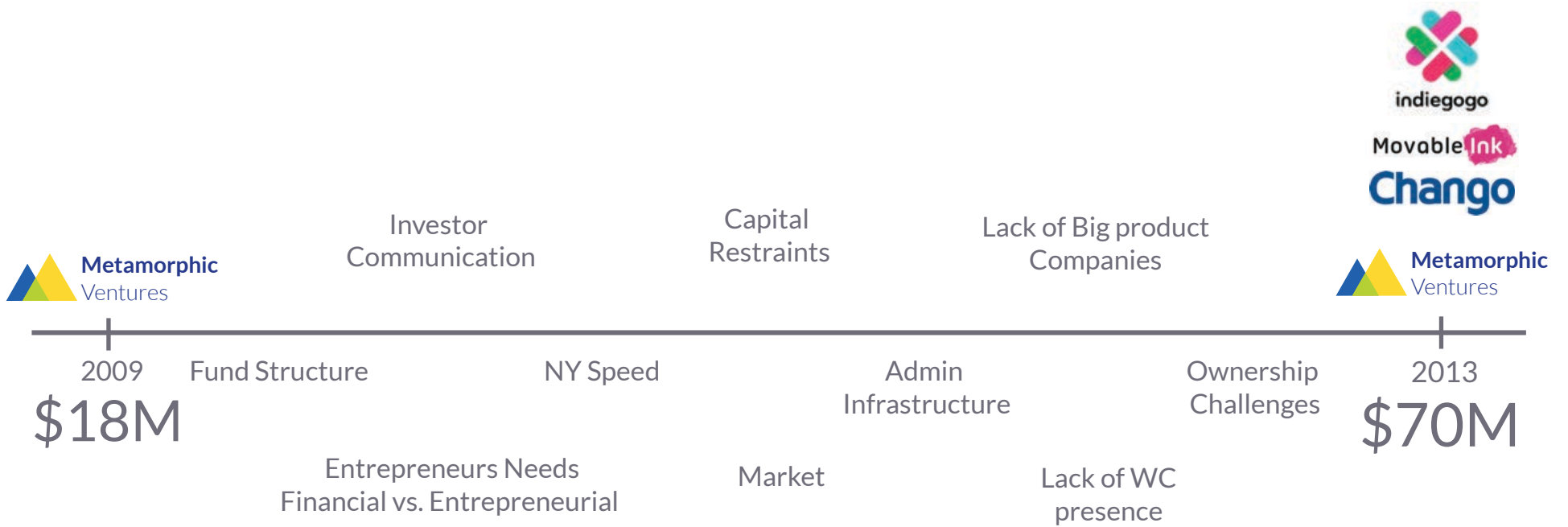


# Modern, Early Stage Full Stack Operating Venture Capital Fund with Unique Operational DNA





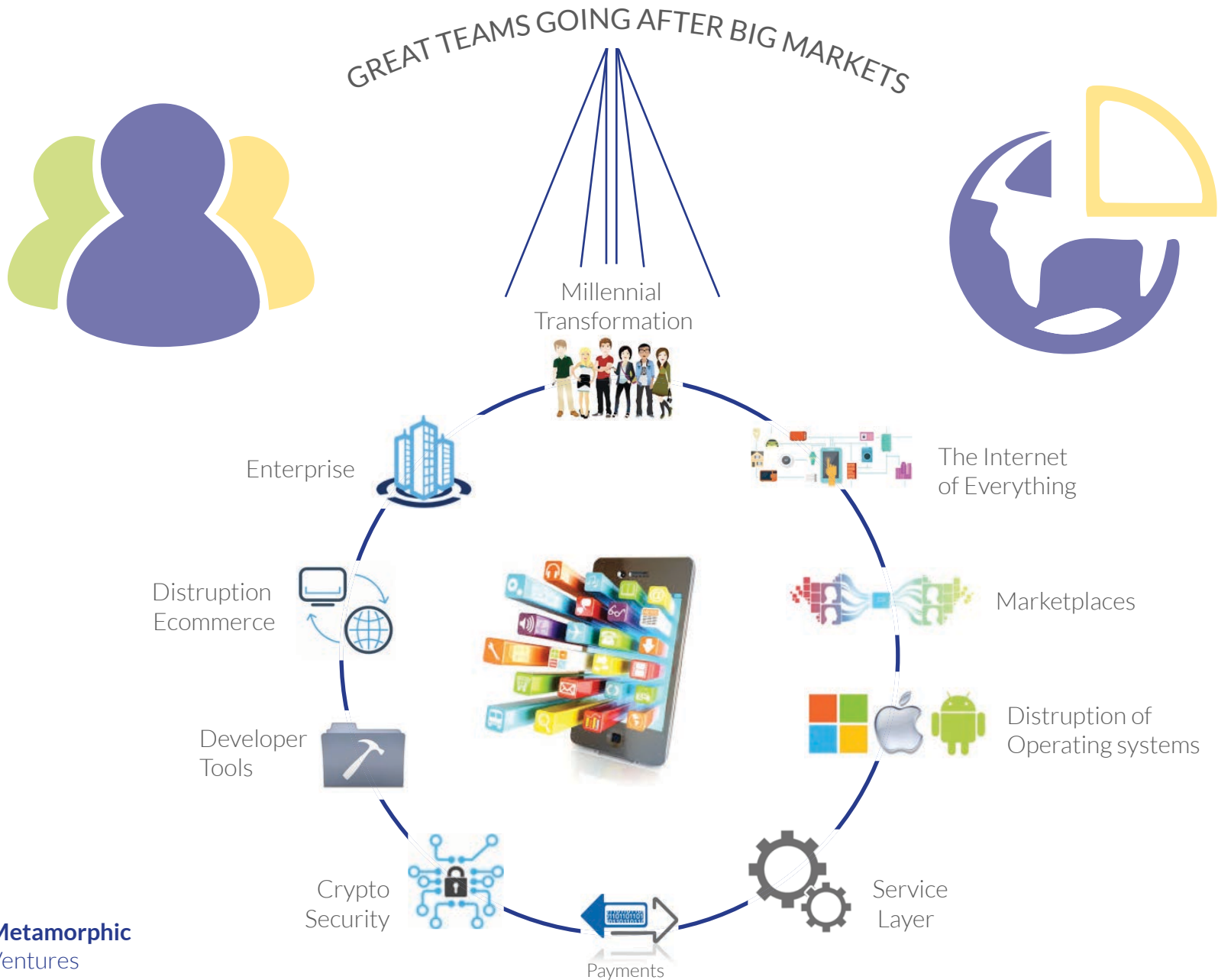
# MVI Story



- ▲▲ 20 years drilling for oil
- ▲▲ Bigger than small but smaller than Big
- ▲▲ Thesis driven around marketplaces, mobile & the millennial transformation shift with a focus around great teams in big markets
- ▲▲ Bridging NY to the Bay
- ▲▲ Full stage of early stage investors 'GAP'
- ▲▲ Service layer of value to Entrepreneurs
- ▲▲ Strategic layer of investors and advisors to help the portfolio scale



# Metamorphic Investment Thesis



# Bridge to the West Coast and the World

55% of co-investing funds with MVII are SF based. Large numbers of MV advisors and LPs are from SF / Valley based platforms; Google, Facebook, Twitter etc.

-San Fransico / Bay Area

**45% of MVII Investments are in the Bay /Valley**

MV provides the connective tissue for West Coast and Global teams to gain access to NYC's highly concentrated sectors; fashion, legal, sports, retail, media, advertising, finance, real estate, healthcare & CPG, where MV has deep connections with each.

-New York City

**38% of MVII Investments are in NYC**

MV has been establishing a brand in LA by throwing events, developing thought leadership within the community, building relationships with local incubators and accelerators and relying on MV advisors and LPS to act as a pulse to the market.

