



Hygge Energy Inc.

Hygge Energy is a platform for trading renewable energy and carbon credits.

Problem: 1 in 7 Americans are served by a municipal-owned utility, yet these utilities are not promoting solar because they are simply uneconomical. Currently, solar programs provide incentives for consumers to purchase solar, however these programs cause revenue loss for utilities.

Solution: The Hygge Platform tracks, allocates, and enables trading renewable energy within communities and any carbon credits associated with the use of renewable energy. Our solution helps municipalities achieve net-zero goals as per COP 26 targets.

Business: The Hygge Platform costs a one-time licensing fee of CA\$50,000, plus CA\$5,000 annual maintenance fee. Every time energy is traded on the platform, we charge 10% transaction fee through our consumer app. The Hygge Box is sold/leased at CA\$500 per box.

Market: Our customers are municipalities and municipality-owned utilities. 1700 munis/co-ops serve 26% of retail electricity in USA. Our past partners are Hydro One, Town of Erin, and Niagara-on-the-Lake. We are in talks with Oakville Hydro as well.

Accomplishments: We have existing revenues from the projects where we demonstrated our solution. We already have a pipeline from early adopters. These customers like Hydro One have the potential to scale our solution rapidly.

Pitch deck: files.dealum.com/2022-11/hc0zboz09hok...

Team



Prateek Saxena
CEO

Experience: Prateek founded Hygge Energy after spending three years as the in-house entrepreneur at Tech Mahindra. Another two years later, he had developed Hygge Energy's peer-to-peer trading product in partnership with his company's strategic partners and customers. He was part of the team at Ontario Power Authority (now IESO) that created over 500 MW of demand-response and renewable energy programs.



Raj Krishnamurthy
CTO

Experience: Raj is a Technology Associate with Capricorn Investment Group, a multi-billion-dollar fund that invests in cleantech. In three decades, he developed 30 years of expertise in technology R&D, technical marketing, customer engagement and general management in remote and urban microgrid solutions, solar PV, extreme-life battery storage technologies, off-grid renewable power and distributed generation.



Lee Anne Downey
CMO, and Investor Relations

Experience: Lee Anne is the Owner of Stonewell Lavender Farm and Apiary, and the President of the Ontario Lavender Association. Her areas of expertise include marketing, strategy and finance.



Atul Kunwar
Chairperson

Experience: Atul is an investor and advisor to tech start-ups building platforms driven by AI / deep learning and blockchain to deliver transformational solutions to global challenges. Working in the industry since 1986, Atul has become a global expert in transforming businesses – high growth, turnarounds, going global and developing innovative business models.



GREENBACKERS INVESTMENT SHOWCASE

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Tags: COP 27 Pitch
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Registered Apr, 2017

www.hygge.energy

Country: Canada

www.linkedin.com/company/hyggeenergy

twitter.com/saxenaprat

MVP/Seed Stage

Software

Energy, Cleantech
Software & Services

AI, Blockchain
IoT

B2B

Capital seeking (£): 670,000 - 2,000,000

Funding stage: Seed Round

Already raised of current funding round (£): 0

Minimum ticket size (£): 167,000

Pre-money valuation (£): 3,300,000

Registered/incorporated: Yes

Company legal name: Hygge Energy Inc

Company registration number:
002570564

EIS/SEIS approved: Not Applicable/Not Eligible

What is your business model?: B2B SaaS

Primary currency: CAD

Contact: Prateek Saxena,
+14084202917,
prateek.saxena@hygge.energy



Rob Lister

Advisor

Experience: Areas of expertise: Electric Utility, Regulations, Growing & Transforming Utility's Operation
- President & CEO of Oakville Enterprises Corporation (OEC)
- Chair of Board of Directors at Ontario Energy Association
- Board Member of Canadian Electricity Association
- Vice-Chair of Board of Directors at GridSmartCity Cooperative



Suzie Dingwall Williams

Advisor

Experience: Areas of expertise: Financial Structuring, Creditor Issues, Corporate and Securities Law, Technology for Licensing for Startups.
- Partner at Venture Law Associates LLP Principal at BCE Capital
- Associate at Blakes Canadian Lawyers
- Senior Counsel at Nortel



Yezdi Pavri

Advisor

Experience: Areas of expertise: Strategic Risk Management, Project Assurance at Large Electric Utility
- Former Vice-Chairperson, Managing Partner & Founder of Enterprise Risk Services at Deloitte
- Former Board Member of Hydro One and Ontario Power Generation
- Board Member of ICICI Bank
- Chairperson at Canada-India Business Council

