

# FUND VII

WE ARE THE EXPANSION STAGE VC

AS OF 9/14/22

A photograph of a man with glasses and a light beard, wearing a light blue button-down shirt. He is holding a white marker and appears to be writing on a whiteboard. The image is overlaid with a semi-transparent blue filter. The word "OPENVIEW" is written in white, uppercase, sans-serif font across the middle of the image.

OPENVIEW

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# OPENVIEW IS THE EXPANSION STAGE VC

Founded in 2006 in Boston, we invest in expansion stage business software companies and help them acquire, retain, and grow the right customers and talent

Sample prior fund portfolio investments, please refer to page 6 for the performance of the entire fund portfolio since inception and please contact [LPRelations@ov.vc](mailto:LPRelations@ov.vc) for a full list of prior fund investments.

## SELECT CURRENT & EXITED PORTFOLIO INVESTMENTS



DATADOG



calendly



Expensify



User Testing



workfront



INSTRUCTURE



jumpcloud

project 44

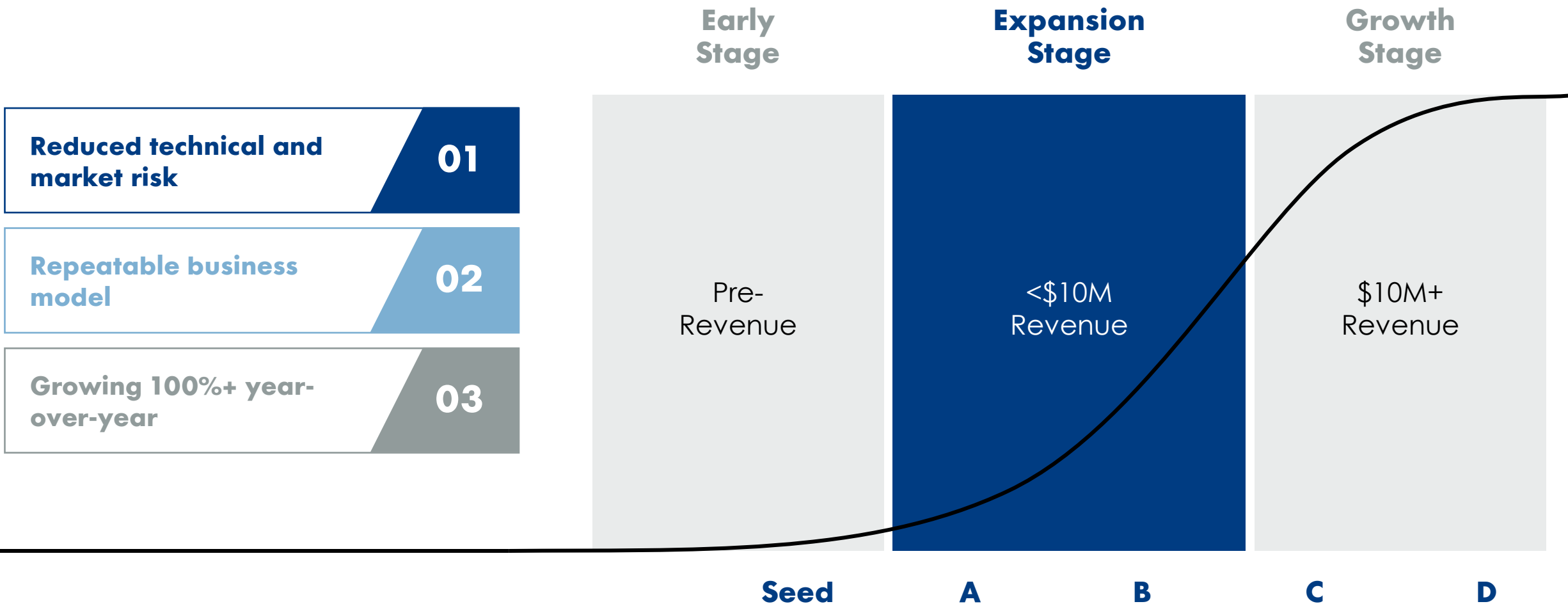


HIGHSPOT



VTS

# WE INVEST AT THE EXPANSION STAGE WHICH CAN OFFER VENTURE RETURNS WITH GROWTH STAGE RISK



# OUR FOCUSED STRATEGY CONSISTENTLY PRODUCES STRONG RESULTS

	Founder-led		Current Senior Investing Partnership*			
As of 6/30/22	I	II	III	IV	V	VI <sup>2</sup>
VINTAGE YEAR	2006	2008	2012	2014	2017	2019
FUND SIZE	\$108M	\$131M	\$208M	\$269M	\$302M	\$450M
# OF INVESTMENTS	13	11	11	12	13	16
DPI	3.11 <sup>1</sup>	1.02	6.33 <sup>1</sup>	1.04	1.07 <sup>1</sup>	-
TVPI	3.16 <sup>1</sup>	1.06	6.33 <sup>1</sup>	2.33	3.53 <sup>1</sup>	-
NET LP IRR	12%	1%	38% <sup>1</sup>	18%	53% <sup>1</sup>	-
GROSS IRR	16%	6%	48%	26%	71%	-
GROSS MOIC	3.8x	1.3x	10.4x	3.2x	5.2x	-

\*The current team led Fund III's final four investments, starting with Datadog in 2014.

