

The OGCP Monthly

Old Greenwich Capital Partners

August 2021

In This Issue

- ❖ *DiDi's IPO – A Concern for Investors?*
- ❖ *ByteDance: A Social Media Giant Taking the World by Storm*
- ❖ *EcoFlow: A Mission to Provide Sustainable and Efficient Power to the Globe*
- ❖ *ID Plans: Ensuring Old School Property Management is a Thing of the Past*
- ❖ *Current OGCP Focus List*

List of Recommended Articles

- ❖ *How to Make the Math Work for Today's Sky-High Startup Valuations*
- ❖ *Housing Boom is Over as New Home Sales Fall to Pandemic Low*
- ❖ *Why Investors are Raising Climate Tech Funds at a Torrid Pace*
- ❖ *The Bond Market is Torn Over the Potential for Higher Inflation and Lower Growth*
- ❖ *Private Equity Firms to Scramble for Exit after China's New Tutoring Rules*

Note: Click the recommended article to read.

DiDi's IPO – A Concern for Investors?

By: Ronak Parikh

DiDi has been a very common name heard when speaking with investors. Over the past few years, everyone seems to have wanted to have a piece of the reigning king of China's Uber market. Everything seemed extremely promising for the company, especially moving towards an IPO. It leads us to wonder; what truly went wrong?

Well, DiDi is the Chinese ridesharing app that has majority share of the Chinese market. In fact, when Uber tried to operate in China, they failed. DiDi purchased Uber's China operations; as a result, Uber became a major shareholder in DiDi. Over the years, DiDi's business grew significantly, which was bound to happen with China being the second largest economy. For investors, this company seemed like a no-brainer to invest.

However, as many investors already know, the Chinese economy is highly unpredictable. On an April 2nd, 2020 CNBC segment, famed investor Jim Chanos said "You have to avoid these Chinese companies like the plague."

He further goes on to state that investors have been burned too many times in these too good to be true opportunities, with 40-50% a year growth projections and variable entities based out of the Caymen Islands. While Chanos is known as 'a glass half empty guy' when it comes to China, which he admits, his warning is one that we can see with Didi.

DiDi had its IPO at \$14/share, raising \$4.4 billion at a \$67.8 billion valuation. This made it the biggest US listing by a Chinese company since 2014. After a 19% pop on its first

trading day, it closed up 1% from its IPO price. Soon after the problems with Chinese regulators started. This essentially gave the share price a significant drop in the following days. If the news of an investigation by Chinese regulator related to DiDi's cybersecurity practices was not enough, news came out that executives were granted \$3 billion worth of fully-vested options prior to the IPO. Finally, on July 7th, the app was removed from WeChat and Alipay apps, giving a significant blow to the company's revenue.

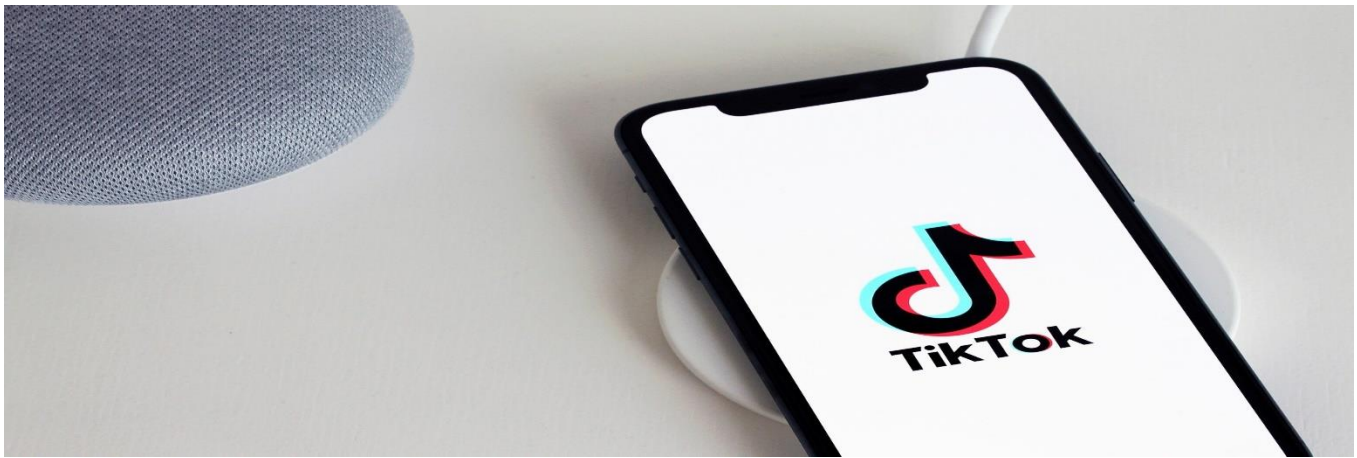
Class action lawsuits have been filed against DiDi for securities fraud. Many of them claim that the company knew of these investigations but failed to disclose them. DiDi warned IPO investors in the prospectus that their ability to protect their "rights through US courts may be limited, because we are incorporated under Cayman Islands law." Just like Chanos said, this is a common concern when dealing with Chinese companies.



