

# The OGCP Monthly

Old Greenwich Capital Partners

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## Are Health and Wellness Companies Just Another Phase?

By: Ronak Parikh

Health and wellness, when we think of this it is usually a thought of being physically healthy and having a balance in life. Is what we associate the terms with the true meaning or are these other aspects to consider?

unplug, get proper sleep, and focus on our mental health. Maybe much of this is due to society's stigma around these issues. The good news is, we are changing, and many companies are doing their part to ensure that all aspects of well-being are addressed.

For each person the idea of a healthy life and well-being is different. While the basics can be said for everyone, such as we do not want to be diagnosed with Cancer. The real question we must ask ourselves is, what are we doing for our overall well-being, physical, mental, and emotional.

Companies are growing at a rapid rate. Calm, an application software, saw their valuation jump by \$1.12 billion in 2020 alone. Other companies that have been revolutionizing healthcare, physical, mental and emotional, have seen tremendous traction during the past year. This trend has shown to result from the increased mental health concerns that have arisen due to the restrictions imposed during the pandemic. More people are showing signs of depression and lack of an emotional well-being. Our traditional methods of staying connected, phones and social media, can only go so far in making sure our need to be around those we care about are met.

In the busy world we live in, there are many things that prevent us from being at our best. For quite some time we have seen people beginning to eat healthy foods and exercise. Many companies in the space have grown rapidly as to provide a convenient way for us to focus on physical health. For physical exercise, Peloton has gained tremendous popularity, along with FightCamp. Ensuring our meals are healthy is taken care of by HelloFresh, BlueApron, and even companies like Weee! or Instacart.

While there may be a case to say that this traction for companies focused on health and well-being will eventually slow down, a case for the opposite can also be made. Studies comparing the economical welfare of the younger generations in society, are not providing positive results. The farther we have stemmed away from what was the glory days of the American Dream, the worse impact it has had on our well-being. If that is expected to continue, the vision of such companies might be all that is left to ensure we are still healthy overall. It might be this very reason the growth has been tremendous, and will continue to be a big part of investor's lives as we move in to a new age when considering well-being.

Each of these companies has seen significant growth over the past year. For many users, these products are engrained into their daily routine. So, can we say our world is focusing on health enough? Unfortunately, no. While we have gained back the desire to devote time to our health, away from the constantly busy workplace, the technology we so love has also been a curse to our well-being. On a general note, it is our mental and emotional health that has been significantly impacted. The constant busy worklife has taken time away from our social lives or time we keep for ourselves. We are less able to

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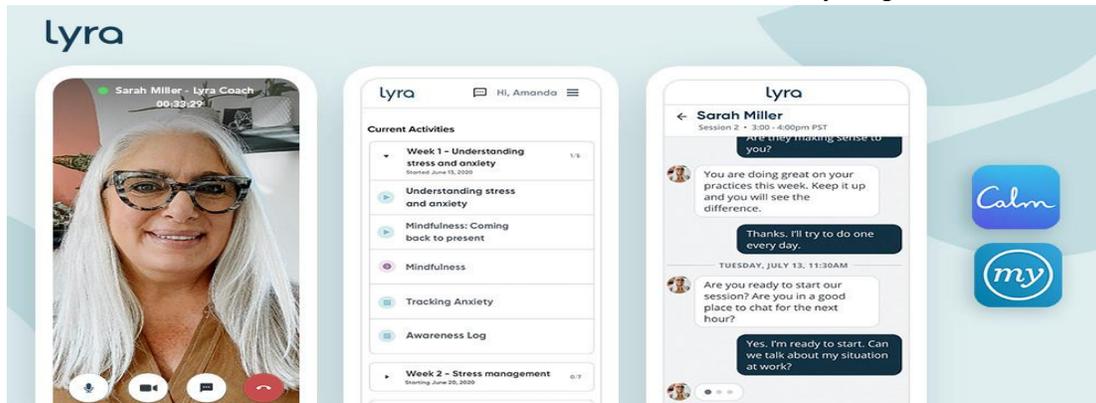
### List of Recommended Articles

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- ❖ *Sunk Costs: Business Failures from the Titanic to Evergrande*
- ❖ *Goldman Flags \$8.2 Trillion Threat Worse than China Evergrande*

Note: Click the recommended article to read.