<sup>1</sup> – Top Quartile per “Cambridge Associates March 31, 2022” report.

<sup>2</sup> – CA takes the position that most funds take at least six years to settle into their final quartile ranking. As such, OpenView's Fund VI is too young to have produced meaningful returns reported on CA for comparison purposes. Please refer to the “Notes and Definitions” section in the appendix for more information.

# THIS SUCCESS HAS ACCELERATED SINCE THE SENIOR PARTNERSHIP CAME TOGETHER IN FUND III<sup>1</sup>

**5.8x**

MOIC

**8%**

Loss Ratio<sup>2</sup>

**45% / 35%**

Gross IRR / NET IRR

**\$2.4B**

Capital Returned

**\$670M**

Invested

1 – All figures as of 6/30/22 for investments in Funds III –V. Per Cambridge Associates, Fund VI is too new to have meaningful benchmark performance statistics to include in this report.

2 – Cambridge Associates Capital Loss Ratio: Percentage of capital in deals realized below cost (net of recovered proceeds) divided by total invested capital.

Please refer to the “Notes and Definitions” section in the appendix for more information.

# WE ARE LED BY AN EXPERIENCED TEAM



**SCOTT MAXWELL**  
Founder & Investing Partner  
Founded 2006



**Battery** | **BLAKE BARTLETT**  
Investing Partner  
Joined 2013



**MACKAY CRAVEN**  
Investing Partner  
Joined 2013



**RICKY PELLETIER**  
Investing Partner  
Joined 2011



**DAN DEMMER**  
Chief Operating Partner  
Joined 2013



**JOHN MCCULLOUGH**  
Operating Partner  
Joined 2015



**GEORGE ROBERTS**  
Venture Partner  
Joined 2007



# WE COMBINE SOFTWARE, PEOPLE, AND PROCESS TO SOURCE WHAT WE BELIEVE ARE THE BEST FIT INVESTMENT OPPORTUNITIES

## EXPANSIVE COVERAGE

We utilize software to systematically add private software companies into our database

## FOCUSED CONVERSATIONS

We quickly focus on engaging with the best fit prospects and conduct team-based analysis

