



# Hydra Ventures Whitepaper

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Hydra Ventures is an investment DAO fund of funds that aims to accelerate the emergence of the venture DAO ecosystem. We take our learnings from operating MetaCartel Ventures and approach the design of Hydra with an evolved understanding of what it takes to build an operationally sustainable community investment organization.

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# Preface

It has been over two years since the inception of [MetaCartel Ventures DAO](#) (MCV).

MCV was summoned during the bear depths of [Black Thursday](#), grew through the \$3 trillion crypto bull market, and at this moment finds itself back in the teeth of another bear. Through it all, MCV has survived and thrived, amassing a deep well of experience around the culture, tools, and processes needed to operate a sustainable investment DAO.

Since its summoning, MCV has made 469 on-chain proposals, onboarded 81 blood mages, and deployed over \$8M in capital across a portfolio of 69 investments from across Web3 including:

- **DeFi:** First check into Zapper, Reflexer, and Gelato Finance
- **Governance:** Snapshot, Coordinape, Gitcoin
- **Play to earn:** Sky Mavis / Axie Infinity
- **Web3:** Pokt Network, Arweave, Ceramic, Arbitrium
- **Social:** Seed Club, Forefront
- **Media:** The Defiant

MCV established a new form of community-oriented investing, fusing a minimum viable DAO tech stack with a for-profit legal investment entity. Its hypothesis was that an entire community of builders, founders, investors, and ecosystem participants would be able to aggregate deal flow and assess investments better than a typical investment fund that was centrally owned and run by a few select partners. It was a dual experiment involving a first of its kind legally represented on-chain organization with a headless community-run investment fund.

Throughout the two years of operating MCV, we've come to not only understand how to sustainably run an investment DAO but have also mapped out a vast sea of unexplored designs that can affect the coordination capacity, incentive alignment, and investment performance of investment DAOs.

**We want to increase the pace of experimentation and take all the operating insights we've built up until now to scale community-first investing across all of web3.**

Enter the Hydra.



*The Hydra is misunderstood. It has been the subject of unrelenting shitposts beginning with Hesiod in 700 BC through Euripides and Virgil, right up through The Rock. Every era the multi-headed beast checks reputation, bad reputation.*

*By our hand, this will change. An unbiased appraisal of the Hydra's features reveals that it is the embodiment of an antifragile forced coordination mechanism deserving of mad respect.*

*The essence of the Hydra is multiple decentralized minds working together to operate a single powerful body. Each head has a different perspective and may form its own intention but needs to collaborate with the other heads to choose a path forward. It's the original DAO, in meatspace monster form.*

*Oh and if self-obsessed, glory-seeking "heroes" (I see you [Moloch](#)) try to chop off one of the Hydra's heads? Two more heads regrow in its place, increasing decentralization and demonstrating the power of antifragility. In classical myth, Hercules is only able to defeat the Hydra by cauterizing each newly chopped head to prevent regrowth and by burying the final immortal head under a huge rock.*

*There the head presumably lies today, whispering "coordinate" to the roots and the dirt and the worms.*

*Arise, Hydra.*

# Introduction

Hydra is the world's first [fund of funds](#) investment DAO, an investment organization focused on investing in other investment DAOs. We not only want to deploy capital but also help incubate and equip communities with their own investment capabilities. Through the experience of operating MCV, we bring our network, operating experience, and reputation to help communities with domain knowledge, expertise, and deal flow to become self-sustainable capital allocators.