## Lyra Health: Addressing the Problems with Mental Healthcare

By: Sergio Santisteban



Did you know that in 2019, more than 10% of US adults experienced anxiety or depression? If that number astonishes you, by 2020 it was 42%. Not only that, many of those people who had symptoms of a mental health issue looked for help in the national health system. However, not many insurances cover these illnesses. One-third of people couldn't find *any* mental health prescriber who would accept their insurance. So, we can safely agree that the biggest hurdle isn't treatment, it's access, right?

There are those making the effort to overcome such a hurdle for the better. Lyra Health is the leading provider of mental health care benefits for employers. The company was founded in 2015 by David Ebersman, the former Facebook CFO, who decided to leave his job after understanding this problem. David decided it was time to tackle the problem by himself, making it easier to find and get treatment for millions of US employees, and using technology to make the approach smarter, personalized, and most importantly, effective.

The California-based company offers a variety of in-person and remote behavioral therapy that remove barriers to high-quality mental health care. Lyra provides evidence-based care that supports people across all facets of m

mental health, from wellness and preventive care to the most severe conditions. The treatment model, based on cognitive behavioral therapy principles, provides ongoing support between sessions.

Members within the Lyra community receive support beyond the regular sessions. There is 24/7 access to personalized digital exercises, chat, assessments, and even a track record of the client's development and improvement in a phone app. All of this is possible thanks to their extensive network of coaches, therapists, doctors, global partnerships, and close to 100,000 providers, being available worldwide.

Lyra Health is the pioneer of new evidence-based mental health solutions that accelerate access to medical care and wellbeing. In 2020, the company introduced Lyra Blended Care, which combines video therapy sessions with exercises based on Cognitive Behavioral Therapy, leveraging technology to improve their services, while lowering costs. Not only that, that same year they announced a partnership with Calm, offering their services in the famous mental wellbeing app.

At this moment, Lyra Health has over 2 million members covered within their corporate insurance plan. Notable companies such as Morgan Stanley,

eBay, Uber, Roche, Zoom, and dozens of the world's largest, most respected brands are clients, showing the critical impact of Lyra's offerings.

This mental health company is being backed by many important and known investors world, like Coatue Management, Accel, Greylock, Fidelity, among others. In their last funding round, they raised \$200M at a \$4.6B valuation. This capital will help them develop specific programs for alcohol use disorder and other serious mental illnesses which will be available next year. Furthermore, the company plans on expanding their network and their market reach, as well as creating strategic partnerships around the globe.

Even with insurance, mental healthcare is a service with difficult access and companies like Lyra Health are trying to prove the importance of it and that it should have the importance it deserves. This unicorn is shaking up the industry and transforming it into something better.

**OGCP Comment:** More and more VC firms are backing mental health companies, as they start to realize the tremendous traction and importance it has today. Lyra Health is the perfect example of why every company in the space should pay attention to the industry.

## Actipulse Neuroscience: Bringing Mental Healthcare to Your Home

We all know the world is constantly changing. In many cases, it is for the better. However, one thing which has been made worse is our lifestyle. More importantly, the increase in stress caused by both work and society. While we can say the cause of this increased stress can be construed as economical and to some degree primal, it goes without saying that the effects are adverse.

Depression is a mental illness unfortunately still carries a lot of negative connotations. According to a 2019 article published by Harvard Medical School, depression is much more complex than just a chemical imbalance in the brain. The illness can stem from several different causes. Faulty mood regulation by the brain, genetic vulnerability, stressful life events, medications, and medical problems all can play a part in making one vulnerable to suffering from depression. In fact, the history of humanity when it comes to those dealing with mental illnesses can be viewed as barbaric. It wasn't until the Age of Enlightenment (18<sup>th</sup>-19<sup>th</sup> Century) that doctors really started emphasizing the idea that mental illness was more of a natural and physical condition instead of a supernatural one.