A lot of issues have occurred when it comes to Chinese companies. The Ant Financial IPO being halted, the failed first day US listing of Miss Fresh and now DiDi. It is highly unpredictable for investors to anticipate what the Chinese regulators will do, and the impacts on their investment. It leads us to question what is going on in China and are investors being taken for a ride. While Chanos has a great piece of advice, we believe private market investors are well suited to make the decisions. Never forget – due diligence is key to making wise investments.

ByteDance: A Social Media Giant Taking the World by Storm

By: Sergio Santisteban & Anuska Mathur



Social media undoubtedly has become an integral part of our daily lives, whether it's for entertainment, communication or to promote the growth of businesses; its popularity has grown exponentially, and its uses are apparently limitless. First introduced in the 90's, it was not until 2004 when Facebook took these platforms to a whole new level. It gave people the opportunity to communicate without barriers and let their friends stay updated about their life through posts, photos, and videos. Since then, a wide variety of platforms have emerged, and today's social media landscape is populated by over 5 billion mobile device users worldwide. One of those modern social media platforms is the popular app TikTok, founded in 2016 by the tech company ByteDance.

ByteDance is a multinational internet technology company based in Beijing, China. The company are the developers behind several successful social apps, like the well-known video sharing social networking service TikTok and Douyin. By 2020, ByteDance had over 1.9 billion monthly active users across all their platforms, mainly because of the recent popularity its apps had during the pandemic; an 800% growth in their users since January 2018.

created by ByteDance, offers its users access to news and headlines from different topics. Soon after release, Toutia became one of the most popular content discovery platforms in China. Following that, the company has launched different apps and platforms catering to every type of user, such as Xigua Video, Helo, Lark, Babe, BytePlus and of course, TikTok/Douyin, their most attractive product. TikTok is the next frontier in social media for influencers, marketers, and advertisers; it has come to change the way brands and companies promote their products. This social app has proved to be a new way to capture the new generations' short attention span, with videos ranging from 15 seconds to 3 minutes.

ByteDance's popularity has not only increased the business' user base but also profitability. Their revenue last year totaled \$34.3 billion, up 111% year on year (YoY), with a gross profit of \$19 billion. With products available in over 150 countries and offices in 126 cities, ByteDance has managed to grow to be known as one of the biggest and most successful technology companies from China. In March 2021, they managed to acquire a new vertical called Moonton Technology, a gaming studio, for \$4 billion, to further increase their portfolio offerings and move into the gaming industry.

Regarding their previous funding rounds, in 2014, ByteDance held a Series C where the company raised \$100 million; they gained a \$500 million valuation. Since then, they have had several progressive rounds, with the last one being in February 2021, raising \$5 billion and a total amount raised to date of \$14.45 billion. With this round, ByteDance reached a post-money valuation of \$360 billion. Various investors have participated including some of the bigger players such as Fidelity, Sequoia Capital, and Tiger Global Management, among others.

The prospect of an IPO has been pushed back following increasing Chinese scrutiny on local companies listing overseas. Yet, many investors see opportunity and remain bullish. If the trend with Chinese companies continues, investors may even see another primary round. Be prepared.

