Global Corporate Venturing

THE WORLD OF CORPORATE VENTURING 2022

The definitive guide to the industry

USA and Asia:

The 2022 Financial Tsunami


DENSO is Crafting solutions to power Green, Safe & Seamless mobility. At its Core are people who realize big ideas that bring hope for the future. If you have a big idea, we'll listen.

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Global Corporate Venturing

Address: 3 Lower Thames Street London EC3R 6HE

Website: www.globalventuring.com

Editor-in-chief: James Mawson
Email: jmawson@globalventuring.com

Writer and analytics: Kaloyan Andonov
Email: kandonov@globalventuring.com

Supplements editor: Liwen-Edison Fu
Email: efu@globalventuring.com

Supplements: Liz Arrington
Email: liz@bellmasongroup.com

Design and Production: Raksha Santilal
Email: raksha_santilal@hotmail.com

Managing director: James Gunnell
Email: jgunnell@globalventuring.com

GCV Leadership Society chair's welcome letter

Jacqueline LeSage,
Founder & Managing Director,
Munich Re Ventures

What is normal? Early in 2021, when discussing becoming the Chair of the Global Corporate Venturing Leadership Society Advisory Board with James Mawson, I thought that my tenure of giving back to our community would happen during a return to "normal" in the venture capital industry. But in the months since then, as with so many other areas of public and private life, anticipation of a return to "normal" has faded, replaced with an expectation of a "new normal."

The pandemic surprised us all in so many ways, including by providing strong tailwinds to the venture capital industry. Similar to other significant macro events such as the dot com bubble or 2008 financial crisis, the subsequent time period was ripe with new innovation in technology and business models. However, unlike what happened during and after those events, the pandemic period led to record valuations and record capital invested and committed. During this period, we also saw tremendous innovation in the nature of venture capital itself.

To focus on the role of finance in innovation is sometimes seen as a bit dry or academic, certainly compared to the often-dramatic founder stories of starting a business in a garage and battling the luddites on the path to unicorn status; or compared to the elation and public recognition that comes from the announcement of a new industry-transforming partnership or acquisition involving a portfolio company and a corporate parent. And some might even suggest the topic to be irrelevant for the purpose of corporate venture capitalists.

I beg to differ. When talking to colleagues internally or to senior executives of other corporations about how to understand and be a good partner to startups, I have found the most impactful eye-opening theme to emphasise is that venture capital is an asset class. The elements of this asset class drive the incentives, behaviours, timelines and expectations of all the players involved.

"To have longevity and access to the best companies with potential to be the best partners for our parents, we must understand how to harness the game for generating financial returns as well as strategic returns."

The game of venture capital has been the backbone of innovation financing for the last 60+ years. Corporations joined the game en masse more recently – let us be generous and say during the past 15 years. To participate, we play by the same playbook, deal structures and rules of venture capital as an asset class.

Thus, to have longevity and access to the best companies with potential to be the best partners for our parents, we must understand how to harness the game for generating financial returns as well as strategic returns. We need to understand how the changing nature of venture capital as an asset class will change the game for all of us.

When we as CVCs get together at conferences, such as September's wonderful back-in-person GCV Summit, we focus mostly on strategic returns and especially the challenges and opportunities of marrying the venture capital world with those of our corporate parents. We are the ultimate translators and diplomats. However, as was evident in the World of Corporate Venturing survey, in Summit roundtables and benchmarking for the GCV institute, many if not most CVCs are also targeting financial returns. At the recent GCV Summit, when a speaker asked an audience of CVC heads whether their goals were strategic or financial, the participants recoiled against the question, pushing back that it is old guard thinking that this is an either-or question. For most of us, both goals matter. This is especially true given recent trends in CVC structures towards more independent funds or even totally independent single corporate LP funds.

This evolution of CVCs to asset managers has required that we not only understand the nuances of individual rounds or patterns of single company funding arcs, but that we master how to generate returns across a portfolio. Of course, solving for portfolio construction while meeting the strategic interests of a parent company is a deft balancing act.

At the same time, a significant transformation of the venture capital industry is already underway, accelerated by the pandemic. This is impacting the broader game of generating financial returns for all players, from entrepreneurs to co-investors, from LPs to us as CVCs.

Here are just a few trends with which we are all likely familiar from the past two years:

- The increased velocity and reduced due diligence time period for a round resulting from new approaches such as that of Tiger Global
- The switch of funding for some venture capital firms to permanent capital vehicles
- Venture capital firms becoming Registered Investment Advisors
- Existing pre-exit entrepreneurs becoming highly sought-after seed investors using capital raised from secondaries
- New mechanisms for becoming publicly listed
- The need for funds to manage public or liquid assets

And that is before we factor in the completely different mechanisms of funding, governance, corporate structures and immediate liquidity that have emerged in the crypto space – a world that does not yet have a clear role for traditional venture capitalists.

Our world is transforming rapidly. The new environment is demanding ever more of us as professionals, while we continue to strive to fund innovation and to create a role for our parent companies to participate in that innovation by investing in the world's best entrepreneurs. As a CVC community and in partnership with GCV, we can utilise the Institute, reports, global councils and events to come together to proactively address the meta topics of the big transformational changes impacting our industry and what they mean for us as investors participating in the same game as the institutional VCs and other players.

We have a lot to look forward to in 2022 together as a community: more in person gatherings at the Summit and Symposium, maturation of the global councils, new sessions for the GCV Institute and continued work at the forefront on diversity, equity and inclusion within CVC units and encouraging more diversity on boards. We will continue to advance and promote all of these activities, building on the good work of the Leadership Society Advisory Board and my predecessors as Chair - Young Sohn, Wendell Brooks and Claudia Fan Munce.

Together, we have an opportunity to scale up the industry from hundreds of experienced, professional CVC firms to thousands this decade. This is the new era of professional corporate venture capital meeting the new generation of entrepreneurs. This is the new normal.

By James Mawson

Starting the year with transformative goals

Five years ago, this column argued that "with US President-elect Donald Trump selecting fellow billionaires and investment bank Goldman Sachs alumni to his team, Europe fracturing under divergent member state aims and Russian pressure, and Asia grappling with China's crackdown under President Xi, a panglossian degree of optimism is unwarranted about the economy or much else".

Half a decade on and the same geopolitical concerns seem to remain (though Trump's first term has finished he remains influential among his supporters). Judging, however, by the markets and it seems like there are few, if any, cares even with the populist swing to a new "Buenos Aires Consensus" of fiscal spending and higher inflation and hence interest rates.

The yield on two-year Treasury bonds (0.6%) or 10-year bonds (1.44%) are very low by historical standards and much lower than the current rate of inflation (6.8% in the US).

In the US, equity valuations are very high, as measured by the cyclically adjusted price-earnings (Cape) ratio developed by Robert Shiller of Yale University, which compares share prices with the average corporate earnings of the past 10 years. The current Cape ratio is 38, a level that was only higher during the peak of the dotcom bubble of 2000, according to the Financial Times in Philip Coggan's excellent analysis – check out his keynote speech from his latest book, *More: The 10,000-Year Rise of the World Economy*, at the GCV Digital Forum.

Unsurprisingly, therefore, a wall of money has entered the innovation capital economy in the search for returns. Last year saw records broken in all areas – from investments to exits and fundraising and ever-increasing numbers of corporations start their venturing programmes.

Consulting firm McKinsey's survey of executives, The State of New-Business Building, found that by 2026 they expected 50% of global revenues would come from products, services, and businesses that do not exist today. A lot of the money will be soaked up by the duplication of assets required by geopolitical and supply chain tensions. But at least some will flow to the infrastructure transition to tackle climate change through electrification, hydrogen, storage and distribution and opportunities in healthcare through personalised medicine and new information and communication tech, such as compound chips, quantum and photonics.

This macro picture and strategic driver pushing innovation and hence growth is helpful to the corporate venture capital (CVC) industry.

The requirement identified five years ago by GCV that venture investing was moving "from a cottage industry of VCs following 'pattern recognition' to select former colleagues, fellow university alumni and sons of friends" to one where "the newer breed of venture investor has emerged with the brand, marketing and support-beyond-money that entrepreneurs want".

This new breed has blossomed, but two issues remain when looking at GCV's annual survey of 200-plus investors around the world.

First, the record number of new CVCs, if they are perceived as dumb, money brings a risk of tarnishing even the good investors. The top 20% of investors - as benchmarked by GCV Analytics' rigourous qualitative and quantitative analysis - have, through the GCV Leadership Society, stepped up to this challenge and given back to the community through their mentorship and insights within the GCV Institute.

The Institute has trained hundreds of professionals over the past year both at new and existing CVC units and, crucially, at the parent companies so they can better land the value of working with entrepreneurs and portfolio companies. Having a professional investor base also attracts and retains the right sort of talent to the industry, as witnessed through the GCV Rising Stars and Emerging Leaders awards.

This delivery of the promise of professional corporate venturing to add value to both startups and corporations requires support as customers and suppliers as well as product and service development.

The second challenge is, despite these efforts, the wall of cash and competition from investors to work with the best entrepreneurs remains intense. To win deals, CVCs are tending to go both earlier-stage as well as provide bigger cheques to later-stage rounds with clear strategic alignment. The latter is easier if they have a track record, such as Boeing, Telstra, Swisscom or SAP's Sapphire, that enables them to raise third-party capital.

The good corporate venturers are also making more of their internal talent to incubate or build ventures, potentially with external funding to support the portfolio companies and validate the opportunities they see.

Effectively this starts to reverse the outside-in innovation toolset. Once the culture and innovation capacity through use of corporate venturing professionals is utilised to aid more efficient mergers and acquisitions and research and development, departments then the overall corporation has reached its transformative innovation stage and can offer the inside-out opportunities.

The past decade has seen the golden age - when just about any deal would do well because the competition from most VCs was amateurish and venture capital was still a cottage industry - pass into the professional era of blurred private and public capital markets bringing more efficient allocation of capital to those who can use it best.

The next year and decade will see the entire entrepreneurial ecosystem start to scale up in order to reach its potential as ideas and technologies build on themselves – ideas discussed in GCV's next book, *Transformative Innovation*, to be published at alongside this annual review at the GCVI Summit this week.

There is much potential outside of the US, which still accounts for nearly half of the record-breaking $600bn-plus venture dollars invested last year. Even though venture funding to Latin American or European startups grew the most, by more than 300% and 150%, respectively, year-over-year, according to Crunchbase, their totals were still relatively small compared with gross domestic product or population and the financing needs of their economies. With close to $20bn invested in LatAm in 2021 and $110bn invested in Europe the sums seem impressive only compared to with the paucity of capital available before.

VC firm Lakestar's analysis of the financing gap takes Germany as an example and shows how it has declined relative to its recent past but also how little innovation value it delivers compared to the US (less than a tenth).

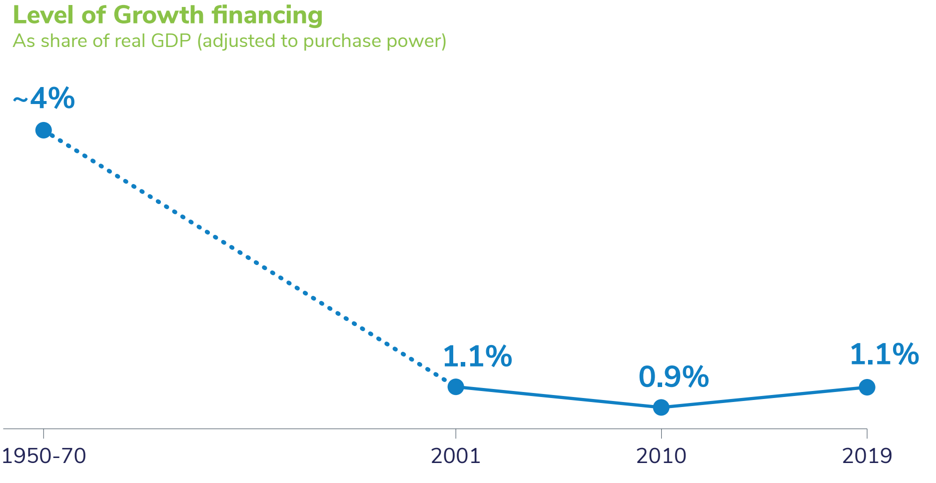
In this era, the winners will be those that, like SoftBank's founder, Masayoshi Son, have kept their eyes fixed on the future, looking 100, 200 or 300 years ahead rather than paying too much attention to the passing obsessions.

"Are all of these decisions taken to protect minuscule interests bound by geography with a small-scale sense of justice and a short-term mindset really for the greater good of humanity?" he asks in his biography, Aiming High: Masayoshi Son, SoftBank Group and Disrupting Silicon Valley, by Atsuo Inoue.

Looking back 250 years to the crucible of the first industrial revolution shows the financial, cultural, ethical and political ambitions required to win. As Adam Smith said then: "Wealth is power."

Example Germany

THE DECLINE OF GROWTH FINANCING



Source: www.european-financing-gap.com

Leadership in the Innovation Economy 2022: Barbara Burger

Profile by Chris Torney

Given her role at the vanguard of the world's efforts to transition to a lower carbon future, it is perhaps appropriate that peers describe Barbara Burger, Chevron's vice president of innovation and president of Chevron Technology Ventures (CTV), as a "force of nature".

Burger's achievements at Chevron, allied to the long-lasting positive impact she has had on the innovation ecosystem in Houston, means she is a highly deserving recipient of the Global Corporate Venturing Leadership in the Innovation Economy award for 2022.

"The energy industry is undergoing a period of rapid transformation and that transformation is being led in part by Barbara Burger," explains Diana Grauer, chief technology officer at Ocean Aero and former director of research and development at oil and gas services company Technip FMC. "With new investments in innovative technologies through Chevron's Future Energy Fund as well as investments in the startup community, Barbara has really transformed the tech scene in Houston."

Burger's colleague, CTV managing venture executive Kemal Anbarci, agrees: "Barbara is smart, she is dedicated and she cares – but more importantly, she understands what it takes to reach the goals that matter to her and to Chevron.

"She has created a 'coalition of the willing' here in Houston: she recognises that even while we are making this transition to a lower-carbon economy, the lights have to stay on."

Having worked at Chevron in roles ranging from chemicals and lubricants to technology marketing since 1987, Burger took over at CTV in 2013. The organisation has made investments in well over 100 startups since its formation in 1999 through its Core and Future Energy Funds. During her tenure, CTV launched Core Energy Fund I in 2014 and the second in 2019, targeting startups with technologies that have the potential to enhance Chevron's core business in the areas of operations, digitalisation and lower- carbon solutions. The first Future Energy Fund was set up in 2018 and the second followed in early 2021, focusing on innovation that potentially will play a critical role in the future energy system.

"At the time when I joined CTV, I did not know too much about the role, but I am probably at my best when I am on a steep learning curve – and the rapidly changing world of energy requires that of all of us," she explains. "In particular, I have been really motivated and inspired by the employees in the organisation – in the way they approach their work, as well as how they develop and respond to opportunities. Some of them can really connect dots and see around the corner in a way that is not typical of people in a large corporation."

Burger says that, under her leadership, CTV's most significant impacts have been both on Chevron itself as well as on the wider energy innovation community in Houston.

"Sometimes, the value we bring to our parent company is not recognised in the moment," she explains. "But when we look back at where the company has gone, we see our footprints on a lot of the changes." Burger highlights the fact that, in mid-2021, Chevron took the decision to set up a new business unit, Chevron New Energies, which will focus on the development of lower-carbon businesses such as renewable fuels, carbon capture use and storage (CCUS) and hydrogen.

"I am super proud and excited that Chevron did this," Burger says. "There are footprints of CTV all over the new venture, which is really exciting for our employees."

In late April 2021, Burger announced that she would be "graduating" from Chevron after 34 years of service. Graduation is a mindset that is CTV's and Burger's – graduation means always learning and building new capabilities to make the world better. Burger says she is "not done and really just getting started" – and the big challenges of energy transition and climate change, equity and access to education that she has worked on during her time at Chevron will be central to her next chapter.

From an external point of view, CTV has made a definite impact not just on its portfolio companies but also on the wider ecosystem around energy innovation. Burger points out: "People know CTV is here and we are here to stay: they

> **"Barbara is truly a force for sustained growth in energy innovation throughout Houston and across the globe. A successful corporate executive, scientist and investor, she uses her expertise to build sustained support within and outside of Chevron to grow corporate energy technology venturing efforts. She has been highly influential in accelerating the development, commercialisation and deployment of energy technologies that the world needs to grow modern prosperity."**
>
> – George Coyle, Managing Partner, Energy Innovation Capital

"Barbara is an amazing ambassador for Houston and our important innovation community and culture. Building a thriving ecosystem takes a lot of nurturing and hard work. Barbara inspires the rest of us to keep working and believing."

– Kirk Coburn, CEO at Eleox

can depend on us and we take a long view on the fact that innovation is critical to enable this future energy system that we all need.

"The innovation ecosystem in Houston is a unique blend of the city government, the startups, the universities, the corporations, the investors and a bunch of people that really care about this city and about energy.

She adds: "In terms of how we work together, the corporates understand that energy transition is bigger than any one company – and there is a lot we can do collaboratively while still competing in the marketplace. I think we have figured out how we can do both of those things."

Lawson Gow, founder of The Cannon, the global community for innovators, says: "Over the past five to seven years, Houston has made tremendous strides in evolving itself from an oil and gas town to a destination for entrepreneurs and innovators – and Barbara will forever be on the shortlist of names credited for this transformation."

Neal Dikeman, partner at Energy Transition Ventures, adds: "It is like Barbara is determined to single-handedly drag the energy capital into the innovation and startup world and will not finish until it is done.

"I first served with her on the board of Houston Technology Center during the creation of Houston Exponential and saw first-hand what happens when Barbara puts her attention to getting something built. This city owes her."

Burger's accomplishments in Southeast Texas are an extension of what she has achieved during a distinguished career, says Imran Kizilbash, managing director at CSL Capital Management. "Barbara is a trailblazer, innovator, thought leader and philanthropist. She graduated with a doctorate in chemistry from one of the premier scientific institutions in the country [Caltech] at a time when there were very few women in STEM. At Chevron she has been an advocate for excellence, technology and diversity."

He adds: "In her role at CTV she has led the charge with investments in energy transition while also supporting the technology needs of the existing oil and gas business."

The businesses CTV has invested in during Burger's time in charge reflect the breadth of the investment unit's work. They include Seeq, a company that develops advanced analytics software for process-manufacturing data and Eavor, a geothermal energy company, along with carbon-capture technology developers Carbon Engineering and Blue Planet as well as Ocergy, a developer of floating offshore wind turbines.

Burger says that CTV's role as an investor is never just about the money. "When we decide we want to invest in a business, we bring the tools we have as CTV – and the whole toolkit of Chevron at times – to help them progress on their commercialisation journey," she explains. "Just as importantly, we know how to work with a startup and not confuse our role as an investor and a board member or observer with management: while we will influence, help and support, we do not control."

Aniruddha Sharma, co-founder & CEO of investee Carbon Clean, says: "Barbara has great understanding of Chevron's strategic priorities especially in my area of work – carbon capture. She is acutely aware of the energy transition challenge and how carbon capture could probably help solve the challenge for heavy industry."

Sharma adds: "She has been very approachable for portfolio companies and in my case has made some very valuable introductions to her network. From a vision perspective, she completely buys into the vision of the founders."

Looking to the future, Burger hopes that the founding of Chevron New Energies will be just the start in terms of the corporation's ability to create new businesses in the energy-transition sphere. On a more personal level, she says: "I would really like to put Covid in the rear-view mirror. Innovation is a very collaborative activity: at its foundation are all those collisions, happenstance and coincidental meetings – and because of the pandemic, we have had very little of that in the past two years."

"Partner. Collaborator. Leader. Barbara is a consistent force of a nature in shaping the future of Houston. I am so grateful for her leadership, partnership and friendship. Bravo!"

– John Reale, managing director at Integr8d Capital

Global Corporate Venturing Institute

The first specialized institute dedicated to corporate venturing industry advancement, staying power and impact

By CVCs, For CVCs – Actionable professional development and certification, benchmarking, and community building

Powering Corporate Venturing

The GCV Institute was established to unleash the collective power of corporations as strategic investors and innovation partners. Created by CVCs for CVCs, the GCV Institute combines an expert-driven case study approach, cohort-based learning and mentored problem-solving to arm participants with common language, tools, and best practices for professional startup investment and partnering.

About the Institute Curriculum

The Institute provides professional development and assessment-based certification for cross-functional CV team members as well as key parent and external stakeholders at executive, management, and entry levels. The curriculum includes both overview and deep dive courses with:

- Dual tracks for corporate venture investing (CVC) and corporate venture business development (CVBD) / portfolio development
- Unique content for parent stakeholders who partner with and support CV teams

Institute Course Goals and Features

INFORMED

- Global CV industry data, insights, and best-practice case studies
- Leading CV ''storytellers'' discuss real world experiences in videos and live panels
- Seasoned CV program faculty and mentors

ENGAGING (COHORT-BASED)

- Combination of self-paced (conceptual) and real-time (feedback-based) learning
- Community-driven, active application of concepts in peer breakouts and Q&A panels with CV experts

ACTIONABLE

- Best practice solutions to address real world challenges
- Mentored, on-the-job problem-solving (deep dive courses)
- Professional CV library: extended access to Institute resources, tools, and templates
- Powerful communities of practice: alumni, CV experts, mentors

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Upcoming Courses

CORPORATE VENTURE PARENT PARTNERING

- Cohort-based introduction to corporate venturing and innovation partnering
- Illustrates high-value startup partnering approaches, interweaving industry concepts in expert stories from all perspectives: CV teams, parent partners, startups

CVC INVESTMENT PROGRAMS

- Cohort-based introduction to corporate venture capital (CVC)
- Leverages industry models and best practice case studies across CV program types and maturity phases
- Explores nuances for CVCs in VC investment process

CVC INVESTMENT BASICS

- Primarily self-paced introduction to the VC investment process with emphasis on nuances for corporates (CVCs)
- Uses industry models and best practice video case studies and resources
- Includes quarterly live online expert Q&A panels

LANDING THE VALUE OF CORPORATE VENTURING

- Cohort-based course focused on key considerations for designing, building, and optimizing professional CVBD (startup partnering) programs
- Includes mentored, on-the job project to address an end-to-end investing challenge

Institute Advisory Board

Allstate Strategic Ventures | AAA | Avanta Ventures | Capital One Ventures | Chevron | echo Health Ventures

iqt In-Q-Tel | Merck | Munich RE Munich Re Ventures | Samsung Catalyst Fund | Sony Innovation Fund | TDK TDK Ventures

 | Enroll at gcvinstitute.com or contact info@gcvinstitute.com

Liz Arrington,
Co-founder and managing director – GCV Institute,
Partner – Bell Mason Group (BMG)

The GCV Institute – 2021 in review and 2022 lookahead

In February 2022, the GCV Institute celebrates its first birthday with the launch of the first corporate venture capital (CVC) operational and performance benchmarking platform which will serve as a reference point for CVC strategic and operational planning as well as provide timely best practices data for the Institute's professional development curriculum.

The birth of the Institute

The concept for the GCV Institute was born out of the collaboration among Heidi Mason, Liz Arrington and James Mawson on their 2019 book, *Corporate Venturing: A Survival Guide*. The book translated in depth BMG research on CVC industry best practices into a maturity framework and set of design rules for building impactful and resilient programmes.

In the research for the book, we consistently heard two key messages from CVC community leaders:

1. CVC is now seen as a mainstream weapon in the corporate innovation arsenal and an influential player in the global innovation ecosystem – but corporate parents often do not understand how CVC works and the roles they should play in driving value
2. The bar for CVC programme professionalism has been raised – this is critical to the reputation of the industry as well the impact and longevity of individual programmes

In response, GCV and BMG together created the first specialised Institute dedicated to corporate venturing industry advancement, staying power and impact. We envisioned three interlocking pillars:

Professional Development	Benchmarking	Communities of Practice

With the motto 'By CVCs for CVCs' and guided by a luminary advisory board, the Institute launched its professional development curriculum and the foundation for alumni and expert community networks.

The Charter Institute Advisory Board (IAB)

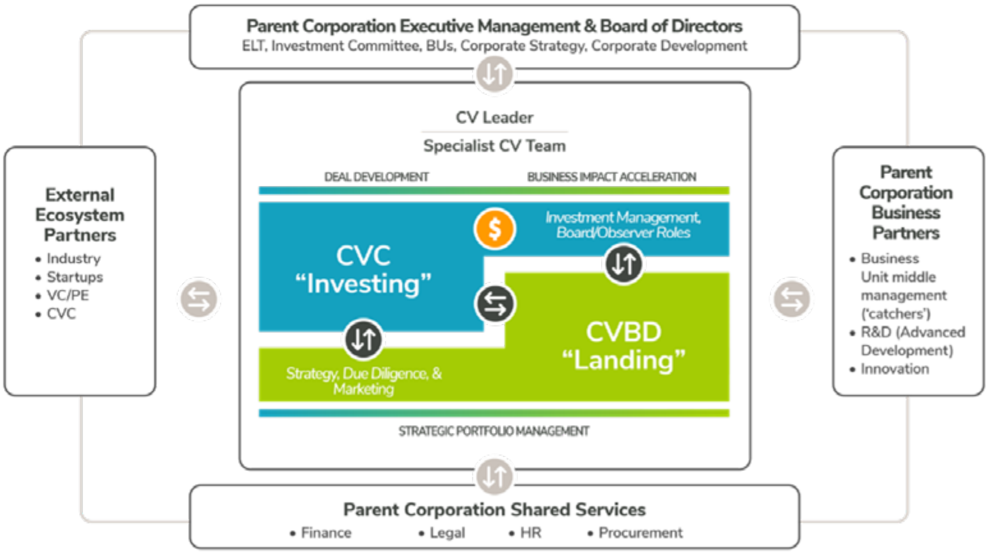
Demonstrating their deep commitment to industry advancement, Tarik Galijasevic, Debbie Brackeen, Jaidev Shergill, Barbara Burger, Rob Coppedge, George Hoyem, Bill Taranto, Jacqueline LeSage, Dede Goldschmidt, Austin Noronha and Nicolas Sauvage all contributed unique insights, best practice case studies and pilot participants to fine tune course content and delivery.

Professional development

Addressing the corporate venturing landscape

Corporate Venturing (CV) programmes operate in a complex set of interdependent ecosystems involving multiple internal and external stakeholders. As CV has become a mainstream weapon in the corporate innovation arsenal, leading programmes must manage hundreds of parent touchpoints at multiple levels with constant role rotations. Externally, savvy CVCs are no longer seen as poor stepchildren to VCs – but as different and potentially more impactful partners (for both parent and portfolio company). All of which makes CVC a harder, more complex job than institutional investing.