-Los Angeles

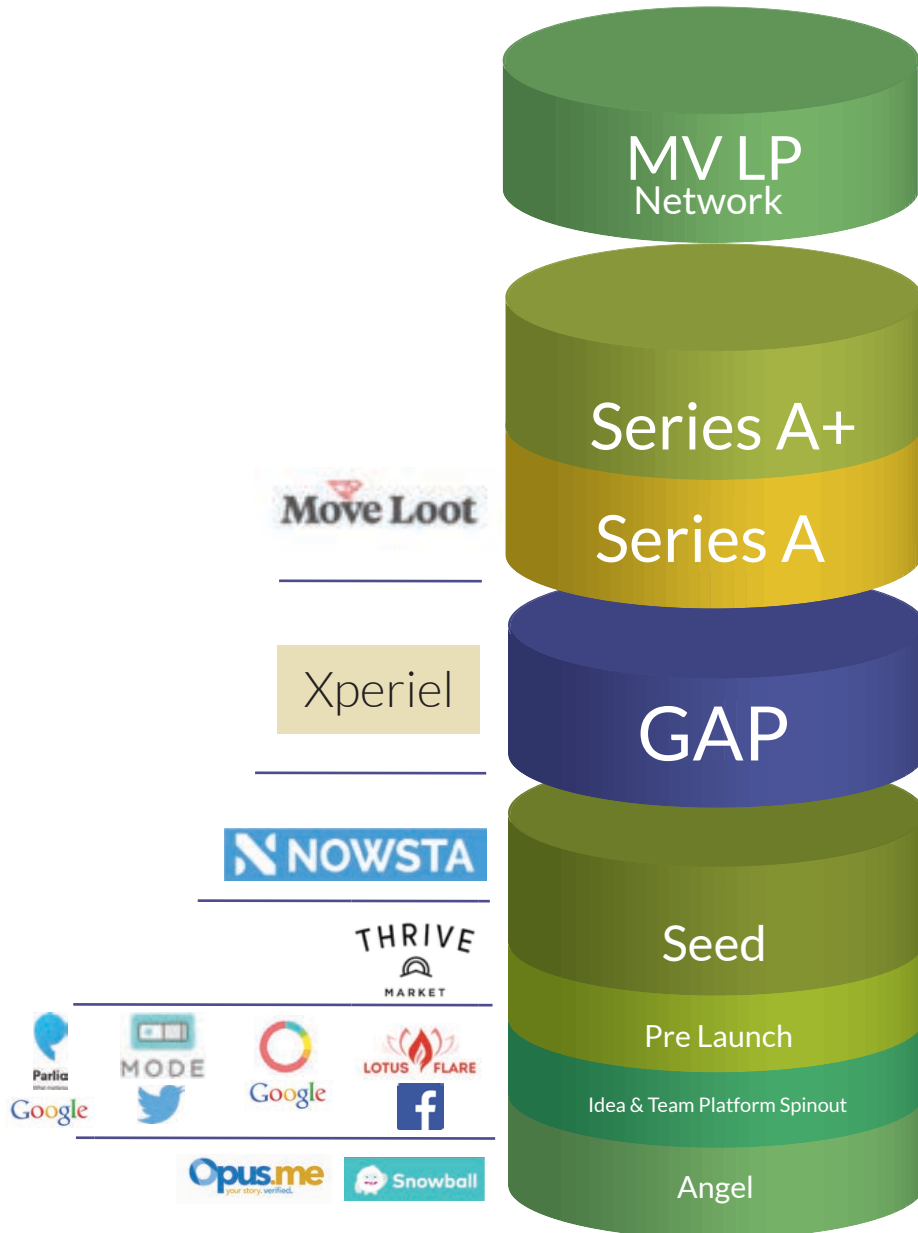
**13% of MVII Investments are LA Based**






## The World

Metamorphic has a global footprint through a diverse LP base that grants the portfolio exposure to international markets

# Full Stack of Early Stage Investing

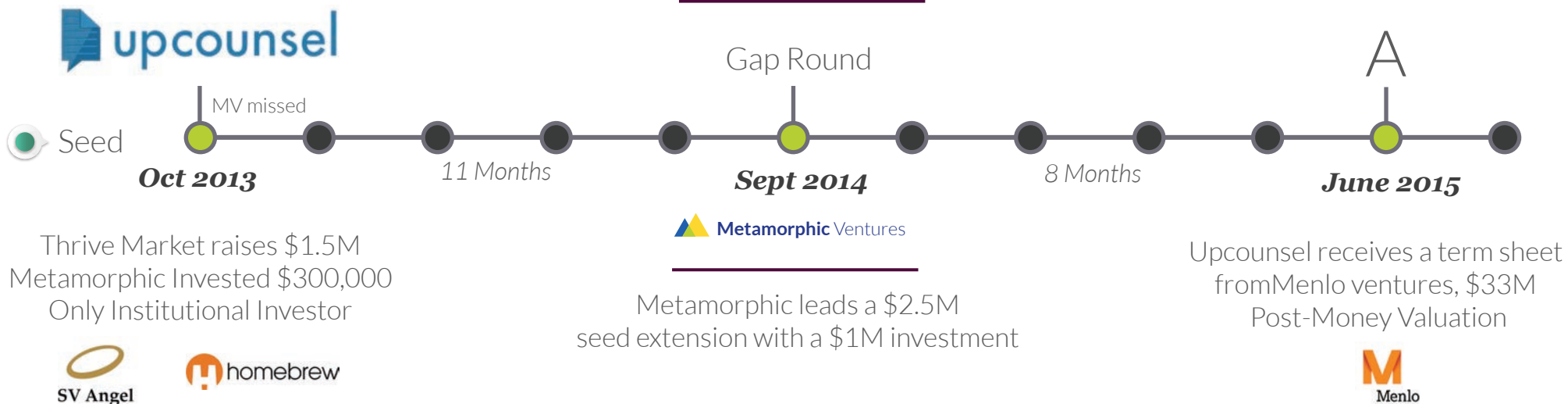


-  Shots on goals
-  Speed & Flexibility to make quick decisions
-  Ability to allow entrepreneurs to play offense