OGCP comment: As technology changes, many industries must evolve and adapt. The development of mobile technology has impacted social media and we believe ByteDance is the new giant in the industry. All due to ByteDance's efforts to get involved in products and industries that are the future of entertainment.

EcoFlow: A Mission to Provide Sustainable and Efficient Power to the Globe

By: Ronak Parikh



Electric power, something we are all accustomed to having available. It's only those rare moments that we are without them do we truly realize the value. Imagine your house loses power for a few hours during summer. Now consider how your life would be if that lasted a few days. For many around the world, this can be a reality. Seems a bit too grim, right?

Having portable electric power has its advantages. In the rare cases of a power outage, you can have the necessary electronic devices running. However, portable power can be useful for many other activities as well. Camping, powering appliances in a workshop, backyard movie night and maybe even having a scenic photoshoot. The options are endless. However, the problem is that these portable power sources are bulky and heavy. Well, that's why EcoFlow, a company taking portable power to the next level.

Founded in 2016 by Lei Wang, Hannah Sieber, Fan Zheng and Eli Harris, the company's goal is to provide battery-powered generators, as well as other energy products to foster inclusion and raise the standard of living in areas of the world where power shortages limit economic growth.

The company currently sells four different portable power stations, of which three are part of their River product line. What separates the Delta

Power Station from a very noticeable point is the design. It seems build for a more aesthetic setting such as a home or office. The River Line has a more rugged design, being ideal for a workshop or the camping trips with family and friends.

Now you may be wondering, how do I charge this portable power station. Well, part of what makes EcoFlow different is its charging abilities. EcoFlow claims to have 0-80% charging in 1 hour. User reviews state that they have the best charging speed when compared to other options available in the market. Aside from the regular charging method that provides such amazing results, also is solar charging compatible. The company sells 110W and 160W portable solar panels as well as various bundles on their website. All designed to be aesthetically pleasing, efficient and eco-friendly.

EcoFlow's prime objective is to compete with the traditional power generator manufacturers that use gas, such as Honda. By providing more convenient access to power, EcoFlow is part of the revolution to change the market dominance of such gas-based generators. While in the process, they are also competing with similar companies such as Jackery, Goal Zero (NRG Energy) and BioLite. Both Goal Zero and BioLite have been acquired in 2014 and 2019 respectively.

EcoFlow, like many companies today, started their journey by bootstrapping. They also went a crowdfunding route to launch their product. Even though the company has grown, they stay in touch with their roots and engage in crowdfunding at times.

Recently, EcoFlow secured \$100 million in funding. This was their Series B round, which took place on 10th June, 2021. As a result, EcoFlow achieved unicorn status, securing a post-money valuation of \$1 Billion. Investors in the round were China International Capital Corporation, Hillhouse Capital Group, Guosen H&S and Sequoia Capital China.

EcoFlow is a unique company. They have use proprietary technology to successfully cement their position in the market, and far exceed the abilities of competitors. To see how much of their goal EcoFlow will achieve in the long-run will be an interesting sight.

OGCP comment: EcoFlow has a technology that enables them to be more efficient than competitors. As the company continues to innovate, it would be ideal to see how their technology will help change the world. From an investment standpoint, the prior acquisitions and significant potential are a great metric for investors consider.

ID Plans: Ensuring Old School Property Management is a Thing of the Past

By: Anushka Mathur, Sergio Santisteban & Ronak Parikh

Real Estate is a very old asset class. In fact, in the olden days, owning, controlling and managing a vast amount of land meant you were at the top of the social hierarchy. Managing a vast amount of land, and of course having money, meant you were part of the aristocracy. The purpose land had in those times is that it was an ideal store of value, which could also be used to produce wealth. However, times have changed, and we, as people, have moved away from such a society. Yet, it is safe to say, the purpose of land has not changed.

Those managing properties, whether it be land, residential or even commercial, know of the effort it takes to do so successfully. It can hardly be as easy as making a trip every few months. It's for these scenarios that a company like ID Plans exists. In order to simplify the life of commercial property managers, ID Plans is a commercial real estate solutions provider that simplifies the leasing process for businesses and assists them in aggregating and optimizing data through AI and machine learning techniques, as well as providing a full range of management solutions.