Hydra aims to:

- **Invest in other investment DAOs**
- **Help communities launch their first investment DAOs from scratch**
  - Set up contributor incentives models and coordination frameworks
  - Guidance on how to work with legal, tax, and accounting service providers
  - Coaching first-time investors on how to invest/build up a venture portfolio
- **Coach DAO communities on how to operate an investment DAO:**
  - We've built up a community of investment DAO operators who are able to coach and advise early-stage DAOs and have built up an operational manual on how to run an investment DAO aka. MCV's '[Book of Rituals](#)'

We will invest in investment DAOs and communities that are both legally wrapped and cryptonative investment organizations, that span the following areas:

- **Domain-specific focuses** such as P2E, DeFi, cross-chain, web3, music, metaverse, virtual beings, DeSci, and social - ideally in emerging markets to become the first community investment organization in those ecosystems.
- **Emerging social networks** that have unique deal flow and talent access such as company/school/org alumni networks, novel social graphs, or other affinity communities.
- **Operational expertise** such as service DAOs: legal, auditing, engineering, design, recruiting and talent, or other professional expertise.
- **Technology ecosystems** such as L1s and L2 Ethereum scaling protocols.

# Design philosophy

With MCV being the first investment DAO, we initially had to take a fairly unopinionated and open-ended approach to the incentive and coordination of the organization. This perspective has changed over time as the community ran into various coordination challenges and subsequently had to refactor its organizational design in order to address them.

## **1. The need to incentivize high-value member participation and contribution towards key community objectives (solving the free-rider problem).**

The lived experience of DAOs is often very different from the imagined state illustrated by the initial documentation and code. Like most things in the crypto sphere, the anticipation of an event can supersede the actual event itself. It is relatively easy to create an investment DAO, but hard to scale and sustain.

After the initial wave of excitement wears off, issues like member apathy and DAO inertia can set in, weakening the DAO's capacity and spurring the need for novel mechanisms to address these problems. DAOs are sustained not by optimized code but by building trust networks and transparent systems of accountability.

These are human coordination challenges that must be tailored to the members in the context of the DAO's goals. MVC launched without an incentive structure, and all blood mages benefited when the value of their shares increased regardless of how much work each mage put in or the value of their contributions. We eventually implemented a share minting system where each quarter, 2% of new shares are created and allocated for distribution to active members via objective contribution data. Especially high-value contributions are rewarded via Coordinape. Members that [contributed](#) a lot of value to the DAO received more shares, increasing their ownership stake, while inactive members got diluted. We look to take this contributor inflation idea further into the very core design of how Hydra works.

## **2. The need to decrease the scope of decision space in order to focus and limit unnecessary overhead spent on processes that were non-essential to investing.**

Too much choice has a cost. An unbounded decision space allows for marginal ideas and low-impact proposals to drain attentional resources away from an organization's core mission. MCV is an investment DAO that, unsurprisingly, makes decisions about investments. But it also makes decisions about whether to admit new members, which assets to hold in its treasury, how to reward contributions and what to do with our investments. MCV doesn't have a fixed end date or limiting investment thesis and thus exists in perpetual existential ambiguity. In this context, it can be difficult to decide what should be excluded from our decisional scope and we run a higher risk of analysis paralysis compared with a narrowly focused monomaniacal enterprise.

The attention of our members is split across various projects in the ecosystem, limiting the amount of time and attention each member can give. By having a rigid structure in place that limits the choices or directions for a DAO, members can dial in on key areas of concern for the DAO. While this may seem stifling to innovation, it can have the opposite effect by forcing creative solutions to bounded problems. A narrowed scope serves as a schelling point for

members and preempts the emergence of unnecessary disagreements. A venture fund that only invested in EVM chains wouldn't have to debate the merits of Solana vs Near or which ZKP protocol will win out. Unlike MCV, Hydra aims to limit direct attentional resources to new membership proposals, treasury management, retaining professional services, or deciding whether and when to wind up the project - instead, those resources can focus on capital deployment into the best DAO funds.

### **3. The need to bring in professional service providers to solve many of the DAO's operational needs (legal, tax, accounting, and operations).**

As the first legally wrapped investment DAO, MCV had issues sourcing high-quality crypto-literate professional services. We had to transmit a huge amount of context to receive actionable advice, often spending substantial efforts educating professionals about the underlying technology on top of which our smart contract was deployed. Novel opportunities to improve our performance would become clouded in regulatory and legal uncertainty, with a meta-decisional calculus informing our discussions about whether to even try to obtain a clear answer on the issue.