	<u>Amount Invested</u>	<u>Avg Investment Size</u>	<u>Avg Ownership</u>
➤	\$3.8M	\$900k	N/A
➤	\$6.1M	\$871K	6.1%**
➤	\$12.9M	\$500K	5.5%

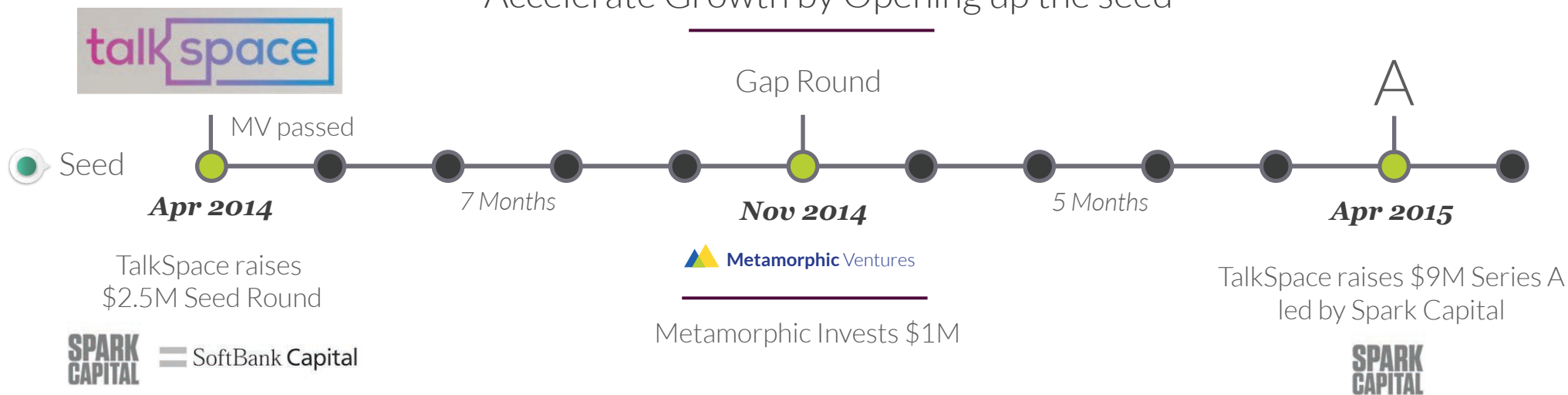
\*\*Excludes Traction. 1.8% ownership but with built in option to capture 7% + in the next round

