

Qarnot, French leader in reuse of IT waste heat, raises €35M to deploy the next generation data centers



Qarnot, French leader in reuse of IT waste heat, closes a €35M financing round with Société Générale (Société Générale Ventures), Demeter (Climate Infrastructure Fund), ADEME Investissement, Colam Impact and La Banque des Territoires, on behalf of the French State. As Qarnot launches its industrial strategy by deploying the next generation of data centers, this sizable investment will help massify heat reuse from IT infrastructure and lower energy consumption from computing. In order to deploy wider infrastructures, ADEME Investissement, Demeter and Qarnot created a partnership for a dedicated funding vehicle.

Qarnot: towards next generation data centers

For 12 years, Qarnot has been reusing heat from intensive computing by distributing IT infrastructures directly in buildings and sites where heat was needed. After having deployed 100 units of its digital boiler and installed 70.000 high performance computing cores on a cloud computing mode, Qarnot accelerates its development and targets wider scale sites asking for large amounts of heat: heat networks, swimming pools, industries... Based on individual units with a modular approach, Qarnot aims at installing several next generation data centers in France and in Europe, with power ranging from hundreds of kW to a few MW. To do so, Qarnot formerly developed the QBx, a computing unit to be compared with a computing rack. The QBx, Qarnot's cornerstone, is a patented technology using *water cooling* to optimize the cooling of embedded and densified servers and high performance processors. QBx allows Qarnot to both heat up water above 60°C and value 95% of the waste heat emitted by the servers.

Strengthening Qarnot's business in France and in Europe

Since 2010, Qarnot has shown the maturity, the energetic relevance and the reliability of its technologies, by having deployed 25 sites in France and Finland. France and Europe are facing unprecedented ecological and energetic crises, which call for concrete solutions. Qarnot wishes to accelerate its development, notably by enlarging its catalogue of IT services, including IT infrastructure, public and private cloud. New services will be offered to customers asking for sovereignty and a more sustainable IT, especially in France, Nordics and Germany.

New prestigious investors to help Qarnot reducing digital pollution and accelerating energy transition

With new investors, *Société Générale*, *ADEME Investissement & Demeter*, as well as former ones *La Banque des Territoires* for the French State and *Colam Impact*, this new €35M fundraising bets on hybrid infrastructures which combine IT performance with waste heat recovery. Indeed, Qarnot shows unrivaled performances in the data center field, for economical and environmental matters. To answer the increasing demand for a more sustainable IT and for renewable and recovery energies, Qarnot will focus on expanding its teams with 50 new employees in 2023. This new financing round will contribute to Qarnot's scale up, in order to meet customers' needs for wider and greener IT infrastructures.

"We just made a great step forward with the closing of this new financing round, this is fantastic news! Having these new investors on board with us is an insurance to massively deploy our technologies and achieve our industrial scale development. Both energy and cloud consumers are expecting trustworthy and efficient technologies, overall in Europe. Leading cloud actors focus their strategy on sourcing renewable energy, mostly intermittent. This is only a partial and unsustainable solution to answer the booming IT infrastructure needs. Our circular approach to reuse energy goes far beyond, both energetically and economically. The new paradigm is based on circularity. Our new large scale business model is convincing: we are shaping the next generation of data centers, rethinking how energy can be better consumed. We are committed to proving that tech performance may be combined with environmental concerns and digital sovereignty." **argues Paul Benoit, CEO and co-founder of Qarnot**

"Our CSR policy leads us to transform our activities and our services to assist our clients and our economies in their transition. Responsibility is at the core of our actions. The partnership we signed with Qarnot, pioneer and leader in the reuse of data centers' waste heat, is part of the concrete initiatives that give shape to our ambition. After having had Qarnot as a provider to reduce our carbon footprint, we decided to go further by investing with Societe Generale Ventures in the company, to support their growth and scale up." **explains Alexandre Fleury, Co-Head of Global Market Activities, Societe Generale.**

"Demeter is pleased to accompany Qarnot for its new development phase. The company is fully aligned with the Climate Infrastructure Fund's investment thesis about energy efficiency. After having convinced with its know-how and business model in France and abroad, Qarnot showcases unique environmental achievements. An investment platform led by *Demeter* and *ADEME Investissement* is added to the increase of capital of Qarnot, and will help the company industrialize its technologies and become a major player of green data centers in Europe."

says Philippe Detours, Managing Partner at Demeter.