Number of team members: 15

Number of employees: 15

Second point of contact: Shivani Mathur

Their email: shivani001@hygge.energy

Their phone number: +44 7867660699

Solution

What stage is your technology at?: MVP (Minimum Viable Product)

Technology readiness level (TRL): TRL 6 - Technology demonstrated in relevant environment

Market

Geographic markets: Canada, India
Thailand
United Kingdom
United States

What steps have you taken to validate the market?: Zero Emission Electric Mobility: We have completed the pilot project for our renewable energy-based peer-to-peer EV charging solution with Indian Oil Corporation Limited (IOCL), India's largest oil and gas company with the largest number of gas stations. IOCL is interested in scaling this project.

Smart Village Movement (UC Berkeley): We are creating a self-sustainable village in India that is empowered by our platform by setting up a peer-to-peer solar rooftop system at a school in the village. Our technology will power the school and equipment for skill building classes, and also utilize surplus generation to provide potable water for the village.

Medical Center: We are installing solar generation and setting up EV charging stations in the parking lot of a medical center in Santa Ana, California. The AI embedded on our Hygge Box will bring a reduction of 97% in their energy bill. They will also be able to share surplus generation with the community.

Approximate market size, in millions (£): 670,000

How did you estimate the market size?: Currently unserved "energy access" markets can be served by distributed renewable energy generation: this is a potential market size of approx. US\$1T (TAM).

1.1 billion people lack access to reliable electricity

Per capita average electricity consumption is 3480 kWh

Average electricity price is US\$0.23/kWh

Hence the potential unserved market is worth US\$880B, or ~US\$1T, or CA\$1.2T

Economics of such renewables-based DERs will be significantly improved if they can export their spare capacity through peer-to-peer trading: a conservative estimate of Hygge's market share is approx. US\$100M.

If 10% of the \$1T market is served by micro grids, it amounts to US\$100B

If 10% of these microgrids adopt P2P, the market size = US\$10B

If Hygge captures 1% of this market, this amounts to US\$100M, or CA\$125M

What is the competitive advantage of your company?: The Hygge Platform is the only technology in the market that benefits all four energy stakeholders: municipalities, by achieving net-zero goals through the provision of validated carbon credits on a real-time basis; utilities, by improving resiliency and profitability through the addition of financeable battery storage; solar owners, by making payback attractive; and non-solar consumers, by supporting renewable energy at same/lower price.

Powerful features in one transformative platform, enable tracking of the power flow from multiple resources, allocation and trading of renewable energy to local customers, and optimization and coordination of storage management. These elements create a renewable energy trail, making it possible to trade carbon credits through the Hygge Platform. Trading carbon credits is a feature that none of our competitors have.

We are approved for 2 patents, have 1 more in progress, and are in the process of filing for 1 more in USA & Canada.

Which companies do you consider to be your main competitors and why?: Our competitors fall under two main categories: traditional transactive energy companies (e.g.: PXiSE, Opus-one), and blockchain transactive energy companies (e.g.: Power Ledger, LO3 Energy, TransActive Grid).

While the latter category offers blockchain-based payment and settlement, neither category offers linking with carbon credits, the choice between consumer-/community-owned transactive energy and utility-owned transactive energy, or energy allocation, accounting and optimization. The last of these allows renewable energy to be directed to high value applications, which, in turn, enables maximum renewable energy usage.

Business Model

What is your business model type?: SaaS

Can you list, in detail, your sales pipeline for the next six months?: We have been working on the first use case for our platform for two years. The use case is renewable energy-based EV charging, which makes a strong case for zero-emission e-mobility. We are now commercially ready with this solution and planning to scale it to 1000 EV charging stations in 2022-23. We have already identified some very large gas station chains as our franchise to deploy our solution (please refer to our press releases). We are in the midst of appointing franchises to focus on residential, commercial and retail markets. The benefit of our solution is low capital cost and easy integration to already installed EV chargers as well as future installations. This will give us a revenue of CA\$1 million, with 50% component as recurring. The recurring component of our revenue will increase to 80% in 5 years as we add more and more EV charging stations on our platform.

Our EV charging app is available on Google Play Store and provides immersive experience to EV drivers including advance booking and also driving traffic to our franchises' EV charging stations.