Accelerate Growth by Opening up the seed

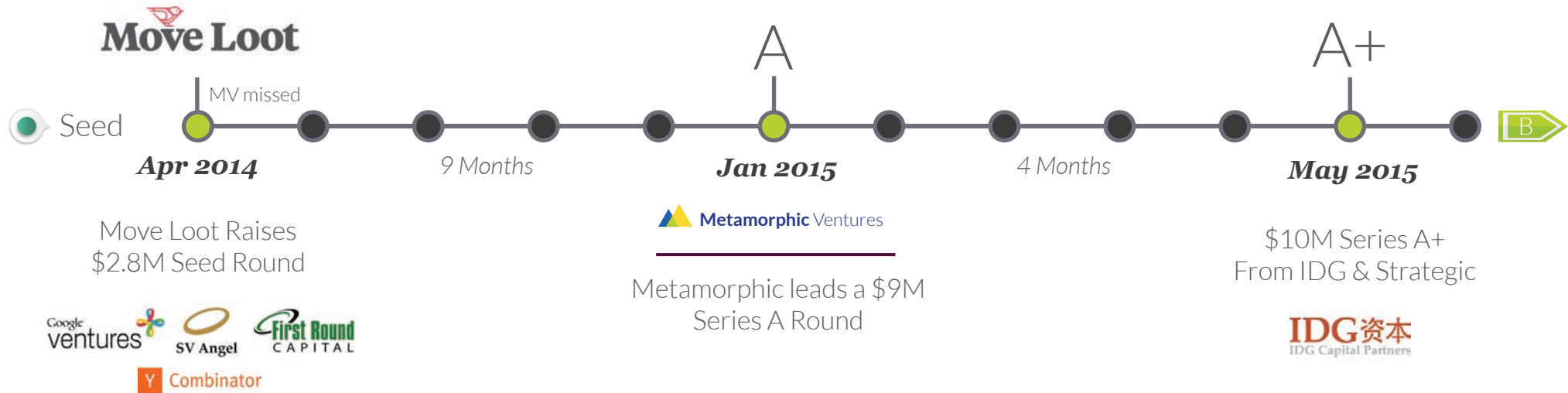




## Accelerate Growth by Opening up the seed



Accelerate Growth and pre-empt the A



## Pre-Launch Risk

TRUSTED

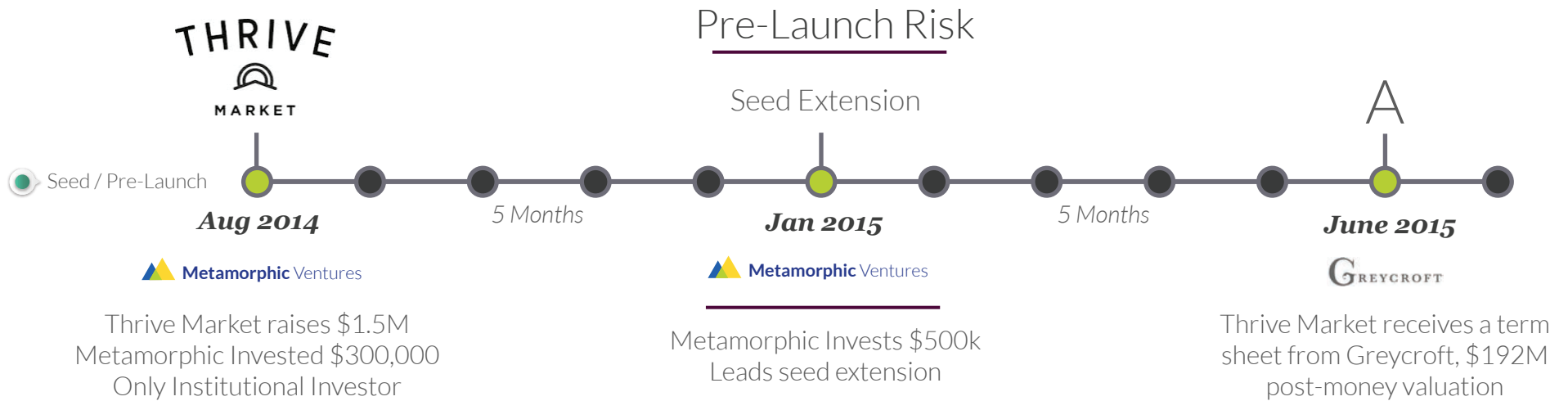
Seed / Pre-Launch

*May 2015*

 Metamorphic Ventures

Metamorphic led valley based Trusted investing \$400k with strategic angels.

A



# The Result of the Full Stack

Invest in companies missed at the seed level

Invest in companies passed on / lack of traction

Invest in companies not in market raising capital

Create a portfolio across the full stack of early stage

Be aggressive; funding companies before A round raise would have typically occurred.

Look an Entrepreneur in the eye and tell them MV can take them all the way through the early stage without having to go out and raise outside capital

