

UnaBiz's acquisition of Sigfox will lead to a change in strategy and greater collaboration in the LPWAN space

April 2022

Ibraheem Kasujee and Michele Mackenzie

UnaBiz, the Sigfox operator in Singapore and Taiwan, became the new owner of Sigfox on 21 April 2022. UnaBiz was one of nine bidders for Sigfox, which filed for insolvency in January 2022. It reportedly paid around EUR25 million to acquire both Sigfox SA (the parent company that owns the Sigfox technology) and Sigfox France SAS (which owns and operates the Sigfox network in France).

The deal marks a significant change in how Sigfox operates and collaborates with other LPWAN players in the IoT market. The reorganisation of Sigfox should reduce the fragility in its operating model¹ and help to better align it with its operating companies. This will have implications for the wider LPWAN market.

UnaBiz has adopted a different strategy to most Sigfox operators

UnaBiz launched in 2017 and operates nationwide Sigfox networks in Singapore and Taiwan.² It is well-funded and has some large investors. UnaBiz raised USD10 million in Series A funding in August 2018, followed by USD25 million in Series B funding in October 2021. Investors include KDDI (via the KDDI Open Innovation Fund), Engie Ventures, CDIB, G K Goh and Thai Oil Group.

UnaBiz has taken a somewhat different approach to most Sigfox operators and indeed, many cellular IoT players.

- UnaBiz is active outside of its main Sigfox markets. For example, it has a presence in Japan, where it has partnerships with Kyocera (for Sigfox connectivity) and Soracom (owned by KDDI, which has invested in UnaBiz). It is also active in other countries in Asia–Pacific such as Australia.
- UnaBiz plays a broad role in the IoT value chain by providing hardware and software services in addition to connectivity. It has developed several custom Sigfox solutions for customers (such as custom-built trackers and sensors). For instance, it worked with Soracom and NICIGAS to develop a retrofitted gas meter reader (on Kyocera Communication Systems's Sigfox network in Japan) that can monitor 850 000 gas meters.
- UnaBiz takes a technology-agnostic approach in the solutions that it provides for customers. It supports cellular connectivity (including NB-IoT and LTE-M), LoRaWAN and short-range technologies such as Wi-Fi and Bluetooth.

¹ For more information about Sigfox's previous strategy, see Analysys Mason's [Sigfox's new leadership and refocused strategy may improve its fortunes, but challenges remain](#).

² For more information about LPWAN deployments worldwide, see Analysys Mason's [LPWA networks index](#).

UnaBiz will implement new strategies to realign with stakeholders' interests

The exact nature of how Sigfox will operate going forward is not yet fully clear, but there will undoubtedly be changes from the current model. The press release on the new ownership indicates two key changes.

- **New strategies and governance.** UnaBiz has referred to new strategies and governance in relation to its main stakeholders: partners, customers and Sigfox operators. 45 Sigfox operators founded the OGUN alliance in 2019 to manage their interests without the involvement of Sigfox itself. UnaBiz has been active in OGUN and will have a sound understanding of Sigfox operators' requirements.
- **Convergence of LPWAN.** UnaBiz has also stated its intention to "strive towards the convergence of LPWAN". This represents a significant departure from the current Sigfox model, which has promoted the exclusive use of Sigfox by Sigfox operators. UnaBiz already deploys other LPWA and short-range technologies for its projects.

Some details of the new strategy are still not known, including the following.

- **Company structure.** UnaBiz has acquired both Sigfox SA, the technology holding company, and Sigfox France SAS, the national Sigfox network in France. It is not clear if UnaBiz will run both companies separately, but it would make sense to do so because they are two distinct businesses. Sigfox USA is also currently undergoing bankruptcy proceedings with debts of almost USD150 million, though Sigfox has stated that the US operations are separate from Sigfox SA and Sigfox France SAS.
- **Licensing model.** The new Sigfox firm has the opportunity to move to a more-standard technology licensing model. Sigfox operators were previously tied to Sigfox SA as the sole supplier of network infrastructure, which made for a fragile ecosystem. Sigfox's bankruptcy created significant uncertainty for Sigfox network operators and end users of the technology. UnaBiz probably has limited experience of running a company that develops networking technology. We would therefore expect that the business model will change and that the new company will license IP to create an ecosystem of suppliers (similar to the approach of the LoRa Alliance).
- **Revenue model.** Sigfox SA previously generated revenue by selling hardware and equipment to Sigfox operators and taking a cut of the revenue earned by them. The latter aspect was unpopular with Sigfox operators and we expect that UnaBiz will re-evaluate this decision.
- **Convergence of LPWAN.** It is not clear which technologies will be the subject of "convergence". UnaBiz already has experience of deploying a range of technologies and working with partners such as Soracom to bring cellular capabilities to its portfolio.

Sigfox operators will welcome the end of the period of uncertainty and will expect to have greater influence going forward

The French authorities have managed the Sigfox bankruptcy process efficiently and have successfully avoided too much media attention and speculation. They have appointed a new owner quickly so as to minimise the uncertainty for Sigfox customers and network operators, most of whom are dependent on private equity investment. Sigfox operators, such as Heliot, iWire and WND, which previously lacked visibility and influence

on the wider Sigfox strategy, will welcome the end to the uncertainty posed by Sigfox's insolvency, but are likely to expect an opportunity for increased collaboration in the future.

A closer relationship between Sigfox and other LPWAN technologies (such as LoRa) should strengthen Sigfox network operators' offer and may increase the competition for mobile operators with NB-IoT and LTE-M networks. Sigfox and LoRa operators may be able to plug the gaps where one network lacks coverage, or bring in partners to develop custom hardware or software solutions.