

The OGCP Monthly

Old Greenwich Capital Partners

January 2022

A Letter to Our Readers



Dear Reader,

It's official, the holidays are over and it's time to get back to what we all do best. We are glad to continue the journey with you all, as we look to start 2022 strong.

The past year has been a wild ride. From uncertainty to unusual trends, and most importantly a time for our industry like never before. The growth all of us have experienced is unparalleled to any other time. Seems as if the good days are just getting started. With that being said, as always, the need to keep an open mind, learn and grow is paramount. Let us all build new and stronger relationships; focused on mutual growth.

Our commitment to our investors, the private markets and our readers remain unchanged as we enter this new year. Thank you all for your everlasting support.

Happy New Year and wishing you all a tremendous amount of success,

The OGCP Team

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Note: Click the recommended article to read.

The Continued Boom of IPOs – Most Anticipated Exits of 2022

By: Anushka Mathur and Sergio Santisteban

Let's recall last month's issue. We reviewed the major highlights of the industry across 2021, with many broken records, such as median deal size, VC investments, and, of course, last year's resounding success for the IPO market.

It is not doubt that 2021 was a big year for public offerings, with Robinhood, Coinbase, Rivian, Nubank, among others, joining the list of publicly traded companies. From what has been seen so far, 2022 is set up to be another robust year for this market; many well-capitalized companies, following strong performances in recent years, are soon heading for an exit. For decades, IPO companies were primarily financial institutions, as of late -- insurance companies, retailers, and more recently, tech and e-commerce companies have entered the stage due to their large demand. Listed are a few companies that are expected to debut next year:

Instacart: The well-known online grocery shopping service that hires personal shoppers to hand-pick items and deliver it to customers, is planning to go public in 2022. The company boasts partnerships with well over 25,000 grocery stores and big retailers to provide one of the best services within the industry. Their expected valuation is around \$30B.

Databricks: With a total raise of \$3.5B and a comment by CEO Ali Ghodsi regarding the company "going public six months at a time", Databricks is anticipated to end its journey as a private firm soon. With the vision to help companies organize data and segregate as structured and unstructured information through sophisticated tools, the company has been backed by Morgan Stanley's Counterpoint Global and BNY Mellon. It comes as no surprise that it is now valued at a staggering \$38B.

Impossible Foods: This company unveiled their meatless burgers back in 2016 and, since then, has raised over \$2B in VC funding, while increasing their food offerings and even partnering with fast-food chain Burger King.

Masterclass: A education streaming platform that makes it possible to access courses on different topics and features well-known experts as teachers. Over the past 2 years, it has increased its content portfolio by 90% and now it's ready to move to international markets. It raised \$460MM and, with a valuation of roughly \$3B and the success they are having, is not planning to stay private much longer.

Revolut: Another highly anticipated IPO is that of Revolut, London based digital bank co-founded by CEO Nikolay Storonsky and CTO Vlad Yatsenko in 2015. With circa 15 million customers, the firm is valued at \$33B as of its last Series-E capital raise. Revolut aims to facilitate holding money in one bank account in different currencies using interbank rates.

Thrasio: Launched in 2018, Thrasio's unique business model involves reviewing other companies in home, kitchen, pets, toys, and games categories. If there is any scope for improvement, the brand is included in the firm's portfolio. With over 200 brands under their belt and counting, Thrasio is the fastest growing unicorn in the US, and has raised over an aggregated \$3.4B following its latest \$1B Series-D fundraising event.

Each of these companies has been revolutionary in their own way. Public market investors, both institutional and retail, have been curious about when the opportunity for them to invest in these companies will arise. For many investors, keep an eye out on these companies, you may be seeing an exit very soon that results in a significant ROI.



Changing Environment and Philosophy of Investment Firms – Specialized Investors Taking an Wholistic View

By: Ronak Parikh



2021 has been an interesting year for various asset classes. A lot of the developments we have seen so far will impact the upcoming year, driving tremendous potential. Many of these changes may define significant change not just to the Venture Capital Industry, but to the investment industry as a whole.

Let us start by understanding the changing environment. Much of this can be stemmed from trends observed within the last decade, however amplified significantly over the past 2 years.

One of the trends to note is the rise in retail investor participation within the markets. This is not only for the stock market, but various types of assets. The stock market has seen a 30% rise in retail investor participation while seeing a small decline in institutional participation. Furthermore, services like Raison and Republic allow individuals to take part in the VC world without being accredited investors. If that was not all, art, an asset class usually reserved for the wealthy, can now be invested in by individuals through MasterWorks. As successful investors, it can be expected that retail participation across the board will increase in the upcoming years.

Another major trend is the shift from being specialized to a more generalist investment firm; not sector-based generalist, but asset class based. Public market exists have been on the rise, and the trend is expected to continue in 2022. As a result, major VC firms are interested in holding their positions on the public markets as well. We can see Sequoia having made a very important structural pivot from their VC focused model, along with firms like Andreessen Horowitz. We have also seen hedge funds, such as Coatue and ThirdPoint taking part within the VC/PE space. This goes to show that a institutions are now focusing on taking an wholistic view of the investment industry, not just being specialized. As a result, we can expect more VC firms to become Registered Investment Advisors (RIAs) in the upcoming year.

The trend for corporate VC arms to increase investment activities will also continue. New companies are creating and using technology to their advantage, looking to gain marketshare from corporations. As a result, for these corporations to stay viable, they must invest and build strategic partnerships with companies. While much of this activity is seen from the tech industry, legacy industries threatened by disruption

are also taking part.