## INTENSE PATTERN RECOGNITION

We efficiently prioritize best fit opportunities to create deals

2021 FUNNEL

**213,423**

Companies in database

**4,772**

Companies evaluated

**189**

Active Prospects added

**26**

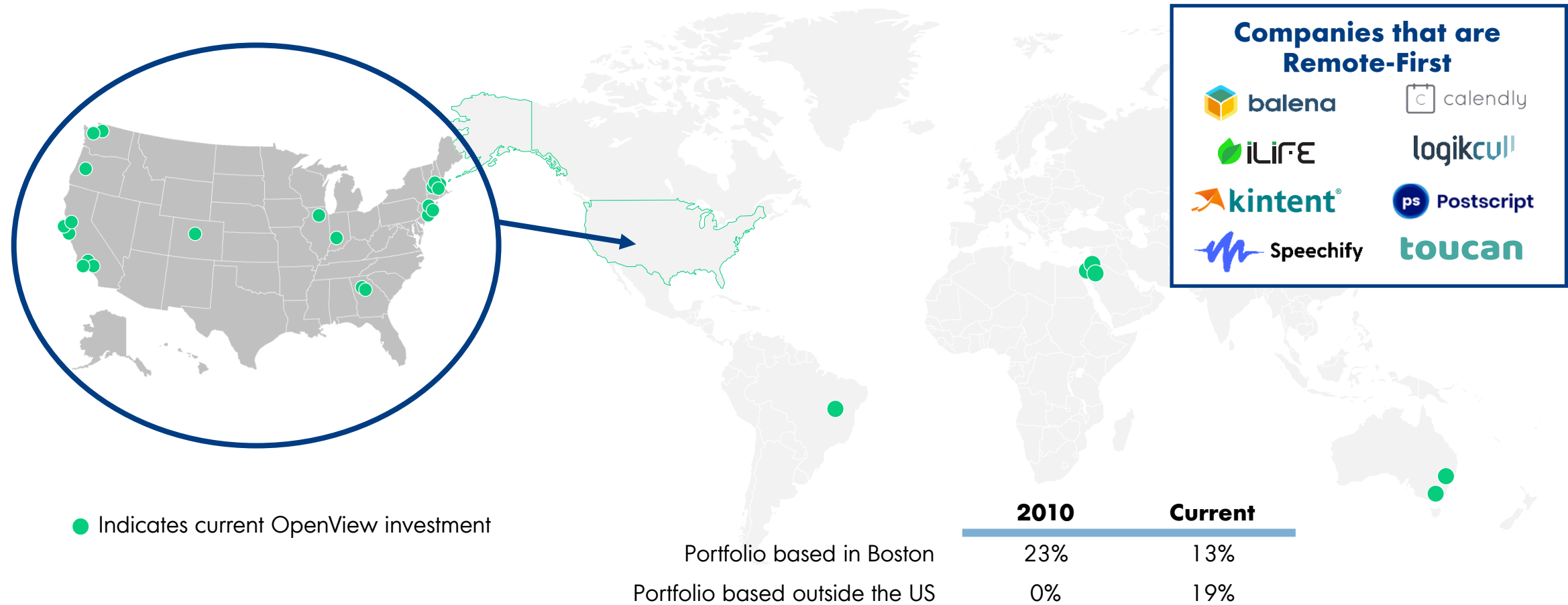
Companies in full diligence

**8**

Deals



# WE INVEST GLOBALLY WITH A FOCUS ON COMPANIES BUILDING THEIR BUSINESSES IN NORTH AMERICA



Remote first companies don't require employees to live or work where HQs are located. The above reflects current portfolio investments, please contact [LPRelations@ov.vc](mailto:LPRelations@ov.vc) for a full list of current and prior investments.