But help is coming. In the past two years, we've witnessed hundreds of DAO-pilled experts and professionals enter the space and begin coordinating amongst themselves to answer the needs of the investment DAO ecosystem. This augurs a [new era of service DAO disruptive innovation](#), leading to greater efficiencies that allow DAOs to focus on achieving their core mission.

We believe that bringing a service provider DAO inside an investment DAO as a member with explicit responsibilities and a shared vesting schedule is a step-change improvement in DAO design. It aligns the incentives to succeed by giving upside to the service provider DAOs while also dispelling the challenge of retaining and providing the necessary context to traditional professional service providers.

We believe that this integrated service DAOs model will enable far greater operational scalability for DAOs without diluting core operational focuses. New entrants to the DAO space may be unfamiliar with the exact processes and services they will need and the fair market price they should pay to get started. Instead of expending scarce capital and time securing those services, DAOs can instead choose to offer ownership interests in exchange for those services.

# Design specifications

We've come up with a design that iterates upon MCV's initial DAO structure in order to address the problems highlighted in the design philosophy. We recommend first reading the [MCV whitepaper](#) as we will be referencing to the initial MCV design in our design specs.

**Capital contributions and DAO membership:** While MCV had a continuous onboarding period in which new capital contributions were onboarded into the DAO on a rolling basis, in Hydra we've decided to only onboard capital contributions and DAO members at the start. This is to avoid calculating an ongoing internal NAV (net asset valuation) and the need to onboard new members on a piecemeal basis - which took considerable internal overhead.

**Investment Period:** Due to the lack of a fixed end date period for MCV investment deployment, it existed in perpetual ambiguity, resulting in open questions around treasury management, cash flow management, and other internal operations. With Hydra, we intend on implementing a three-year fixed investment lifetime period in which the DAO is able to make investments. After the three-year investment period, investments will no longer be possible and there will be a fund admin that distributes profits to DAO members after this period. This fixed investment period helps set expectations for the DAO's capital deployment schedule.

**Ragequit:** Similar to MCV, members in Hydra are still able to ragequit and legally leave the organization with their pro-rata portion of liquid assets and non-transferable claims to the profits of their illiquid investment positions. The key difference with Hydra is that we've deferred the distribution of a member's illiquid assets to the end of the 3-year investment period, in order to simplify the operational admin of asset distributions, which became an operational burden in MCV. Similar to claims tokens in MCV, when DAO members ragequit, they are issued a claims NFT as an on-chain representation of a member's legal claim to the total book of illiquid positions at the time of the ragequit (this NFT is non-transferrable just like MCV claims tokens).

**Guildkick:** Guildkick is still a feature and is equivalent to a forced ragequit for DAO members.

**Contributor Inflation Rewards:** While in MCV we've implemented a quarterly DAO shares inflationary schedule. Due to the fixed operating investment period of Hydra, we've decided to pre-mint the contributor inflationary rewards upfront - effectively diluting capital contributors as a means to incentivize long-term participation where contributors will be able to earn back a significant portion of their upfront dilution. \*While these following numbers may potentially be subject to change, we aim to dilute all initial capital contributors by 31%, which will form the contributor's incentive pool:

- 23% of these DAO shares will be set aside for a contributors incentive pool which will be distributed on a quarterly basis towards the highest value contributors via Coordinape as well as community grant and spending proposals
- 8% will be vested towards Thing3, an integrated service DAO focused on covering all operations related responsibilities (we will expand on this in a section below)



**Integrated internal service DAO:** Founded by several experienced and cryptonative operators including Danny Carpio and Larry Florio, Thing3 is a operations focused service DAO that is focused on advising web3 projects on all things related to legal, tax and accounting. They are a service provider that will vest 8% of the DAO shares over a 5 year period and will cover the following operational and strategic areas for Hydra:

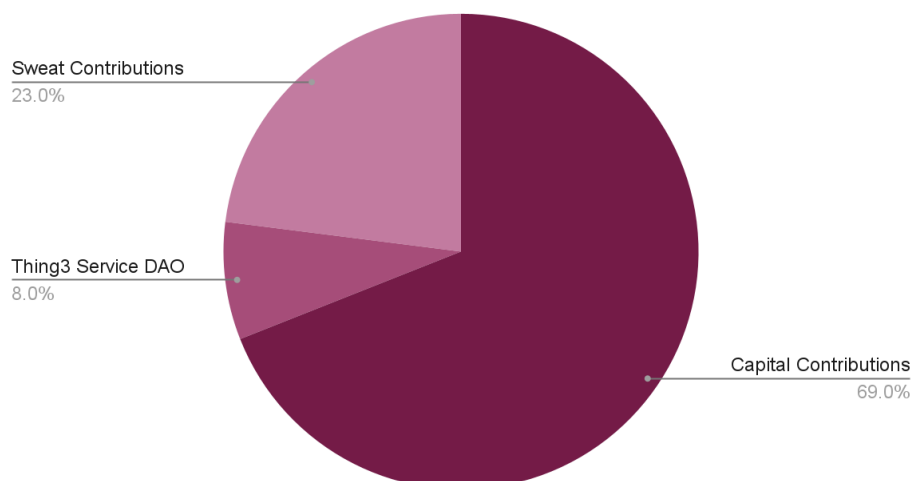
- Entity formation
- Subscription document preparation and formation
- Internal fund administration, including investment tracking, performance reporting, harvesting, and profit distribution
- Compliance (e.g. regulatory filings, KYC/AML)
- Tax liaison (e.g. K1 & annual tax forms)
- Outside counsel liaison
- Accounting
- Coordination with other service providers as needed
- Post-investment period fund administration

Thing3 will be accountable not only for operations during the investment period but will act as the fund administrator in-charge of distributing profits and investment assets post the 3-year investment period for Hydra. As such Thing3 is incentivized with a 5-year vest which should ultimately be upheld as long as Thing3 is able to fulfill its contractual obligations in its service contract with Hydra. **Rather than a traditional bill-by-hour model, we've decided to align Thing3 with DAO ownership in order to reward efficiency as opposed to billable hours. We believe shared skin in the game should align incentives to properly execute the mission-critical services outlined above.**

This partnership will free up Hydra DAO Members who do not have this competency and whose time and contributions are best spent advancing other parts of Hydra's purpose.

We believe that Service DAOs will emerge as an abstraction layer for key mission-critical objectives and responsibilities that DAOs need to fulfill. As such, we can imagine Thing3 as the first of many microservices that emerge to service Hydra and future DAOs.

Hydra Share Distribution



# Legal considerations

**IMPORTANT:** *This paper's summary of the legal structure and any applicable laws referenced is not intended to be complete and may become inaccurate based on subsequent developments. The summary is qualified in its entirety by the actual contents of the operating agreement and any applicable laws. To the extent that the summaries contained herein conflict with the terms of the operating agreement or the applicable law, the terms of those writings will control and be determinative as to the outcome of the relevant issues, not the contents of this paper. Please review the disclaimers at the back of this paper and bear them in mind when reviewing the summaries set forth herein.*

**Hydra is currently expected to include a Delaware Limited Liability Company (DE LLC) and a Cayman Islands Limited Liability Corporation (LLC).**

We expect non-US investors to directly contribute funds to the Cayman LLC while US participants would contribute funds to the Cayman LLC via the DE LLC.

Potential members will be asked to complete legal formalities before they are permitted into the DAO. Failure to complete these requirements will prohibit their admission. These requirements will include the same as what a person or group would typically expect from an investment fund, including standard reviews for compliance with securities and other applicable laws.

The key document for Hydra will be the operating agreements for the DE LLC and Cayman LLC which will work together with the on-chain tools to allow members to coordinate and collaborate within an understood legal organizational structure. Through these entities, Hydra will be able to enter into legal contracts and engage in investment opportunities without the risk of individual personal liability beyond the capital in the DAO. It will also allow registered legal entities to participate in the DAO's membership as well as the issuance of securities to the DAO.

