy. With investment tickets of € 0.5 million to € 10 million, this fund provides support for financing development (through organic or external growth), business transmission and business model transformation, so that sizeable mid-tier companies can emerge.

For more information, please visit: www.Bpifrance.fr – Follow us on Twitter: @Bpifrance - @BpifrancePresse



Noria – Lille-based, family-owned investment firm created in 2005. Noria has invested in the equity of some twenty companies, most of which are involved in decarbonized energy. Noria makes minority equity investments in the capital of companies, in seed funding or more advanced development stages. It also invests in energy infrastructure projects.



Etchart – Independent family-owned regional group, founded in the Basque Country (1,130 staff, € 300 million in revenue). The Etchart group is today established in the South and West of France and deploys its expertise in six fields: Construction, Energy, Public Works, Trading, Materials and Recycling, and Community services.

Etchart continues to develop around its historic businesses through innovation in renewable energies, construction processes and building intelligence. It has a strong entrepreneurial culture and is also involved in innovation by supporting start-ups operating in these areas.



HoldHeat - Holding company regrouping 50 individual private investors that provided Newheat's founding equity.