# WE INVEST IN OPERATIONAL TALENT THAT WE BELIEVE ADDS UNIQUE VALUE TO OUR PROSPECTS AND PORTFOLIO

**2½:1 Ratio**

OpenView Employees : Portfolio Companies

**27**

Investors

**25**

Expansion Platform

**27**

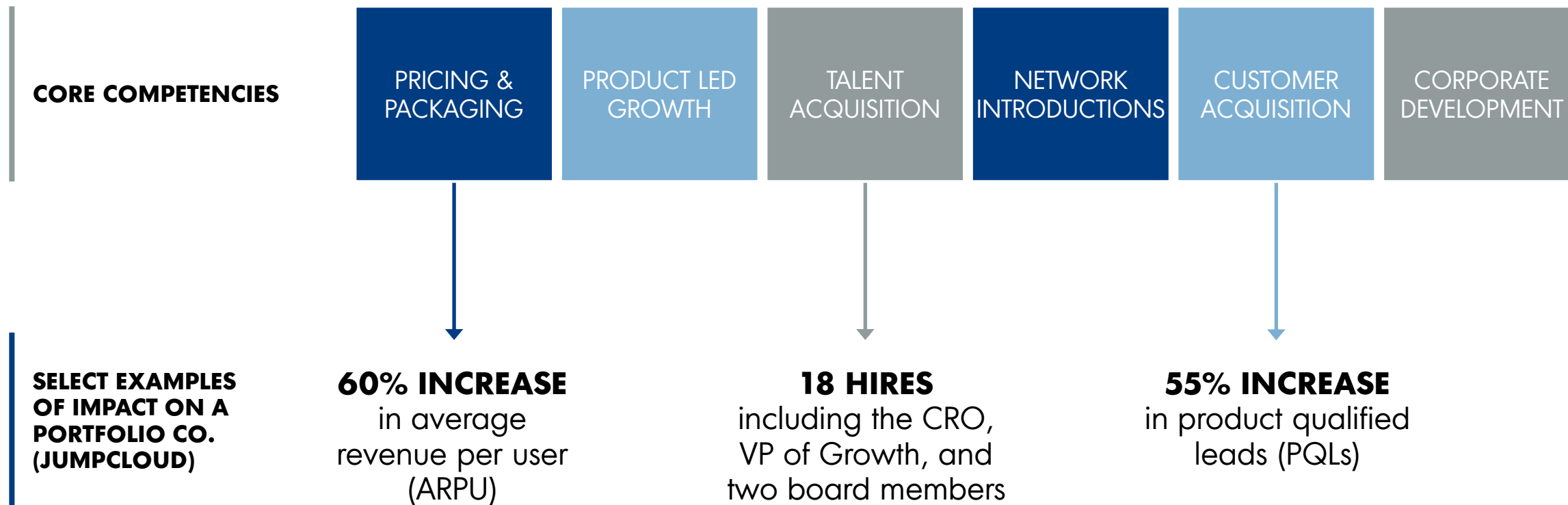