**Similar to MCV, the Hydra operating agreement(s) will enable Hydra's governance to become tightly coupled with its on-chain smart contracts.**

When approaching the structuring of Hydra, we've taken many risks into consideration into the structuring and design of the hydra operating agreements, we outline these considerations under the following categories:

1. Legal and regulatory risks
2. Tax risks
3. Conflicts of interest

## Legal and Regulatory Risks

**The offering relies on exemptions from federal and state securities registration, and, with respect to offers in the provinces of Canada, from applicable Canadian securities legislation, which may not be available or may not continue to be available.**

This offering of Interests has not been registered under the Securities Act, in reliance, among other exemptions, on the exemptive provisions of Section 4(a)(2) of the Securities Act and Regulation D under the Securities Act. Similar reliance has been placed on available exemptions from securities registration or qualification requirements under applicable state and other provincial securities laws, including the accredited investor prospectus exemption as set out in Section 2.3(1) of the NI and Section 73.3(2) of the OSA in Ontario. Nonetheless, no assurance can be given that this offering of Interests currently qualifies or will continue to qualify under one or more of such exemptive provisions due to, among other things, the adequacy of disclosure and the manner of distribution, the existence of similar offerings in the past or in the future, or a change of any securities law or regulation that has retroactive effect. If, and to the extent that, claims or suits for rescission are brought and successfully concluded for failure to register this offering of Interests or other offerings or for acts or omissions constituting offenses under the Securities Act, the Securities Exchange Act of 1934, as amended, applicable state securities laws, or applicable Canadian securities laws, the Fund could be materially and adversely affected, jeopardizing its ability to operate successfully or at all.

**The Fund could be subject to burdensome registration requirements.**

The Fund is not and does not expect to be registered as an “investment company” under the U.S. Investment Company Act of 1940, as amended (the “Investment Company Act”), pursuant to an exclusion set forth in Sections 3(c)(1) or 3(c)(7) of the Investment Company Act. Because this offering of Interests has not been registered under the Securities Act and the Fund is not registered under the Investment Company Act, the Partners are not afforded certain regulatory protections afforded to investors in offerings or entities that are registered under such laws.

There is no assurance that the Investment Company Act exclusion will continue to be available to the Fund. Neither the Fund nor its counsel can assure investors that, under certain conditions, changed circumstances, or changes in the law, the Fund may not become subject to the Investment Company Act or other onerous regulations. Due to the burdens of compliance with the Investment Company Act, the performance of the Fund could be materially adversely affected, and the risks involved in financing a Portfolio Company could substantially increase if it becomes subject to registration under the Investment Company Act.

Neither the summoning team nor the Fund’s counsel can assure investors that, under certain conditions, changed circumstances, or changes in the law, the Fund may not become subject to the Investment Company Act or other burdensome regulations. In addition, neither Thing3, the summoning team, nor their respective affiliates are registered as an “investment adviser” under the Advisers Act.

***The Fund will be restricted in its activities in the EU by the AIFMD.***

The European Union (“EU”) Alternative Investment Fund Managers Directive (“AIFMD”) regulates the activities of private fund managers undertaking fund management activities or marketing fund interests to investors within the EU. If the Fund is marketed to EU-based investors: (i) the Fund will be subject to certain reporting, disclosure and other compliance obligations under AIFMD, which may result in the Fund incurring additional costs and expenses; and (ii) AIFMD will also restrict certain activities of the Fund in relation to EU Portfolio Companies including, in some circumstances, the Fund’s ability to recapitalize, refinance or potentially restructure an EU Portfolio Company within the first two years of ownership.

