

Housing for generations to come : Novo raises £870.4K to reduce carbon emissions for homeowners

Novo, the Berlin-based proptech startup, has announced a £870.4K pre-seed funding round to speed up the decarbonization of real estate at scale.

In 992, an Armenian monk, saint Gregory of Nicopolis, set foot for the first time in France. With him he brought a delicatessen which was then unknown to Europeans : a gingerbread house.

Despite knowing what gingerbread was, many Europeans had never seen it in such form. Beautiful and delicious, time proof thanks to their preservation properties, gingerbread houses quickly became a symbol of joy and celebration, especially popular during Christmas and Easter.

Nowadays, the tradition of baking gingerbread houses lives on. Many bakeries can still be found, scattered all around Europe.

But it's especially in the French region called Alsace, a land culturally mixed between France and Germany, that gingerbread houses are popular.

Today, French and Germans working together still make wonders. Novo, a Berlin-based startup and Citizen Capital, a French impact investor are

partnering with the following values at heart : sustainability and durability in order to shape a better future. Just like gingerbread house bakers, they are building homes that future generations can enjoy, and that will stand the test of time.

Rebuilding Europe

This deal marks Citizen Capital's first investment into a German company, co-lead by 2bX, the early-stage investor specializing in urban tech. Novo has also secured investment from Antler, one of the most active early stage global VC firms.

A number of prominent angel investors have also participated in the pre-seed round, including proptech-angel Franz De Waal, and Atomico angel investor Kerstin Bock.

“We’re thrilled to back NOVO’s mission to provide simpler and faster access to much needed home energy renovation. The drive of the founding team to speed up real estate’s climate action across Europe struck us and made supporting Novo an obvious choice” says Olivier Mougenot, Partner at Citizen Capital.

The EU has set the ambitious goal of renovating 15% of its building stock until 2030. This requires a much larger speed than the current renovation rate of 1% of buildings in Germany. The automation that Novo provides increases the speed of planning for building owners and subsequently a seamless execution of the renovation. Thus, enabling 35 million buildings in need of energy renovation in the next 6 years to save up to 80% of today's carbon emissions.

Energy renovation of the building stock has become one of the most hotly debated challenges in the fight against climate change. The German Parliament has been discussing new legislation to reduce carbon emissions in homes, struggled to find a solution and just recently passed new legislation for

a new *Building and Energy Efficiency Law*. Whilst the cost of living crisis in the UK continues to stall political progress, despite *record numbers of heat pumps and solar panels* being installed in Britain.

Investments in the sector skyrocket, as reports estimate funding reaching £1.91B in 2022 alone.

Everything to do but nothing to prove

Established in 2022, Novo's founders *Mona Hornung* and *Julia Wadehn* bring together a wealth of expertise from corporate and startup backgrounds – including a decade long career at *Siemens Energy*, as well as scaling energy startups such as *Tibber*. Both co-founders scaled and exited digital tech companies backed by VCs like *Adevinta*, *Founders Fund* or *Balderton* prior to founding Novo.

Novo is already working with large and influential partners such as financial institutions and energy providers to reach building owners at scale. Novo enables partners to easily identify, categorise and prioritise buildings in need of renovation. Partnerships are currently running in Germany with the likes of *DZ Bank* and *RheinEnergie*, representing a volume of over 7 million buildings.

When trying to make their building more energy-efficient, owners are confronted with a complex system of rules and subsidies. Novo is building technology designed to automate and speed up the complex process of analysis, planning and financing of energy renovation. Novo's service does this in three steps – by analysing the status quo of the building, providing a comprehensive energy renovation plan for owners and connecting to subsidies and loans to reduce renovation costs. Novo is the first to offer this service directly embedded into their partners systems like banks and energy providers.