Operations Team

Data as of 6/30/22.



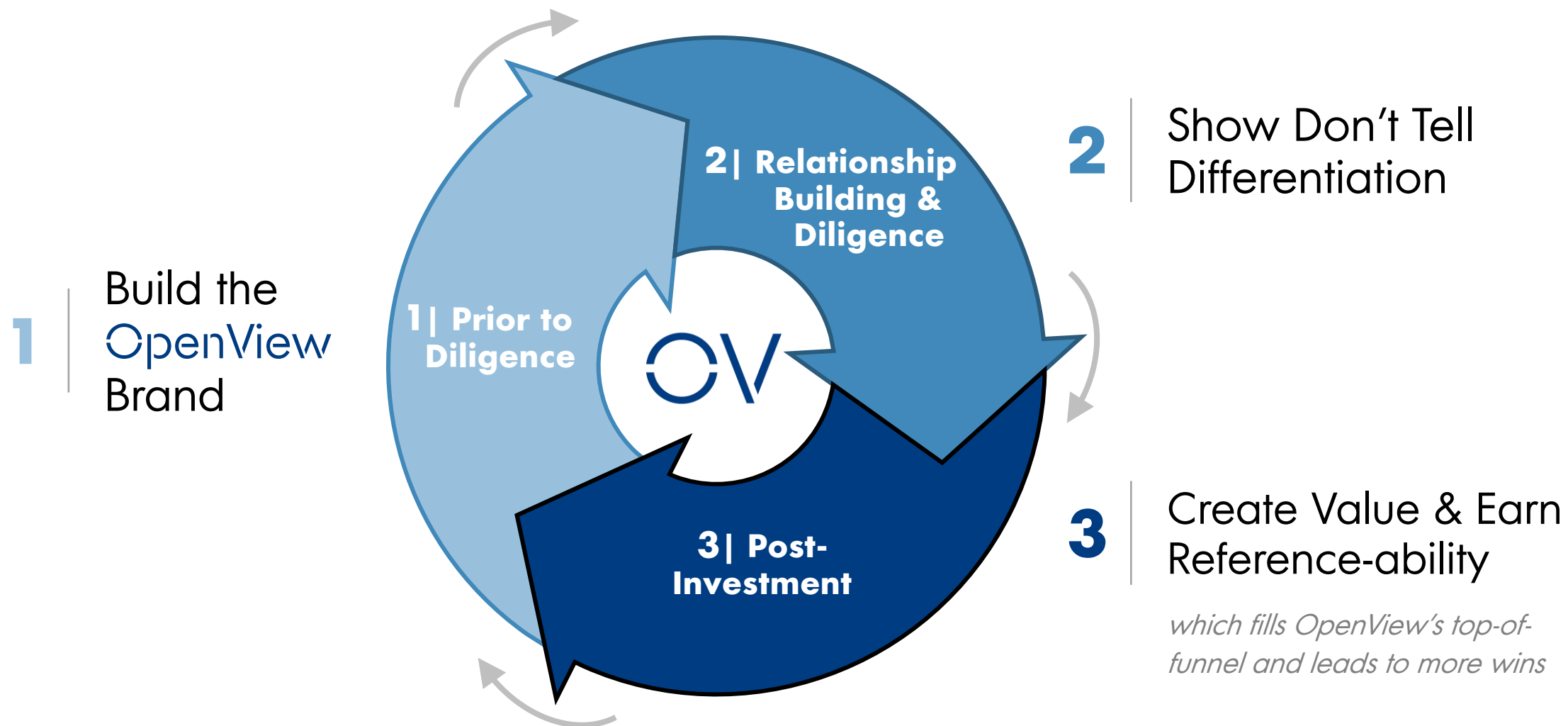
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# OUR EXPANSION PLATFORM DELIVERS MEASURABLE VALUE TO BOTH PROSPECTS AND OUR PORTFOLIO