Doctors, medical science and technology today is significantly better than before. As humans, we no longer have doubts as to the causes of various mental illnesses. In many cases, we have treatments available which help save many lives. However, the machines are limited for hospital treatments. It's time to bring them home. This is the goal of Actipulse Neuroscience.

Actipulse Neuroscience is focused on bringing a change on how we treat neurodegenerative disorders. These disorders can include Parkinson's,

dementia, Alzheimer's and even depression. Currently, Actipulse Neuroscience's device is being used in the hospital setting and an at-home device is being timed to launch in Q3 2023.

Non-invasive brain stimulation (or neuromodulation) has been used for decades to provide a painless and non-pharmacological treatment to patients who are either resistant to psychiatric medication or suffer moderate to severe side effects from it. Actipulse has leveraged this to create a proprietary technology based on the same principles of Transcranial Magnetic Simulation (TMS), which was first approved by the



FDA in 2008. Their patent-pending technology is an innovation on the traditional TMS, providing a therapeutic effect through high-frequency and low-intensity magnetic pulses.

The product is currently used in hospitals by 210 physicians and are now ready to bring the treatment to one's home. Patients will require 2 sessions a day, for a period of 30 days, without the need of a medical professional. During their treatment, Patients can engage in any activity such as reading or watching TV. Their physician will have access to the data as to monitor use and side effects, all done through the app.

**By:** Ronak Parikh

So far, multiple peer-reviewed publications have demonstrated Actipulse's clinical results. These studies further encouraged the work done by Actipulse in developing a widely available solution.

In May 2021, Actipulse filed their FDA pre-submission to receive the FDA's consent for the protocol design to be used in the pivotal clinical trial. In Q4 2021, Actipulse is targeting the approval of the Institutional Review Board for their pivotal trial, with a goal to start in January 2022. The trial is planned to take place till October 2022, after which the FDA clearance process will take place. Actipulse aims to receive FDA clearance in 2023.

Actipulse has raised funds from MassChallenge, a Boston-based startup accelerator. They are currently crowdfunding via Republic. The crowdfunding proceeds will be used for further research and clinical trials.

Today, for the most part, our world has gotten better, most of the world being wiser and more humane than employing the old tactics of capture, imprisonment, and exorcisms. Yet, we have not started to become open about these issues, still carrying the effects of the old days and how society will see us. It's time to follow the lead of Actipulse Neuroscience and bring this issue home; to create a safe space for our loved ones to share their issues and get the help they need.

**OGCP comment:** Each life lost to mental illness is one too many. As people, we will always do whatever it takes to save our loved ones. For investors, companies focused on mental illness are important both financially and personally.

# 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.	<b>Late-Stage VC</b> 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.

OpenSea		
Description	Latest Funding	Our Reasoning
A peer-to-peer marketplace facilitating the trading of crypto assets and digital collectibles. The marketplace offers all other asset types on the blockchain such as software licenses, collectibles, crypto kitties, and other digital goods. The company's platform enables users to streamline crypto transactions.	<b>Early-Stage VC – Series B Round</b> Date: July 20, 2021 Price/Share: \$76.05 Funds Raised: \$100.00M Total Raised: \$123.12M Pre-Money Valuation: \$1.40B Post-Money Valuation: \$1.50B	The world is becoming more and more open to digital assets. The ease of ownership and security compared to traditional methods have been the primary cause of growth for blockchain technology. OpenSea stands out by being a multi-asset marketplace, while many major players in the space tend to be focused on single types of digital assets, whether it be art NFTs or cryptocurrencies. This ensures OpenSea has an ability to grab significant market share as the one-stop platform.

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.	<b>Late-Stage VC – Series A Round</b> 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.	<b>Late-Stage VC – Series N Round</b> 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.	<b>Late-Stage VC – Series H Round</b> 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.

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