## **Tax Risks**

***The Fund will be classified as a partnership for U.S. federal income tax purposes.***

Except in the limited circumstances described below, the Fund will report as a partnership for U.S. federal income tax purposes and does not expect to be treated as a publicly traded partnership (which, under certain circumstances, is taxable as a corporation). However, there can be no assurance that the Fund will always satisfy this exemption and treatment of the Fund as a corporation would materially reduce the anticipated benefits of an investment in the Fund. In certain cases where the Fund comes to hold securities of a Private Company that is taxed as a disregarded entity or partnership for U.S. federal income tax purposes, Members may elect for the Fund to report as a corporation for U.S. federal income tax purposes. Such treatment would materially reduce the anticipated benefits of an investment in the fund and raise additional tax considerations that each Subscriber should seek advice for based on its particular circumstances from an independent tax advisor.

***The Fund’s investments may be subject to withholding and other taxes.***

The summoning team intends to structure the Fund’s investments in a manner that is intended to achieve the Fund’s investment objectives. However, notwithstanding anything contained herein to the contrary, there can be no assurance that the structure of any investment will be tax efficient for any particular investor or that any particular tax result will be achieved. In addition, tax reporting requirements may be imposed on investors under the laws of the jurisdictions in which investors are liable for taxation or in which the Fund makes portfolio investments. Prospective investors should consult their own professional advisors with respect to the tax consequences to them of an investment in the Fund under the laws of the jurisdiction in which they are liable for taxation. Furthermore, the Fund’s returns in respect of its investments may be reduced by withholding or other taxes.

***The Fund's income will be includible in Partners' taxable income even if no distributions attributable to such income are made.***

The Fund's income and gain for each taxable year will be allocated to, and includible in, a Member's taxable income whether or not cash or other property is actually distributed. The Fund does not intend to distribute cash to enable the Partners to pay income taxes arising from the ownership of Interests during a taxable year. Thus, Partners may be liable for federal and state income taxes on income related to a Member's ownership of Interests, even though they have received no distributions from the Fund. Each Partner should have alternative sources from which to pay its U.S. federal income tax liability.

***Taxes and economics may not match during a calendar year.***

The income tax effects of the Fund's transactions to Partners may differ from the economic consequences of those transactions during a calendar year. This may result in a higher or lower income tax liability arising out of a Member's ownership of Interests than might be expected by that Partner.

***There is the possibility of a tax audit.***

The Fund's tax returns or other filings might be audited by a taxing authority. An audit could result in adjustments to the Fund's tax returns. If an audit results in an adjustment, Partners may be required to file amended returns and to pay additional taxes plus interest.

The Fund may take uncertain positions with respect to certain tax issues or positions that depend on legal conclusions not yet addressed by the courts. Should any such positions be successfully challenged by the Internal Revenue Service (the "IRS") or another taxing authority, a Partner might be found to have a different tax liability for that year than that reported on its income tax return.

In addition, an audit of the Fund's income tax information or return may result in adjustments to the tax consequences initially reported by the Fund and may affect items not related to a Member's investment in the Fund. If audit-related adjustments result in an increase in a Member's income tax liability for any year, that Partner may also be liable for interest and penalties with respect to the amount of underpayment. The legal and accounting costs incurred in connection with any audit of the Fund's tax return will be borne by the Fund.