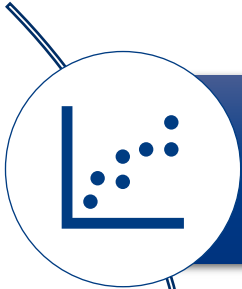


Data as of 6/30/22. Note: JumpCloud is a current portfolio company in Fund V, please contact [LPRelations@ov.vc](mailto:LPRelations@ov.vc) for a full list portfolio companies in Fund V.  
Note: Average revenue per user and product qualified leads outcomes may vary among portfolio companies.

# WHY IT MATTERS: THE EXPANSION PLATFORM HELPS WIN THE BEST DEALS AND ADD VALUE TO THE PORTFOLIO



# WHY WE WIN



## INTENSE PATTERN RECOGNITION

We invest in 0.2% of the companies we evaluate and quickly qualify out the rest



## TEAM-BASED APPROACH

We analyze and sell as a team and partners are incentivized against overall fund performance



## EXPANSION PLATFORM

We leverage the Expansion Platform to add value pre and post term sheet

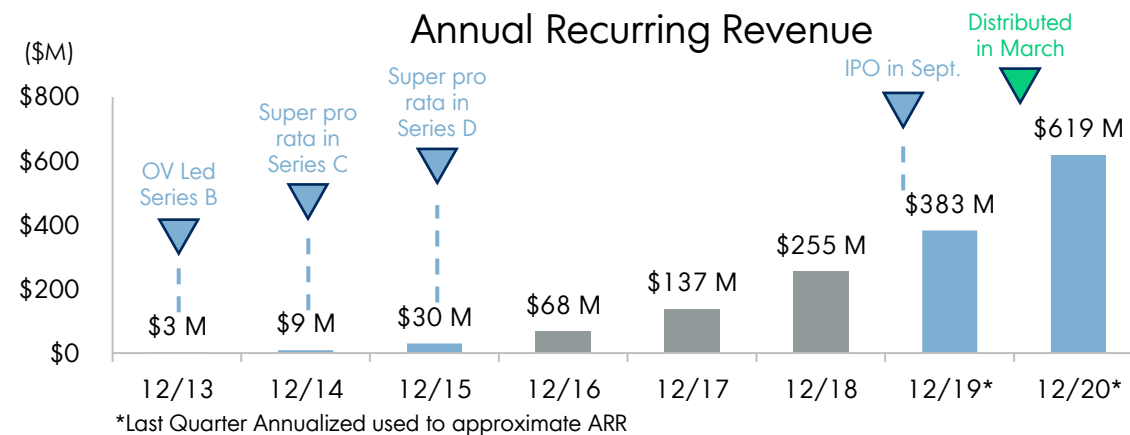
# CASE STUDY: DATADOG

Business Description: Market leading observability platform

Datadog returned \$1.65B, more capital than OpenView has ever raised

## Deal and Financial Profile (Fund III)

Date	Round	Investment Size	Post Money Valuation
Jan '14	Series B	\$8.3M	\$65M
Jan '15	Series C	\$9.2M	\$200M
Dec '15	Series D	\$13.4M	\$640M
Total Ownership: 15.9%		Total invested: \$31.0M	
Prior to OpenView investing, Datadog had raised ~\$7.5M across a seed round as well as a Series A round			



## Investment Drivers

- **Strong early traction** – grew contracted monthly recurring revenue 10.9x YoY to \$176k as of October 2013 with minimal sales and marketing effort
- **Best in class back-end unit economics** – Cohorts grew 5.2% per month on average over their first 12 months, strongest back-end unit economics we had seen in a SaaS business, at the time
- **Promising product** – easily implemented across physical and virtual infrastructures as well as cloud and on-premise environments
- **Favorable market dynamics** – IT infrastructure was undergoing a generational transformation from traditional datacenters to dynamic virtualized and cloud environments which made it ripe for new monitoring and management technologies to replace legacy offerings
- **Large market** – IT infrastructure monitoring is a multi-billion dollar market in the United States and we thought there would likely be multiple winners in this generation
- **Leadership** – the co-founders were/are highly product focused, and we believed were well suited to lead the company at this stage in its development

## Relationship Highlights

### Sourcing:

- Identified and nurtured through our outbound program in November 2012 by Brian Carthas. Mackey was brought in to meet the company shortly after joining the firm and built a relationship with the founders leading up to their Series B
- OpenView won a competitive process due to our operational and domain expertise

### Value add:

- Made 27 candidate intros, seven advisor intros, one BOD intro, and 21 customer intros. We also hired their VP of CS as an advisor in 2020
- Worked closely with CPO to develop the Company's first outbound sales and marketing strategy, one of the primary mechanisms for the Company's growth today
- Worked with original sales leader to provide coaching on outbound sales strategies

Sample prior fund portfolio investments are for illustrative purposes only. Past performance is not a guarantee of future results, actual results may vary. Please contact [LPRelations@ov.vc](mailto:LPRelations@ov.vc) for a full list of investments.

# WE CONCENTRATE CAPITAL IN WHAT WE BELIEVE ARE OUR HIGHEST POTENTIAL COMPANIES

Companies Where We've Concentrated Reserve Capital to Meaningfully Increase Our Position

As of 6/30/22 <sup>1</sup>	Initial Investment	Total Investment	Current/Exit Investment Value	Current/Exit MOIC	Initial Ownership	Total Ownership
<b>Exited Investments</b>						
DATADOG	\$8.3M	\$31.0M	\$1.7B	53.3x	12.8%	15.9%
AUVIK	\$8.8M	\$19.5M	\$69.2M	3.5x	15.8%	22.0%
LESSONLY	\$4.0M	\$8.0M	\$55.2M	6.9x	19.8%	18.1%
<b>Current Investments – still accreting value</b>						
CALENDLY	\$1.0M	\$89.5M	\$514.6M	5.7x	3.6%	12.5%
HIGHSPOT	\$20.0M	\$43.7M	\$186.6M	4.3x	10.0%	8.7%
DEPUTY	\$15.0M	\$42.0M	\$46.6M	1.1x	9.0%	14.0%
AXONIUS	\$12.0M	\$32.5M	\$151.5M	4.7x	12.0%	9.4%
LOGZ.IO	\$9.3M	\$20.7M	\$27.1M	1.3x	15.4%	15.6%
EXPENSIFY <sup>2</sup>	\$13.5M	\$33.7M	\$262.3M	7.8x	10.0%	12.4% <sup>3</sup>

Note: Highest potential companies based on a variety of factors including, but not limited to, ARR growth, cash efficiency, and potential exit value.