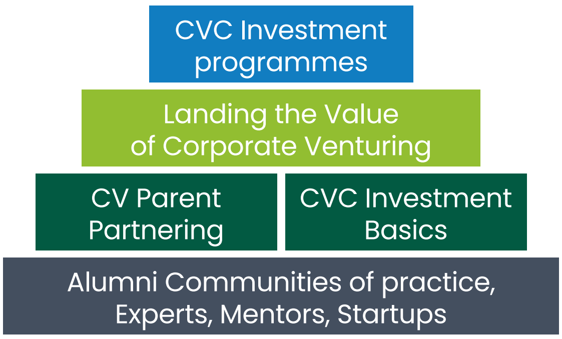
What distinguishes Institute professional development is our conviction that an end-to-end investing approach, integrating investment and partnering, is fundamental to both portfolio financial performance and to delivering the ultimate strategic impact needed to ensure CVC programme longevity. Over the past 5 years, high-performing programmes are increasingly building parallel teams of investment (VC) and Corporate Venture Business Development (CVBD) professionals, chartered with building relationships that benefit both the parent and the portfolio company.



Establishing a common corporate venturing language and understanding of its unique integrated characteristics is the foundation for all parties to work together and deliver the promised value. The Institute curriculum is designed to address CV team (VC and CVBD) professional development as well as promote effective engagement with both parent and external stakeholders.

2021 professional development year in review

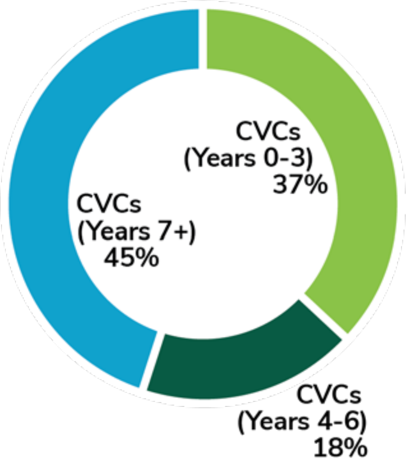
The Curriculum – Over 18 months, the Institute established a state-of-the-art learning management platform and launched a foundational curriculum that is CVC community-driven, differentiated and designed to get all the parties critical to CV programme impact on the same page and working together effectively.



CVC Investment Programmes – Meet the new high bar for strategic investment programme professionalism

Landing the Value of Corporate Venturing – Develop end-to-end investing strategies and programmes

CV Parent Partnering and Investment Basics – Enhance CVBD and parent understanding of CVC roles and practices



A rich combination of expert case studies (panels, videos), self-directed learning and resources, cohort-based live interaction and mentored problem solving has led to overall course satisfaction ratings of 4.5 out of 5.

Course Participants – 2021 saw an accelerated rollout of 10 courses, with over 200 alumni representing more than 50 organisations across the globe.

- 45% represented long-term programmes onboarding new investment team members, building CVBD/portfolio development teams and educating parent partners
- 37% of participants came from corporations new to CVC, primarily interested in best practices and networking

Contributing Experts – The Institute lives by our ‘By CVCs for CVCs’ motto. From the Institute’s inception, the IAB, the CVC community and specialist service providers have stepped up to give back by sharing wisdom and best practices. These Institute partners have participated in video case studies, interactive panels and acted as mentors to pods working on projects in the Landing the Value of Corporate Venturing course. Successful CVC portfolio company CEOs have been particularly valuable, showcased as ‘truth telling’ panelists with clear expectations of corporates as investors and partners.

20 CVC Video Case Studies
30 CVC Panelists
12 CVC Mentors
18 High Potential Startups
7 CV Specialists (Legal, Comp...)

Benchmarking

CVC Industry Context

Although corporate venturing has become a mainstream innovation vehicle for increasing numbers of corporations, it is a unique specialist activity that is not well understood by most corporate executives. When key decisions need to be made about CVC programme creation, expansion or redirection, executive decision-makers look to the outside for competitor and cross-sector reference points.

The same questions come up again and again with no single source available for industry operational and performance data:

New programmes

- What are common CVC programme goals?
- What should be the team construct, sourcing and compensation strategies?
- What is the right organisational and legal structure?
- What governance or investment decision-making will balance strategic rigour and agility?
- What is an appropriate starter fund size?
- How to measure performance in the early days?

Existing programmes

- How should the CVC operating, and compensation models evolve to address team retention challenges?
- What are industry trends regarding fund size beyond the initial allocation?
- Should we take board seats and who should hold those seats?
- How to categorise and measure strategic impact?
- How to assess CVC financial performance relative to VC metrics?

The Institute 2022 Benchmarking Initiative

In response, the Institute has developed and is launching the first benchmarking platform to offer current, broad and deep insights on CVC programme operating models and performance.

Data capture

- Establishment Date
- Industry
- Location
- Innovation goals and charter
- Fund size (e.g. 1st vs 2nd fund)
- Legal structures
- Governance models
- Investment stratergies
- Team size and structure
- Compensation structures
- Strategic performance metrics
- Financial performance metrics
- Board/observer policies

Data filters

- Region
- Industry
- Programme maturity phase
- Operating model
- Charter

Insights/Visualisation*

- **Bespoke data slice reports** (Institute delivered service)
- **Institute light touch advisory - implications, peer profiles** (institute delivered service)
- **Self-serve platform** (Future subscription service)

The Benchmarking platform will be designed to:

- Enable the capture and management of high-quality data
- Allow aggregate industry data to be filtered to reflect individual CVC programme context
- Deliver insights and data visualisation

The foundational anonymous aggregate industry data set will leverage the annual GCV industry survey with new data sets to be developed through ongoing drill down surveys and bespoke benchmarking projects driven by priority industry inquiries. Recent examples include topics such as CVC programme spinouts, portfolio financial accounting approaches and treatment of OPEX.

Building on the BMG case study framework in *Corporate Venturing: A Survival Guide*, the Institute is also developing a library of (public data) CVC programme demographic profiles that will highlight best practice peer examples, provide insights on the implications of benchmarking data and serve as resources in Institute courses. (See sample profile for NGP Capital)

Sample Corporate Venture Programme Profile

Programme Name	NGP Capital (formerly Nokia Growth Partners)
Date Established	2005
Parent HQ & CV Locations	Nokia (Finland) Bell Labs (North America) CV Programme Locations: North America (HQ - Palo Alto, CA), Europe, Asia
Programme Charter	The next technology era will be shaped by the digitisation of businesses and industries at an unprecedented scale. We back entrepreneurs and partner with corporates that make the world increasingly connected, secure and sustainable. From post-product market fit and beyond, we actively support our companies globally.
Legal, Reporting Structure	• LLC (spinoff): Independent VC fund structure • Reports to (Executive): CSTO • Investment Committee members: 4 – CSTO, CFO, Treasury, M&A
CV Programme Elements	• Strategic minority equity investing (VC) • Growth Capital • CVBD/partnerships

Team Size (28)	• Investment (17)
	  ▪ Partner (6): North America – 3, Europe – 2, Asia – 1
	  ▪ Vice President (6): North America – 3, Europe – 2, Asia – 1
	  ▪ Venture Partner (3): North America. Europe, Asia
	  ▪ Senior Associate, Analyst (2): Asia
	• Portfolio Development (1): Vice President in Europe
	• Operations (8): CFO
	  ▪ Finance & Administration (5): North America – 3, Europe – 1, Asia - 1
	  ▪ Marketing (2): North America, Asia
	• Data & Analytics (2): Europe

Focus Areas	• Intelligent enterprise • Smart mobility • Mobile technologies
Programme Scale	• AUM: $1.2B + • # Portfolio companies: 52 • Typical investment size: $8-12M • Current average annual investments $: 100M< • # Of investments/year: 10-12 • Board or observer seats? Yes • Invest globally at growth stage, committed to follow-ons • 37 exits: IPO – 9, M&A - 28 • % of portfolio engagement with parent – 50%
Sample Investments	• Security Scorecard - cybersecurity • Platform 9 – edge cloud • Xiaomi – smartphone, IOT ecosystem
Awards	• GCV Fund of the Year (2016) • GCV Powerlist: Paul Asel, Bo Ilsoe

2022 Benchmarking Services

Year 1 benchmarking offerings will be delivered 'as a service' so that the Institute can evaluate CVC community data needs and 'wireframe' the logic needed to deliver self-service data:

1. Bespoke data slice reports = Generate custom reports that slice aggregate data to reflect individual programme characteristics

   "We are proposing a new CVC programme and need to present industry benchmarks for starter fund size and operating model"

2. Light touch advisory services = Add insights on the implications of bespoke data and highlight best practice peer examples (via library of Institute public profiles)

   "We are thinking about spinning out our CVC programme and would like to know what approaches others have taken"

The Institute team is looking forward to an exciting year and to collaborating with the CVC community to drive our industry advancement mission!

The ethical AI challenge

Insights from GCV Summit 2021

By Emmanuel Benhamou, Managing Director of EAIGG

"You are now being recorded for quality training purposes." How many times have you heard this automated message in the last few days, months or years? The more recent times may prompt you to ask: was my conversation recording used to train an employee or to train a machine learning algorithm? And then the question emerges, should corporations have a responsibility to disclose when their activity is used as training data for an AI tool? This is one of many challenges that companies have to grapple with in today's data economy. In our new era, driven by artificial intelligence, ethical questions have arisen around transparency, data biases, model biases, security, privacy and the governance of AI technologies. In September 2021, executives from BGV, IBM, Silicon Valley Bank and other prominent corporations met at the Global Corporate Venturing Innovation Summit, a conference in Monterey, California, to discuss the Ethical AI Challenge.

A top tier investor warned that "the provenance of truth is under attack." From a national security perspective, a consensus has emerged around the threats posed by deep fakes, fake news and attempts at election interference. Access to social media platforms and readily available data sets, coupled with cutting edge AI tools and the capacity to generate synthetic content, arms bad actors with the ability to weaponise content and drive agendas in ways that exploit vulnerabilities in our porous information landscape.

China has taken the most active role among countries attempting to interfere in US elections, according to these agencies. Given Beijing's posture at home, where companies like WeChat, Baidu and AliPay openly surveil their own citizens, this comes as little surprise. Because China lacks the restraints faced by Western governments (where agencies require a 'lawful intercept' to retrieve personal data on US citizens), Beijing enjoys unfettered access to massive data sets of personal digital transactions, geo-locations and behavioural patterns with which it can monitor trends, ensure citizen compliance or train its own homegrown AI engines.

"This started with adtech and telemetry data," a strategic investor explained. The mission of advertising companies is to know everything they can about their consumers, just like Facebook, Twitter and Google know everything about their users. This is how they sell advertising space and it raises real privacy issues. Without regulatory oversight, this becomes an arms race on the black market, where personal data are being bought and sold for profit. "I am amazed," he said, "that there has not been more blowback from consumers or from the investor base."

IBM's Betsy Greytok, VP of Ethics and Policy, shared how her company has taken a very firm stand on data privacy, going so far as to appoint a Chief Privacy Officer who oversees how data are collected, analysed and processed across all IBM properties. The conglomerate has created an AI & Ethics review board and a privacy advisory committee, cutting across several layers of the organisational hierarchy, driven from the belief that ethics cannot be decided by one person, but requires the input of stakeholders across business roles and functions.

This same philosophy informs IBM's efforts to identify biases in AI systems, algorithms or any automated decision-making

processes emerging from its computer models. Given the AI systems reliance on clean training data to develop the models that will then govern the decision-making across much larger data sets, proactive bias detection measures are required early on in the design process. The developer teams designing these models, therefore, should reflect diverse perspectives and backgrounds, so as to catch biases before they unfold.

Greytok shared a story of a black computer programmer handed a design project. "The problem," she explained, "is that he does not feel equipped or motivated to wade into an ambiguous discussion of ethics, for which he does not feel qualified or motivated. He is a developer and he just wants to tackle the challenge in front of him." The key, she concluded, is to equip these teams with the right education and action item checklist to get them asking the right questions. Without the right training, you cannot rely on data scientists or developers to lean into their own ethnic backgrounds as a remedy against design flaws in AI systems.

Emma Eschweiler, VP at Silicon Valley Bank, countered that while all of these considerations are noble undertakings for Fortune 500 companies, the perspective looks very different with early-stage startups. "We deal with 1500+ startups, many of them in the AI space," Eschweiler said. "Many of these companies cannot afford the extra oversight costs required to implement all of these checks and many do not have the appetite to slow down their innovation teams, while they are struggling to release products, scale their businesses and keep the lights on." The stage of the business, therefore, fundamentally informs their approach to these issues. "The question is, how do you encourage the right kind of design from the beginning?"

BGV General Partner Eric Buatois believes investors have a strong role to play in this new era of ethical AI governance and that they have a responsibility to embed values into their due diligence process. "We are a very hands-on VC, working closely with our portfolio companies," he said, "and for us, these Ethical AI governance issues show up in our due diligence process right at screen zero." One of their portfolio companies, Zelros, has introduced ethical AI governance principles into their insure-tech tool that ingests data around insurance claims, policy prices, voice conversations, underwriting documents and other data sets to automate tasks like claim handling, recommendations and advice for policyholders and insurance advisors. The award- winning company has adopted an open-source model, putting its code on Github for the world to see, in a remarkable effort to increase transparency and explainability.

"Early-stage companies are vulnerable and sensitive to capital injections, however, we are actually quite surprised at the level of receptivity these entrepreneurs have in implementing small changes to their design processes that lower product risk and brand risk while mitigating the possibility that they will face more expensive 'switching costs,' at a later stage in the business, when it is much more challenging."

\- BGV General Partner Eric Buatois

"Early-stage companies are vulnerable and sensitive to capital injections," Buatois explained, "however, we are actually quite surprised at the level of receptivity these entrepreneurs have in implementing small changes to their design processes that lower product risk and brand risk while mitigating the possibility that they will face more expensive 'switching costs,' at a later stage in the business, when it is much more challenging." Buatois leads BGV's participation in the Extreme Tech Challenge, a global startup competition for purpose-driven innovation, and 2021's challenge inaugurated an Ethical AI Award. Of nearly 4000 applicants, some 40 qualified for the Ethical AI track as finalists and many had already been thinking of novel ways to tackle bias detection, privacy, explainability and climate-tech challenges.

The panel went on to discuss black box challenges, model drift and the possibility that audits may be introduced into AI systems development, much like they exist today in the cybersecurity world. Some argued that AI technologies will not face regulation until a major breach or catastrophe arises and will then proceed in a reactive manner, with political actors waiting until the last minute to act. In light of recent high-profile headlines around Facebook, however, it seems oversight may be coming sooner, rather than later. The pathway remains unclear.

Independent of government posture, these discussions at Global Corporate Venturing's Innovation Summit represent an effort for industry practitioners to lead responsible change from within. Prominent venture capital and growth investors across all industries have already begun adopting ethics-based frameworks for evaluating AI governance, while global corporations like IBM, Google and Microsoft are also establishing their own standards for Ethical AI governance. The question is whether they will succeed in forging a set of shared ethical standards and best practices that can resonate across the industry, the investor community and the startup innovation landscape.

Since this article was penned, a group of industry practitioners and strategic investors have come together to establish the Ethical AI Governance Group (EAIGG), a community platform dedicated to promoting the adoption of responsible AI governance and sharing best practices. To learn more, join us here on LinkedIn.

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Join Us!

The global corporate venturing survey 2022

Highlights

Kaloyan Andonov, Analyst

Liz Arrington, Co-founder and Managing Director – GCV Institute, Partner – Bell Mason Group

1. CVC is mainstream strategic weapon in the corporate innovation arsenal

- Reports through C-Level executives (25% direct to CEO)
- Highest value placed on CVC team ability to look around the corner beyond the scope of the existing business and inform corporate strategy (84%)
- While parent commercial engagement is not required as condition of CVC investment for most, portfolio-parent 'attach rate' is among the most important activity-based strategic value indicators (65%)

2. Standard CVC operating models are purpose-built

- CVC now a professional sport played by dedicated units staffed by specialist teams, most often investing off the balance sheet as 'evergreen' (61%)
- Growing number of CVCs investing through separate legal entities with fully committed capital in 'funds' that provide greater operating autonomy and team financial accountability (33%)
- Fierce competition for talent driving increase to 27% of CVCs adopting financial upside ('carry-like') schemes in a range of flavors

3. CVC investment model sophistication on the rise

- Multi-stage funds offer ability to invest ahead of the parent (96%), but also to leverage parent resources for scaling
- More CVCs understand the 'rules of the game' and are comfortable and credible leading rounds (61%) and taking board seats (70%)
- New roles for LP positions – no longer just toe in the water for newbies, now part of sophisticated syndicate and innovation partnering strategies and programme

4. Strategic is financial for high-performing CVCs

- More CVCs adopting multi-horizon innovation charters for portfolio risk diversification and delivering lead time to value that meets the corporate 'patience cycle'
- Financial returns are table stakes for CVC programme survival – 50% see as top priority and 75% see as critically important
- VC metrics such as IRR and cash-on-cash multiple (TVPI) are the language of financial performance for most CVCs, though treatment of OPEX complicates net performance benchmarking against VCs

5. CVBD and Venture development capabilities are critical source of CVC differentiation in current competitive investment climate

- Enabling parent partnerships
  - > Market access via partnerships & ecosystem (88%)
  - > R&D & tech expertise (78%)
  - > PMO for PoCs and Pilots (43%)
- Providing operational support for venture development
  - > Marketing & PR (46%)
  - > Talent sourcing (40%)

The global corporate venturing survey 2022

From September to December 2021, Global Corporate Venturing conducted its annual State of CVC survey. Questions were refined to create an aggregate basis for the GCV Institute's new CVC operational and performance benchmarking platform, which will enable the filtering of this aggregate data by relevant maturity phase, vertical industry, operating model etc.

The survey asked 45 questions encompassing the following key topics:

- Charter and Funding
- Structure
- Investment Strategy
- Performance
- Team and Compensation
- Automation

In addition to the general survey, GCV provided support for local surveys conducted in Mexico and Brazil in partnership with the Mexican Association of Private Equity and Venture Capital Funds (AMEXCAP) and the Private Equity and the Venture Capital Association in Brazil (ABVCAP). GCV partner and sponsor Proseeder also generously contributed to the survey. Highlights from the Brazil and Mexico surveys are also summarised in the two addenda to this piece.

Respondent pool demographics

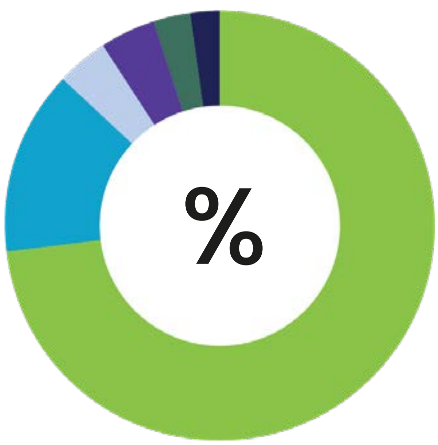
The 2022 survey tapped GCV's access to a significant pool of CVCs spread across the across the globe and representing a good cross-section of industries and maturity phases. Special efforts were made to ensure that input from both CVC industry leaders and emerging programmes were included in data set.

In the three surveys, a total of 213 individual responses were collected. We received 157 individual responses in the general survey. The average number of respondents per question was 135 (with a mode of 140), which implies a high response rate per question of about 86%. The response rate per question varied depending on participants' willingness to disclose information about their unit and investments.

Corporate venturing role

Over 90% of respondents described themselves as corporate venture investors with the vast majority (74%) operating as dedicated direct investing units, 14% investing directly without a formal CVC unit and 4% investing primarily through LP positions.

Which of the following best describes your organisation?



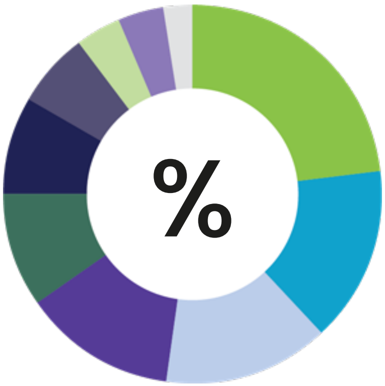
Corporate venturing unit/vehicle	**74%**
Corporate investor taking minority stakes in startups (no separate CVC unit)	**14%**
VC firm with one or more corporate limited partners (LP) in its fund/s	**4%**
Other type of investor (traditional VC, institutional, PE firm, university-related, government-backed, angel etc.)	**4%**
Corporate-backed accelerator/incubator programme	**3%**
Strategic Alliances (Startup partnering)	**2%**

Source: GCV Analytics

Corporate parent industry sector

The respondent sample included all ten sectors tracked by Global Corporate Venturing with a number of corporations addressing multiple verticals. As a result, some sectors like industrial and IT have been selected by multiple respondents, along with others.

Which industry sector(s) best describe your parent company?



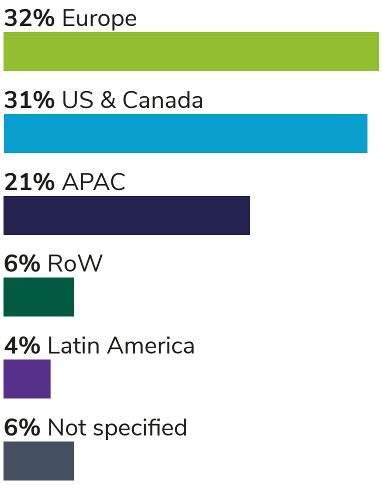
Industrial (manufacturing, chemicals, advanced materials, agriculture)	**41%**
Information Technology (hardware & software)	**26%**
Energy, natural resources and utilities	**25%**
Transport and logistics	**23%**
Healthcare (pharmaceuticals, medical devices diagnostics, care provision etc.)	**17%**
Financial services	**15%**
Consumer (e-commerce, food & beverages, physical consumer goods, fashion etc.)	**11%**
Services (business & legal consulting, education, tourism, real estate etc.)	**7%**
Telecoms	**7%**
Media (entertainment, games, marketing & advertising)	**4%**

Source: GCV Analytics

Parent headquarters and participant geography

Survey respondents were representative of the global nature of corporate venture investing, with roughly equal numbers of responses from US-based and Europe-based corporations (30% and 31% of the total, respectively) as well as significant participation from CVC programmes of APAC-based corporations (27%).

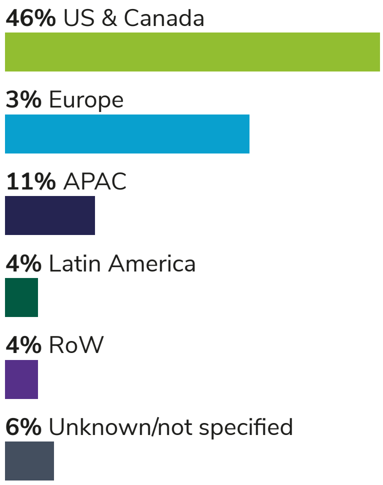
Region of corporate headquarters of programmes participating in the survey



Source: GCV Analytics

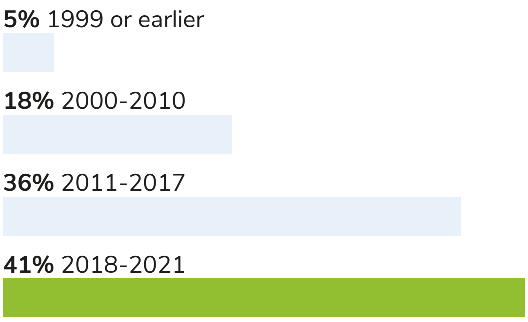
However, many respondent programmes are active in regions outside the parent headquarters, with 46% actually based in the United States and 30% in Europe and only 11% based in APAC.

Region of CVC programmes participating in the survey



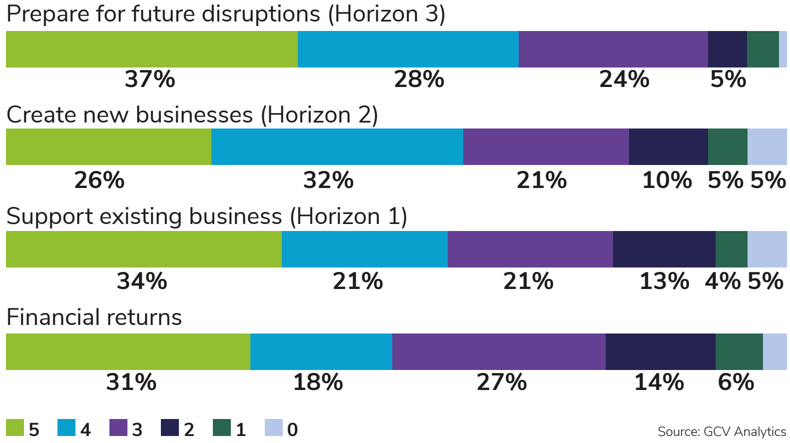
Source: GCV Analytics

When was your CVC programme established?



Source: GCV Analytics

What are the priorities set out in your CVC programme charter? (scale 0-5, where 0 ="not relevant" and 5 ="critically important)



Source: GCV Analytics

CVC programme maturity phase

Survey respondents included a balance of startup phase (years 0-3), expansion phase (years 4-6) and resiliency phase (Years 7-9+) participants.

While 41% of participants came from units created since 2018, the majority represented established programmes with 36% coming from expansion stage programmes and almost 25% from resilient programmes with long track records.

Charter and funding

Charter

Survey results illustrate that most CVCs are chartered to invest beyond the scope of existing parent businesses, with preparing for future disruption (Horizon 3) and creating new businesses (Horizon 2) ranked as the top priorities.

However, the strong weightings for a Horizon 1 mandate suggest that many CVCs are adopting multi-stage investment strategies for portfolio balance and are concerned about lead time to value.

For professional CVCs, delivering competitive financial returns are seen as table stakes for CVC programme survival – half of survey respondents rated financial returns as a top priority and 75% as very important.

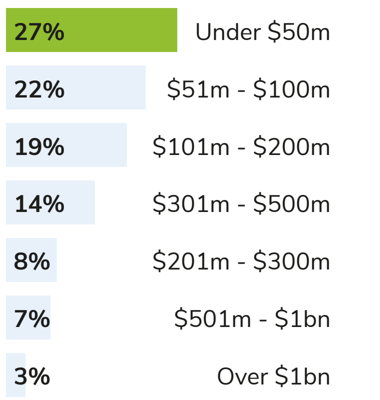
Funding

Nearly half of respondents reported a current fund size of $100m or less, reflecting the fact that many are relatively young venturing programmes which tend to start with smaller funds.

While programmes with fund sizes of $300m or less represent 76% of respondents, they accounted for only about 40% of committed capital. The majority (60%+) of capital in funds of more than $300m is managed by 24% of participating CVCs. A relatively small number of venturing arms have over $1bn (3%) or between $500m and a $1bn (7%) to invest.

Current fund size

What is your current CVC 'fund' size? ($ allocated for current portfolio investment



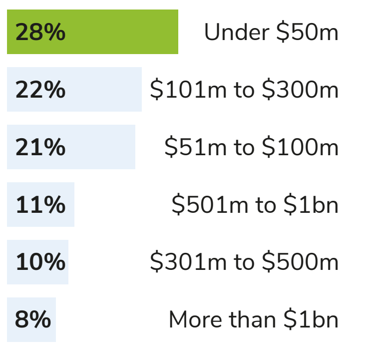
Source: GCV Analytics

Total Assets Under Management (AUM)

Assets under Management follow the same pattern with even wider divergence between the number of firms and the capital and portfolios they manage. While 71% of respondents reported total AUM of under $300m, they only accounted for an estimated 26% of value. Some 19% of respondents were reporting AUM of more than $500m and accounted for 62% of estimated value.