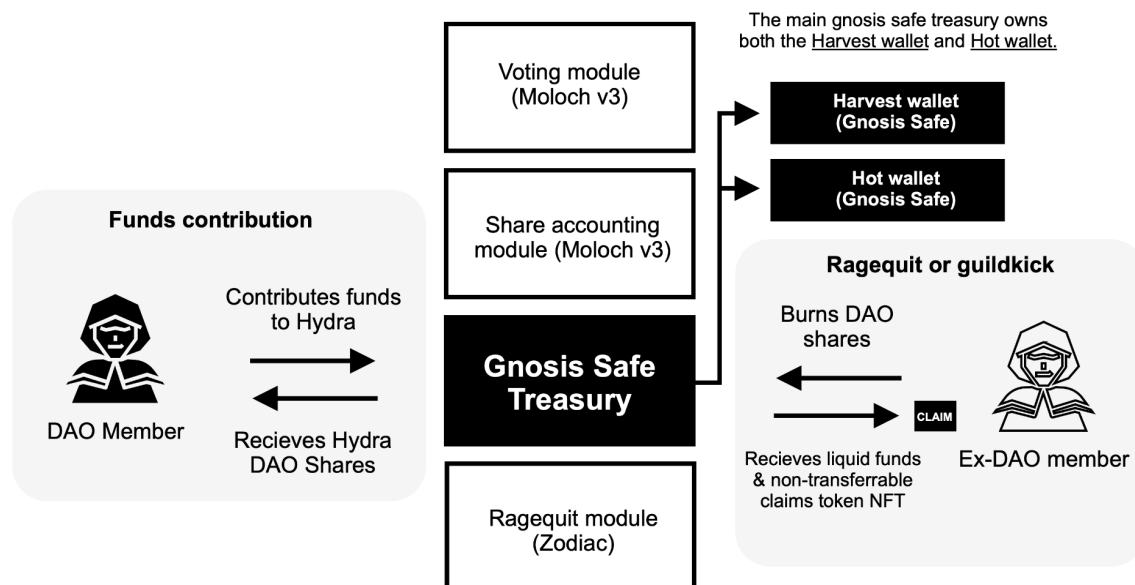
The Fund will be required to disclose identifying information to taxing authorities regarding each of its Partners, including each Member's name, address and taxpayer identification number.

# Smart contract architecture

Since Hydra intends to pre-mint the DAO's inflationary shares upfront to be allocated to Thing3 and potentially other integrated service DAOs, Moloch v2 is no longer able to facilitate the smart contract architecture of Hydra.

**Instead, we will be looking to deploy Hydra as the first deployment of Moloch v3 aka 'Baal', a smart contract architecture that leverages Gnosis Safe as asset management primitive.** Unlike Moloch v2, a monolithic smart contract architecture that was originally designed to facilitate a minimum viable investment DAO, the Moloch v3 architecture is highly composable and allows for DAOs to evolve their functionality over time without the need for a complete smart contract fund migration.

*The smart contract architecture of Hydra:*



**Gnosis Safe Treasury:** The Gnosis safe treasury will be the core executor for all DAO asset management transactions. This main treasury will own two additional Gnosis safes.

- **Harvest wallet:** The account in which profits from investments will be funneled during and after the investment period. Hydra will only be distributing the liquid profits of the harvest account after the three-year investment period of Hydra.
- **Hot wallet:** The account to which the DAO will initially transfer assets after a successful investment or expense proposal for a temporary holding period, before investment documents are signed and a destination asset for funds is clear.

**Voting module (Moloch v3):** The voting module enables the permissionless execution of a DAO asset management proposal via traditional Moloch pre-defined voting and grace periods with lazy consensus (minimum 1 positive vote for the proposal to pass). Unlike Moloch v2 where the voting and grace periods are immutable, through the voting module, we are able to configure voting and grace periods for proposals via a community vote e.g. after the 3 year investment period, the DAO may increase the voting period of the DAO to a period of 2-4 weeks to ensure proposal visibility or perhaps decrease the voting period during the earliest stages of the DAO to enable a faster velocity of decision finality. Additionally, the voting module allows for ERC-20 compatibility such as compatibility with the Gnosis safe multisend module where the DAO can send bundled transactions to any arbitrary number of addresses at once e.g. a multi-send transaction to 20+ addresses via a single proposal for a Coordinape DAO shares distribution.

**Share accounting module (Moloch v3):** Unlike Moloch v2, the share accounting module enables ERC-20 accounting for all voting and non-voting DAO shares while also managing minting and burning shares via proposals. While in v2, guildkick was a proposal type, whereas, in v3, guildkick will be performed via a burn shares proposal through the share accounting module. This module also manages transferability for all DAO shares.

**Ragequit module (Zodiac):** The ragequit module enables permissionless pro-rata distribution of DAO funds based on voting & non-voting DAO shares.

**Non-transferrable claims token NFT:** When a member would ragequit in MCV's original design, they were given non-transferrable ERC-20 claims tokens of the illiquid investments they had profit claims towards. In this Moloch architecture, a DAO member's pro-rata profit and asset distribution rights are represented by a non-transferrable claims token NFT (optionality to be represented as ERC-20s).