1 – Includes companies in which OpenView deployed follow-on capital to increase its ownership stake and/or meaningfully grow the size of its total position.

2 – Includes OpenView stake sold in the IPO.

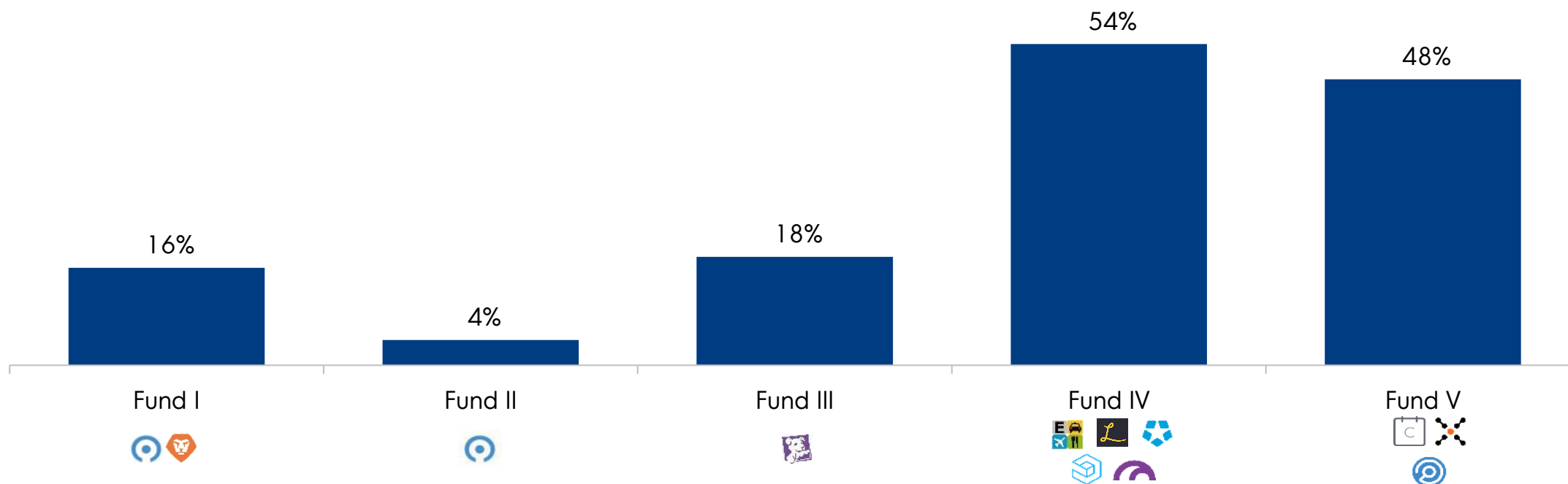
3 – Calculated as a percentage of outstanding Common shares, per Q2 2022 10-Q published 8/12/22.



# THIS STRATEGY RESULTS IN A HIGH PERCENTAGE OF EACH FUND ALLOCATED TO TOP PERFORMERS

We began executing this strategy when the current senior investing team came together in Fund III

**% of Invested Capital Allocated to Top Performing<sup>1</sup> Companies**



Data as of 6/30/22.

<sup>1</sup> – Top performing companies based on a variety of factors including, but not limited to, ARR growth, cash efficiency, and potential exit value.

# OPENVIEW FUND VII OPPORTUNITY

## Incentive Structure

Return of LP contributed capital, followed by:

- 20% GP carry until LPs receive 3x committed capital and attain an IRR of at least 15% on their investment
- Then, GP catch-up to 30% carry (50% of distributed proceeds until catch-up is complete)

**\$625M**

Target Raise

**2.5%**

Management Fee<sup>1</sup>

**\$43M**

Current GP Co-invest

<sup>1</sup> – During first 5 years; steps down thereafter.



# THANK YOU



# NOTES AND DEFINITIONS

Throughout this document, various terms, calculations and performance definitions and descriptions are employed. Following are important disclosures with respect to such terms, calculations and performance definitions and descriptions. Certain information contained in this document has been obtained from third party sources and, although believed to be reliable, has not been independently verified and its accuracy or completeness cannot be guaranteed. All numbers are as of June 30, 2022, unless otherwise indicated.