ID Plans' Software-as-a-Service (SaaS) platform makes use of a centralized database, effective in storing, locating, verifying as well as extracting all property information for clients. The details are then fed into a cloud application by in-house experts, allowing for real-time easy access and updates.

ID Plans' core services have been available for two decades. What makes them unique is they managed to evolve with the technological times, thus gaining an ability to be relevant in the marketplace, rather than become dinosaurs.

The three management solutions that have stood the test of time and evolved



as technology progressed are ID RPM, ID Cloud and ID Digital. Each service plays a part in providing the best management tool-kit. With ID RPM, clients have comprehensive data about their property in one place. ID Cloud provides a secure method to store the data, while having an interactive dashboard to monitor all your properties; centralizing all your property management applications. ID Digital, well, let us just say the numerous meetings for leasing commercial properties are a thing of the past.

However, if you think ID Plans is done, you would be wrong. Their recently launched offering, ID 360, consists of in-house professional drone pilots to undertake a photo and video shoot of the desired property, enhancing viewing experience for customers. The use of such videos supports landlords in creating their estate story, completing a vision for tenants by including parking lots, exclusive property features, roof quality, nearby structures, and boundaries. Laser measurements up to BOMA standards are used to determine Gross Leasable Area (GLA), with on-site architects available to validate all Lease Outline Drawings. The business employs FDS teams to either travel via RV or fly out to sites to complete every customized project.

ID 360 has been created to display hundreds of data points to a user, including the age and location of the HVAC system to reports on Americans with Disability Act compliance. The ID360 listing for a gym in a shopping

center in Nashville, Tenn., for example, has 413 specific data points. Jordan Hearin, the ID Plans Chief Technology Officer, who played a key role in creating ID 360, commented on the extensive database owned by the firm: "We have data on more than 700 million square feet of property. By the end of 2021, we should have over a billion. Quiet, for 21 years now, we've been collecting this data, building it and building it and building it."

The company continues to maintain its growth trajectory with currently 45 employees and roughly 400 clients, and a sales growth rate of 28% year-on-year (YoY) from 2017 to 2019. About 97% of the company's revenue originates from existing and returning clients, who pay a one-time data collection fee of \$1,100-\$10,000 followed by a recurring monthly subscription that ranges from \$30-\$250.

Managing properties can be a pain is what you can often hear. However, those who use ID Plans can have it be easier. For those of you who are investing in commercial property, try ID Plans. For those who don't, it's a great company to keep an eye on.

OGCP comment: "You adapt, evolve, compete or die." An accurate quote by Paul Tudor, and ID Plans has shown one thing, it is not willing to die. Such a growing business is a great opportunity for investors in an everlasting space such as Real Estate.

Focus List

ByteDance		
Description	Latest Funding	Our Reasoning
The company focuses on developing and applying artificial intelligence technology to mobile internet applications. They own multiple brands developed in-house such as Toutiao and TikTok.	Late-Stage VC Date: December 18, 2020 Price/Share: \$ - Funds Raised: \$2.00B Total Raised: \$9.45B Pre-Money Valuation: \$178.00B Post-Money Valuation: \$180.00B	ByteDance is a large corporation with unique technology and outlook compared to other major social media players. With the global popularity, continuing to grow, of TikTok, ByteDance is a business with global opportunity. However, what truly gives ByteDance an edge is operating in the world's second-largest economy without much competition, making it a strong investment for investors.

Portl		
Description	Latest Funding	Our Reasoning
A developer and manufacturer of hologram projection machines designed to offer single passenger holoportation. The company's machines beam users from their location to other devices and features the ability to see, hear and fully interact with the audience in 4k holographic resolution. This technology enables users to edit any content/subject matter and play it back on a loop or through motion activation as a hologram move, or be live.	Late-Stage VC – Series Seed Round Date: October 29, 2020 Price/Share: \$ - Funds Raised: \$3.00M Total Raised: \$3.00M Pre-Money Valuation: \$ - Post-Money Valuation: \$ -	For decades, holographic communication has been science fiction and Portl is aiming to make it a reality. The founding team has significant domain expertise and the company has gained backing of many influential people. The technology will revolutionize the way we communicate with each other over long distances, one that gives humans a warm feeling. As a well backed company, Portl has tremendous potential.