"Data centers must play their role in the energetic crisis and global warming we are facing, notably with a better control of their energy consumption. Reuse of waste heat from servers is one of the pieces required. We are glad to be taking part in Qarnot's adventure, and to be contributing to the development of low carbon IT solutions. Qarnot's QBx boiler is an efficient and simple way to recover waste heat from IT and value it for massive consumers such as swimming pools, heat networks, or industries, here in France and in Europe." **tells Karine Mérère, General Manager of ADEME Investissement.**

"La Banque des Territoires, on behalf of the French State via the Territoires d'Innovation program of France 2030, is proud to renew its support to Qarnot, and its new growth strategy. Qarnot developed relevant and useful technologies, fully aligned with the ongoing challenges: energy crisis, urgent need for decarbonization, call for digital sovereignty. This kind of solution is fully aligned with the Territoires d'Innovation program, and more broadly with the France 2030 strategy. The goal is now to scale up!" **says Gabriel Giabicani, Head of Innovation & Operations at the Department for Investment, Banque des Territoires.**

"Colam Impact had already decided to accompany Qarnot in the previous financing round. The company offers a common sense ecological solution: valorization of IT servers' waste heat to warm up buildings. Within two years, Qarnot has shown the evidence of its concept, and its ability to move to new technologies to meet the market needs, especially with its computing boiler. QBx has simply the best environmental performances on the market, thanks to a design that values the heat generated by embedded servers. This contributes to decarbonizing the cloud computing sector! Colam Impact is happy to pursue this adventure, led by Paul and Miroslav with their team and partners. We believe in their ambitions of deployment in France and in Europe!"

comments Philippe de Moustier, Chief Executive of Colam Impact.

About Qarnot:

Qarnot is a French cloud provider, whose activity is based on a low-carbon, secure and sovereign infrastructure. Qarnot distributes computing clusters, whose heat is fully valorized to bring heat to big heat-consuming sites (heating networks, swimming pools, industries). Qarnot develops IaaS/PaaS/SaaS cloud computing services, and expands its catalog with storage services, dedicated private cloud and IT infrastructures with high environmental performance, for deeptechs (AI, ML, simulation...).

Qarnot is a French SME with 70 employees, which contributes to developing a strong French cloud ecosystem, supported by two fundamental pillars: environmental performance and digital sovereignty.

qarnot.com

About	Societe	Generale:
Societe Generale is one of the leading European financial services groups. Based on a diversified and integrated banking model, the Group combines financial strength and proven expertise in innovation with a strategy of sustainable growth. Committed to the positive transformations of the world's societies and economies, Societe Generale and its teams seek to build, day after day, together with its clients, a better and sustainable future through responsible and innovative financial solutions.		

Active in the real economy for over 150 years, with a solid position in Europe and connected to the rest of the world, Societe Generale has over 117,000 members of staff in 66 countries and supports on a daily basis 25 million individual clients, businesses and institutional investors around the world by offering a wide range of advisory services and tailored financial solutions. The Group is built on three complementary core businesses:

- French Retail Banking with the SG bank, resulting from the merger of the two Societe Generale and Crédit du Nord networks, and Boursorama. Each offers a full range of financial services with omnichannel products at the cutting edge of digital innovation;
- International Retail Banking, Insurance and Financial Services, with networks in Africa, Central and Eastern Europe and specialized businesses that are leaders in their markets;
- Global Banking and Investor Solutions, which offers recognised expertise, key international locations and integrated solutions.

Societe Generale is included in the principal socially responsible investment indices: DJSI (Europe), FTSE4Good (Global and Europe), Bloomberg Gender-Equality Index, Refinitiv Diversity and Inclusion Index, Euronext Vigeo (Europe and Eurozone), STOXX Global ESG Leaders indexes, and the MSCI Low Carbon Leaders Index (World and Europe). For more information, you can follow us on Twitter @societegenerale or visit our website societegenerale.com.