These results are not surprising considering recent spikes in valuations across most horizontals and verticals. This has been even more the case after the onset of the covid-19 pandemic and the flood of liquidity in both public and private markets.

What are your total Assets under Management?



Source: GCV Analytics

The covid-19 pandemic brought about a global economic downturn. As the world has not shaken off its effects entirely yet, it was only appropriate to enquire once more about the expectations of corporate venturers regarding the availability of funds for their investment vehicles going forward. The responses were overall positive, with 44% of respondents expecting to have the same level of capital at their disposal as before the pandemic and another 44% expecting to have even more funds to invest in emerging businesses. Only 5% of respondents are expecting to see a cut in the funding available and some 7% are still uncertain about the matter.

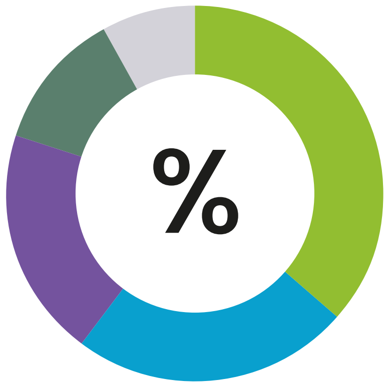
2022 lookahead

In light of the pandemic and the economic challenges it entails, what levels of capital do you expect to have at your unit's disposal going forward?

5%	Less than before pandemic
44%	More than before the pandemic
7%	Not sure yet
44%	Same as before pandemic

Source: GCV Analytics

What is your CVC programme operating and investment model?



- From corporate balance sheet with a dedicated unit (Theme and BU-priorities driven) **37%**
- From corporate balance sheet with a dedicated unit (Thesis-driven, BU support not required) **24%**
- Independent affiliate - Separate legal entity with fully committed capital but fund remains subject to significant corporate parent control **20%**
- Separate legal entity and fully committed capital with significant autonomy (GP/LP structure) **12%**
- From corporate balance sheet without a dedicated unit (ad hoc, case-by-case) **8%**

Source: GCV Analytics

Legal and organisation structure

Operating model

Over the past few years, a number of CVC operating models have emerged, although more than two thirds reported investing in emerging businesses from the corporate balance sheet – whether through a dedicated unit that is theme-driven and aligned with business unit priorities (37%) or through a thesis-driven programme which does not require tight business unit (BU) alignment (24%). The relatively small number of ad hoc corporate investors (8%) reflects industry recognition of the specialist nature of CVC investing.

A growing number of programmes report investing through separate legal entities with fully committed capital in 'funds.' In this year's survey, 20% describe themselves as an independent affiliate structure which still is subject to significant parent control (e.g. executive investment committee, corporate HR etc.). Separate legal entities with more significant operating autonomy from the mothership account for 12% of responses.

Reporting structure

As CVC has become recognised as a mainstream weapon in the corporate innovation arsenal, most programmes now report up through a C-Level executive, who is no more than two levels below the CEO. Heads of venturing units most often report to the chief executive officer (25%), the head of strategy (18%), the chief financial officer (17%) and the head of corporate development (15%).

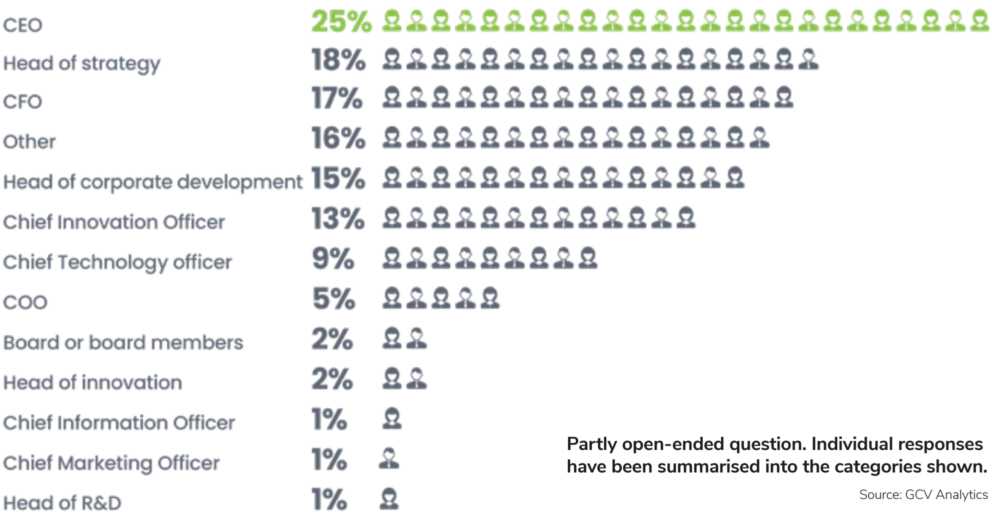
Limited Partner (LP) positions

For CVCs, the alternative to direct investments in young enterprises is taking LP stakes in established traditional venture capital funds. According to our survey, half of all respondents actively take such stakes (48%).

While some may use LP positions as a 'toe in the water' for learning to make investments in startups, many now take LP stakes to:

- invest in geographies they do not know well (e.g. China, India, Israel)
- access specialist expertise (e.g. Data Collective, Rock Health)
- draw insights from very early-stage startups (e.g. seed funds).

To which C-level executive does the head of your unit report?

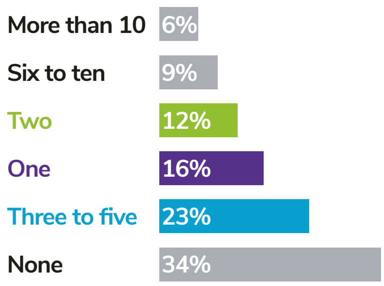


Partly open-ended question. Individual responses have been summarised into the categories shown.

Source: GCV Analytics

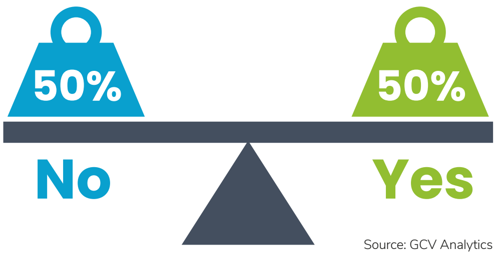
Slightly over half of corporates (51%) typically hold no more than five stakes in such funds, while 34% say they have none, 9% hold stakes in six to nine funds and 6% in more than 10. It must be noted that this does not conflict with results from the other question asking corporate respondents if they actively seek to take LP positions in VC funds. It is to be expected that CVCs, which already have some track record, may still hold LP stakes in VC funds they have committed capital to in the past but no longer actively seek to take such positions, opting to invest directly.

How many LP stakes in funds do you hold?



Source: GCV Analytics

Do you actively take LP stakes in other VC funds?



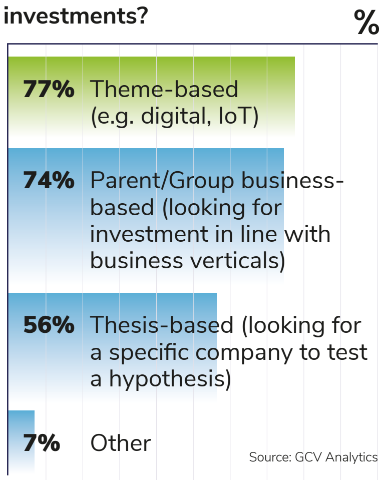
Source: GCV Analytics

Investment strategy

Focus area definition approaches

CVC investment sourcing is often driven by a mix of theme-based focus areas (77%), responses to specific corporate parent problem sets (74%) and investments in specific companies to test hypotheses (56%).

How do you search for investments?

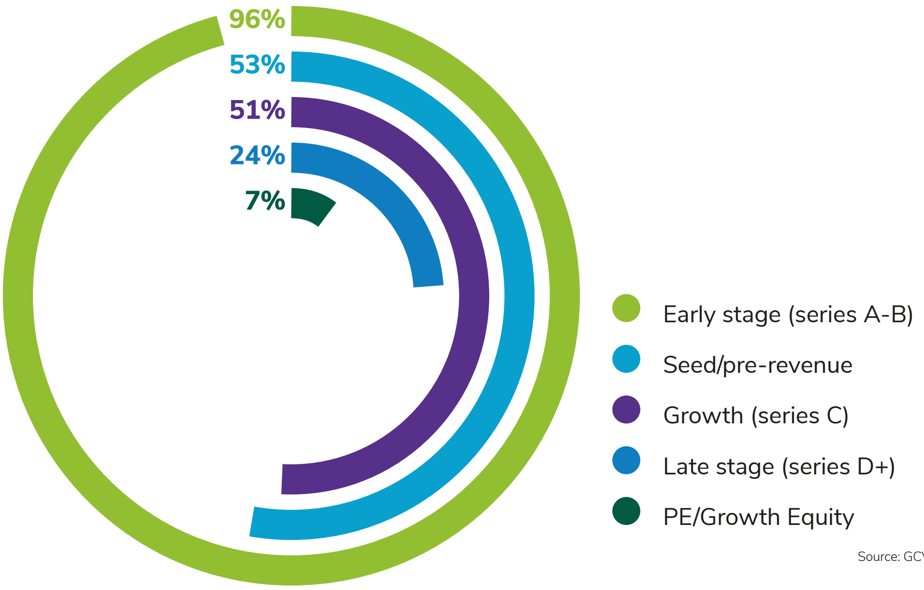


Source: GCV Analytics

Investment stage preferences:

The sweet spot for the overwhelming majority (96%) surveyed is early-stage investments (series A or series B). However, slightly more than half of corporates will also invest in seed stage pre-revenue businesses (53%) or in growth stage companies raising a series C round (51%). Nearly a quarter (24%) also invest in late-stage companies (series D and beyond) but only 7% in private equity and growth equity rounds.

Which stages of investment do you focus on?

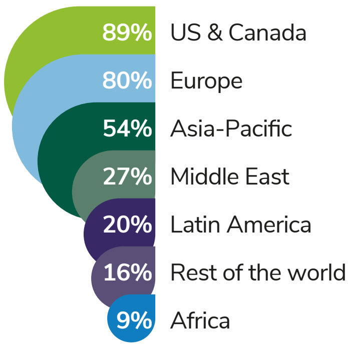


Source: GCV Analytics

Geographic preferences

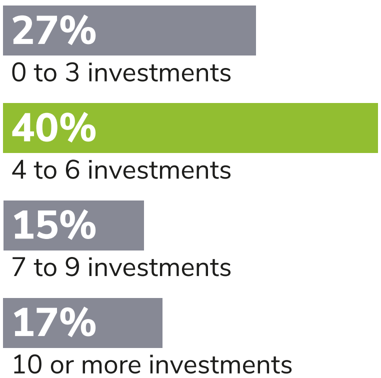
Although two thirds of respondents invest globally, North America remains the top source of entrepreneurial talent, with 89% of respondents focusing on businesses based in the US and Canada, 80% on European startups, 54% on companies from the Asia Pacific region, 27% in the Middle East, 20% in Latin America, 9% in Africa and 16% throughout the rest of the world.

In what geographies does your programme make investments?



Source: GCV Analytics

How many new investments does your CVC programme plan to make each year?



Source: GCV Analytics

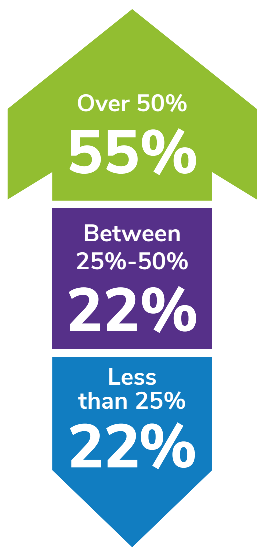
Annual investment volume

73% of survey respondents are active investors with 40% looking to make up to six new investments per year with, 15% to make 7-9 investments and 15% to investing in more than 10 new startups per year.

Parent or business units (BU) sponsorship

Given the early-stage investment focus of most respondents, 55% of respondents do not generally require BU sponsorship or a commercial deal as a condition for investment, although parent engagement is an important strategic metric for many CVCs. On the other hand, 22% require at least line of sight to a portfolio company-parent commercial relationship.

What percentage of your investments are tied to the completion of a partnering or commercial deal as a condition to the investment?

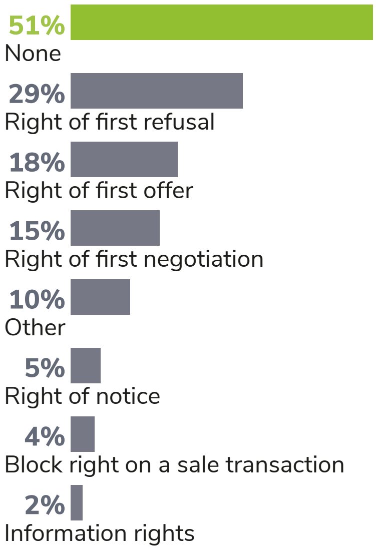


Source: GCV Analytics

Survey results highlight that professional CVCs increasingly understand the rules of the venture capital game and are less likely to ask for objectionable control terms.

While more than half of corporates (51%) do not ask for any specific rights related to the sale of a portfolio company, there are investors who may ask for the slightly more controversial right of first refusal (29%), right of first offer (18%) and right of first negotiation (15%). Other rights of interest to corporates included right of first notice and similar information rights.

What rights (related to a sale of the portfolio company) do you negotiate in your investments?



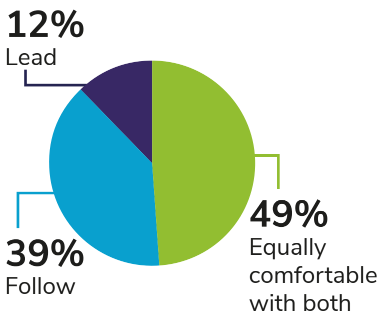
Source: GCV Analytics

Partly open-ended question. Individual responses have been summarised into the categories shown.

Syndicate roles

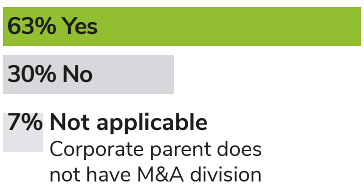
With the professionalisation of the industry, more CVCs are prepared and willing to lead rounds. Nearly half of respondents say they are equally comfortable leading or following in a deal. Only 12% have a clear preference to lead, while 39% prefer to follow.

What role does your CVC programme prefer to play in a syndicate?



Source: GCV Analytics

Do you help your corporation's M&A team identify and buy your or other venture-backed portfolio companies?



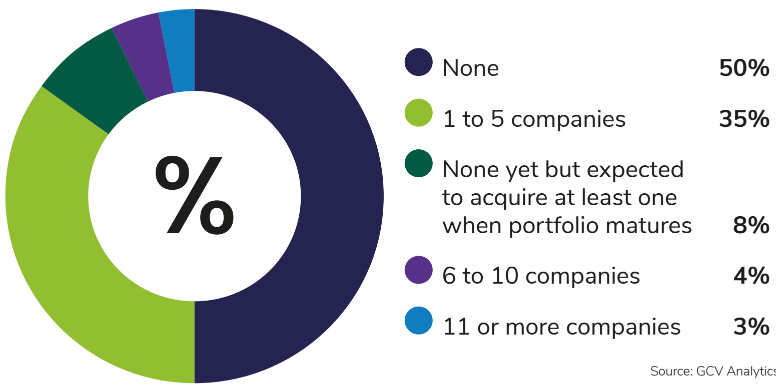
Source: GCV Analytics

CVC alignment with mergers and acquisitions (M&A)

Nearly two thirds of the surveyed corporate venturing units (63%) collaborate closely with the corporate M&A division in identifying and buying companies. However, it is important to stress that these results do not suggest that venturing arms necessarily act as extensions of corporate M&A divisions.

While close to two-thirds of responding units help source deals for corporate development or M&A, 50% have yet to have a portfolio company acquired by the parent and 35% have less than five parent exits.

How many of your portfolio companies has your parent corporation bought?

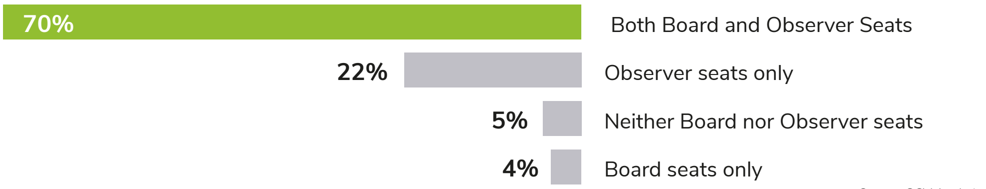


Source: GCV Analytics

Board and observer seats

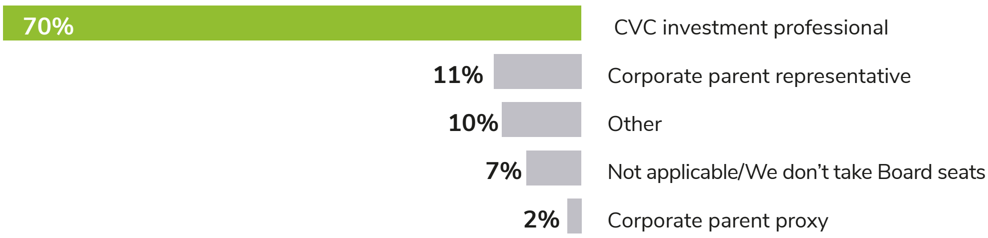
To both provide and derive value from strategic investments, the majority of surveyed CVCs (70%) look for both board and observer seats. While taking an observer seat constitutes a less sensitive and unimposing approach to emerging businesses, having a board seat allows for more control over the strategic direction of the portfolio company, which may be very important to corporates, given their strategic orientation. In most cases (70%), the person taking the board seat is a professional from the CVC team and in 11% of cases it is a representative from the corporate parent.

Do you take board and/or observer seats?



Source: GCV Analytics

Who holds portfolio company board seats?



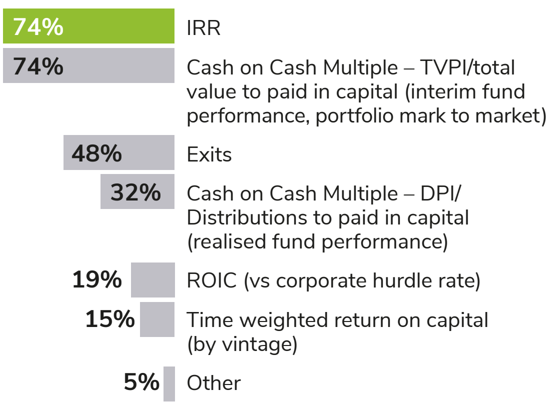
Source: GCV Analytics

Performance

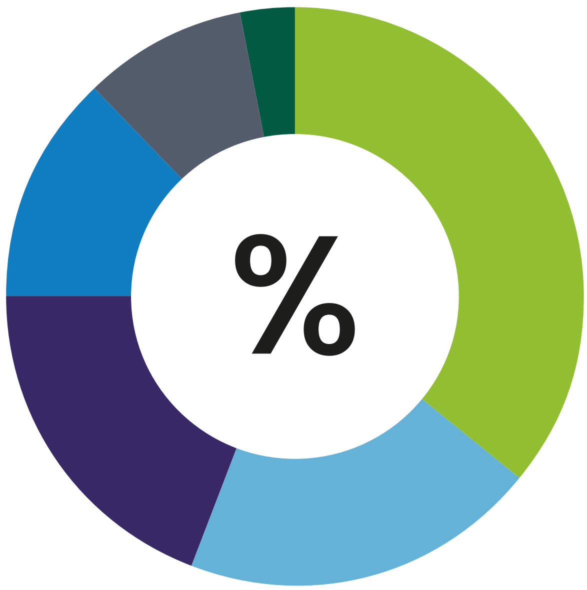
Financial metrics

Survey results show that the majority of CVCs rely on standard VC financial metrics such as internal rate of return or IRR (74%) and total value to paid in capital or TVPI (74%), also known as the cash-on-cash multiple. Other important metrics to CVCs are exits (48%), distributions to paid in capital (32%) and return on invested capital (ROIC) against a corporate hurdle rate (19%).

What portfolio financial performance metrics do you track?



How would you characterise your financial performance targets?



Source: GCV Analytics

- VC financial returns (e.g., 1.6-2.5X, 16-24% IRR) 36%
- Top quartile VC financial returns (e.g., 2.5X+, 25%+ IRR) 20%
- Don't lose money (1X) 19%
- Less than VC financial returns (e.g., 1-1.5X, <15% IRR) 13%
- No financial performance targets 9%
- Other 3%

More than half of surveyed CVCs are targeting VC-level financial returns – 36% aim for VC financial returns of 1.6x to 2.5x (with an implied IRR of 16% to 24%), while 20% aim to reach the top quartile of venture capital returns of more than 2.5x their capital invested. Another third is expected to at least cover investment costs.

How do financial performance goals line up with reality? Overall, the CVC respondent pool has performed well, benefitting from soaring valuations and a hot IPO market.

A third of the total (33%) have generated a portfolio TVPI multiple of 1.1x to 1.5x, while nearly four out of every 10 (38%) have multiplied their capital between 2.1x and 3.0x. Some 15% of respondents claim to have multiplied it between three to five times.

What has been the financial performance of your 'fund' to date (TVPI multiple)?

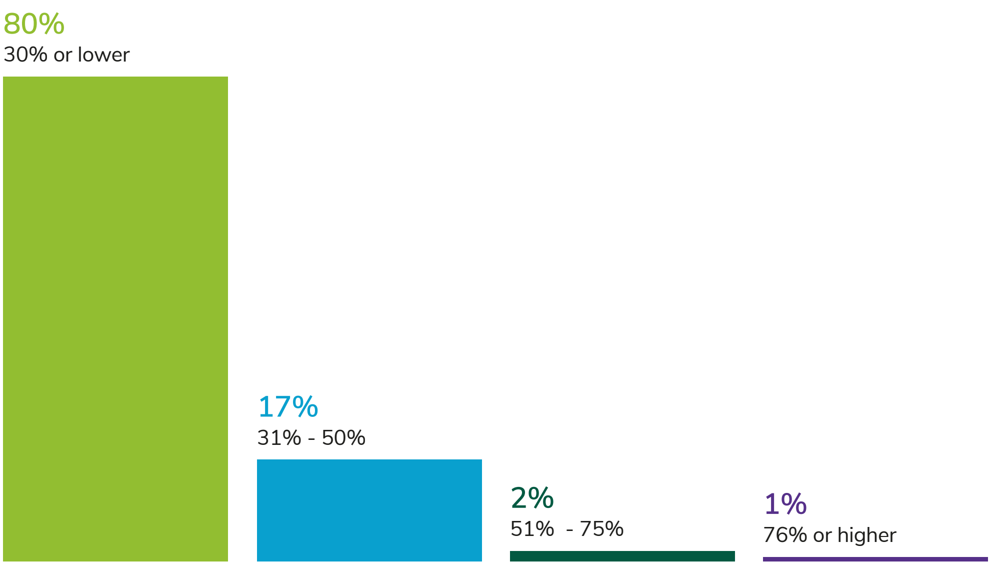
Source: GCV Analytics

What is your net internal rate of return (IRR) on the portfolio?

Source: GCV Analytics

Although one third do not track IRR as a performance metric, 23% of the CVC respondent pool have generated portfolio IRRs between 11% and 20% and 16% between 20-30%. 14% claim to have an IRR of 31% or higher. Less than 20% report IRRs of less than 10%, with 1% in the red.

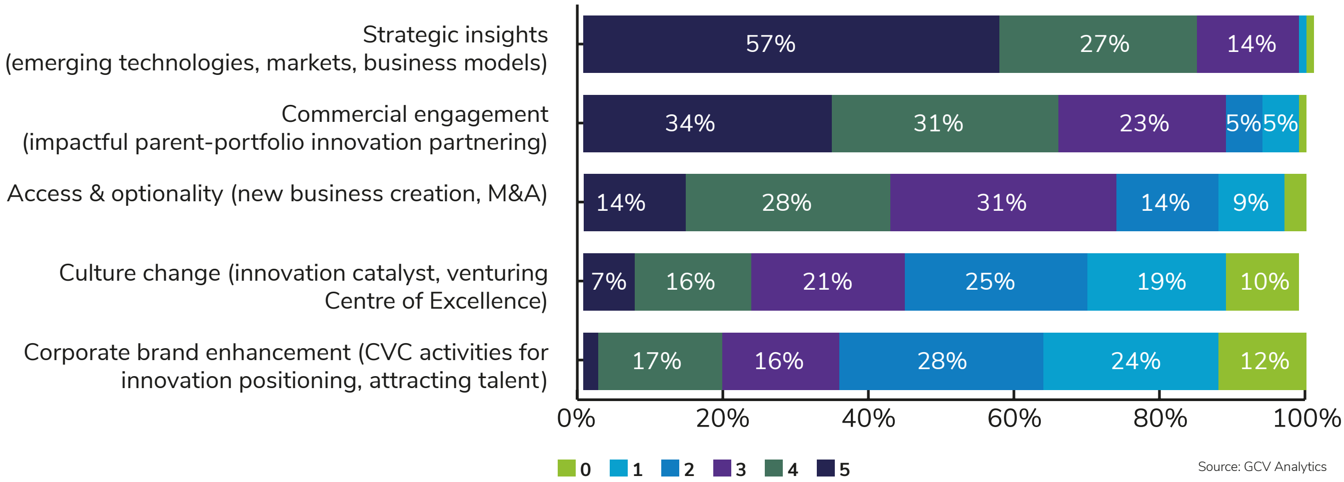
What is the loss rate of your fund (i.e. the percentage of investments that fail to return the capital invested)?



Source: GCV Analytics

Venture investing inevitably features bad bets and losses due to the high degree of uncertainty involved in what is widely considered to be the "riskiest asset class". Naturally, in such a business, the lower the number of bad bets, the better the overall performance of the fund. Most CVCs (80%) say the loss rate of their fund – defined as the percentage of investments that fail to return the capital invested – is 30% or lower. This is an impressive figure, even if potentially suffering from a certain self-reporting bias. It could be attributed to the higher degree of technical and industry expertise that corporate venture firms boast.

