

SMART WATER

Cimbria Capital bets on Danish data start-up

APX10, Cimbria Capital's latest acquisition, has captured much of the Danish utility market in just two years with its intuitive data analytics platform. The two partners are now poised to take the solution to new markets in Europe and beyond.

Cimbria Capital is looking to take a national smart water success story onto the global stage after completing its acquisition of fast-growing Danish networks analysis company APX10 from conglomerate Hedeselskabet for an undisclosed price in June. Private equity firm Cimbria, which is based in the US and Scandinavia, hopes this partnership will provide a foothold in the promising market for smart water applications.

APX10's unique selling point is its "Nordic simplicity", in the words of its CEO, Ulrich Borup Hansen. "This platform utilises existing data from GIS, IoT devices, smart meters, SCADA systems and, especially, publicly available data, so that it is all integrated into one platform," Hansen told GWI. "We want to build a user interface that everybody can navigate and make complex elements much more adaptable to daily tactical and strategic decision-making."

Spun out of Danish green innovation company Hedeselskabet in 2018, software-as-a-service company APX10 has already brought its data analytics platform to 20% of Danish water utilities. Combining sensory data from a client's water and wastewater network with machine learn-

ing and geographic information systems (GIS), APX10's software provides, among other things, network condition monitoring, anticipating where leaks are likely to spring up, and analysis of sewage overflow and rainwater infiltration. All of this can be visualised on an interactive map.

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In Cimbria Capital's view, APX10's success in Denmark was not just down to the quality of the solution, but its commercial mindset as well, and that is what made the company such an enticing investment. "They are very good with their customers, they have a team that understands that they need to create real value for the utilities they work with, and they need to be commercial as a company – and that is what

sets them apart the most," explained Brian Iversen, managing partner at Cimbria Capital.

Cimbria was founded in 2014 with the mission to invest in innovation in the agriculture and water sectors in North America and Scandinavia. Following its acquisition of APX10, Cimbria hopes to play an active role in the start-up's development. "Cimbria's acceleration programme can help with very specific things: business development, organisational development, international growth," said Iversen. "We're an accelerator, so we show up with the growth capital, but we also show up with a team that is willing to roll up their sleeves and assist with that growth."

From APX10's perspective, Cimbria is a natural partner to help fulfil its ambition to outgrow the Danish market. "Cimbria Capital will be a great help in terms of the competencies that they will provide," said Hansen. "They have great experience when you look at their management team and the senior advisers they have, so that's a great resource pool for us to get access to, and they are part of a global network that we could not penetrate ourselves."

COVID-19 has delayed some of APX10's plans for international expansion, though this is expected to be only a temporary speedbump, and may in fact yield more fruitful opportunities for digital solutions in the future. "Having discussions with utilities in Denmark and especially other European countries, it's clear that the COVID-19 situation has been a catalyst towards bringing them into the digital age. They have been forced to rethink how they do things," said Hansen.

Cimbria also sees in APX10 a growing opportunity in digital technology in general. "Data analysis', 'big data' – we need to be careful with those buzzwords, but in the case of APX10, they are one of those companies that can make things better for all of us through better resource management," said Iversen. "COVID won't slow us down, really. It will most likely function as an accelerator, a booster for disruptive companies, because it forces us to rethink old habits, and we expect to benefit from that by making investments in those companies where we can." ■