We have signed projects for peer-to-peer (P2P) energy trading, one each in Thailand, India, California, USA, and Ontario, Canada. These are proof-of-concept projects that will help us develop commercial solution for P2P energy trading. These projects are expected to provide revenues exceeding CA\$2 million, most of which is one-time non-recurring revenue. However, it will establish a recurring business model for P2P.

Finance

Monthly burn (£): 13,000

Months of runway: 6

Has the company received any funding or investments to date?: Yes

Type of funding and investments received: Business Angel, Debt (loans)

Government Programs

Grants

Own Investments

Raising capital: Yes

Capital seeking (£): 670,000 - 2,000,000

Funding stage: Seed Round

Already raised of current funding round (£): 0

Minimum ticket size (£): 167,000

Do you have a lead investor?: I'm looking for a lead investor

Pre-money valuation (£): 3,300,000

How much are you planning to raise in the future? (£): 8,000,000 - 10,000,000

When are you planning to raise the next funding round(s)?: 12-18 months

Strategy

What milestones are you planning to reach with current funding round?: We are planning to create a commercial-level P2P energy trading platform and integrate it into our proprietary carbon credit calculating and trading tool. This will help us to sign five commercial deal with municipality-owned utilities in the next 12-18 months.

Explain in short, what are your international ambitions?: We are already seeing lot of tractions in international markets,

especially the countries which have opted in COP 26 targets. We are ready to scale in India with our renewable energy-based EV charging solution and recently with the help of high commissioner of UK, we were introduced to the opportunities with distilleries in Scotland who are facing high costs of oil&gas for heating purposes. We are already pursuing opportunities in California and US.

Our largest global project was with Indian Oil Corporation Limited (IOCL), a \$40 billion gas station retail giant with over 50,000 gas stations across India. IOCL's aspiration to promote public EV charging was impeded by the challenge of lack of a robust distribution grid in the country that can support fast EV charging infrastructure. Hygge's founders had already worked on the very first EV charging project in Ontario; the knowledge from that project was leveraged to create the first generation of the Hygge Platform by using rooftop solar at an IOCL gas station to power fast EV charging stations without isolating it from the distribution grid. This solution not only helped IOCL to aggressively promote EV charging, but also use the Hygge Platform to reduce electricity bills by 80 percent. Now, they are working with Hygge Energy to connect this solution to the carbon credit market. This solution enabled Hygge Energy to be acknowledged as the fastest growing climate solution company from Canada entering into the global markets.

Subsequent to this project, Hygge Energy took up the challenge of providing a renewable energy-based off-grid solution to a skill development school in a remote area lacking access to reliable grid infrastructure. The Salesforce Trailblazer Lab in Shillong, Meghalaya operates on our technology platform, which is integrated with a microgrid system comprising solar PV and batteries to ensure uninterrupted power supply. The energy generated is used to not only electrify the school campus, but also operate power tools required in skill training programs sponsored by Salesforce. We aim to make the village grid-independent with a solution that is sustainable, scalable, economical and commercially profitable.

Our project with Smart Village Movement is a collaborative initiative between the Government of Meghalaya and UC Berkeley. One of their major verticals is energy – more specifically, sustainable and efficient sources of energy for villages that come under their purview. Through this partnership and our renewable models, we aim to bring not only clean, sustainable and affordable electricity to the villages of Meghalaya, but also focus on improving the quality of life in these remote villages by offering the Hygge Energy platform for peer-to-peer trading of surplus clean energy harvested.

Sustainable Development Goals: GOAL 1: No Poverty, GOAL 7: Affordable and Clean Energy

GOAL 8: Decent Work and Economic Growth

GOAL 9: Industry, Innovation and Infrastructure

GOAL 11: Sustainable Cities and Communities

GOAL 13: Climate Action

GOAL 17: Partnerships for the Goals

What is your exit strategy?: Competitor buyout, Company buyout

IPO/RPO

Other

What is your exit timeline? Explain.: 5 years. We are the first in the market with this type of platform. This is an attractive market, but we also will require some competition in different geographies so that the initial challenges like policy and regulatory changes are removed while we get ready to enter global markets. This whole transition will take at least 3-4 years and by the 5th year, we will be an attractive acquisition target for any large, multinational company or investment funds who have invested in renewable energy assets.

Other

If you have secured patents, are they assigned to an individual, to the company, or licensed in?: All patents are assigned to the company.

Have you participated in any accelerator or incubator program?: Yes

Business Plan (pdf, pptx, docx): <files.dealum.com/2022-11/my4bc9y2ckal...>