What are the most important strategic value drivers for your venturing unit? (Scale 0-5, where 0 ="not relevant" and 5 = "critically important")



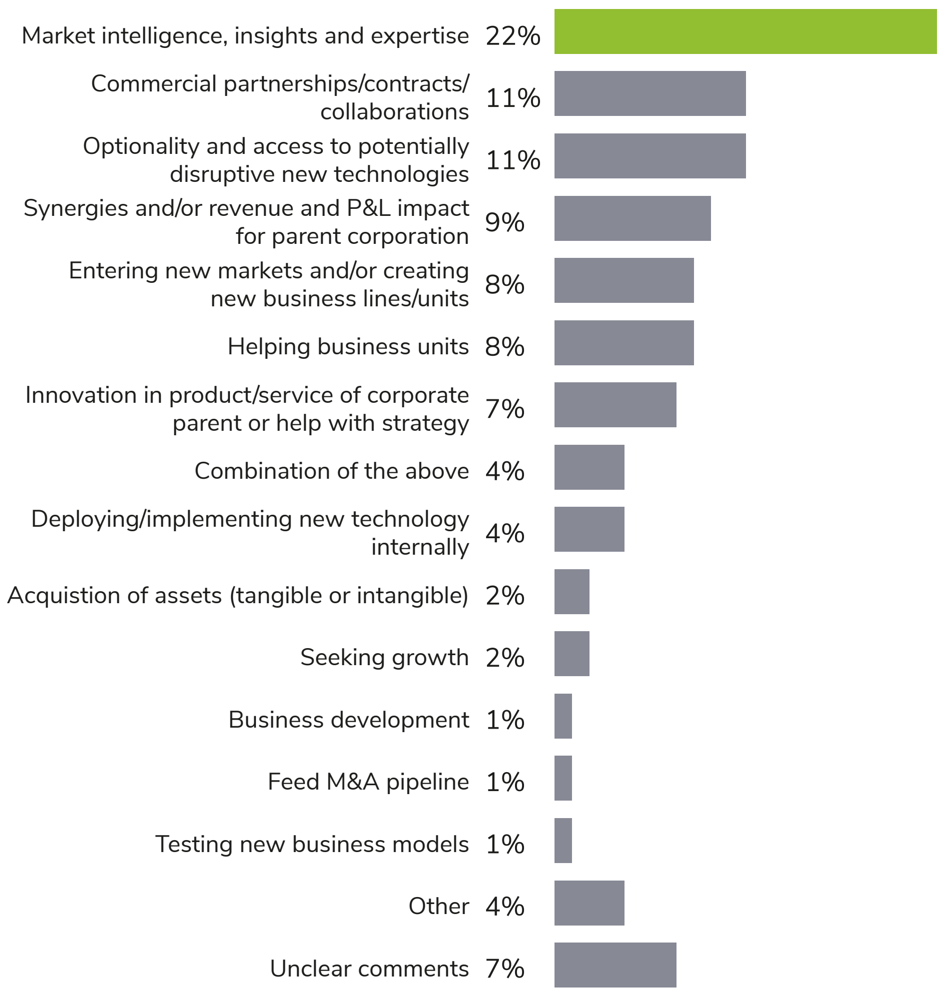
Source: GCV Analytics

Strategic metrics

When rating the importance of value drivers for their venturing unit, respondents give the highest scores on the scale (4 and 5) to strategic insights on emerging tech (84%), commercial engagement (65%) and access and optionality (42%). Less highly rated are culture change (23%) and corporate brand enhancement (19%). These results are consistent with findings from previous years. *(Graphic: Above)*

When asked to define "the most important strategic value driver" in an open-ended question, top of the list was gathering market intelligence and insights (22%), followed by establishing commercial relationship (11%) and having optionality and access to external innovation (11%). Also important are achieving synergies and P&L impact for the corporate mothership (9%), entering new markets and creating new business lines (8%) as well as helping business units (7%).

What would you define as the most important strategic value driver?



Source: GCV Analytics

Open-ended question. Individual responses have been summarised into the categories shown.

Portfolio development

Unlike traditional venture capitalists, CVCs bring industry knowledge and expertise that allows them to better understand and help companies in their portfolios in a variety of ways. Respondents see their most valuable portfolio company contributions, in addition to board/observer roles to be:

Enabling parent partnerships (CVBD)

- Market access via partnerships & ecosystem (88%)
- R&D & tech expertise (78%)
- PMO for PoCs and Pilots (43%)

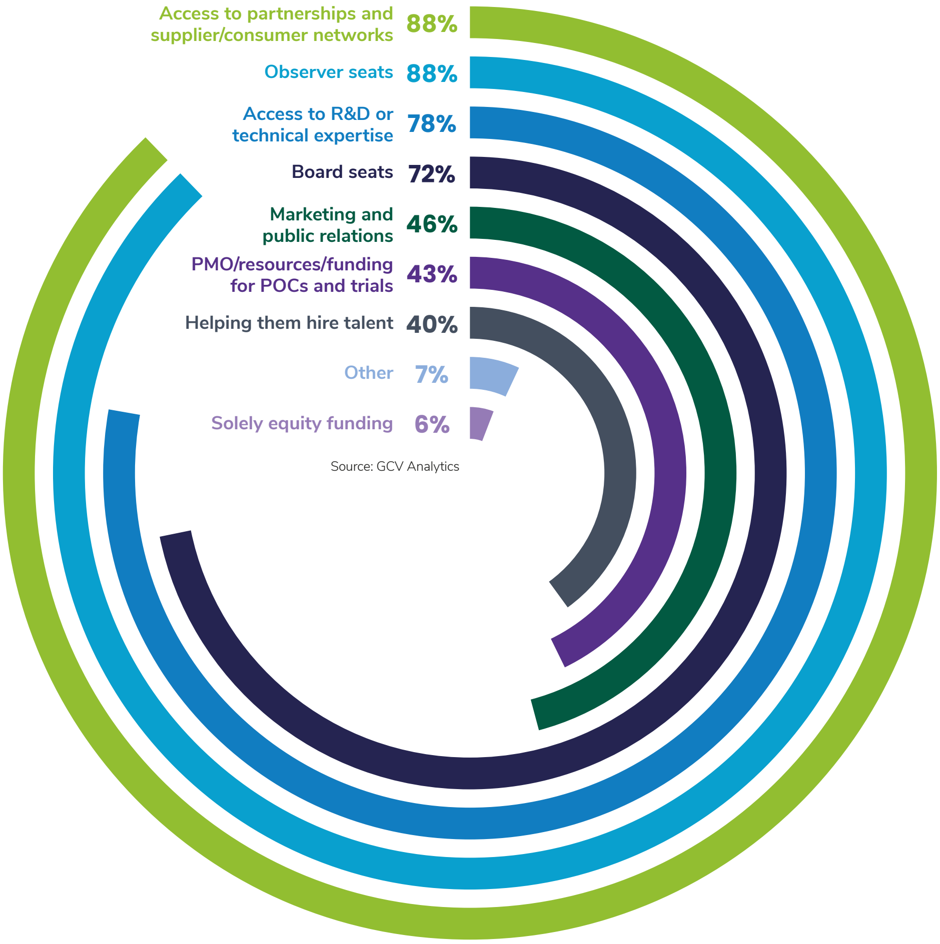
Providing operational support for venture development

- Marketing & PR (46%)
- Talent sourcing (40%)

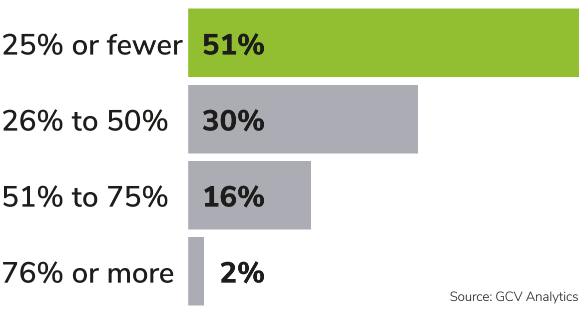
Portfolio company diversity

With the rise of impact investing and ESG approaches for publicly listed companies in recent times, more corporate venturing units are prioritising diversity as an important investment criterion. However, slightly over half of respondents (51%) say a quarter or fewer of the founders of their portfolio constituents come from an ethnically diverse background and 30% say it is between a quarter and half of the entrepreneurs they have backed. These figures suggest there is still room for improvement in this regard.

Through which of the following do you support your portfolio companies?

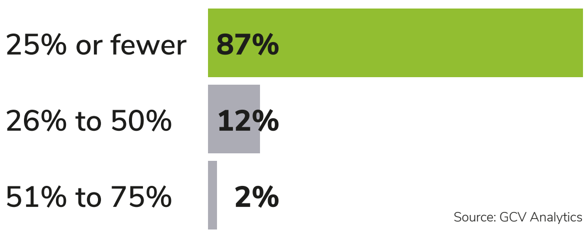


What percentage of the founders/co-founders of your portfolio companies come from a diverse ethnic background (i.e. different from the predominant in the country where you are based)?



In a similar vein, corporate investors are keen to back companies founded by female entrepreneurs who raise a disproportionally small percentage of the total dollars in the world of venture capital. The vast majority of CVC respondents to the survey (87%) say only a quarter or fewer of their portfolio companies have female founders. Therefore, there is much room for improvement in giving opportunities to female entrepreneurs as well.

What percentage of the founders/co-founders of your portfolio companies are female?



Team

Total CVC team size

The venture capital business revolves around people and the number of people in each corporate venturing team varies. However, the majority of CVC programmes (73%) have a team size of less than 10 professionals, with 36% counting three to five people and 24% between six and ten people. Around 13% have only up to two team members. Some 17% have a team of 11 to 20 people and 11% of 21 or more people.

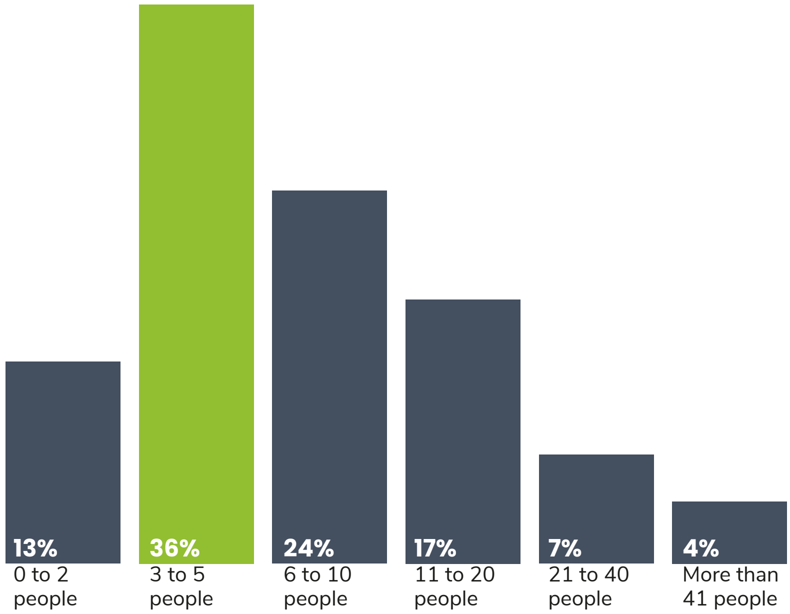
CVC team roles

A distinguishing characteristic of today's corporate venturing programmes is the adoption of an end-to-end investing approach which is fundamental to both portfolio financial performance and to the delivery of the end-game strategic impact needed to persuade parents of the continuous value of those CV programmes.

As the CVC industry has professionalised over the past 10 years, standard roles have emerged that combine a professional VC-like investing function with a professional corporate venture business development or portfolio development function designed to land the value of an investment for both parent and portfolio company. Also important is the emergence of the COO or strategic portfolio role which knits all the pieces together.

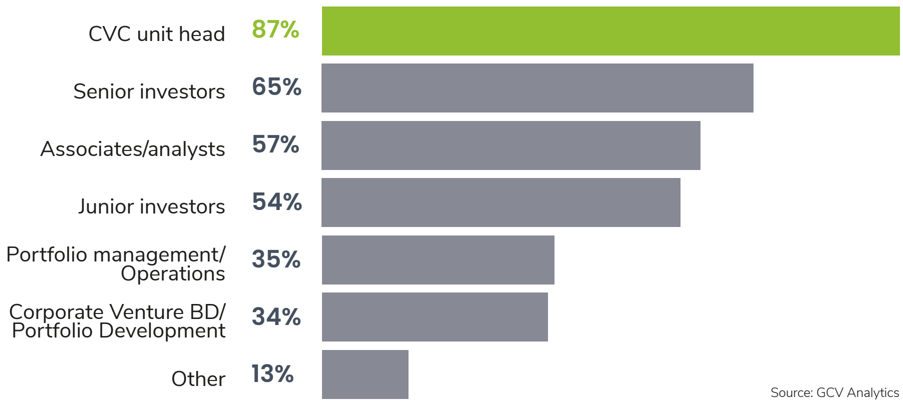
Younger CVC programmes are most likely to start with the CVC unit head and senior investment professionals and then to add junior investment team members, corporate venture business development or portfolio development and operations resources, as the programme expands.

How large is your corporate venture programme team?



Source: GCV Analytics

What roles are represented on your CVC team?



Source: GCV Analytics

CVC team age and experience

In six out of every 10 corporate venture capital firms (61%), teams have an average age between 30 and 40 years old and in 29% of them between 40 and 50. Only 8% of firms say the average age of their

What is the average age of members of your team?

Source: GCV Analytics

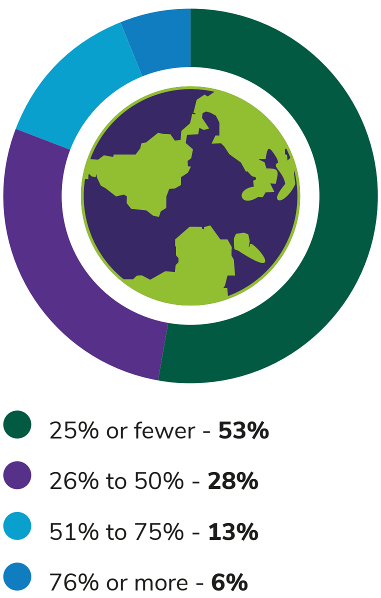
team members is under 30 and just 3% between 50 and 60 years old. Corporate venturing appears, therefore, to be a place for professionals with certain level of experience.

CVC team diversity

Slightly less than half of corporate venture units (48%) are still populated either exclusively or mainly by men – versus 53% from the previous reading of this indicator, which suggests a steady improvement. Moreover, 35% claim to have hired a relatively even gender split (versus 31% according to last year's survey), also indicating an improvement.

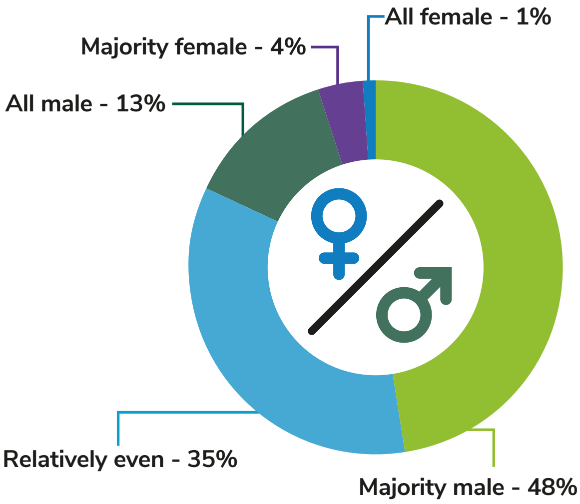
While the corporate venture capital industry has made progress on the gender balance in its professional teams, ethnic diversity is yet to be addressed. 53% of corporates stated that a quarter or fewer of their team members come from an ethnic background that is different from the predominant in the country where they are based. In only 19% of cases, people from diverse ethnic backgrounds constitute more than half of the venturing team. These figures are similar to results from last year.

What percentage of your CVC unit's team members are from a diverse ethnic background (i.e. different from the predominant in the country where you are based?



Source: GCV Analytics

What is the male-to-female ratio in your team?

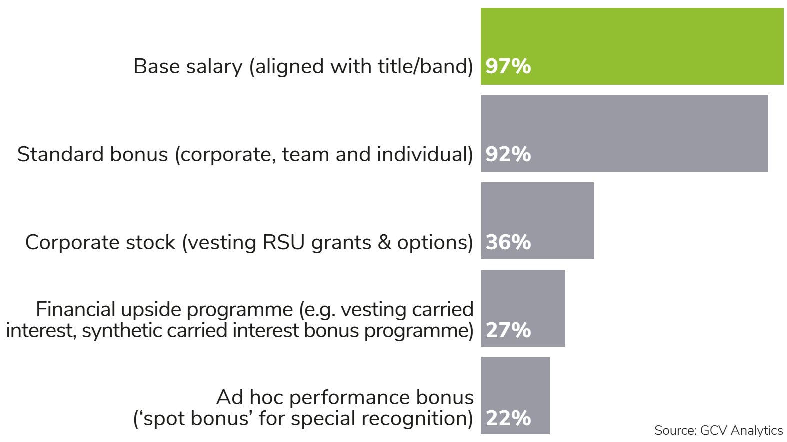


Source: GCV Analytics

Compensation approach

Recruiting and retaining a high-quality team is foundational to CV programme performance and longevity and sustainability. Corporates are most likely to employ standard HR levers, when constructing CVC team packages. Aside from title or band-aligned base compensation (97%), the most common incentives include standard corporate bonus (92%), corporate stock (36%) and ad hoc performance bonuses (22%).

What elements may be included in CVC team compensation?

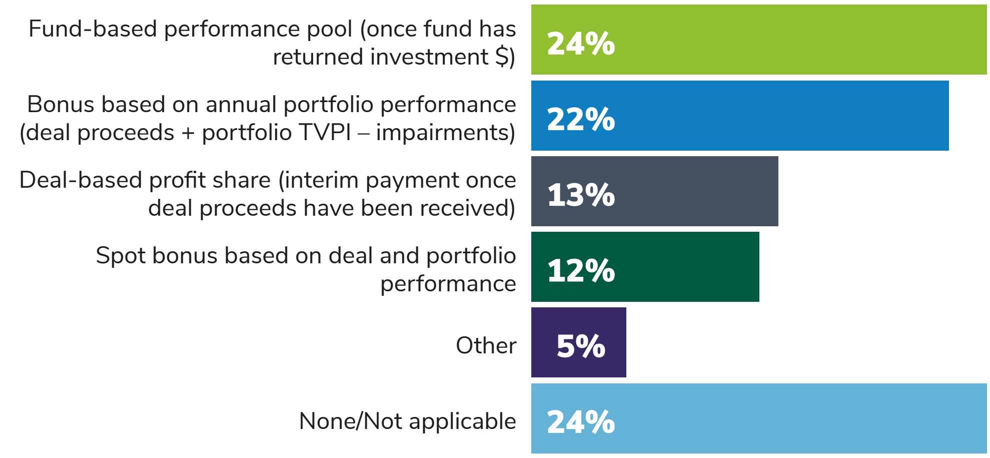


Source: GCV Analytics

However, nearly 30% of CVCs are now adopting financial upside compensation schemes such as synthetic carried interest.

The process for calculating financial performance (carried interest or "carry") pools and the timing for payment varies widely. 24% of respondents take a fund-based approach which calculates profits only once all fund investment capital has been returned. 22% define a yearly bonus pool based on a combination of annual deal proceeds and portfolio value minus impairments. 13% offer some form of deal-based profit share that enables payments ahead of full fund returns. 12% have a "spot bonus" system for rewarding exits.

How are financial upside bonuses calculated?



Source: GCV Analytics

CVC leader compensation

Based on compensation related questions in our survey, we determined the median value of total cash compensation of heads of corporate venturing units amounted to around $400,000 in 2020, while the average one to $669,843 – ranging from a recorded disclosed minimum of $15,000 to a maximum of $10m. The percentage of total compensation in the form of base salary registered a median value of 70% and an average value of 67%, ranging from a minimum of 20% to a maximum of 100%. Similarly, cash bonuses make up 30% (median) to 33% (average) of total compensation.

The sample size of respondents was small for our questions on the value of total vesting corporate equity received by the unit head in 2020 and the annual value of vesting carried interest. However, we can say that the median value of vesting equity stood at around $100,000 and of vesting carried interest at around $1,500,000. It is to be borne in mind that the figures presented herein include input of respondents from around the globe in whose jurisdictions compensation levels and fiscal situations may vary significantly from conditions in the United States where a good majority of corporate venturing units are based.

Global compensation findings

	Median	Average	Minimum	Maximum	25th percentile	75th percentile	Respondents
Total cash compensation (In USD) of the head of your corporate venturing programme for 2020,	$400,000	$669,843	$15,000	$10,000,000	$300,000	$500,000	55
(%) of that total compensation came in the form of base salary	70%	67%	20%	100%	50%	80%	74
(%) in the form of a bonus or similar cash incentives	30%	33%	1%	75%	20%	50%	
USD value of total vesting corporate equity received as compensation by the head of the unit in 2020	$100,000	$154,199	$30,000	$500,000	$80,000	$200,000	22*
Annual value of (2020) vesting carried interest pool payments for the CVC leader	$1,500,000	$1,410,302	$250,000	$4,500,000	$300,000	$1,500,000	6*

*** Very small sample size**

Therefore, it is also instructive to look at the same indicators just for CVC programmes based and operating out of the United States and Canada. On the second table, sample size issues notwithstanding, it can be easily discerned that median dollar figures for North America stand significantly above the global figures estimated – with total cash compensation of the head of unit at $468,411, dollar value of vesting equity at $150,000 and dollar value of vesting carried interest at $1,500,000. The median percentage figures of base salary (65%) and bonuses (30%) are close to the overall global figures.

Compensation findings - US & Canada - based CVC programmes

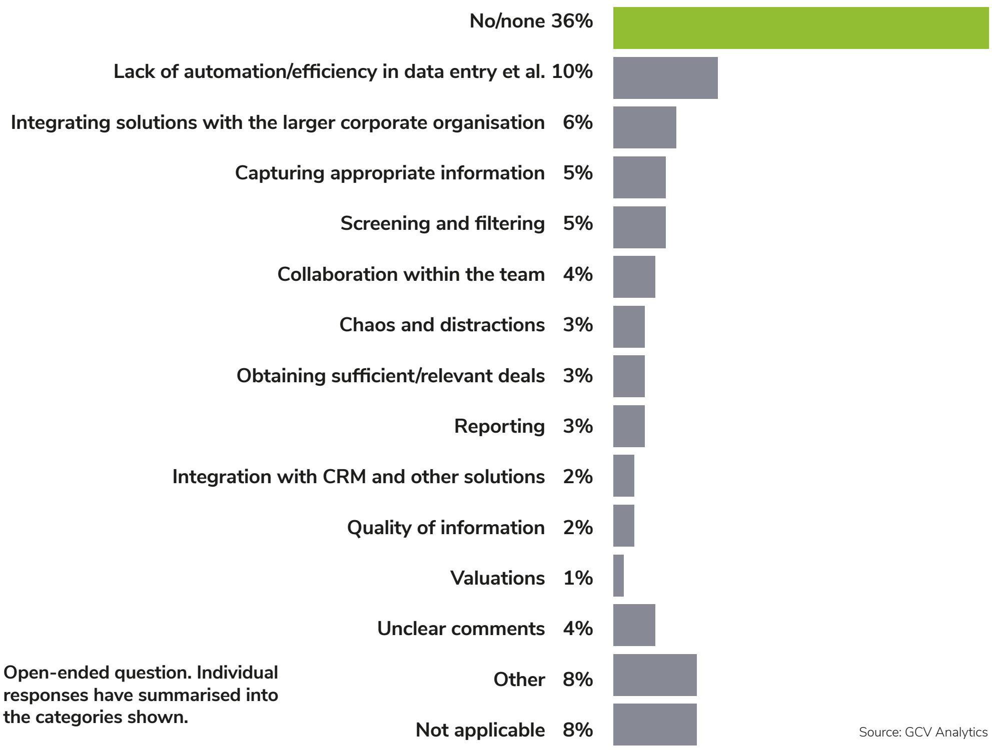
	Median	Average	Minimum	Maximum	25th percentile	75th percentile	Respondents
Total cash compensation (In USD) of the head of your corporate venturing programme for 2020,	$468,411	$972,318	$250,000	$10,000,000	$390,000	$580,000	28*
(%) of that total compensation came in the form of base salary	65%	63%	20%	100%	50%	80%	32
(%) in the form of a bonus or similar cash incentives	30%	34%	10%	75%	20%	50%	
USD value of total vesting corporate equity received as compensation by the head of the unit in 2020	$150,000	$168,789	$50,000	$500,000	$100,000	$150,000	12*
Annual value of (2020) vesting carried interest pool payments for the CVC leader	$1,500,000	$1,979,397	$300,000	$4,500,000	$1,500,000	$4,500,000	4*

*** Very small sample size**

Deal flow management automation

When asked to identify deal flow and deal management pain points, respondents highlighted were lack of automation and efficiency related to data entry (10%), troubles integrating software solutions they use with other solutions of the larger corporate organisation (6%), capturing appropriate information (6%) and issues with screening and filtering information (5%). However, 36% say they do not have significant issues to report.

Do you have any specific pain points in deal flow management?

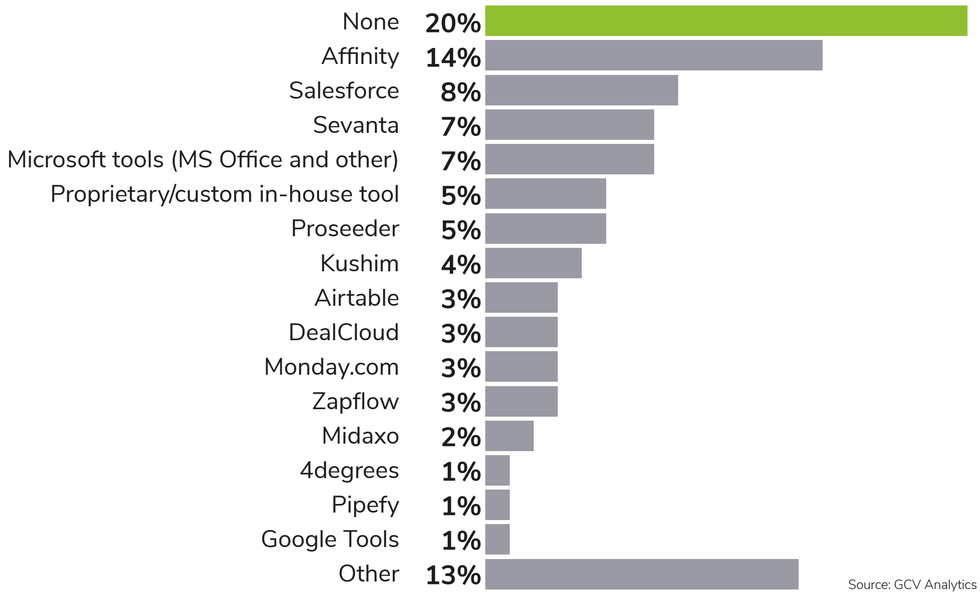


Open-ended question. Individual responses have summarised into the categories shown.

Source: GCV Analytics

When asked about software tools used to manage deal flow, a fifth of the surveyed (20%) have not yet implemented a solution. The most often used ones, however, include Affinity (14%), Salesforce (8%), Sevanta (7%), various Microsoft tools (7%), Proseeder (5%) and proprietary tools developed inhouse (5%).

What technology are you using to manage deal flow?