DigitalGenius

upcounsel

talkspace

Xperial

b

Move Loot

Boxbee

TRACTION

ALPHA DRAFT  
FANTASY SPORTS PLATFORM

## Seed Funding

## Seed Extension Gap

## Series A + Gap

Metamorphic Ventures

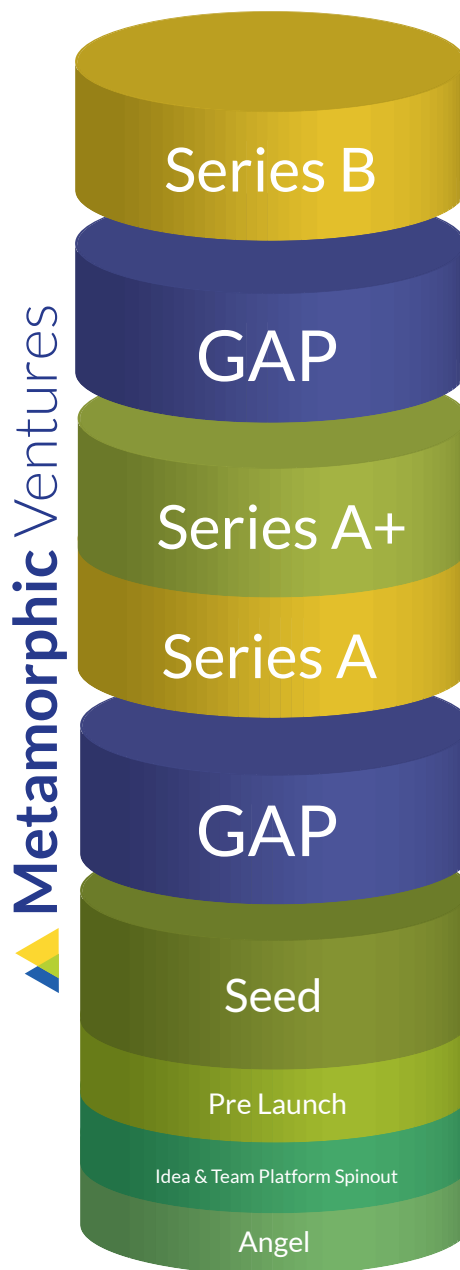


Metamorphic Ventures

Metamorphic Ventures



# MVIII Another Gap Opportunity



### By The Numbers

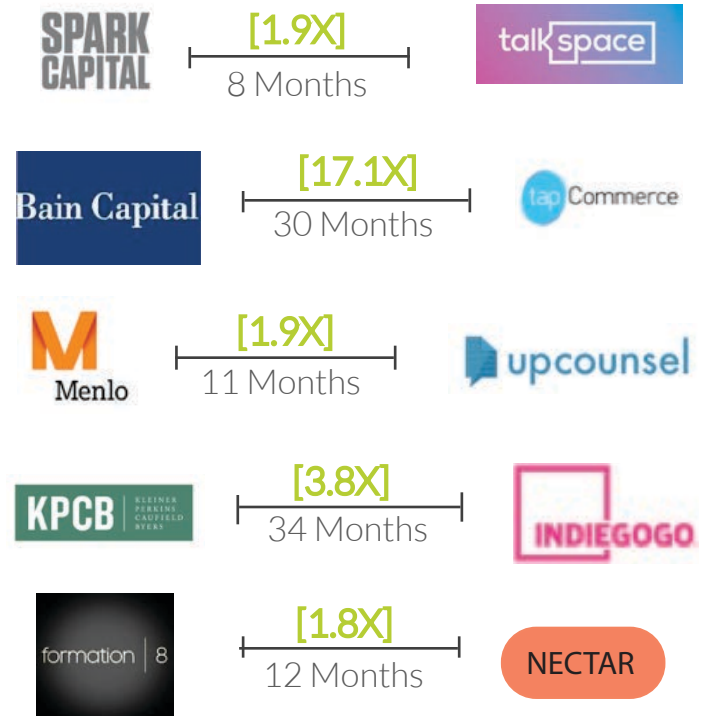
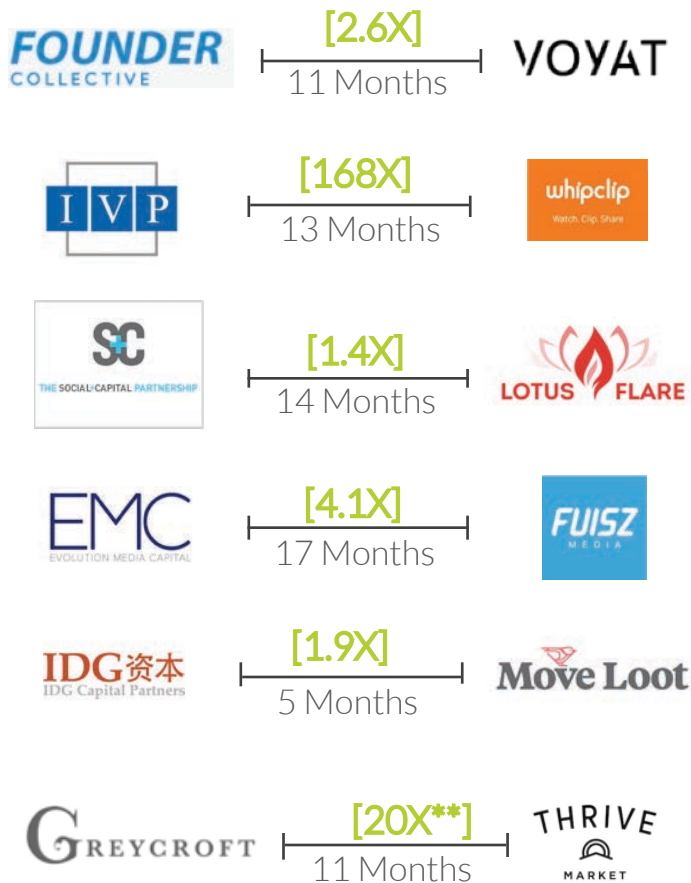
13 of 38 MVII Investments have raised follow-on capital, all with increased MOC

Follow-on Capital Raised: \$140MM\*\*\*

60% of portfolio has not raised follow-on capital

8 Months, Avg time to raise follow-on Capital

Avg MOC Step-up: **4.9%**



\*\* Based on a signed term-sheet with GreyCroft.