Rise Brewing Co.		
Description	Latest Funding	Our Reasoning
Producer of natural nitrogen-infused cold coffee brew, offered as an organic beverage alternative. The coffee sourced is organic, fair-trade, and single origin. The brew is non-dairy and has minimal calories, providing consumers with light refreshment substitutes.	Late-Stage VC – Series A Round Date: February 17, 2021 Price/Share: \$7.56 Funds Raised: \$11.30M Total Raised: \$22.04M Pre-Money Valuation: \$40.00M Post-Money Valuation: \$51.30M	Rise is highly innovative in the RTD and oat milk space. While RTD coffee is fairly common, nitro cold-brew is not. Rise provides a unique, healthy and sustainable drink in the market, unlike its competitors. With the organic mil an RTD coffee marketing growing, as well as the company expanding into various verticals, Rise not only has the room and potential, but also a drive to grow.

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: \$850.00M Total Raised: \$6.37B Pre-Money Valuation: \$73.15B Post-Money Valuation: \$74.00B	SpaceX is an innovative, growing and revenue generating, disruptive company focusing on space technology. The company operates in a fairly 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.

Stripe		
Description	Latest Funding	Our Reasoning
An online payment processing platform designed to integrate electronic payments and enable secure transactions for online businesses. Enables clients to accept payments from anyone in a secure manner by using application program interfaces (APIs), streamlines coding focused on fraud prevention and helps manage business operations.	Late-Stage VC – Series H Round Date: March 14, 2021 Funds Raised: \$850.00M Total Raised: \$1.89B Pre-Money Valuation: \$35.15B Post-Money Valuation: \$36.00B	Stripe is an innovative, growing and revenue generating company in the fintech space. The company is one of the leading players in offering payment solutions, supporting a significant number of daily transactions. With the growth of the company, global coverage and a shift to tremendous shift to online purchases over the past year, Stripe has immense potential.

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 is list based off of the various opportunities and demand OGCP has seen 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

The information contained herein is confidential information regarding Old Greenwich Capital Partners (OGCP). By accepting this information, the recipient agrees that it will, and it will cause its directors, partners, officers, employees, attorney(s), agents and representatives, to use the information only to evaluate its potential interest in the investments and strategies described herein and for no other purpose and will not divulge any such information to any other party. Any reproduction of this information, in whole or in part, is prohibited. These contents are proprietary information of OGCP and may not be reproduced or disseminated in whole or part without the prior written consent of OGCP.

The information contained herein has been prepared solely for informational purposes and is not an offer to buy or sell or a solicitation of an offer to buy or sell any security or to participate in any trading strategy. If any offer of securities is made, it will be pursuant to a definitive offering memorandum prepared by OGCP that contains material information not contained herein and which supersedes this information in its entirety. Any decision to invest in the strategy or fund managed by OGCP should be made after reviewing such definitive offering memorandum, conducting such investigations as the investor deems necessary and consulting the investor's own investment, legal, accounting and tax advisors in order to make an independent determination of the suitability and consequences of an investment. An investment in OGCP involves significant risks, including loss of entire investment.

All performance and risk targets contained herein are subject to revision by OGCP and are provided solely as a guide to current expectations. There can be no assurance that OGCP's strategy will achieve any targets or that there will be any return on capital. Historic performance is not necessarily indicative of future performance, which could vary substantially.

The information presented herein, including, but not limited to, OGCP's organizational structure, investment experience/views, returns or performance, investment strategies, risk management, market opportunity, representative strategies, portfolio construction, capitalizations, expectations, targets, parameters, guidelines, and positions may involve OGCP's views, estimates, assumptions, facts and information from other sources that are believed to be accurate and reliable and are as of the date this information is presented—any of which may change without notice. OGCP has no obligation (express or implied) to update any or all of the information contained herein or to advise you of any changes; nor does OGCP make any express or implied warranties or representations as to the completeness or accuracy or accept responsibility for errors. The information presented is for illustrative purposes only and does not constitute an exhaustive explanation of the investment process, investment strategies or risk management. No person (other than OGCP and its principals and employees) has been authorized to make any statement concerning OGCP and any such statements, if made, may not be relied upon.