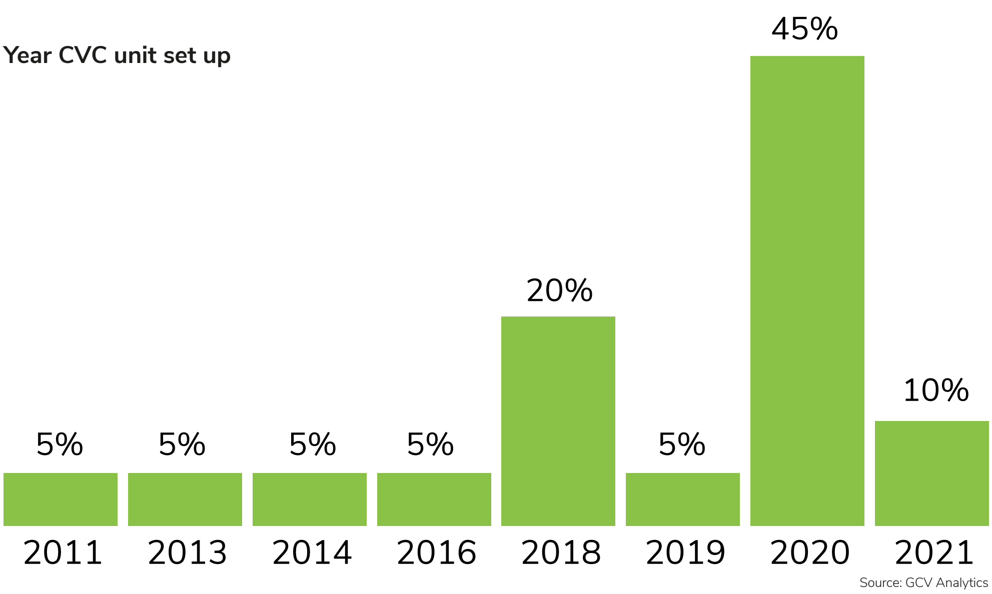
Open-ended question. Individual responses have been summarised into the categories shown.

Surveying the corporate venturing space in Brazil

Global Corporate Venturing also supported a survey conducted by the Brazilian Association of Private Equity and Venture Capital (Associação Brasileira de Private Equity e Venture Capital–ABVCAP), which set out to study its local corporate venturing space. The association gathered a total of 33 responses. Even though the sample size itself is just enough to surpass the level of statistical significance, the findings are likely representative for the venturing scene in Brazil and its emerging corporate venture capital community. With the following charts, generously provided by the ABVCAP, we summarise some findings, comparing Brazil's corporate venture ecosystem with figures from our global survey.

In Brazil, more than half of the surveyed corporate venture programmes (55%) were set up over the past two years and only 15% were set up before 2015. This figure is higher than the figures from the global survey where only 41% of respondents came from CVC units set up after 2018. This reflects the fact that Brazil's corporate venturing ecosystem is still younger than average. This is also evident from other findings, such as the fact that 80% of the surveyed reported never to have scored an exit.

Year CVC unit set up



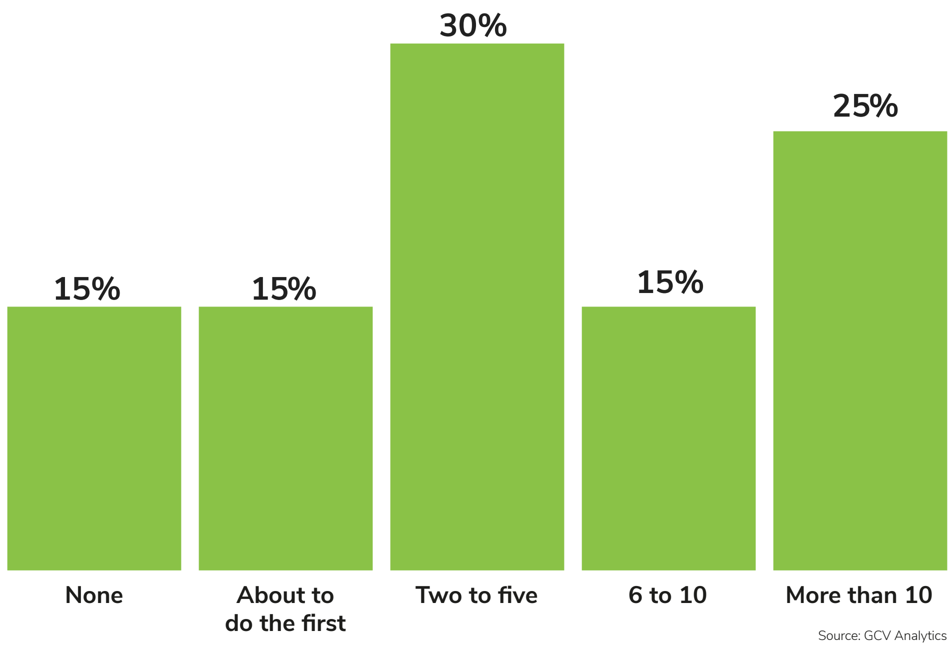
In Brazil, 60% of CVC programmes have made fewer than five investments since inception and 15% claim to have not made any yet. There are another 15% of respondents who have made more than five. This is obviously significantly different from many of their global peers, the majority of whom (67%) plan to make anywhere from one to six investments per year.

Despite their relatively young age, Brazilian corporates are broadly similar to their peers elsewhere in their expressed preference for early-stage (series A and B) deals. According to GCV's global survey, the overwhelming majority of corporates around the globe look for opportunities at exactly that stage.

Brazil-based CVCs are also similar to their peers around the globe, when it comes to looking at the most important financial metrics – internal rate of return (IRR) and the cash-on-cash multiple, according to 80% of Brazilian CVC units surveyed. The expected IRR for 20% of them stands at between 21% and 30%. As for the cash-on-cash multiple, the expected value of the portfolios of 40% of the surveyed varies from 1.5x to 3x times the original amount invested. These numbers are close to findings to findings from our general global survey.

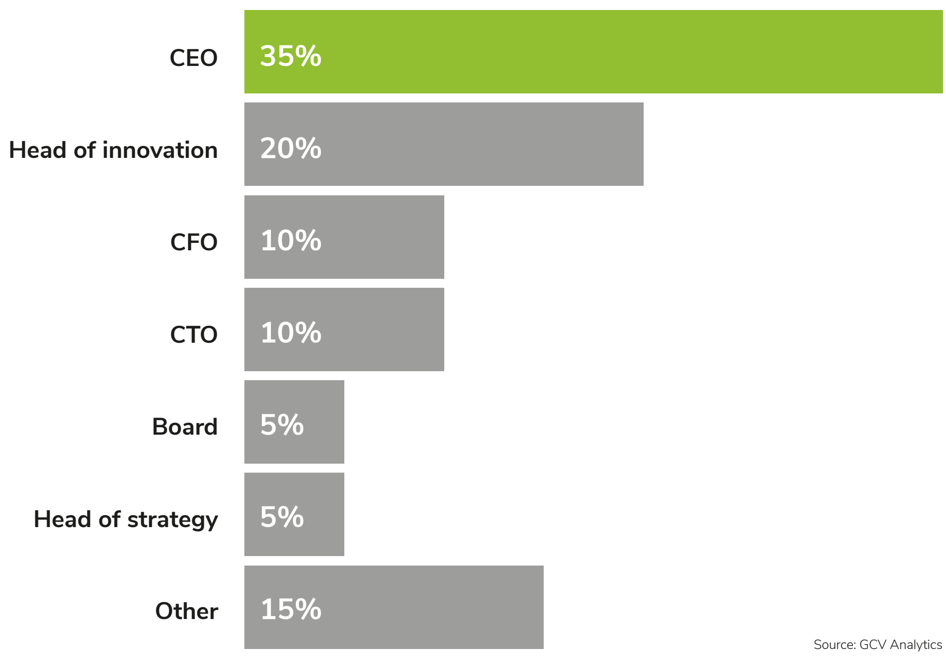
Most CVC initiatives in Brazil (35%) report directly to the company's CEO or the head of innovation (20%). These readings stand even above their peers elsewhere (25% to the CEO and 15% to the Chief Innovation Officer or the head of innovation).

Number of investments by Brazil-based CVC programmes



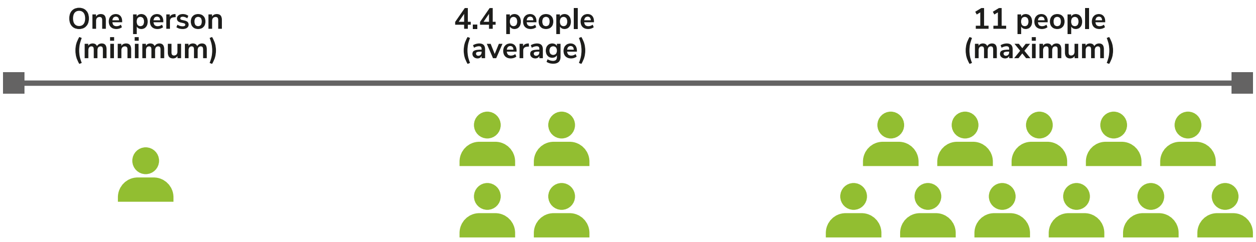
Source: GCV Analytics

Executives from corporate parent that Brazilian CVC units report to



Source: GCV Analytics

Team sizes



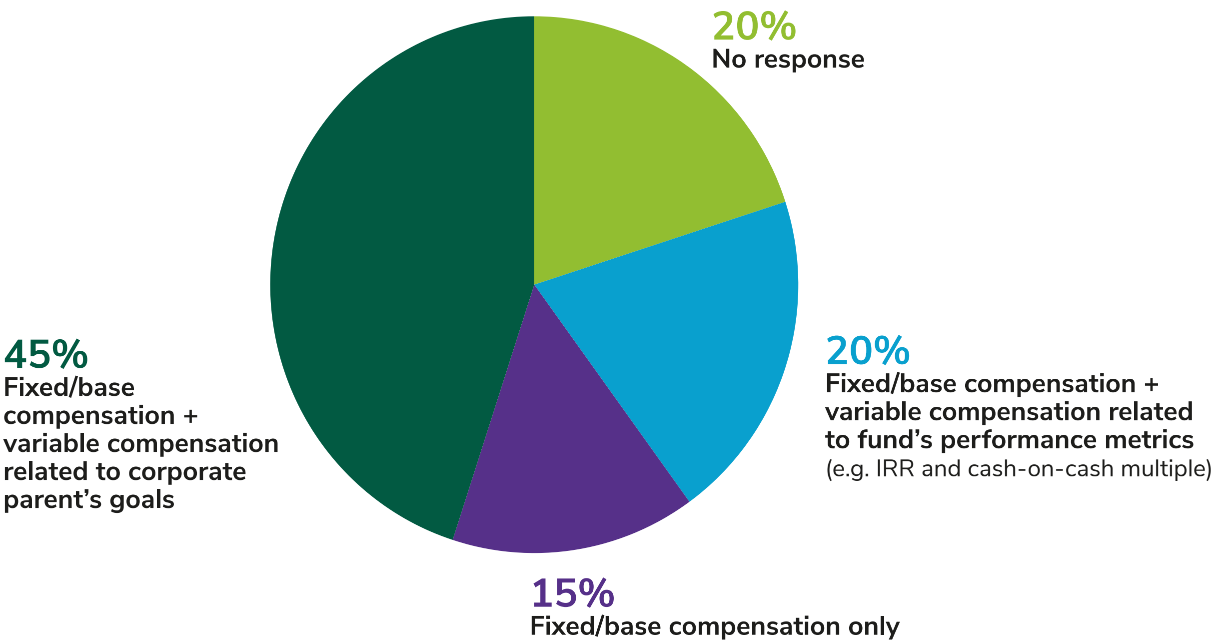
Corporate venture teams in Brazil are likely somewhat smaller than but still relatively comparable to those of their global peers. According to the ABVCAP survey, the smallest team responding consisted of just one person, while the largest of 11 people, yielding an average of 4.4. people per team. Globally, the majority of CVC programmes (73%) have a team size of up to 10 professionals, with 36% counting three to five people and 24% between six and ten people. As the Brazilian ecosystem is still young, we are yet to see corporates with larger teams of 10, 20 or more people.

However, there is one metric when it comes to teams where Brazil compares relatively favourably with other places around the globe – the presence of female professionals. According to the survey, 60% of corporates had at least one woman in the team. Women were estimated to represent nearly a third (32%) of all professionals working in corporate venture capital there. While there is still much room for improvement, it is undoubtedly commendable to see such numbers of female professionals in an emerging venturing ecosystem. *(Graphic: Above)*

According to the ABVCAP survey, 45% of Brazil´s venturing units reported having a compensation package of base salary and variable compensation related to goals of the corporate parent. A fifth of units (20%) had a mix of base salary and variable compensation related to the fund's performance metrics (e.g. IRR and the cash-on-cash multiple), while 15% had only compensation in the form of a fixed salary. This compares somewhat unfavourably with typical elements of CVC team compensation globally which include base salary, standard corporate bonus (in 92% of cases), compensation in corporate stock and options (36%) and a financial upside or carried interest programme (27%). It is likely because the corporate venture investors in Brazil have not yet had to face the challenge of retaining talent like their peers in more mature economies and ecosystems.

Compensation structure of CVC units in Brazil

Source: GCV Analytics

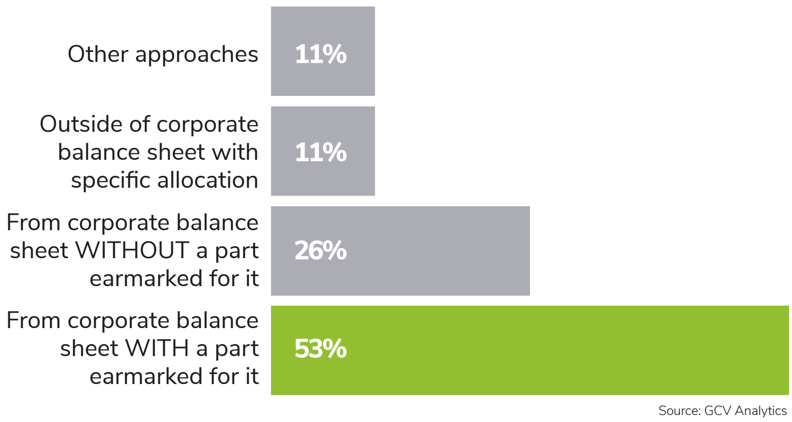


The corporate venturing arena in Mexico

Global Corporate Venturing also provided support for the survey conducted by the Mexican Association of PE & VC (Asociación Mexicana de Capital Privado – AMEXCAP), which set out to survey the emerging corporate venturing landscape in its home country. The association gathered 23 responses, considering 19 of those responses received as valid or received from people with actual experience in venture capital deals. Even though the sample size itself may seem rather small, it is likely to be representative enough for a budding and emerging ecosystem such as the Mexican one. With the following charts we have summarised some of the most interesting findings to see how Mexico and its corporate venture ecosystem compares with figures from our global survey in certain aspects.

Like most of their peers internationally, Mexico-based corporate venture investors tend to invest from the corporate balance sheet – whether with a specific amount earmarked for the investment activity (53%) or without it (26%).

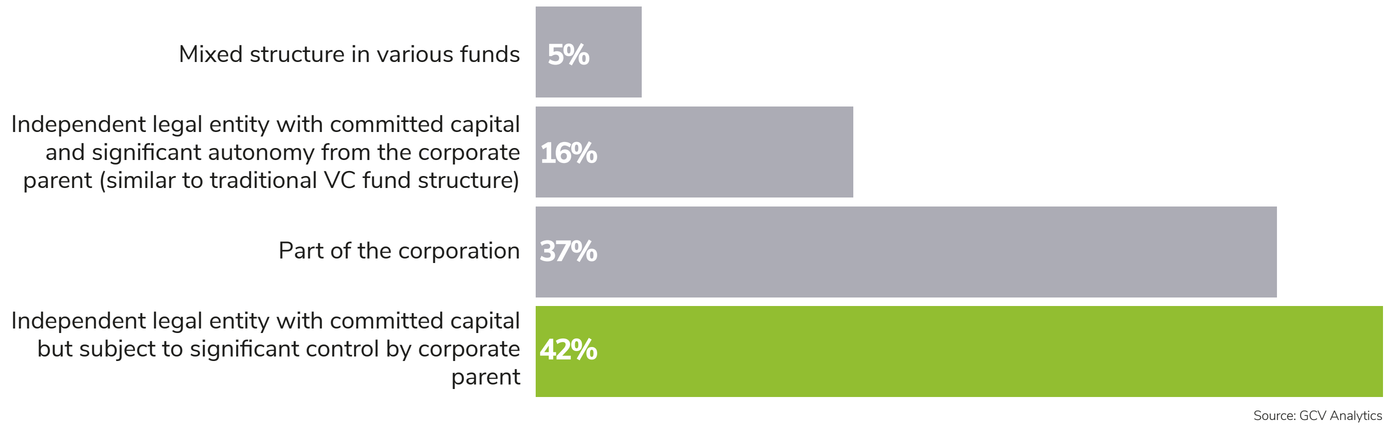
Investment approach (in relation to corporate parent):



There are some differences in terms of the legal structure of CVC programmes in Mexico versus their global peers. Some 37% of Mexican corporate venture investors are part of their parent corporation, while 58% are set up as separate legal entities – whether with significant control from the corporate mothership (42%) and or with more autonomy (16%). Only 5% report to use an alternative mixed structure.

In comparison, most corporate venturers around the globe invest from the corporate balance sheet – whether through a dedicated unit that is theme-driven and aligned with priorities of business units (37%) or a theme-driven programme without a dedicated unit (24%). There are also some 8% who invest from the corporate balance on ad-hoc and case-by-case basis. Only a fifth of respondents (20%) globally say they invest from outside the corporate parent's balance sheet as a separate legal entity.

Structure of investment vehicles:



Much like their peers elsewhere in the world, Mexican corporate venturing arms tend to report most often to the most important member of the c-suite – the CEO.

Somewhat unlike the rest of their peers, fewer Mexican corporates appear to hold LP stakes in traditional financially driven VC firms, with 47% of respondents reporting to hold none. This likely reflects the fact that Mexico's and the Latin American innovation and venture capital ecosystems are still very young and so are the venture investors active in them.

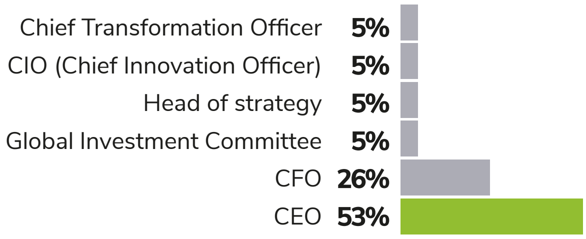
Another significant difference reflecting the young nature of the local ecosystem in Mexico is the average dollar size of the CVC unit's capital. Only 13% of the surveyed Mexican corporates report to have more than $100m to deploy (versus 51% globally) and 19% report to have between $51m and $100m to deploy, which is actually comparable to the global average for that range of funds (22%).

As Mexico-based corporates operate in an emerging innovation ecosystem, they almost expectedly do fewer deals than the global average. The majority (65%) reported doing three to five deals (versus 40% globally doing as many) and 29% say up to two deals per year (versus 27% globally).

There is also some notable difference in how corporates in Mexico see themselves as being able to help portfolio companies in different areas. Most of their peers internationally tend to emphasise on adding value by giving startups access to R&D and technical expertise (78%) and taking board seats (72%). Mexico's corporate venture investors in turn tend to concur that they are able to help fledgling startups to expand (83%), giving startups access to customer networks and suppliers (72%) and also by opening new distribution channels for them (67%), in addition to taking board seats (67%).

Last but not least, there is one more similarity to international peers, in which there is room for improvement everywhere around the globe and that is the number of female professionals in CVC teams. In Mexico, the median figure appears to be 17% of the team, while the average 10%, which is still a far cry from gender parity.

CVC unit reporting to:

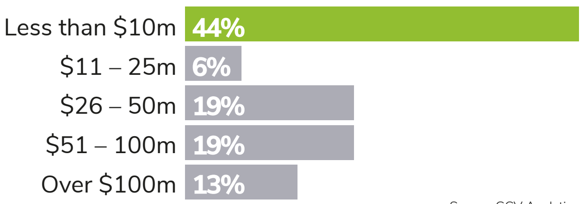


Source: GCV Analytics

Number of funds in which CVC unit holds LP stakes

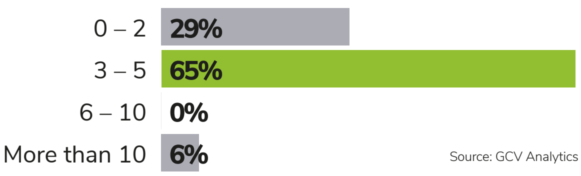
Source: GCV Analytics

Average size of CVC unit (USD)



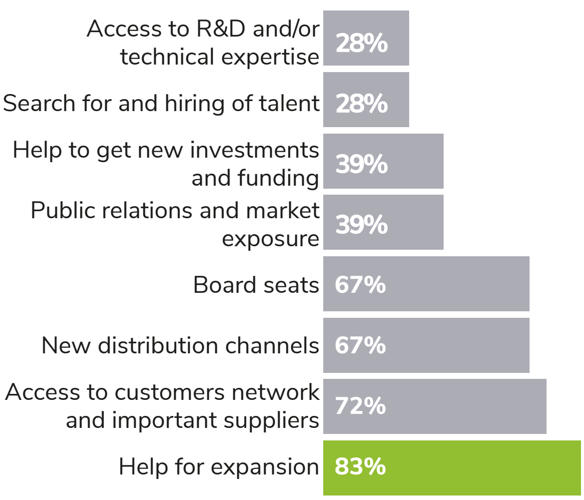
Source: GCV Analytics

Average number of investment per year



Source: GCV Analytics

Major areas of support for portfolio companies



Source: GCV Analytics

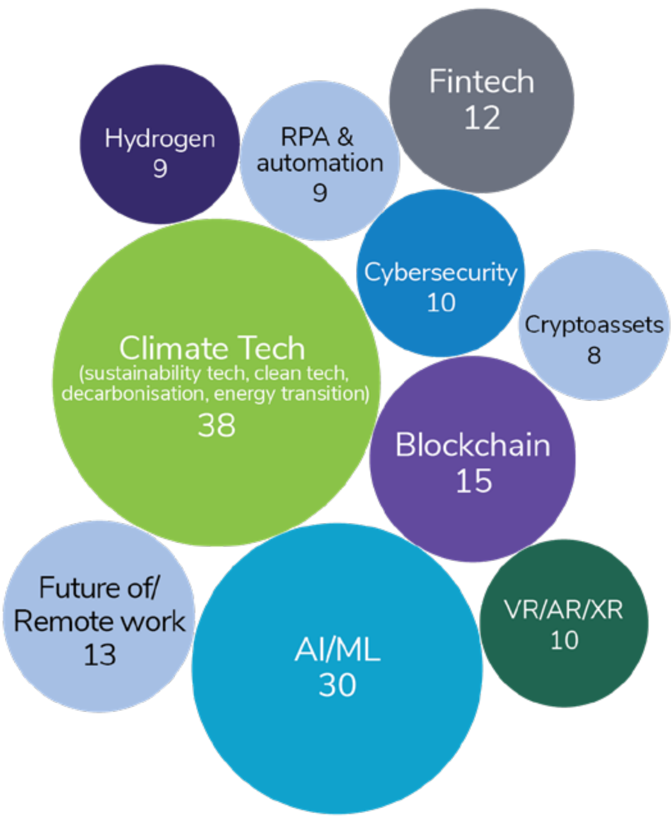
The most important trends for 2021 and the biggest opportunities for 2022

In a recent poll of corporate venturing industry leaders, we asked what the most important trends were in 2021 and sought their insights into the big opportunities that 2022 may have to offer.

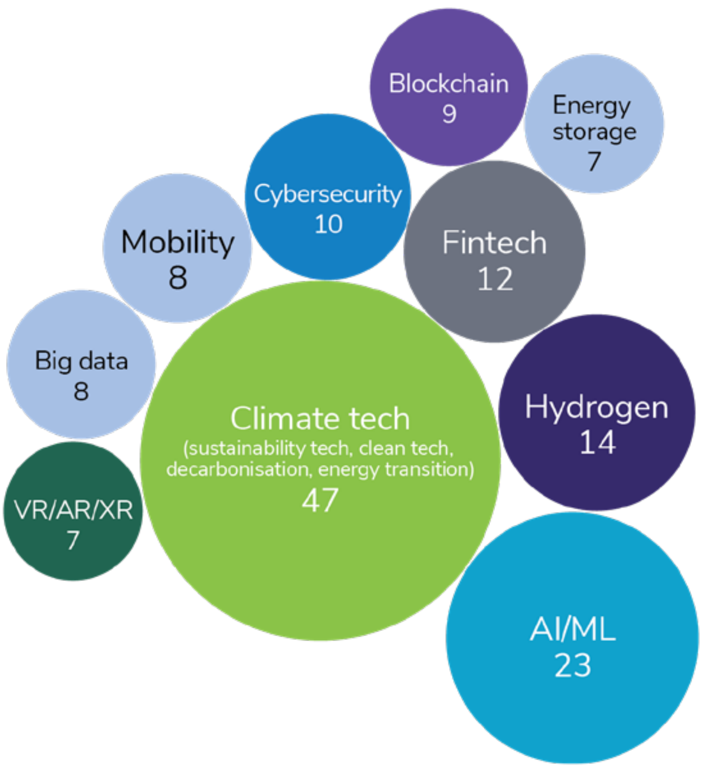
Kaloyan Andonov, analyst
James Mawson, editor-in-chief

Global Corporate Venturing recently asked corporate venture investors for brief quotes on trends and technologies of importance. The quotes, included in this section, offer a unique snapshot of verticals and horizontals that have caught the attention of these investors throughout 2021 as well as the potential opportunities they identify for 2022. It would be no overstatement to say that the covid-19 pandemic has marked the past two years and this is still manifest in some investors' responses, which highlight areas like the "future of work" (or remote work), telehealth and digital health. These are identified hand in hand with "usual suspects", such as artificial intelligence (AI), machine learning (ML), automation, industry 4.0, electric vehicles (EVs) and the Internet of Things (IoT), among other. Notably, we have also seen responses pointing to climate tech, decarbonisation and hydrogen. As the world moves toward its net zero goal by 2050 and innovation and technology follow in the same direction, such responses are hardly surprising and we will likely continue to see more of them in the future.

What was/were the most important technology trend(s) in 2021?



What will be the biggest investment opportunities in 2022?



Note: only includes top 10 responses/categories by frequency of mentions

What was/were the most important technology trend(s) in 2021?