## Interim smart contract modules architecture

Early on in the DAO's lifecycle, we may opt to use other Gnosis Safe modules in place of the Moloch v3 modules until they are fully audited and safe to use.

**ERC-1404 Token contract:** Instead of using the Moloch v3 share accounting module, we are likely to use an ERC-1404 non-transferable token to represent DAO shares in the beginning, with vesting configuration for contracted Service DAOs.

**SafeSnap Module:** Instead of using the Moloch voting module which enables trustless execution of DAO proposals, we may initially rely on the SafeSnap voting module which enables the on-chain execution of off-chain votes via Snapshot. This is not ideal as SafeSnap makes a [security assumption](#) on the underlying reality.eth oracle which reads from Snapshot.

## **Disclaimers**

**THIS PAPER IS NOT INTENDED TO CONSTITUTE AN OFFER TO SELL, OR SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES. ANY AND ALL SECURITIES REFERRED TO HEREIN HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR UNDER APPLICABLE U.S. STATE OR FOREIGN SECURITIES LAWS. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY U.S. STATE OR FOREIGN SECURITIES COMMISSION HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THE CONTENTS HEREOF. NO REPRESENTATION, WARRANTY, OR ASSURANCE IS MADE REGARDING THE ACCURACY OF THE INFORMATION CONTAINED HEREIN, AND IT IS NOT INTENDED TO BE RELIED UPON BY ANY PERSON. THE INFORMATION CONTAINED HEREIN MAY NOT REFLECT SUBSEQUENT DEVELOPMENTS. NOTHING SET FORTH HEREIN IS INTENDED TO BE LEGAL, TAX, OR FINANCIAL ADVICE TO ANY PERSON. THE FORWARD-LOOKING STATEMENTS IN THIS PAPER ARE SUBJECT TO NUMEROUS ASSUMPTIONS, RISKS, AND UNCERTAINTIES THAT ARE SUBJECT TO CHANGE OVER TIME. THERE ARE MANY RISK FACTORS, INCLUDING THOSE RELATING TO BLOCKCHAIN AND CRYPTOGRAPHIC TECHNOLOGY GENERALLY, AS WELL METACARTEL'S BUSINESS, OPERATIONS, AND RESULTS OF OPERATIONS, THAT COULD CAUSE ACTUAL RESULTS OR DEVELOPMENTS ANTICIPATED BY US NOT TO BE REALIZED IN WHOLE OR IN PART OR, EVEN IF SUBSTANTIALLY REALIZED, TO FAIL TO ACHIEVE ANY OR ALL OF THE BENEFITS THAT COULD BE EXPECTED THEREFROM. WE RESERVE THE RIGHT TO CHANGE THE PLANS, EXPECTATIONS, AND INTENTIONS STATED HEREIN AT ANY TIME AND FOR ANY REASON, IN OUR SOLE AND ABSOLUTE DISCRETION, AND, EXCEPT AS MAY BE OTHERWISE REQUIRED BY APPLICABLE LAW, WE UNDERTAKE NO OBLIGATION TO UPDATE PUBLICLY OR REVISE ANY FORWARD-LOOKING STATEMENT, WHETHER AS A RESULT OF NEW INFORMATION, FUTURE DEVELOPMENTS OR OTHERWISE. ACCORDINGLY, WE RECOMMEND THAT YOU DO NOT RELY ON, AND DO NOT MAKE ANY FINANCIAL DECISION OR INVESTMENT BASED ON, THE STATEMENTS CONTAINED IN THIS PAPER — INCLUDING BUT NOT LIMITED TO ANY SELLING OR TRADING OF ETHER OR ANY OTHER CRYPTOGRAPHIC OR BLOCKCHAIN TOKEN, OR THE SECURITIES OF ANY COMPANY OR OTHER ORGANIZATION OR GROUP. WE ARE THE HYDRA**



