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Mozilla Next Board Meeting

July 13, 2022

*Attorney - Client
Privileged and Confidential*

2022 board workflow



Goals

1. Connect and get to know each other as a group. This may sound basic, but it's really important for the work we have ahead of us.
2. Get up to date — and explore what is next — with the Mozilla Next work we are doing at MoCo and with our new initiatives (Ventures and .ai).
3. Start a conversation about succession planning — and explore ideas for attracting and supporting people who can lead Mozilla in its next era.
4. And ?



Agenda

1. Mozilla Next
 - a. *New Initiatives + Comms*
 - b. *State of MoCo*
 - c. *Open discussion*
2. Board Business



Mozilla Next

discussion



Where we are aiming ...

1. **It's time for change**
2. Even as we change, we are a public benefit org at our core
3. We are open to evolving our non-profit structure if needed
4. MoCo should evolve into a true multi-product organization
5. We may want additional product or program orgs in future
6. We are open to participating in the equity and startup environment
7. We should explore taking outside equity into new Mozilla ventures
8. We should also explore investing in other people's startups
9. We should explore offering equity for some or all employees
10. We need a dedicated 'apex' group driving these changes across Mozilla — and our long term growth

*This is a summary of outcomes from July 21 meeting..
See more detail in the board book.*



New Initiatives

(+ Comms Campaign)

updates



Overview

- Primary **focus for 2022 is standing up Mozilla Ventures and Mozilla.ai.**
 - Our Q2 efforts have been focused on recruitment for Mozilla.ai and Ventures.
 - We're also in the midst of extensive listening tours, which include sourcing Mozilla Ventures investments and building a Mozilla.ai advisory board.
- We're actively working on a **Mozilla 25 comms campaign** which aims to reshape our public narrative using Mozilla Next themes and examples.
 - Key goal: bolster our influence in the tech industry and amongst regulators.
- Later: new leaders will present **full Venture and .ai plans to Board by EOY.**
Will need a method to move additional \$45M as early as Q4 to fund these plans.



Mozilla Ventures

- Goal (reminder): **invest in Mozilla-like companies to spur innovation**, increase our influence and bring learning back into Mozilla.
- Progress:
 - Initial investments: three new investments plus Kickstarter. **~\$3.8M of \$10M invested**. Have reviewed 12 companies, 10 more in the pipeline.
 - Recruitment: **two strong GP candidates** so far, Ayah Badier and Rodney Sampson. Would like Board input on Ayah, see later slide.
 - Mohamed continuing a listening tour to build pipeline and get feedback. Includes: Betaworks, E14, GMG, Homebrew, Neoteny and Stellation.
- Next: continue to look for GP + opportunistic investments. Develop proposal for first full fund (\$25M + possible outside funding) once GP in place.



Mozilla Ventures *(investments)*

- In the process of making investments against initial \$10M. Three new deals:
 - **Secure AI Labs (SAIL)**: has built a federated learning platform to securely share healthcare data with researchers while maintaining patient privacy. We are investing \$1M at a \$10M pre-money valuation.
 - **Block Party**: builds anti-harassment tools for social media, starting with Twitter. We are investing \$500,000 through a SAFE (capped at \$18M). Mozilla Builders invested in an earlier round.
 - **HeyLogin**: German-based password manager aimed at SMEs. We are investing EUR350,000 through a convertible capped at EUR4.3M
- These three investments plus Kickstarter total ~\$3.8M.



Mozilla.ai

- Goal (reminder): create a home for **open source AI tools and datasets that advance trustworthy AI** as a way to attract talent and grow our influence.
- Progress:
 - Spoke with nearly 30 AI experts as part of listening tour. Strong validation, and a push to find a concrete starting point to focus on. *See next slide.*
 - CEO recruitment: proposing Twitter Director of Machine Learning Ethics, Rumman Chowdhury, as first Mozilla.ai CEO. *See later slide.*
 - Mozilla Open Source Auditing Tool study continues, will land in Q3.
- Next: work with CEO to develop full proposal for Mozilla.ai (\$25M). Review possible pilot projects in auditing based on M-OAT report. Formalize (advisory) board.



Mozilla.ai *(learning so far)*

- Tested v0.1 vision with AI experts: ‘a place to build, house and commercialize trustworthy **AI tech focused on things like transparency, auditing and privacy.**’
- Feedback: *all* strongly encouraged us to step into this space ... and most pushed us to find a practical entry point where we can learn, build credibility.
- Frequent theme: there is a **gap / opportunity to build ‘trustworthiness’ into the AI deployment lifecycle.** There may be an entry point — and a market — here.
- Also: some suggested ‘privacy enhanced tech’ (PET) as an entry point. Research with Open DP suggested it may be hard to differentiate / create value. *See Board book.*
- Possible path to v0.2 vision: explore ‘trustworthy AI deployment’ as entry point, **align on immediate + long term vision by EOY via full Mozilla.ai plan.**



Mozilla 25 Comms Campaign

- Reminder: as part of Mozilla Next, we agreed to do a comms campaign using stories from MoCo, MoFo, Ventures and .ai to position Mozilla as future focused.
- Key goals: **bolster credibility in the tech industry and amongst regulators;** and, position Mozilla execs as thought leaders creating a better internet.
- Also, will use to explain our hybrid business model, provide talking points on executive compensation in advance of annual State of Mozilla release in November.
- Approach: develop a press-centric campaign built around Mozilla's 25th anniversary (2023), **building momentum for the next 25 years of Mozilla.**
- Status: kick off in November with the State of Mozilla, rolling out through 2023.

See Board book for agency brief.



Budget update

- In January, we agreed on a **\$25M start up budget for Mozilla Next** including:
 - Start up teams for apex, Ventures and Mozilla.ai: ~\$5M (operating)
 - Initial investments (pre-fund): up to \$10M (investment)
 - AI related projects: up to \$5M (internal or external)
- Slower spending to start due to time needed to hire AI and Ventures leads. We spent \$2.8M by the end of May, \$800k in operating (core team) and \$2M in investments (Kickstarter).
- **Spending will be as planned in Q3/Q4**, with the addition of ~\$1M to the budget for the Mozilla 25 comms campaign. We do not expect to spend the full \$25M in 2022.
- We will move investment activity to a new entity called Mozilla Ventures Zero, LLC, and will be setting up a similar entity for Mozilla.ai activities.



2022 Mozilla Next budget vs forecast

Overview	Budget	Forecast	Variance
<i>Starting net assets</i>	\$0.0M	\$0.0M	\$0.0M
Income	\$25.0M	\$25.0M	\$0.0M
Expense	\$4.6M	\$5.5M	\$0.9M
Non-Opex Exp	\$15.0M	\$15.0M	\$0.0M
Change in net assets	\$5.4M	\$4.5M	(\$0.9M)
<i>Ending net assets</i>	\$5.4M	\$4.5M	(\$0.9M)

See Board book budget detail.



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Mozilla Foundation Board Meeting

July 13, 2022