\*\*\*Three pending term-sheets, closing in mid-June

# Bridging NYC and the West Coast

Accessing Proprietary Deal Flow from NYC

55% of co-investing funds with MVII are SF / Valley Based



Metamorphic's bi-coastal edge, coupled with our full stack approach, has led to first-look proprietary deal flow and co-investment opportunities with west coast firms such as:



Google Ventures [9X]	Felicis Ventures [2X]	Formation Eight [2X]	Floodgate	Benchmark Capital
Leiner Perkins [2X]	Insight Ventures [2X]	RRE [4X]	Social+ Capital	
SV Angel [6X]	Greylock Partners [2X]	NEA [3X]	Index Ventures	



# Bridging NYC and the West -Xperiel



## Ram Shiriam

Ram Shiriam is a board member of Google and one of the first investors in Google.



## Ram Introduced Xperiel

Proprietary Valley, Post Seed Round 'Gap' Opportunity



Before investing, MV vetted the Xperiel opportunity with relevant potential customers within the MV wheel to confirm that the company's offering is solving a pain point for brands, confirm that Xperiel was the right team, and most importantly show value to Xperiel and leave them with business development opportunities during the vetting process.



## The Result

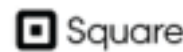
MV got confirmation on the Xperiel market, product and team. Xperiel opened up a previously closed proprietary Valley round with strategics; Scott Cook (Intuit), Garret Camp (Uber), Diane Greene (VMWare), Ram Shiriam (Sherpalo and Google), Andy Bechtolsheim (Sun Microsystems), and Shona Brown (Google, Pepsi) for MV to invest before the A. Xperiel left with multiple pilots and investors from MV's vetting process.



Gordy Crawford, Capital Group, Prolific Investor and MV Advisor



Former CMO of Procter & Gamble, advisor to AOL.



# Bridging NYC and the West -Traction



Traction sought out MV after graduating from Y-Combinator and raising \$4M from NEA.



While engaging in investment conversations with Traction, MV opened up the wheel and made over 40 relevant industry introductions to the Traction team, vetting the high demand for the product.



### The Result

Through the vetting process, Traction established a new pipeline of business, quickly developed a trusting relationship with the MV team. As a result Traction opened up their previously closed seed round, which was led by NEA and structured a deal where MV could invest in the seed as well as the upcoming series A round.



# Bridging NYC and the West -Alpha Draft



Sourced by  
Metamorphic  
Associate



Introduced to



Roy Sehgal  
Zynga



Gokul Rajaram  
Square,  
Facebook,  
Google



Carmelo  
Anthony



E-Gaming was a new category for Metamorphic, so it was important to get smart quickly on the opportunity while helping build out the syndicate of strategic investors.



The Result  
Metamorphic led and built a \$5MM round of funding with WME, UpFront Ventures, Greycroft, Freestyle Capital & Strategics like David Stern, Gokul Rajaram and Carmelo Antony.



## DigitalGenius

Opportunity Sourced by MV Associate.  
Unknown company that was not on the market and had not previously raised capital.  
Started with a friendly breakfast.



Before engaging in investing discussions, MV Showed Value to the Digital Genius team by opening up the MV wheel.



### The Result

Through the MV Wheel, MV got conformation on the Artificial Intelligence demand from brands as well as conformation on the team and technology from Valley funds also looking at the opportunity. Metamorphic led a \$3M GAP round with west coast firms, RRE & Lowercase Capital.



# Recent Metamorphic Additions - *The Platform*

## OIR - Operator In Residence



**Scott Hartley**

is an Operator-in-Residence. He joined Metamorphic from Mohr Davidow Ventures (MDV), where he was an investment partner, and from the White House, where he was most recently a Presidential Innovation Fellow. Prior to venture capital, Scott worked at Google, Facebook, and Harvard's Berkman Center for Internet & Society. At Google he represented North America on rich media and display ads as a Product Specialist, and was responsible for launching and scaling two teams in India, where he lived for over a year. At Facebook and Harvard, Scott focused on the mechanics of platform design and behavioral impacts on human cooperation. Scott writes a column at Forbes, and is contributing author to the MIT Press book, "Shopping for Good." He holds an MBA and an MA from Columbia University, and a BA from Stanford University. He is a Term Member at the Council on Foreign Relations, and a six-time marathon and Ironman 70.3 finisher.



**Kristen Morrissey Thiede**

Is an entrepreneur, leader and connector. Kristen leads business development for PayPal North America. She formally ran business development and content licensing for Google Fiber. As a Google veteran of 13 years, Kristen has led early stage partnership efforts across Google's global portfolio including the launch of AdSense for content and distribution efforts globally, and Google.org's Crisis response team to Haiti, Chile, and Pakistan. She is a graduate of the University of the South with a BA in Political Science, and she lives in New York City with her husband and three children.