“Artificiall intelligence, blockchain, biotech, 3D printing, materials science ” - Sead Bajrovic, Grundfos

“Healthcare, food delivery ” - Maho Miyamoto, KDDI Open Innovation Fund / Business Exploration and Development Division

“Decarbonisation and sustainability ” - Kyle Sugiyama, Kanematsu Ventures

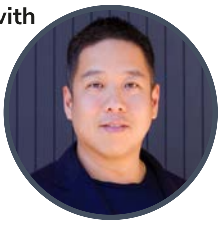
“Fintech and insurtech, crypto cybersecurity ” - Steve Bernardez, Avanta Ventures / CSAA Insurance Group

“Fintech ” - Gen Tsuchikawa, Sony Ventures

“From automotive and mobility perspective: The continued maturation of the EV market coupled with Biden administration has meant customer EV service propositions saw a huge step in the “why now”. The covid impact meant a renewed focus on supply chain resiliency software and tools for enterprises. And the impact on travel patterns gave eBikes their time to shine ” - Alex Smout, InMotion Ventures

“Covid continuing to drive no-touch work and life from home and the continued development of analytics, automation, and IoT “ Stephen Socolof, Tech Council Ventures

“Hydrogen, carbon accounting, net zero fuels ” - Girish Nadkarni, TotalEnergies Ventures



“Coming off a tough year for many folks with forced introspection given broad-based shelter-in-place orders coupled with a reprioritisation of what is important, there is a welling momentum behind ESG. Granted, many investors have this as a stated focus, but I think everyone felt the fragility of the world we live in and a visceral change is palpable for many to delve much more concertedly in. Tech serves to enable and democratise even as we as a society continues to grapple with the shared experiences of last year.” - Dennis Liu, Ford Motor Company - Palo Alto

“Blockchain ” - Mizuki Enomoto, Nissho Electronics USA

“Gaming, esports, agritech ” - Josie Lai, Genting Ventures

“1. Provenance (proof of identity) 2. AI and ML in industry (e.g. metal recovery) 3. New materials (composites, polymers etc.) 4. Robots and cobots ” - Ivan Kuzmenkov, Head of Prospective ventures, PJSC “MMC “Norilsk Nickel”

“Expansion of precision fermentation deals ” - Naotaka Gotoh, CVC team at DIC Corporation

“IoB - Internet of Behaviours. Making better use of data to predict and understand a specific audience ” - Richard Zeiger, MSW CAPITAL

“Embedded Finance, cybersecurity, federated learning, fintech, insurtech ” - Naoki Kamimaeda, Global Brain

“Electromobility ” - Crispin Leick, EnBW New Ventures

“Blockchain, metaverse, electrification, artificial intelligence, industrial cybersecurity, robotic process automation ” - Anshul Agarwal, LG Technology Ventures

“Energy transition, climate tech, industrial decarbonisation “ Kemal Anbarci, Chevron Technology Ventures

“Defi and green chemistry ” - Kip Frey, HG Ventures

“Advanced robotics ” - Josh Berg, Magna Innovation Ventures

“Decarbonisation ” - George Gogolev, Severstal Ventures

“Synthetic biology, clean tech, ag and food ” - Kris Kemeny, Tekfen Ventures

“Batteries, point of care diagnostics, hydrogen ” - Anil Achyuta, TDK Ventures

“Digital First Remote First ” - Toshiya Maruta, Japan Post Capital

“Industry 4.0, connectivity, AI and ML ” - Drew Amato, Lear Corp

“The omnipresence of ‘non-traditional’ investors such as hedge funds investing in tech.” - Grant Allen, SE Ventures

“Digital transformation of industries ” - Chris Stern, Trimble Ventures

“Telemedicine and digital health adoption and fledging efforts around ESG ” - Lisa Suennen, Manatt Venture Fund (corporate)

“Agtech companies ” - Francisco Schuler, Wayra

“AI, robotics, power storage, food tech, hostile cyber-attacks, carbon scrubbing, bio tech ” - Rod Brown, Carlisle Place

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"Energy transition and decarbonisation technology "
- Roy Brown, Technology Ventures

"Fintech " Mohamed Nazir Hicham, Raya Holding CVC

"Artificial Intelligence " - Rodrigo de Alvarenga, HAG Ventures

"Healthtech " - Mohamed Nazir Azmirly , Raya FutureTECH

"Battery and EV related technologies "
- Wade Sheffer, GM Ventures

"Automation and robotics " - Mark Johnson, Husqvarna Ventures

"Use of AI in healthcare delivery and diagnostics " - William J Taranto, Merck Global Health Innovation Fund

"Sustainable aviation, carbon capture " - Matt Ridley, Hangar 51, IAG

"NFT (blockchain), Quantum Computing, 5G "
Yean-Chau Ong, Origgin Ventures, Corporate Collaborations

"Energy transformation "
- Nicolas Sauvage, TDK Ventures

"Post and with covid-19 " - Takeshi Kodama, 31ventures, Mitsui Fudosan

"Climate Technology is coming strong and being looked at in the context of old trends (e.g., mobility, construction etc.) " - Raymond Zheng, Honda Innovations

"The 3 A's - Artificial Intelligence (in its many forms), Analytics and Automation " - Tony Palcheck, Zebra Ventures

"Hybrid cloud, edge cloud " - Paul Asel, NGP Capital (Nokia)

"AI applications, data stratification and analytics " - Gustavo Cavenaghi, Kortex Ventures - Fleury and Sabin CVC Unit

"Artificial intelligence (AI) and machine learning, robotic process automation (RPA), edge Computing, quantum computing, virtual reality and augmented reality, blockchain, the Internet of Things (IoT), 5G " - Rahul Parekh, 2150 Venture Capital

"In food and agriculture, the most important technology trends were around digitising the supply chain, making transactions all the way from farm to fork more streamlined and creating a greater sense of transparency for stakeholders."
- Erin VanLanduit, Cargill Ventures

"Applied AI, distributed infrastructure, growing application of IoT, clean and med tech " - Ron Arnold, 11eight

"The emergence of distributed infrastructure in insurance is particularly interesting. With advances in cloud computing, insurers have better alternatives for core platforms, allowing them to better adapt and address the needs of the customer, access new ecosystems and actually generate meaningful insight from the vast sources of data available." - James Orchard, QBE Ventures

"Non fungible tokens (NFTs) " - Mark Brooks, Syngenta Group Ventures

"Rapid adoption of virtual communication tools " - Donald Hoang, Varian, a Siemens Healthineers Company

"5G and connectivity. Virtual and augmented reality in industrial settings (especially during covid), automation, AI "
- Faran Nouri, Lam Capital

"AI and ML, cyber privacy, continued cloud migration " - Reese Schroeder, Allstate Insurance Company

"Software Defined Vehicle " - Vito Giallorenzo, IVY Innovation Fund, BlackBerry

"Cloud, AI, fintech, health-tech " - Jeff Hennig, Xilinx Ventures

"Access control to restart economic activities, sustainability " - Suzanna Chiu, Amadeus Ventures, Amadeus IT Group

"Hydrogen and carbon capture " - Johann Boukhors, Engie New Ventures

"Climate Technologies " - Sergio Escobar, BCF Ventures

"Connectivity in its broadest sense across the patient care journey that can drive meaningful ROI for patients, payors and providers in terms of better outcomes and cost improvement. "
Oliver Keown, Intuitive Ventures

"Hydrogen " - Roee Furman, Doral Energy-Tech Ventures

"Modular construction, AR and VR, 3D concrete printing " - Burak Gurse, Simpson Strong-Tie

"Rise of defi and web 3, rise of climate tech, collaboration tech (covid), asynchronous LMS " - Francis Rosenberg, GSV Ventures

"Spacs digital transformation emergence of AI. The start of government action against Big Tech, privacy, social media. Maybe this was 2020, but it is accelerating." - Paul Glaser, Hewlett Packard Pathfinder

"Hydrogen value chain " - Hee Jung, SK Gas

"Disaggregation of the financial services and insurance value chains " - Anton Kleingeld, Old Mutual New Ventures

"API for value-based payment management " - John Uribe, Stella Ventures

"Increased pace of investment, foodtech, cloud everywhere " - Andrei Zuzin, Fuel for growth, CVC of EFKO Group

"Carbon neutral [tech] " - Michihiko Kasai, KDDI

"AI and blockchain technologies continued to be the highlight of 2021. AI transforming businesses across industries (from healthcare, to real estate and security) and blockchain is coming into the forefront with new use cases that go beyond crypto." - Rita Waite, Semapa Next VC

"Remote and digital health services " - Kaare Helle, DNV Ventures

"The pandemic forced people and companies to embrace cloud-based services, even the most conservative of industries. Now they are over that mindset the doors are open to further growth." - Noel Hurley, Arm

"Aftermath of covid – e.g. ecommerce, travel, future of work " - Brandon Yahn, Convivialité Ventures / Pernod Ricard

"Democratisation of bio-technology in various applications " - Kenichi Funaki, Corporate Venturing Office, Hitachi

"AI, machine learning, big data, analytics " - André Strauss, Leverage Partners

"Automation " - Stuart Domingos, Zurich Insurance

"Compute networks now trusted enough to not only manage your money but *become* your money. Casual and leisure activities can be monetised." - Michael Stewart, M12/Microsoft

"Rapid acceleration of digital transformation " - Paul Price, IBM Ventures

"Climate Tech, DACC " - Christian Lindener, Airbus Scale

"Open APIs, blockchain applications " - Suleiman Arabiat, Elevator Ventures

"Blockchain " - Edouard van Tichelen, Natixis IM

"Artificial intelligence " - Dong-Su Kim, LG

"NFT, XR " - Florian Hofmann, 1886ventures

"ML, AI, IoT, AR and VR, robotics, security, digital currency " - Dai Tojima, BIC, Konica Minolta

"Blockchain, crypto, gaming, AR, creative economy " - James McClurg, Sky

"Storage, AI, off grid green electricity " - Kendra Rauschenberger, Siemens Energy Ventures

"Artificial Intelligence, digital platforms and ecosystems, RPA and RDA, edge Computing " - Kai Engelhardt, Brose Ventures

"In agtech: marketplaces, fintech in agriculture. Remote sensing for carbon credits " - Erkki Aaltonen, Yara Growth Ventures

"Decarbonisation and climate action circularity " - Gonzalo Galindo, CEMEX Ventures

"Virtual meetings and personalisation of health care " - Les Hine, ONCE Ventures

"Network " - Kuni Kawase, Presidio Ventures Europe

"Rise of EVs in the auto industry " - Tony Cannestra, Denso CVC

"LNP based mRNA vaccines " - Barbara Dalton, Pfizer Ventures

"Blockchain " - Dominique Mégret, Swisscom Ventures

"Blockchain " - Noel Chan, Drive Catalyst

"Sustainability " - Dimitris Triantafyllidis, Saudi Aramco Energy Ventures

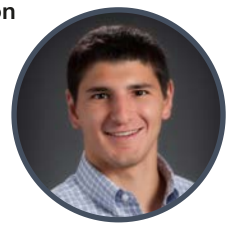
"The rise of the SPAC especially among space related companies. The rise of edge machine learning and tinyML " Eileen Tanghal, INQTEL International

"Vaccine development. Virtual care and telehealth " - Dave Schulte, McKesson Ventures

"Anything clean tech related! It seems established companies are beginning to move past affordability as a singular motivation for development, investment and evolution."
- Jaci Sager, Caterpillar Venture Capital

"Non-Fungible Token (NFT) " - Mauricio Cardoso, Casa Azul Ventures a Corporate Venture Initiative in Communication Group O Povo

"Sustainability - new materials and carbon sequestering " - Ben Price, Saint-Gobain NOVA External Venture



"Climate change tech" - Simon Leefe, 24Haymarket

"Web3 & DeF, Cyber Security, CleanTech, Future of connectivity, Applied AI" - Lucas Fornoff, Evonik Venture Capital

"1. Move towards Molecular Diagnostics for both communicable (RT PCR or NGS) and non-communicable disease (metabolomic approaches to find biomarkers, NGS based ID of genes encoding for biomarkers).
2. Viral Vectors use for both Vaccine development and for new tech like CAR-T Cell therapy
3. Focus on 1-Health - integrating Human, Animal and Environmental Health" - Dhruv Dayal, Futurist and Inventor

"AI edge computing" - Ken Yasunaga, GHOVC

"5G, Blockchain/NFT's, AR/VR" - Patrik Sandin, Ericsson ONE

"Digital agriculture, artificial Intelligence, cybersecurity" - Rob Peets, TELUS Ventures

"BNPL, Crypto, Embedded Finance, GreenTech" - Thompson Barro, Citi Ventures

"Hydrogen" - Johann Boukhors, ENGIE New Ventures

"Blockchain " - Lewis Lane , NATWEST

"AI / ML" - Davorin Kuchan, LGE Ventures

"Energy transition/clean tech/renewables" - Jihad Salahuddin, Caterpillar Venture Capital Inc

"Two things were important from our perspective in 2021 - the advancement of EVTOL technology towards certification and ultimately the ability to use them for air taxis and the growth in importance of longer term sustainability tech to help various industries reach net carbon zero goals." - Amy Burr, JetBlue Technology Ventures, JetBlue Airways

"Covid response [medical tech, growth of virtual/remote work, new supply chains[onshoring] , supply chain shortages, new work practices]. Work from home and e-commerce continue to grow strongly. Also, huge growth in climate-tech funding, ESG-related regulations and a "mainstreaming" of climate change adaptation/mitigation/solution efforts." - Patrick Sagisi, Acario Innovation (Tokyo Gas Group)

"The global pandemic brought on a tidal wave of change and uncertainty, but it's also become a catalyst for accelerated adoption of digital strategies and emerging technology. " - Russ Kliman, SEI Ventures, SEI (NASDAQ: SEIC)

"SaaS for hybrid meeting " - Takeshi Kodama, 31VENTURES

"Energy Transition" - Taha Hussain, DK Innovation & Delek US

"Sustaintech / climate tech; AI; Hydrogen; Robotics; e-mobility" - Kurt Kaltenegger, ABB Technology Ventures

What will be the biggest investment opportunities in 2022?

"Climate tech " - Rahul Parekh, 2150 Venture Capital

"Sustainability has become central to every corporation's strategy over the last year - investing in technologies that enable delivery of bold ESG targets will be critical." - Erin VanLanduit, Cargill Ventures

"New data sources, embedded propositions, IoT applications and trust tech " - Ron Arnold, 11eight

"In commercial insurance, investments in technologies that help us rethink the product and service will be top of mind. Leveraging data to better determine new signals of risk and transition to the use of more dynamic data sets will shape our investment strategy e.g. industrial IoT, or spatial imagery." - James Orchard, QBE Ventures

"Reducing impact of climate change " - Mark Brooks, Syngenta Group Ventures

"Growing importance and adoption of telehealth tools - e.g., remote patient monitoring, virtual visits, increasing access to mental & behavioural health " - Donald Hoang, Varian, a Siemens Healthineers Company

"Life sciences & precision medicine, cybersecurity. Digital transformation, supply chain localsation and automation especially as we grapple with geopolitical and pandemic disruptions." - Faran Nouri, Lam Capital

"Cyber insurtech and fintech and enterprise software " - Reese Schroeder, Allstate Insurance Company

"Smart mobility " - Vito Giallorenzo, IVY Innovation Fund, BlackBerry

"Fintech " - Jeff Hennig, Xilinx Ventures

"Automation due to labour shortage and sustainability " - Suzanna Chiu, Amadeus Ventures, Amadeus IT Group

"Emerging "market networks " - and deep tech startups focusing on impact solutions. " Sead Bajrovic, Grundfos

"Energy and clean tech " - Maho Miyamoto, KDDI Open Innovation Fund / Business Exploration and Development Division

"Decarbonisation and sustainability " - Kyle Sugiyama, Kanematsu Ventures

"Insurtech! " - Steve Bernardez, Avanta Ventures / CSAA Insurance Group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“The future of work ” - Gen Tsuchikawa, Sony Ventures

“The focus on sustainability beyond tailpipe emissions means battery management systems, end-of-life solutions and sustainable supply chains are a major focus of OEMs. The next generation of connected vehicle technologies will give connected vehicle service propositions a boost, as well as the need for cybersecurity solutions ” - Alex Smout, InMotion Ventures

“More reliable use of automation, more cleantech, evolving social media and healthcare ” - Stephen Socolof, Tech Council Ventures

“Hydrogen, carbon capture, net zero fuels ” - Girish Nadkarni, TotalEnergies Ventures

“Continued proliferation of electrification and while vehicles are top of mind for many, there are sweeping opportunities enabled through infrastructure. Further highlighted by labour needs and augmenting human capabilities, robotics and AI continue to attract talent and interest as well.” - Dennis Liu, Ford Motor Company - Palo Alto

“Retailtech ” - Mizuki Enomoto, Nissho Electronics USA

“Blockchain gaming, fintech, food and agri tech ” - Josie Lai, Genting Ventures

“1. FinTech - is quite an emerging thing 2. Metaplatforms and ecosystems: the edge between banks, marketplaces, IT-companies will be blurred 3. AI and ML applications and teams ” - Ivan Kuzmenkov, Head of Prospective ventures, PJSC “MMC “Norilsk Nickel”

“Energy sector ” - Naotaka Gotoh, CVC team at DIC Corporation

“The CVC industry in Latin America. “ Richard Zeiger, MSW CAPITAL

“Insurtech, Cyber Security, Privacy ” - Naoki Kamimaeda, Global Brain

“Defi ” - Crispin Leick, EnBW New Ventures

“Application of Blockchain technology is driving new business models and innovative solutions across verticals. In 2022 and beyond, we will see accelerating use of blockchain-based solutions by both businesses and consumers. This upcoming mass adoption will provide compelling opportunities for CVC and VC investments. The Metaverse is a new whitespace area attracting top talent interested in creating products and services that don’t exist yet. Companies developing Metaverse platforms and applications are relatively small or unknown today but have started seeing strong traction. Exciting investment opportunities lie ahead for those that venture out into the Metaverse. EV’s have been in the market for a while, but growing acceptance and unmet customer needs are driving constant innovation. With a massive TAM, this space will continue to provide an abundance of superior investment opportunities across the entire EV lifecycle.” - Anshul Agarwal, LG Technology Ventures

“Energy transition, climatetech, industrial decarbonisation ” - Kemal Anbarci, Chevron Technology Ventures

“Startups in emerging markets ” - Kip Frey, HG Ventures

“Experiences ” - Josh Berg, Magna Innovation Ventures

“Hydrogen, fintech, AI chips, edge computing ” - George Gogolev, Severstal Ventures

“Ag tech, synthetic biology, supply chain ” - Kris Kemeny, Tekfen Ventures

“Electrification, energy-tech, hydrogen, advanced functional materials ” - Anil Achyuta, TDK Ventures

“Total experience ” - Toshiya Maruta, Japan Post Capital

“Industry 4.0, sustainability and cleantech ” - Drew Amato, Lear Corp

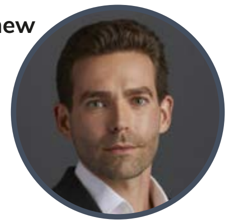
“Semantic and NLP analysis tools to empower digital workers to be more efficient, more connected and physically more often remote.” - Grant Allen, SE Ventures

“Platforms, AI, autonomy, robotics. Infrastructure and construction technology, sustainability ” - Chris Stern, Trimble Ventures

“Hydrogen and Carbon capture ” - Johann Boukhors, Engie New Ventures

“Cybersecurity ” - Sergio Escobar, BCF Ventures

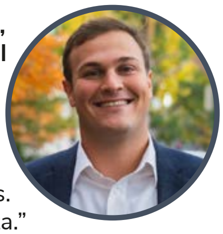
“In surgery and minimally invasive care, new models of care delivery directly targeting payors and consumers leveraging deep technology and best in class services ” - Oliver Keown, Intuitive Ventures



“Climate tech ” - Roee Furman, Doral Energy-Tech Ventures

“Modular and off-site construction, site-automation, sensor technologies ” - Burak Gurse, Simpson Strong-Tie

“Future of work, future of learning, web 3, new mobility models, broadening financial access and literacy, climate tech ” - Francis Rosenberg, GSV Ventures



“Expansiveness of data and AI in digital transformation blockchain, crypto and NFTs. The continued focus around AI, ML and data.” - Paul Glaser, Hewlett Packard Pathfinder

“Hydrogen value chain ” - Hee Jung, SK Gas

“Automation addressing labour shortages across industries ” - Mark Johnson, Husqvarna Ventures

"Emerging markets and Africa series A" - Anton Kleingeld, Old Mutual New Ventures

"Health at home " - John Uribe, Stella Ventures

"Even more VC funding in foodtech and other underappreciated traditional industries (construction, education) " - Andrei Zuzin, Fuel for growth, CVC of EFKO Group

"Carbon neutral [or] climate [tech] " - Michihiko Kasai, KDDI

"I believe that AI continues to disrupt businesses across all industries and we are not done yet. As an example, the entire manufacturing sector is still lagging in its digital transformation and we will continue to see innovation in the space " - Rita Waite, Semapa Next VC

"The energy transition " - Kaare Helle, DNV Ventures

"The biggest investment needs to be in new disruptive energy technologies. Energy companies are known to move very slowly, can they be challenged to adopt new technologies and methodologies faster? " - Noel Hurley, Arm

"New market effects following markets – e.g. ecommerce, travel, future of work " - Brandon Yahn, Convivialité Ventures / Pernod Ricard

"Biotech applications such as biofoundry, biofuels, biopharma, biomaterials and bioengineering approach to clean tech." - Kenichi Funaki, Corporate Venturing Office, Hitachi

"ESG opportunities " - André Strauss, Leverage Partners

"Digital engagement " Stuart Domingos, Zurich Insurance

"More metaverse, maybe we will finally understand what that means." - Michael Stewart, M12/ Microsoft

"Investment and partnering will continue to be highly attractive across many sectors and segments - reflecting available funds and key players willingness to transform and need to transform " - Paul Price, IBM Ventures

"Everything around sustainability " Christian Lindener, Airbus Scale

"In fintech: defi, embedded finance, real-time lending (e.g. revenue based financing), open banking applications." - Suleiman Arabiat, Elevator Ventures

"Climate [tech] " - Edouard van Tichelen, Natixis IM

"Metaverse " - Dong-Su Kim, LG

"Aggregator platforms for B2B-Circular Economy, System Infrastructure for tokenised production 4.0 and circularity of things " - Florian Hofmann, 1886ventures

"Robotics, AI, ML, Digital twins " - Dai Tojima, BIC, Konica Minolta

"AR, Crypto, Blockchain " - James McClurg, Sky

"Climate tech " - Kendra Rauschenberger, Siemens Energy Ventures

"AI-driven technologies, hyper automation tech, chip-related technologies " - Kai Engelhardt, Brose Ventures

"Hydrogen, no compromise farming " - Erkki Aaltonen, Yara Growth Ventures

"Continue on the decarbonisation and climate action front...." - Gonzalo Galindo, CEMEX Ventures

"Healthcare personalisation " - Les Hine, ONCE Ventures

"One of the biggest trends will be artificial intelligence to diagnose cancer coupled with automated and remote diagnostics " - William J Taranto, Merck Global Health Innovation Fund

"Robotics " - Kuni Kawase, Presidio Ventures Europe

"Materials, supply chain and logistics efficiency, predictive AI " - Tony Cannestra, Denso CVC

"Targeted LNPs, additional applications of LNPs, additional applications for mRNA therapeutics and vaccines " Barbara Dalton, Pfizer Ventures

"Blockchain-based digital assets " - Dominique Mégret, Swisscom Ventures

"Robotics " - Noel Chan, Drive Catalyst

"Sustainability, hydrogen, tech " - Dimitris Triantafyllidis, Saudi Aramco Energy Ventures

"Climate tech - materials and sustainability, health tech, semiconductor manufacturing related technologies helped by the CHIPS act " - Eileen Tanghal, INQTEL International

"Clean technology " - Dave Schulte, McKesson Ventures

"AI based applications in industries; Health sector related technologies; e-mobility." - Kurt Kaltenegger, ABB Technology Ventures

"Tourism based on the post-covid momentum" - Takeshi Kodama, 31VENTURES

“Expanding the bubble for clean tech - for example, instead of just hydrogen, there will be real attention paid to making other alternatives viable options. Also, as the world moves away from focusing on pure autonomy as THE solution, there will be more co-bot models developed which may expand and accelerate adoption.” - Jaci Sager, Caterpillar Venture Capital

“Multiverse ” - Mauricio Cardoso, Casa Azul Ventures a Corporate Venture Initiative in Communication Group O Povo

“Financing and fintech and prop tech and construction tech ” - Ben Price, Saint-Gobain NOVA External Ventures

“Sustainable aviation ” - Matt Ridley, Hangar 51, IAG

“NFT, agritech, sodium ion battery as an alternative to lithium, climate tech ” - Yean-Chau Ong, Origgin Ventures, Corporate Collaborations

“Energy transformation for a greener planet, especially around technologies that can truly deliver on net zero goal ” - Nicolas Sauvage, TDK Ventures

“Those related to back to normal ” - Takeshi Kodama, 31Ventures, Mitsui Fudosan

“Energy (electrification, alternative energy sources, hydrogen, micronuclear) and sustainability (battery recycle, reuse etc.) ” - Raymond Zheng, Honda Innovations

“Same as 2021. Although I am also seeing more electric vehicles and warehouse automation solutions.” - Tony Palcheck, Zebra Ventures

“Autonomous robots “ Paul Asel, NGP Capital (Nokia)

“Digitalisation of everything, special attention to Healthcare ” - Gustavo Cavenaghi, Kortex Ventures - Fleury and Sabin CVC Unit

“Intersection of health and fintech: ESG enablers ” - Lisa Suennen, Manatt Venture Fund (corporate)

“Saas companies ” - Francisco Schuler, Wayra

“Power generation, power storage and management - including nuclear, defence tech, robotics, drones, autonomous vehicles infrastructure, micro mobility integration and age tech ” - Rod Brown, Carlisle Place

“Energy storage, hydrogen, DES technology ” - Roy Brown, Technology Ventures

“Artificial Intelligence ” - Mohamed Nazir Hicham, Raya Holding CVC

“Impact, AI, big data, fintechs and data-driven marketing platforms ” - Rodrigo de Alvarenga, HAG Ventures

“Artificial intelligence ” - Mohamed Nazir Azmirly , Raya FutureTECH

“Battery and EV related technologies ” - Wade Sheffer, GM Ventures

“New forms of energy” - Simon Leefe, 24Haymarket

“XaaS, Sustainable energy solutions, IoT, healthcare, biotech” - Lucas Fornoff, Evonik Venture Capital

“1. Viral vectors 2. CRISPR gene editing for Dx and Therapy 3. Lithium Ion batteries for EVs” - Dhruv Dayal, Futurist and Inventor

“Medical equipment and healthcare” - Ken Yasunaga, GHOVC

“Cleantech, Web3” - Patrik Sandin, Ericsson ONE

“Quantum-ready Security Web 3” - Rob Peets, TELUS Ventures

“DeFi, Blockchain, GreenTech” - Thompson Barro, Citi Ventures

“Hydrogen” - Johann Boukhors, ENGIE New Ventures

“DLT” - Lewis Lane , NATWEST

“Cloud and datacenter technologies needed to power continued acceleration of digital transformation” - Dede Goldschmidt, Samsung Catalyst Fund

“energy, semiconductor, fintech” - Davorin Kuchan, LGE Ventures

“Energy transition/clean tech/renewables/hydrogen” - Jihad Salahuddin, Caterpillar Venture Capital Inc

“We will continue to look for future looking sustainability tech opportunities but also AI driving tech to add in personalisation and self-servicing options in travel.” - Amy Burr, JetBlue Technology Ventures, JetBlue Airways

“Climate-tech solutions continue to expand across all sectors, including “hard to decarbonise” industries AI and “software eating everything” Food and Ag production Bio-tech, vaccines & other disease treatments based on mRNA platforms” - Patrick Sagisi, Acario Innovation (Tokyo Gas Group)

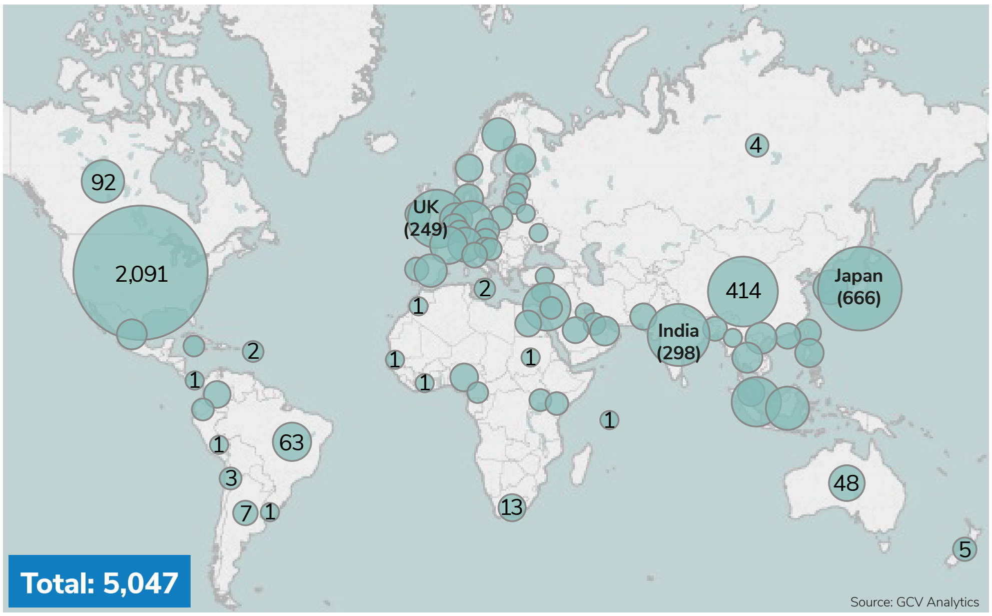
“Continued investments in solutions that bring greater personalisation, reduced friction, increased access to predictive data to drive business insight.” - Russ Kliman, SEI Ventures, SEI (NASDAQ: SEIC)

“CCUS & Hydrogen” - Taha Hussain, DK Innovation & Delek US

Corporate venturing spikes to record highs

By Kaloyan Andonov, reporter and analyst

Global view of deals 2021



In 2021, GCV Analytics tracked 5,047 deals worth an estimated $298.1bn of total capital raised. Both the deal count and the total dollars registered considerable year-on-year increases (40% and 27%) versus the 3,607 transactions worth an estimated $131.22bn reported in 2020. These are indubitably strong and impressive numbers for any industry, business or portfolio.