The growing trend of US-based firms investing globally will continue in 2022. While the US is still a prominent country for VCs, there is a growing interest in developing regions such as Asia, Africa and Latin America. These regions are bringing significant levels of disruption to their local economies, either with revolutionary ideas that have never been seen before or ideas that have worked in the past altered to suit the local economy. For these ideas, many investors are already allocating capital to these regions. As their economies grow, the capital allocated from US-based investors will increase.

2022 is set to be an interesting year. With high activity and a growth in deal flow, both primaries and secondaries, investors will be busy. Even in such time, it is best to pay attention to when things can change. If 2021 has taught or reminded investors a few lessons, it would be patience pays off, and things can easily change. It is always wise to keep these in mind as we go into 2022.

Focus List

Bolt Financial		
Description	Latest Funding	Our Reasoning
A checkout experience platform designed to generate newfound revenue for e-commerce businesses. The platform offers shoppers an easy checkout with a one-click experience that gets higher conversions without the use of usernames, passwords, or having to use personal or payment data. Overall, the platform enables e-commerce businesses to convert, retain and delight more shoppers.	Late-Stage VC – Series E Round Date: October 29, 2021 Price/Share: \$57.96 Funds Raised: \$75.00M Total Raised: \$1.38B Pre-Money Valuation: \$11.00B Post-Money Valuation: \$11.77B	E-commerce is on a significant rise. As a platform, Bolt combines all elements of safety that is required by retailers, eliminating their concerns about shift away from the brick-and-mortar business. All while ensuring an easy experience for customers. This ease of business integration is a why Bolt has gained significant traction and will be able to continue their trajectory as the adoption of E-commerce continues.

Epic Games		
Description	Latest Funding	Our Reasoning
A video game and software developer whose platform is designed for gamers and game developers. The company provides game developers the ability to build high-fidelity, interactive experiences for PC, console, mobile and virtual reality devices.	Late-Stage VC Date: April 13, 2021 Price/Share: \$ - Funds Raised: \$1.00B Total Raised: \$4.36B Pre-Money Valuation: \$27.70B Post-Money Valuation: \$28.70B	In the last few years, Epic Games has been gaining significant popularity since the release of Fortnite in July 2017. Since then, Epic Games has only further developed their platform, development engines, games store and customer base. While video games were always popular, they have gained significant importance in the last year due to the lifestyle changes experienced. Much of the changes experienced will continue to stay and Epic Games is perfectly positioned to grow as a result.

Rappi		
Description	Latest Funding	Our Reasoning
An on-demand delivery platform designed to connect consumers with local stores, operating in LATAM. The platform helps consumers order groceries, food, and drugstore medications, along with many other items. Users can send money to someone or have a courier withdraw money from their bank/ATM and have it delivered. This enables users to access a variety of services from the comfort of their home, within minutes.	Late-Stage VC - Series F Round Date: July 16, 2021 Price/Share: \$64.42 Funds Raised: \$500.00M Total Raised: \$2.25B Pre-Money Valuation: \$4.75B Post-Money Valuation: \$5.25B	Rappi is becoming a super app, democratizing the entirety of commerce within parts of the LATAM region. With the level of convenience they offer, along with their size and being well capitalized, Rappi is poised to expand into many LATAM countries, capturing a vast user-base. This unique growth opportunity is organic growth. Ensuring Rappi to be a good investment long-run.

SpaceX		
Description	Latest Funding	Our Reasoning
SpaceX is a manufacturer of aerospace and space transport systems. Founded in 2002, SpaceX was created to revolutionize access to space and enable a multi-planetary society. Their purpose is to reduce space transportation costs and enable the colonization of Mars. SpaceX actively controls the design, manufacturing and launch of their spacecrafts.	Late-Stage VC – Series N Round Date: February 16, 2021 Funds Raised: \$337.36M Total Raised: \$7.02B Pre-Money Valuation: \$ - Post-Money Valuation: \$ -	SpaceX is an innovative, growing and revenue generating, disruptive company focusing on space technology. The company operates in a small space with very few competitors and high barriers to entry. SpaceX has various aspects to its business, just starting the beta test for their Starlink internet service and is poised to further grow. Under the leadership of Elon Musk, SpaceX will be a great investment for investors, just like PayPal and Tesla.

Zipline		
Description	Latest Funding	Our Reasoning
An automated drone delivery service focused on timely and effective delivery of blood and medical supplies. The company leverages proprietary fixed-wing drones to facilitate deliveries of blood, vaccines, and other medicines to hospitals and health centers, providing the medical community and patients in remote areas with the instant access they need to remain healthy.	Late-Stage VC – Series E Round Date: June 30, 2021 Funds Raised: \$250.00M Total Raised: \$553.30M Pre-Money Valuation: \$2.50B Post-Money Valuation: \$2.75B	Zipline has shown tremendous innovation within the supply chain. By focusing on remote communities, Zipline has made a significant stride in creating a product and opening a massive market region, Africa, where they will have a first mover advantage. The vast application of their technology allows for global expansion, both within the US and many parts of Asia. With such high potential, Zipline will be a strong investment opportunity.

Disclaimer: This Focus List is a proprietary list of the top-5 private companies for which OGCP is currently interested in completing a transaction. This list based off the various opportunities and demand OGCP has seen for the private companies in the private markets as well as companies OGCP feels are a good investment. Companies on this list are included at the discretion of the author and are subject to change. There is no assurance that any company on the Focus List will be a profitable investment for investors. The Focus List is for informative purposes only and should not be considered as investment advice.

Contact Us

Jeffrey Arsenault
Principal and Founder



917-601-9716



jeff@ogcap.com

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