## Advisors



**Dan Zigmund**

Vice President of Data at Hampton Creek, a technology company pioneering in food with a mission to make better food choices easier for everyone, everywhere. Dan previously built and led data science teams at

Google for 8 years as Lead Data Scientist for Google Maps, Data & Analytics lead for YouTube, and founder and engineering lead for Google TV Ads. Prior to Google and YouTube, he held software engineering leadership positions at Microsoft and a variety of Silicon Valley startups. He is passionate about using data science and software to tackle real-world problems. He has a bachelor's degree in computational neuroscience from the University of Pennsylvania.



**Mindy Grossman**

is Chief Executive Officer of HSN, Inc. (NASDAQ: HSNi) and a member of the company's Board of Directors. She oversees a \$3.3 billion direct to consumer retail portfolio that includes HSN and the Cornerstone portfolio of home and family lifestyle brands.



**Rahul 'RJ' Jain**

Recently joined Metamorphic as a technical advisor where he will be helping the Metamorphic portfolio with scalability and tech recruiting. RJ previously was the Director of Engineering at Sidecar Technologies, a popular ride-sharing start-up. Prior to Sidecar, he co-founded Appurify, which was eventually acquired by Google. Prior to Appurify, RJ was a principal software-engineer at Zynga where he helped develop Farmville. He also led the Tools Division and received

Zynga's prestigious "Technical Rockstar Award." RJ graduated with a B.S. in Computer Science from the University of Michigan, where he was also nominated for the Distinguished Leadership Award for creating the app, "gobluelink", which was acquired by the University. In addition, RJ is an active angel investor with participation in 10 companies, within the big-data /analytics/consumer space, that have successfully raised subsequent rounds of financing from top tier investors. He also holds 3 patents in mobile application space.



**Adam Singolda**

is founder and CEO of Taboola, the leading discovery platform, serving over 550 million unique users monthly. Taboola is one of NYC's largest and fastest growing tech companies.

Taboola has raised over \$157M since launch in 2007. Most recently the company raised \$117M in a round led by Fidelity Management and Research Company, joined by Yahoo! Japan, Comcast, Advance Publications, among others. Earlier this month, Taboola also announced a large strategic investment partnership with Chinese search giant Baidu. Prior to founding Taboola in 2007, Adam developed his analytical skills while serving as an officer in an elite mathematical unit of the Israeli National Security Agency. Adam is an honored alum of the Israeli Defense Forces' elite computer science training program, graduated first in his class at the Officers Academy of the IDF, was named one of Israel's top "30 under 30" business managers by TheMarker, and was recently named "Entrepreneur of the Year" by Geektime.

# Metamorphic Ventures



# Appendix

# Filling a GAP in the Market

## The Gap

- Exists between the Seed and Series A Rounds or A and B Rounds
- It is a direct result of Trends at the Early and Late Stage

### Access to Capital

Angel Investors, Micro VC's & Family Offices are more active because of extreme wealth and liquidity from unicorn investment returns, strong public market returns and 0% interest rates.

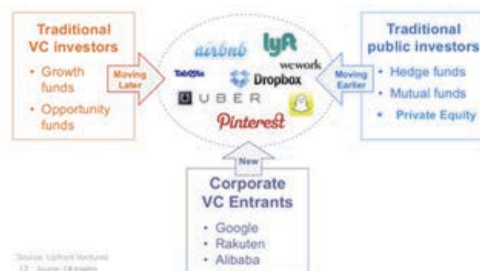
### Raising More Capital

Companies are raising larger rounds because office rent and salary demands are higher, increasing time between the seed and A rounds

### Lack of Follow-on Capital

Angels, Family Offices and Micro Funds are not set up for follow-on capital deployments. Creating less flexibility and a lack of funding options before the Series A

Companies are staying private longer. Creating less IPO liquidity opportunities for Hedge Funds, Mutual Funds and Private Equity Funds. Forcing Traditional Public Investors to move down stream and invest in startups



Source: PitchBook Ventures  
12 - Source: CB Insights



The result of capital coming down stream earlier changes the typical round naming conventions giving entrepreneurs the option of raising capital more creatively in order to increase their valuation and capital fire power before going out for a large round of funding.



# MVII Metrics

MV II Portfolio Metrics	Inception to Date*	8/1/14 to Date
MV II Total Fund Size	\$65,923,858	\$65,923,858
Total Invested Capital	\$31,130,785	\$17,059,059
FMV of Invested Capital	\$45,340,857	\$19,729,469
Current FMV MOC	1.5	1.2
Average Investment Size (excl MVA)	\$700,000	\$770,000
# of Portfolio Companies (excl MVA)	38	21
# of Investments (excl MVA)	44	23
Average Ownership	4.8%	5.5%
<u>Avg Pre Money Valuation</u> - Seed Investments	\$8,441,963	\$7,738,462
<u>Avg Pre Money Valuation</u> - Scale Investments	\$19,221,081	\$14,907,692