Societe Generale Ventures is the Corporate Venture Capital (CVC) division created in 2019 to federate and develop Societe Generale Group's investments in startups. We invest in innovative startups with strong growth in the fintech, insurtech, mobility and impact sectors, to support them in their development and create synergies with the Group's businesses. The objective of these partnerships is to accelerate the digital transformation of the Group's activities and create value for customers through the launch of new offers or products, but also to shorten time-to-market and gain operational efficiency. Societe Generale Ventures' portfolio consists of more than 30 startups, for a total investment of more than €360 million. For more information, visit our website <https://www.ventures.societegenerale.com/en/>

About Demeter:

Demeter is a major European player in private equity for the ecological transition. Its funds invest between €1 and €30 million to support companies at all stages of their development: innovative start-ups, high-growth SMEs and midcaps, and infrastructure projects. The Demeter team has 37 people based in Paris, Lyon, Bordeaux, Grenoble, Madrid and Düsseldorf, manages €1.2 billion and has made over 200 investments since 2005.

Climate Infrastructure Fund S.L.P. (CIF) is an SFDR article 9 fund dedicated to investing in energy efficiency infrastructure in France and Europe. CIF is the third infrastructure fund managed by Demeter.

About ADEME Investissement:

ADEME Investissement was created in December 2018 as part of the *Programme d'Investissements d'Avenir*, now integrated into France 2030, steered by the General Secretariat for Investment. ADEME Investissement is owned by the French State and aims to provide equity financing for innovative infrastructure projects related to the energy and ecological transitions alongside private players. Its purpose is to alleviate the financing difficulties of the so-called "first-of-a-kind units". It has a budget of 400 million euros.

For more information: <https://www.ademe-investissement.fr/>

About La Banque des Territoires:

Set up in 2018, Banque des Territoires is one of Caisse des Dépôts' five areas of expertise. It brings together within a single structure all of our in-house expertise for local areas. As a one-stop shop for customers, it provides bespoke solutions in terms of consulting and financing through loans and investment to meet the needs of local authorities, social housing bodies, local public undertakings and the legal professions. It has been set up to serve the interests of all local areas alike, from rural municipalities to large cities, with the ambition of combating social inequality and territorial divisions. Banque des Territoires is also rolled out across Caisse des Dépôts' 16 regional managements and 37 territorial offices so as to resonate more meaningfully with our customers, in their neighbourhoods.

For more attractive, including, sustainable and connected territories.

www.banquedesterritoires.fr  [@BanqueDesTerr](https://twitter.com/BanqueDesTerr)

About France 2030:

The France 2030 investment plan :

- reflects a twofold ambition: to transform key sectors of our economy (energy, automotive, aeronautics and space) in the long term through technological innovation, and to position France not just as a player, but as a leader in the world of tomorrow. From fundamental research, to the emergence of an idea, to the production of a new product or service, France 2030 supports the entire life cycle of innovation up to its industrialization.
- it is unprecedented: €54 billion will be invested so that our companies, universities and research organisations can successfully transition in these strategic sectors. The challenge is to enable them to respond competitively to the ecological and attractiveness challenges of the world to come, and to bring out the future champions in our fields of excellence. France 2030 is defined by two cross-cutting objectives consisting of devoting 50% of its expenditure to decarbonize the economy, and 50% to emerging and innovative players, without harming the environment (in the sense of the Do No Significant Harm principle).
- Will be implemented collectively: designed and deployed in consultation with economic,

academic, local and European stakeholders to determine the strategic orientations and key actions. Project leaders are invited to submit their applications via open, demanding and selective procedures in order to benefit from the State's support.

- It is managed by the General Secretariat for Investment on behalf of the Prime Minister. More information on: www.gouvernement.fr/secretariat-general-pour-l-investissement-sgpi

About Colam Impact:

Colam Impact, the impact investment subsidiary of Colam Entreprendre Group, aims to develop innovative companies with a social and environmental impact. Colam Impact invests in them and provides long-term support to the teams who run them and make them grow. Colam Impact invests to finance a profitable and sustainable model, and mobilizes the Group's partners to identify, select and support the development of positive impact companies. To find out more, click here: <https://colam-entreprendre.com/impact>

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