

Start-up Aurtra secures \$2m in bid to reshape energy market



Aurtra co-founders Terry Woodcroft, Stephen MacRae and Richard Harris.

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Energy infratech start-up Aurtra has landed a \$2m oversubscribed seed round from Australia's largest angel investment group, Sydney Angels, university-based seed investors Uniseed, Melbourne and Brisbane angel groups and other international investors as it moves to transform Australia's energy infrastructure market.

The firm has built a patented Internet of Things-powered asset management platform that co-founder and chief executive Stephen McRae told The Australian enables real-time monitoring and life extension of energy transformers whose 30-year automatic replacement cycle creates a \$1.7 trillion global problem with major environmental implications.

According to Mr McRae, Aurtra is installed in 66 per cent of Australian power distribution utilities and the start-up will use its capital injection to leverage existing distribution in Australia, New Zealand, North America and Europe to drive new customer acquisition in the US, Asia, and Europe. This \$2m round lifts the company's total funds raised to \$3m in two years.

"One of Aurtra's obvious strengths is a proven track record in electricity networks across Australia and New Zealand together with genuine excitement about the technology from leading utilities in Europe, Asia and North America," Mr McRae said.

“We believe this is because Aurtra’s unique energy infrastructure technology doesn’t just provide previously unheard-of visibility into the status of energy transformers, which potentially increases their shelf life by upwards of 10 years or 33 per cent, but because it’s also fully automated and can be installed in under 30 minutes.

“With around 34 million ageing energy distribution transformers globally, there is a \$1bn annual revenue opportunity if we acquire just 5 per cent of this total addressable market.”

Mr McRae said that the global infrastructure technology market was yet to be touched by major technological transformation.

“This also made it challenging to find VC funds that understood the sector and were willing to commit at seed stage,” he said.

The firm got its start by licensing IoT research from The University of Queensland in March 2017, forming Aurtra the same year and installing the first solution with Energy Queensland four months later. Within two years the solution had been adopted by more than two-thirds of Australian power distribution utilities.

Mr McRae said the company was now seeking contracting opportunities with transformer manufacturers, large industrial energy users and power utilities seeking to reduce risk and extend the life of their transformer fleet.

“Not only does Aurtra have a proven and unique product but this new funding will enable rapid global expansion through new and existing distribution,” Sydney Angels’ investor representative Richard Shepherd said.

Uniseed’s investment manager Paul Butler added: “Aurtra’s solution will help relieve strained infrastructure budgets, particularly where ageing networks are struggling to incorporate volatile renewable energy flows.”

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