Four out of every 10 tracked corporate-backed transactions in 2021 took place in the US (a total of 2,091). Other notable innovation geographies on the global scene were Japan (666), China (414), India (298) and the UK (249).

It would be impossible to comprehend investment developments in 2021 without talking about macroeconomics and events in 2020. It is no overstatement to say that 2020 was a tumultuous year that will be remembered for long and that brought a pandemic that is still not officially over. The covid-19 pandemic and stay-at-home orders across the globe caused an enormous economic shock which still lingers to this date, when it comes to supply chain disruptions (and not the kind of exciting disruptions we like to talk about on the pages of this magazine).

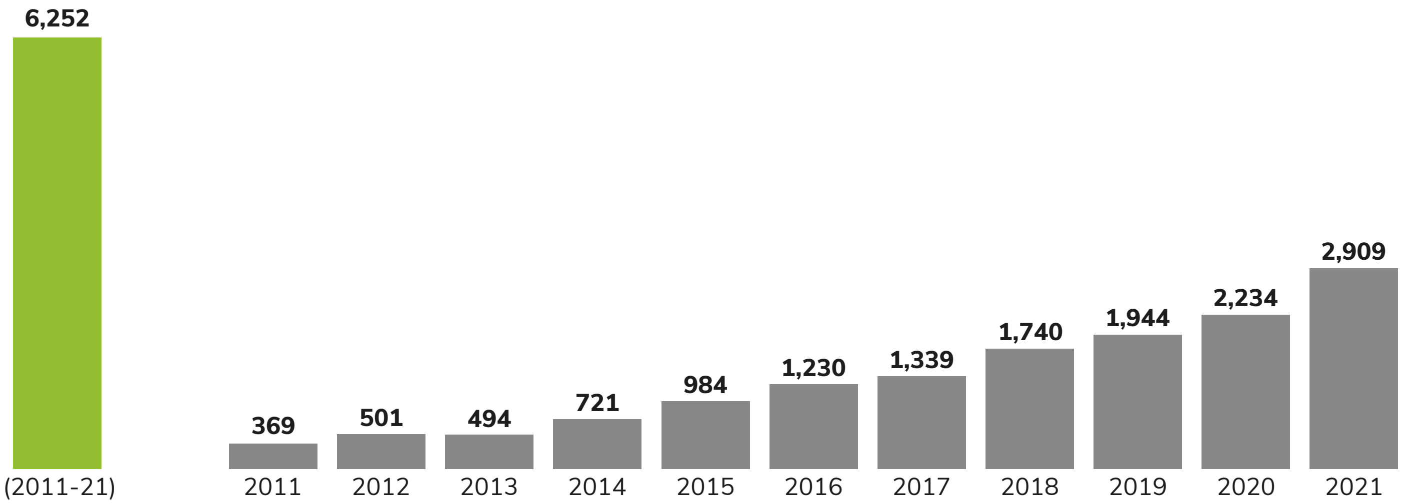
Macroeconomic indicators in the years leading to the pandemic seemed to hint on the possibility of a looming downturn. And the downturn did come, only not the way most of us would have expected it. Unlike other economic downturns, this time authorities and central banks reacted promptly and provided an abundance of liquidity to ensure the normal functioning of markets. This clearly had a positive impact on both public and private markets that have thrived since then thanks to the lowest interest rates in history.

Far from being an unsurmountable shock, the aftermath of the pandemic appears to have been a bonanza for investors in both public and private markets alike. In the context of asset classes, low yields on bonds made even the most conservative of investors move into riskier asset classes such as equities. For large institutional and high net worth investors – who tend to be the typical limited partners (LPs) in venture funds – this meant that alternative asset classes like venture capital were alluring with their high potential returns in the foreseeable future. As a result, there has been no dearth of funding for innovative businesses that aspire to change or disrupt.

The implications are naturally far reaching for corporate venturers as well. They will continue to play their part in serving as vehicles to provide strategic optionality in potential disruptive technologies or catalysts that drive the adoption of the newest and best technologies that operationally aid their parent organisations. This will likely continue to be the case as long as there is a relatively low interest rate environment.

Corporate venture capital firms appear to have been flexible enough to adopt to this dynamic environment. Some corporations had formally wound down venturing units but did not stop taking minority stakes in startups or participating in the startup innovation scene. Others spun out their venturing units as independent firms and encouraged them to look for external LPs. Such models of fundraising and operating have proven successful in challenging times and demonstrate the resilience and flexibility of corporate venture capital.

Active corporate investors

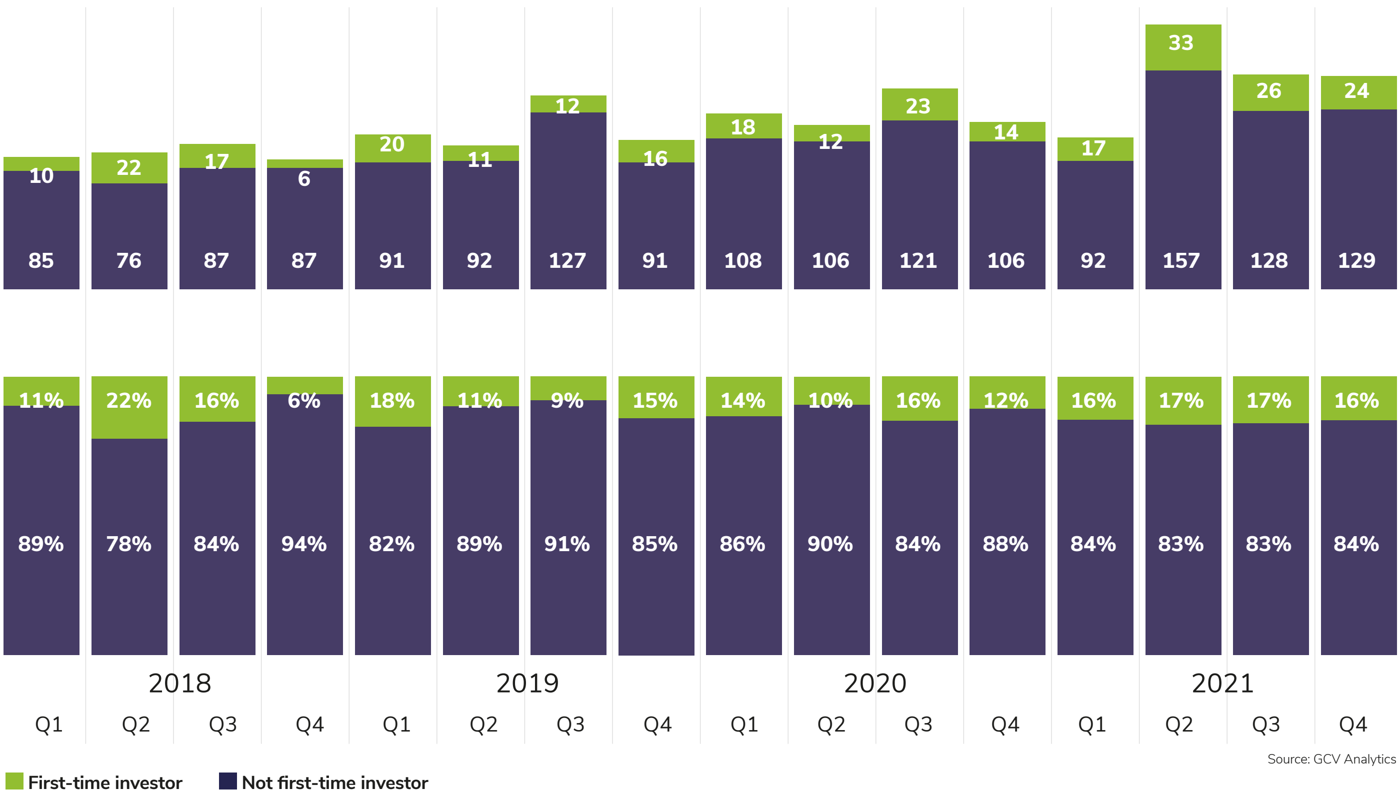


Source: GCV Analytics

Total active (2011-21) - 6,252

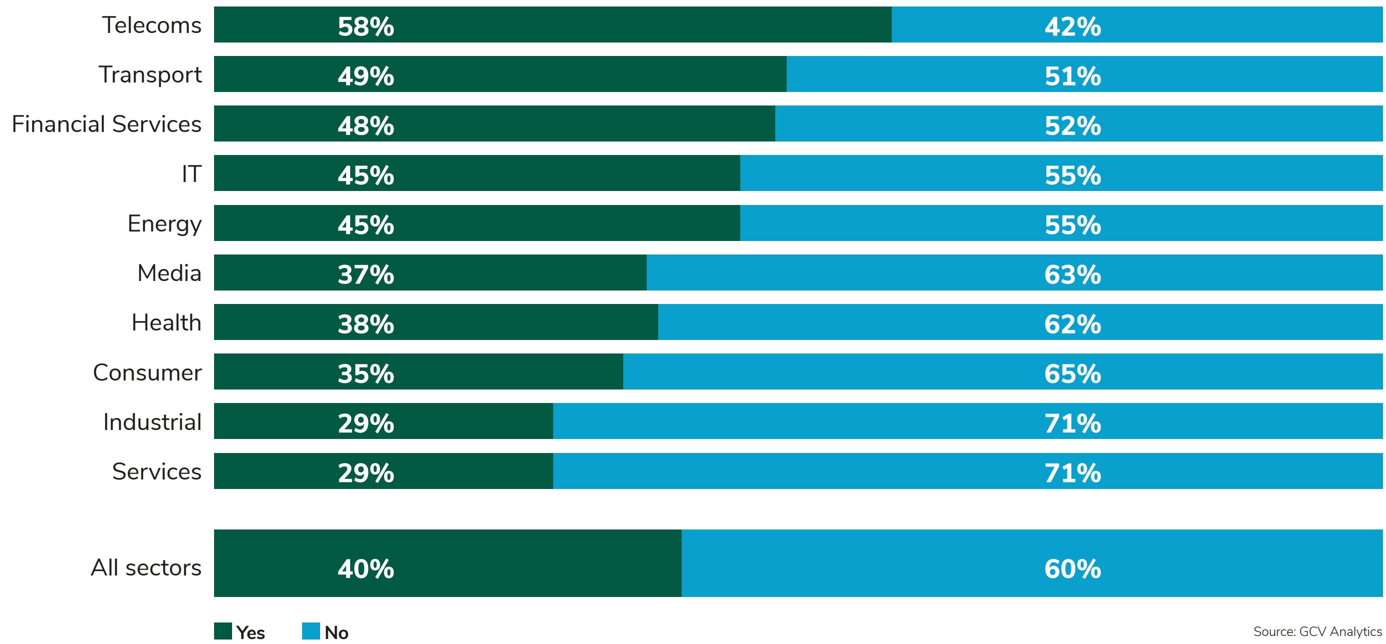
Over the past golden decade, corporations around the globe have reaped much benefit from venturing activity or, at the very least, have seen themselves forced to use it as part of their innovation toolkit. The growth of the number of active corporate venturers we have observed illustrates this. Since 2011, when we first started our trade publication, GCV has tracked over 6,200 distinct corporate investors – with or without a formal investment unit – which have taken a minority stake in at least one deal. We also saw the number of corporate venturers per given year increase several times over – from 721 in 2014 up to 2,909 in 2021. Moreover, our data suggest that 16-17% of all corporate investors we track quarterly were first-time investors in 2021.

First-time vs repeating corporate investors 2018-21



Source: GCV Analytics

Corporate investors from 2020 (by sectors) returning to invest in 2021

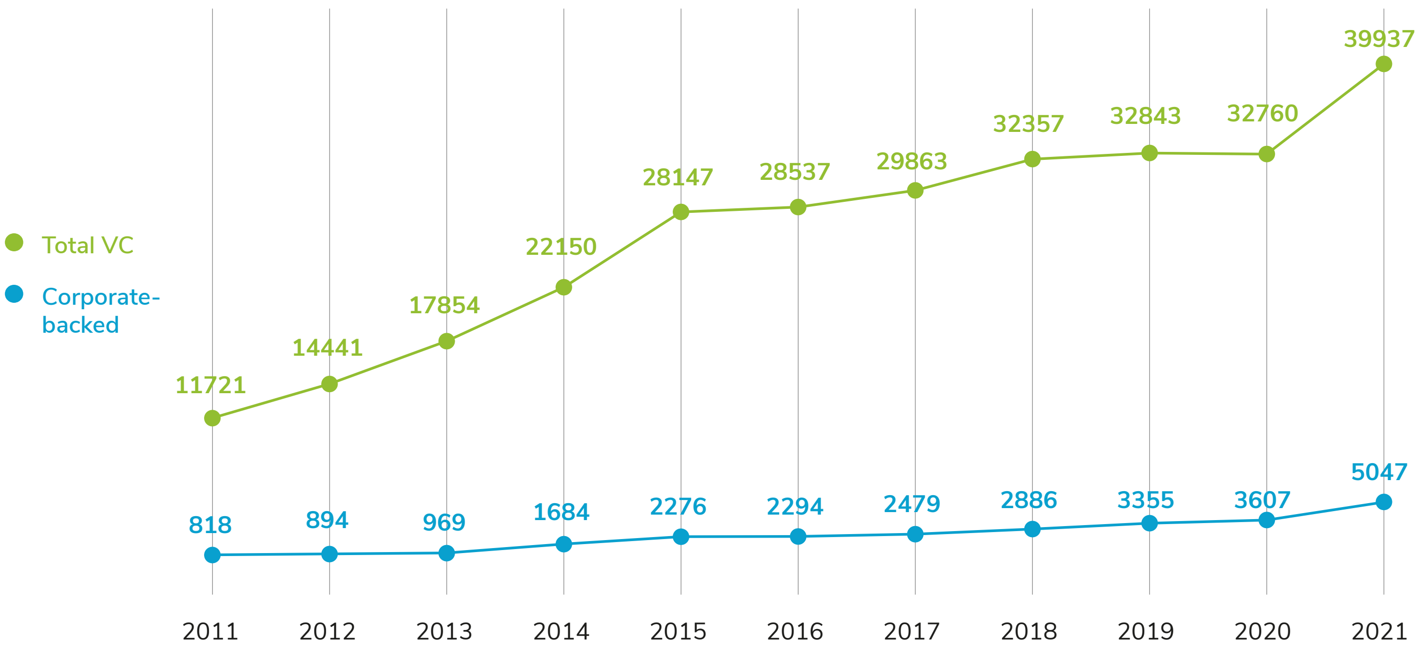


Source: GCV Analytics

Our data also suggest that, overall, roughly four out of every 10 corporate investors (40%) that had participated in at least one minority stake round in 2020 returned as investors during 2021. In some sectors, notably, the proportion of returning investors is actually higher – energy (45%), IT (45%), financial services (48%), transport (49%) and telecoms (58%).

According to PitchBook Data, premier provider of private capital market data, overall venture capital activity soared from 32,760 deals in 2020 to 39,937 by the end of 2021. The numbers of the corporate VC realm appear to have largely followed the same trajectory, spiking from 3,607 transactions tracked in 2020 to 5,047 by the end of last year. The overall share of corporate venturing activity out of all VC activity has gone up significantly from 8% in 2011 to 13% globally in 2021. This is a result of a growing number of corporates taking minority stakes in deals, as our data suggest.

Corporate-backed deals as part of total global VC deal count (#)



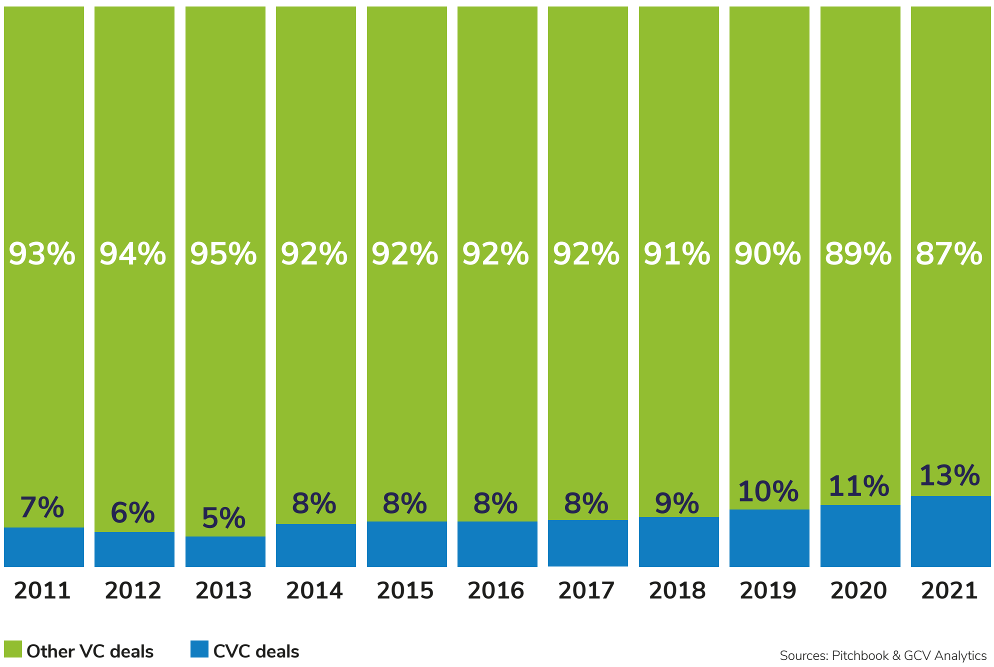
Sources: Pitchbook & GCV Analytics

Data from both PitchBook and GCV Analytics suggest that total capital in corporate-backed rounds grew at similar pace along with total capital in all venture rounds over the last decade. Both reached a peak in 2018 and plateaued between 2019 and 2020. The numbers in both the total VC and the CVC arena, however, exploded in 2021.

To put things in perspective, according to these data, over $2.64 trillion dollars were invested in VC rounds globally from 2011 until the end of 2021. That is an impressive figure summing a rather dynamic decade behind but, more importantly, just north of $1 trillion of that total (38%) were deployed in 2020 and 2021 alone!

The implications of these developments are, on the whole, positive, at first sight at least. Venture capitalists have managed to allocate more capital to promising entrepreneurs than ever before in the history of capitalism. Venture investors, including corporates, have largely managed to cash in on their successful investments, as exit figures discussed further below suggest. This implies that both traditional VCs and corporates are likely well capitalised for the future.

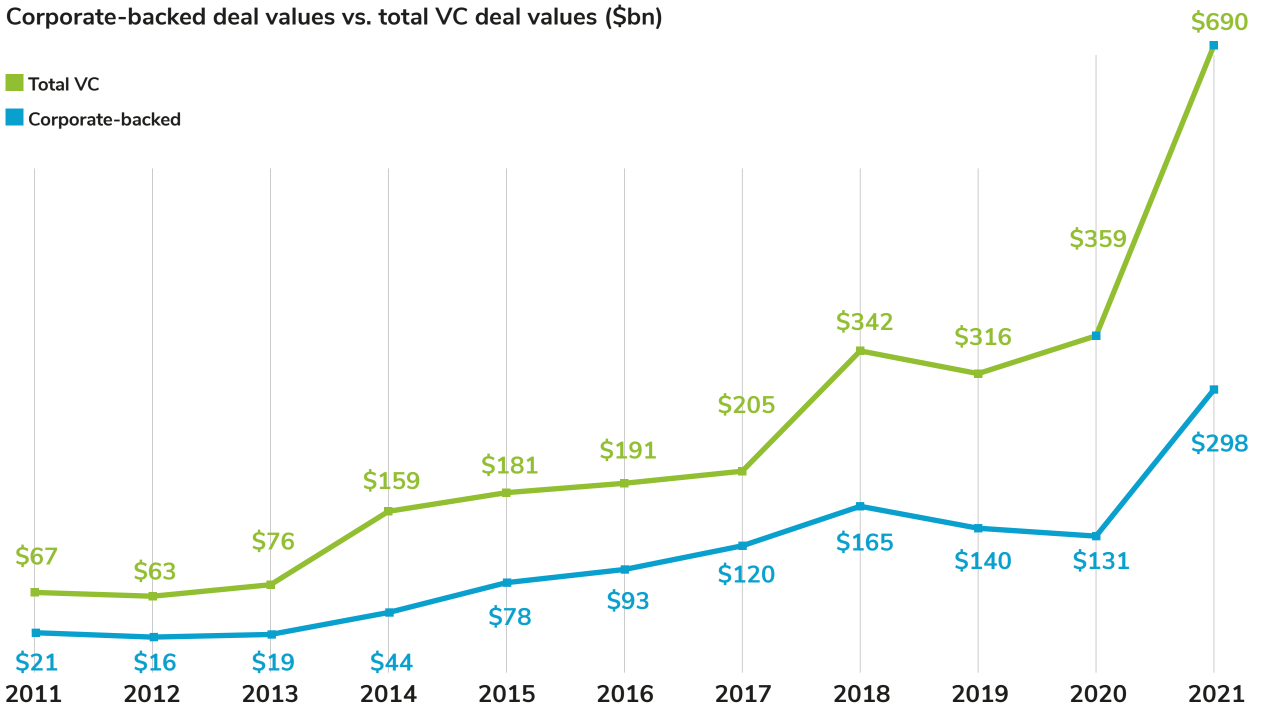
Share of CVC deals among total VC deals (2011-21)



Sources: Pitchbook & GCV Analytics

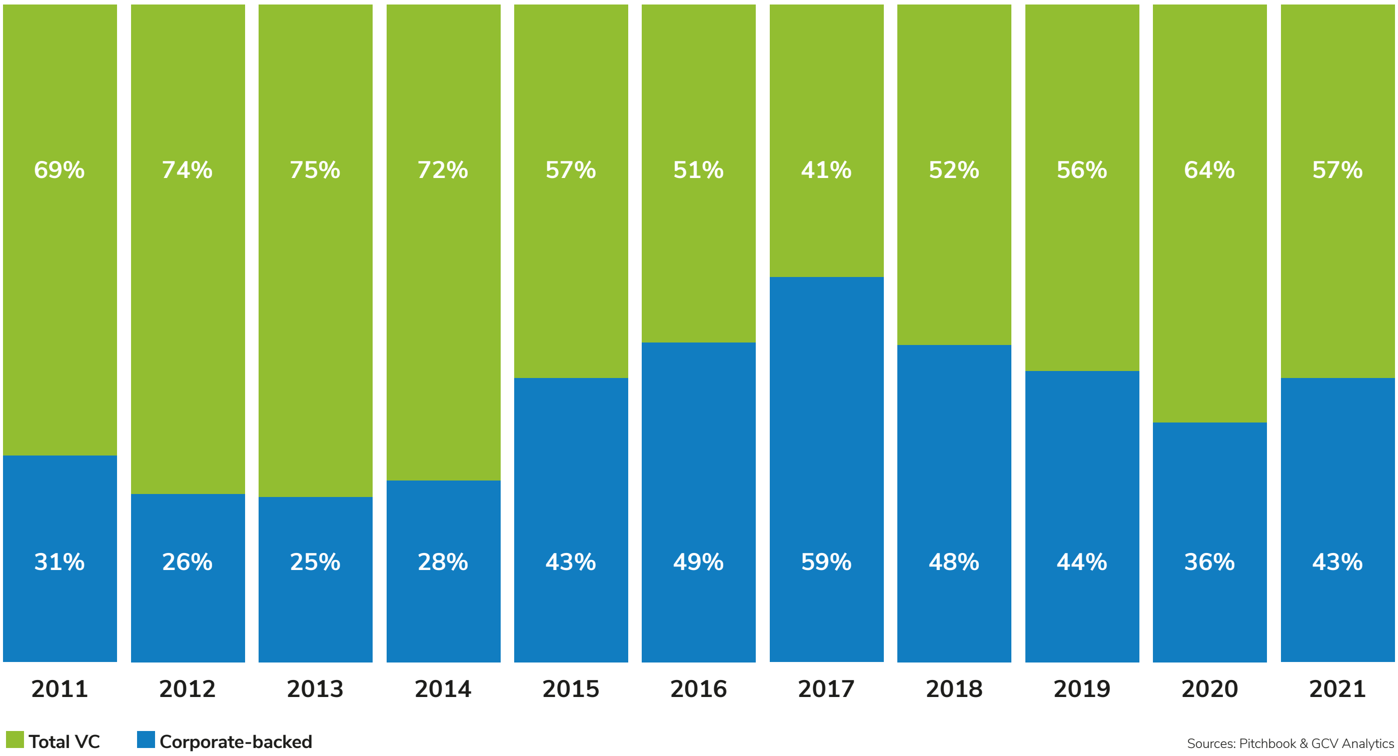
What about going forward, though? Will such buoyancy and exuberance be maintained in an environment that central banks clearly recognise as inflationary already and have stated their intention to taper? Will high valuations be maintained when credit is no longer as cheap as it still is today? All appears rather uncertain. The drive to innovate will likely not be stifled and will continue to make the world a better place and there will still be many an investor to finance it. However, some valuation metrics may be up for a correction, as the present value of their project future sales and earnings might not be quite the same when a higher discount rate is used in the calculation. Only time and the year ahead of us will tell.