Although certain individuals may be identified in the document as “Partner”, such titles reflect business usage that is customary within the venture capital and private equity industry and are not intended to indicate that any such individual is actually a partner or general partner of any partnership as those terms are used for legal purposes. The case studies and the companies (including impact companies) profiled or discussed in certain sections of this document represent a subset of OpenView’s prior investments and may not be representative of OpenView’s investment experience or performance as whole.

“Top Quartile” refers to the performance metrics maintained by Cambridge Associates for each applicable vintage year as of March 31, 2022, which is the most recently available data.

“ARR” (Annual Recurring Revenue) represents the value of contracted recurring revenue components of term subscriptions normalized to a one-year period.

“Realized Value” represent the value of proceeds received from the disposition of securities and repayment of bridge loans, the payment of dividends, and the carrying values of any outstanding escrows and earnouts determined based on GAAP.

“Unrealized Value” of securities shown herein or used in the calculation of performance numbers (including for calculation of multiples and IRRs), are determined under U.S. generally accepted accounting principles (GAAP) as of June 30, 2022 (unless otherwise indicated). The estimated fair value of securities will typically vary from actual amounts realized upon the disposition of those assets. There can be no assurances that the value determinations, or the assumptions used to make those determinations, will prove to be accurate. Such valuations may turn out to be inaccurate and therefore may affect the calculated returns with respect to such securities. Publicly traded securities are valued based on the most recent sale price or official closing price reported on the exchange or over-the-counter market on which they trade.

Any unrealized values included in the calculation of such metrics as “MOIC,” “Net LP IRR,” and “Total Portfolio Value” (see next page), represent potential outcomes and are estimated by OpenView team members as of the date shown. These estimated values are for illustration purposes only and prospective investors are cautioned not to rely upon the estimated values. Actual outcomes, proceeds and performance may be materially higher or lower than the estimated values presented in this presentation and there can be no assurance that the estimated values will be attained.

# NOTES AND DEFINITIONS (CONTINUED)

“DPI” (Distribution-to-Paid-In) is the ratio of cumulative distributions to the limited partners to aggregate capital contributions of the limited partners.

“MOIC” (Multiple of Invested Capital), or “Multiple,” represents Total Portfolio Value of the Fund over the cost for all Fund Investments at the Fund Level and represents the Total Portfolio Value of an individual Investment over the cost of that Investment for Individual Investments.

“Net LP IRR” represents a limited partner’s net internal rate of return and is net of management fees, carried interest, transaction costs, and other expenses. Internal rate of return (IRR) percentage is annualized and is calculated based on the timing of the amount invested and uses the dates of actual cash flow or valuation. Proceeds received or deemed received are based on the Total Portfolio Value (as defined below) as of a particular point in time and all unrealized values are treated as realized as of June 30, 2022 (unless otherwise indicated).

“Total Portfolio Value” is defined as the sum of Realized Value and Unrealized Value of the portfolio or of any individual Investment.

“Ownership” represents OpenView’s approximate fully-diluted percentage ownership of the outstanding equity of each applicable portfolio company assuming all preferred stock converted into common stock.

For the purposes of this presentation, OpenView has defined “rational valuations” as valuations growing at a slower pace than the market more broadly. OpenView relies on Pitchbook for such data and believes it to a reliable source for private market investment data. Pitchbook, in partnership with NVCA, publishes a quarterly “Venture Monitor” report on US venture capital deals and related valuations. OpenView’s average valuation at the time of initial investment has risen at a slower pace than the B2B Tech (from Pitchbook’s Q2’22 Venture Monitor report), which OpenView believes is an appropriate proxy for the broader market that we have historically invest in. In 2021 OpenView’s average valuation at initial investment has increased 176% since 2017, whereas the average valuation for the B2B Tech market has grown 446% since 2017.

For the purposes of this presentation, OpenView has defined “peak value” as the point in an investment’s lifecycle where we do not believe the asset’s return profile will materially increase.

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