Corporate-backed deal values vs. total VC deal values ($bn)



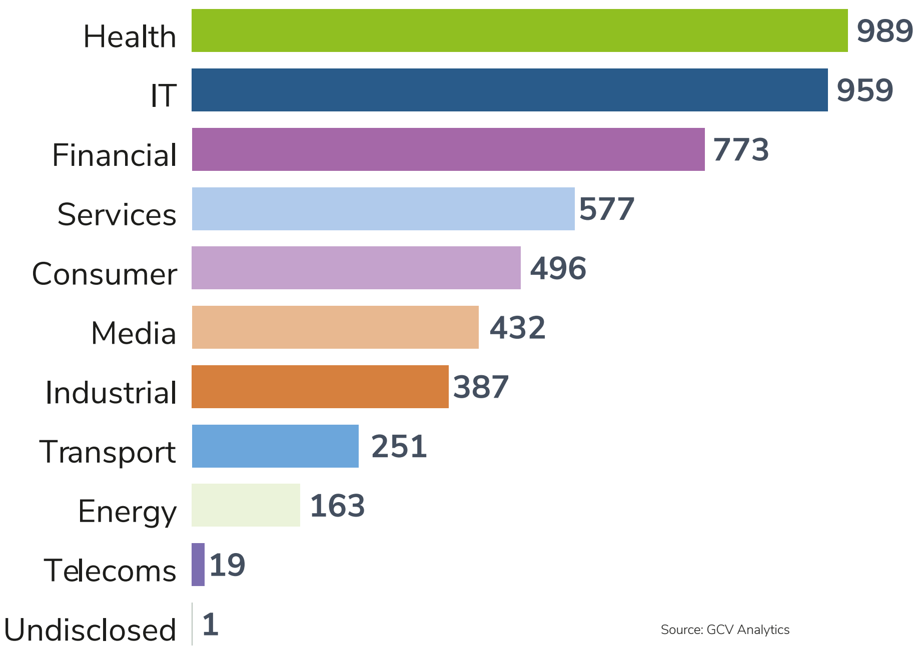
Sources: Pitchbook & GCV Analytics

Corporate-backed deal values as % of total VC deal value ($bn)



Sources: Pitchbook & GCV Analytics

Deals by sector 2021

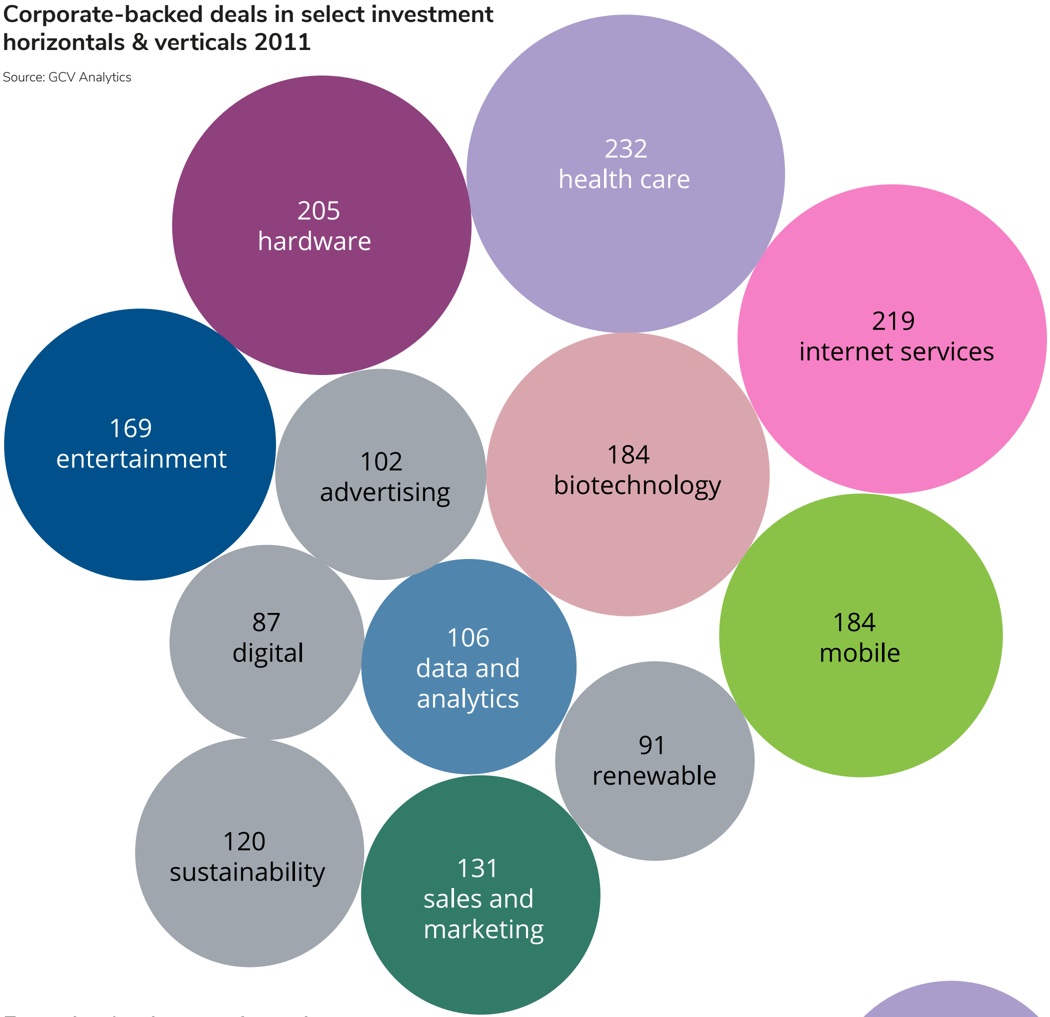


Source: GCV Analytics

When analysed as percentage, the dollar share of deals with corporates in syndicates registered accelerated growth from 2014 onward, reaching $159bn up from $76bn the previous year. As percentage of capital poured into VC rounds, corporate-backed transactions went from 25-27% in 2012-13 up to 59% in 2017 and back down to 36% and 43% in 2020 and 2021. This suggests that corporate venturers have been increasingly involved in funding rounds of emerging companies with high valuations and this tendency has not changed much with the pandemic.

Corporate-backed deals in select investment horizontals & verticals 2011

Source: GCV Analytics

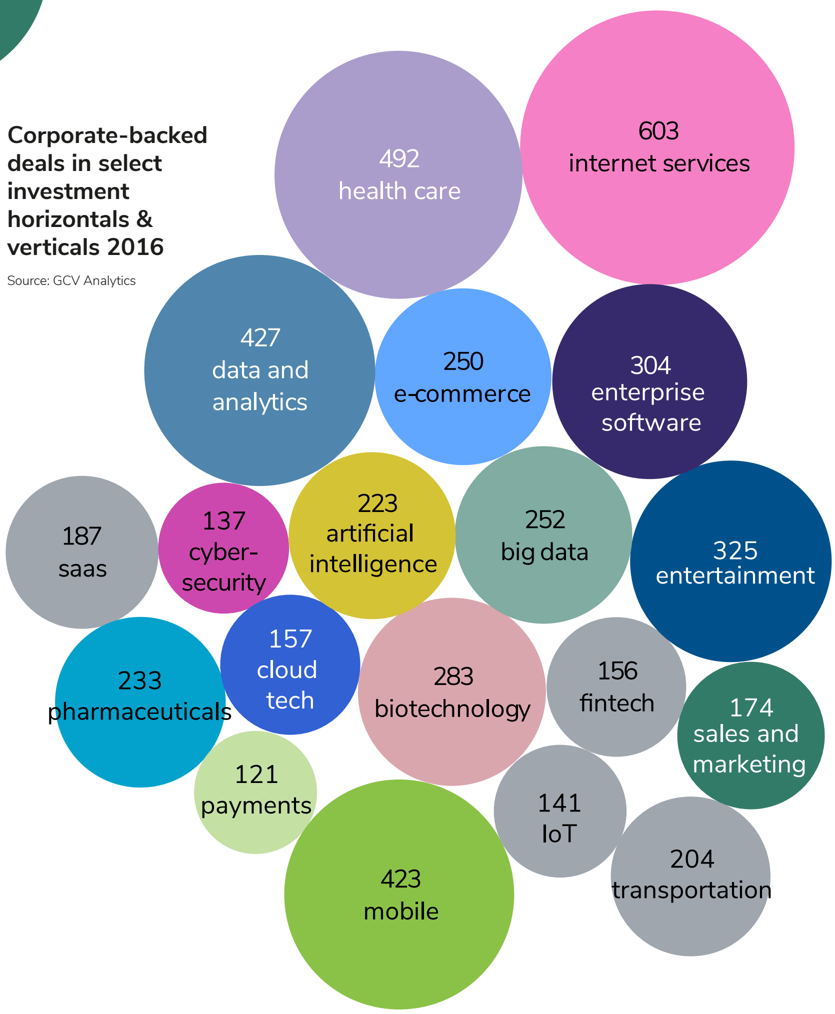


Emerging businesses from six sectors raised the largest number of corporate-backed rounds – IT with 989 deals, health with 959, financial services with 773, business services with 577, media with 496 and industrial with 432.

The covid-19 pandemic appears to still dictate the prominence of some of the top investment verticals and horizontals. Aside from “usual suspects” of our increasingly digitised world – like artificial intelligence (AI), big data, cybersecurity and enterprise software, GCV also saw fields like pharmaceuticals, oncology and cancer treatment medical devices, health IT, e-commerce platforms, food and beverages, payment tech and logistics tech draw more attention and interest among corporate venturers in 2021, much like in the previous year. Some of the areas were given significant boost by the pandemic and stay-at-home orders around the world. We have also observed a still sustained interest in the autonomous and electric vehicles space. The growth of blockchain technologies in different forms has

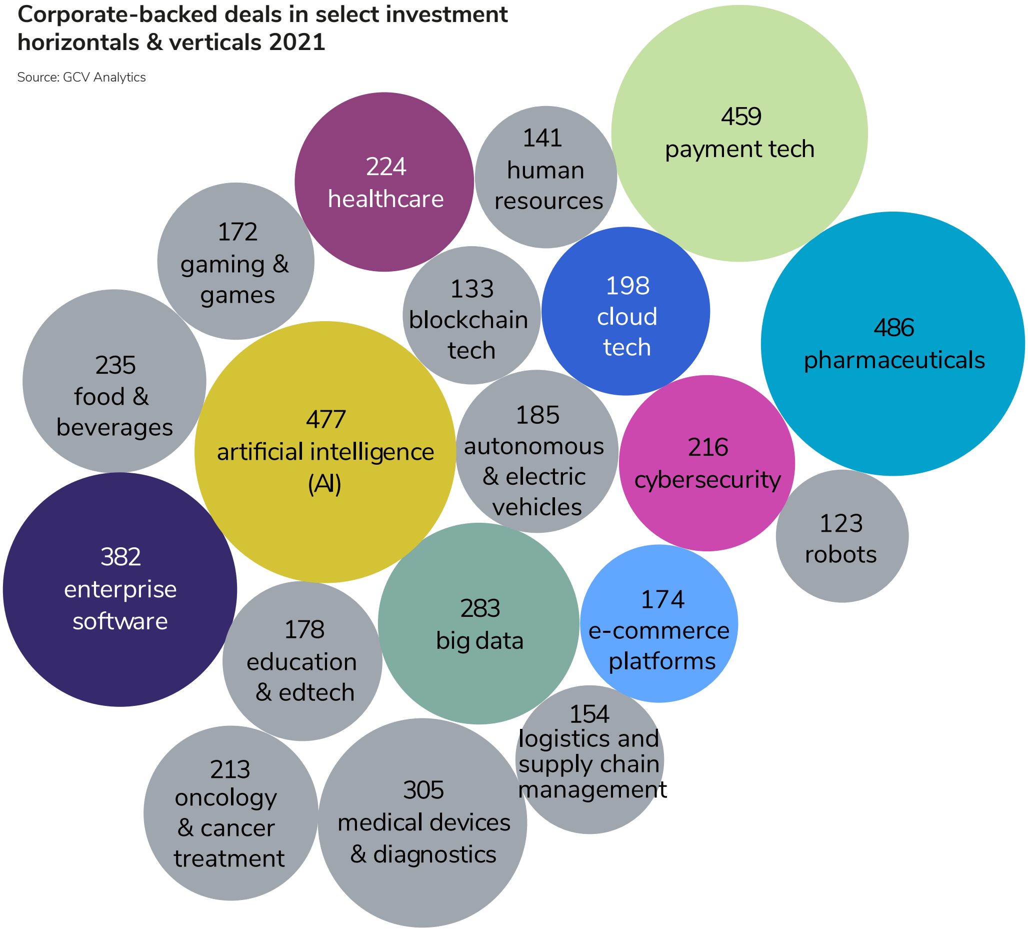
Corporate-backed deals in select investment horizontals & verticals 2016

Source: GCV Analytics



Corporate-backed deals in select investment horizontals & verticals 2021

Source: GCV Analytics



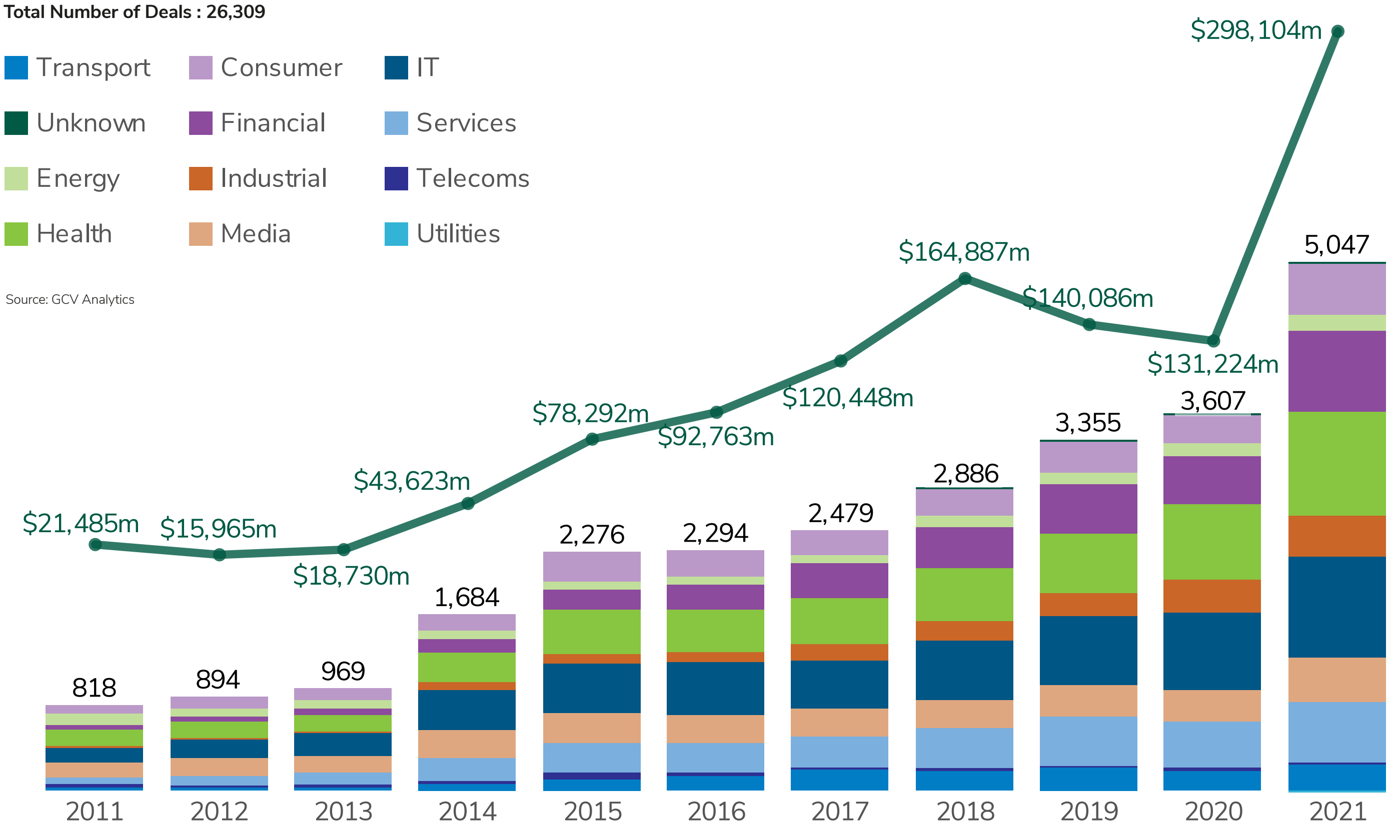
had a spillover effect in other areas like gaming, where we have seen a rise of the use of non-fungible tokens (NFTs).

While not as eventful as its precursor, last year was still somewhat unusual because of the sheer amount of deal-making activity when we compare it with the beginning or the middle of the past decade. In 2011, more generic vertical and horizontal categories like mobile, biotechnology along with renewables and sustainability technologies were gaining momentum. In 2016, we were just beginning to see the rise of big data, internet services and mobile tech along with the Internet of Things (IoT).

Looking at 2021 on a quarterly basis, the deal count remained stable at well above 1,000 deals in each three-month period – from 1,039 deals in Q1 up to 1,367 transactions in Q4. The total estimated capital in corporate-backed deals went up from $57.55bn in Q1 to $84.3bn in the third quarter and 81.08bn in the last one.

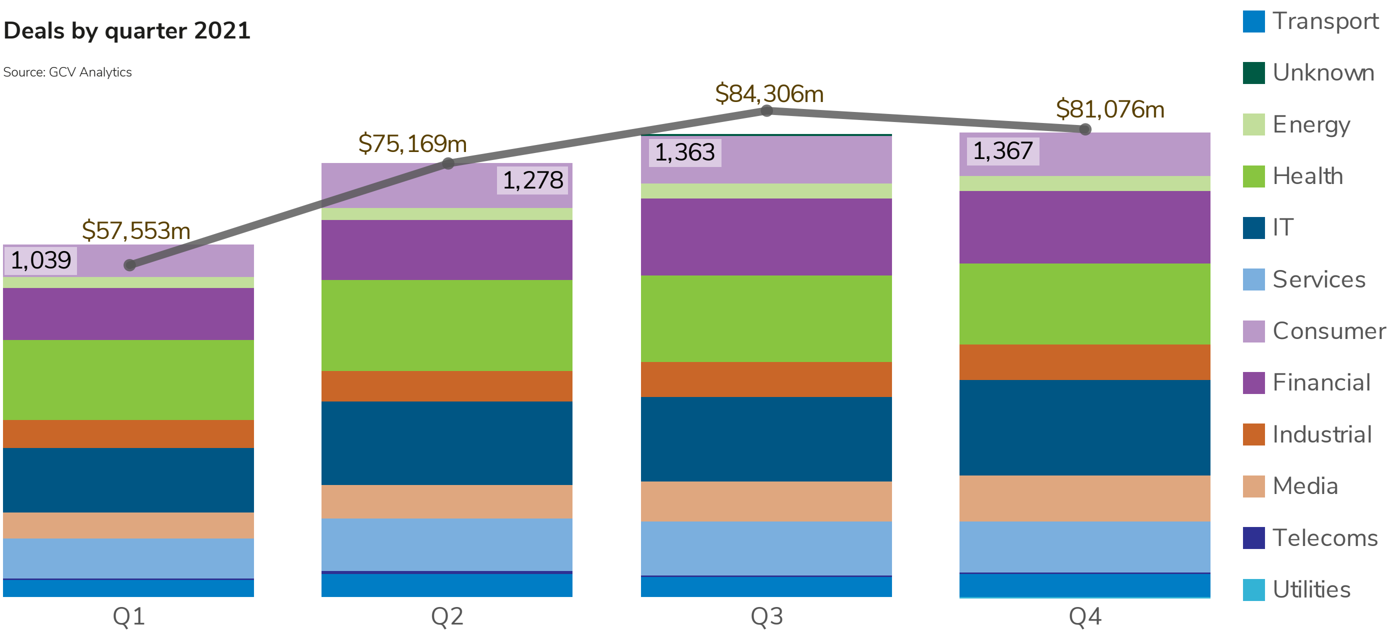
Deals by year 2011-21

Total Number of Deals : 26,309



Deals by quarter 2021

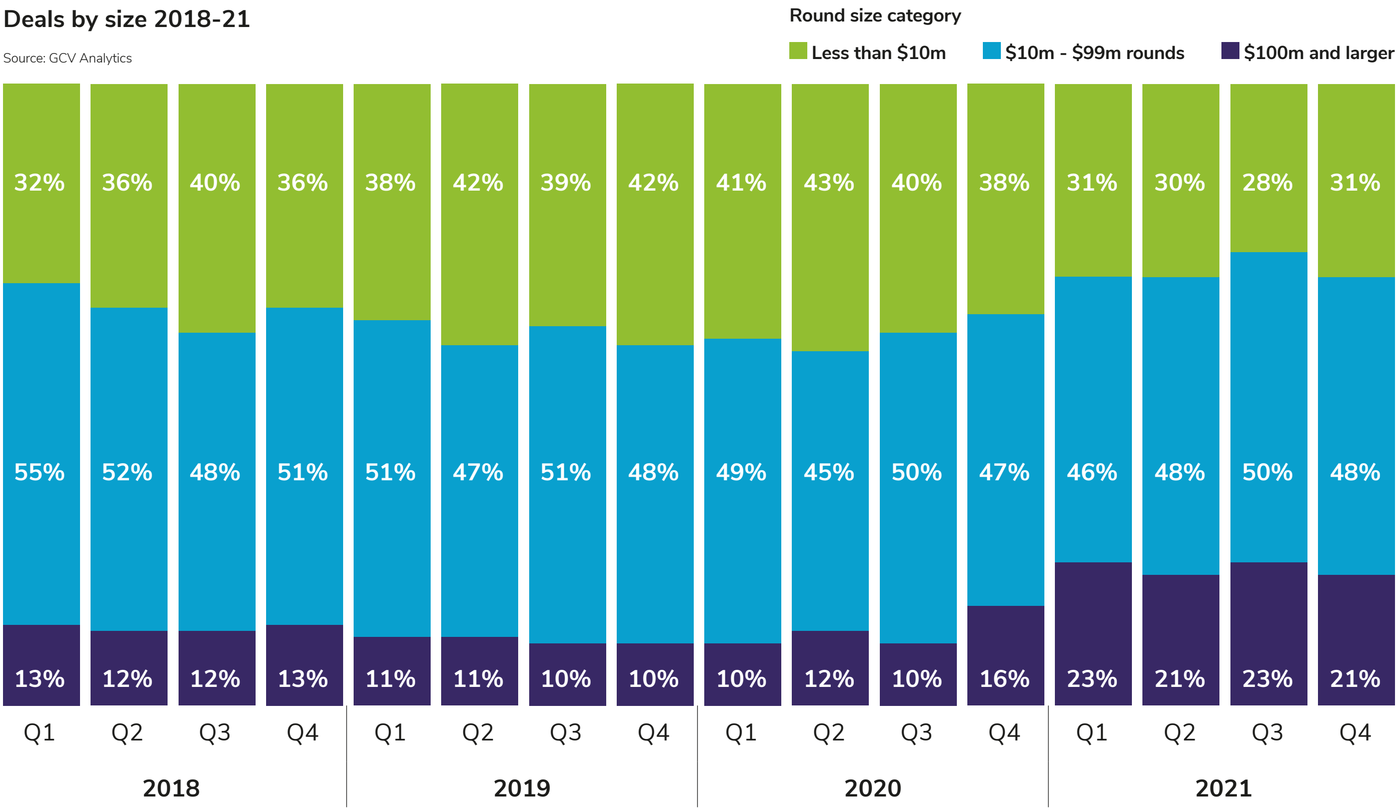
Source: GCV Analytics



Total Number of Deals : 5,047

Deals by size 2018-21

Source: GCV Analytics

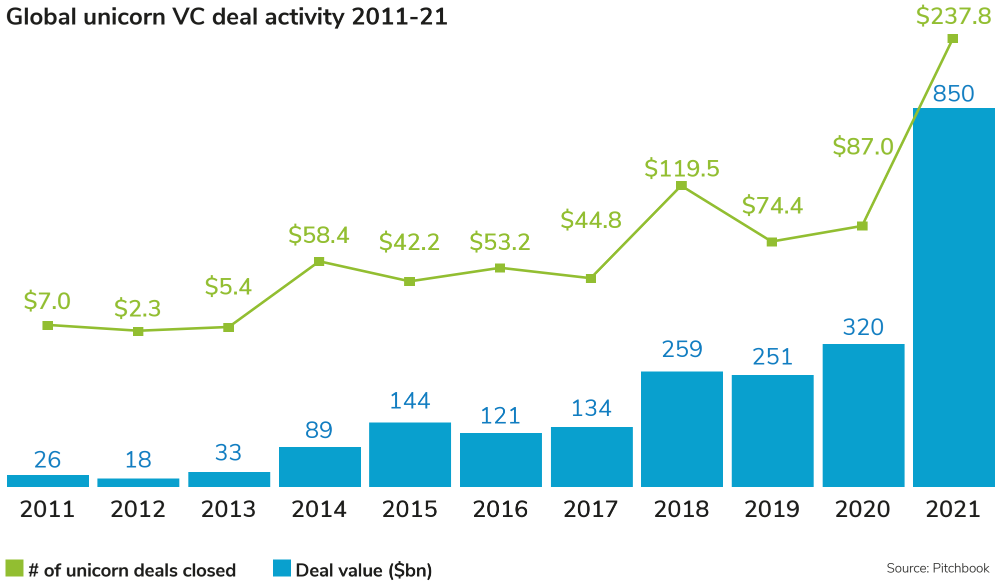


The pandemic and the flood of liquidity in public and private markets have exerted a tangible effect on the relative proportions of deal size categories – with deals below $10m somewhat shrinking and deals between $10m and $99m remaining broadly similar to levels in 2018 and 2019. However, deals of $100m and above in size registered a first notable spike in the last quarter of 2020 and have accounted for nearly one in every five corporate-backed deals throughout every quarter of 2021.

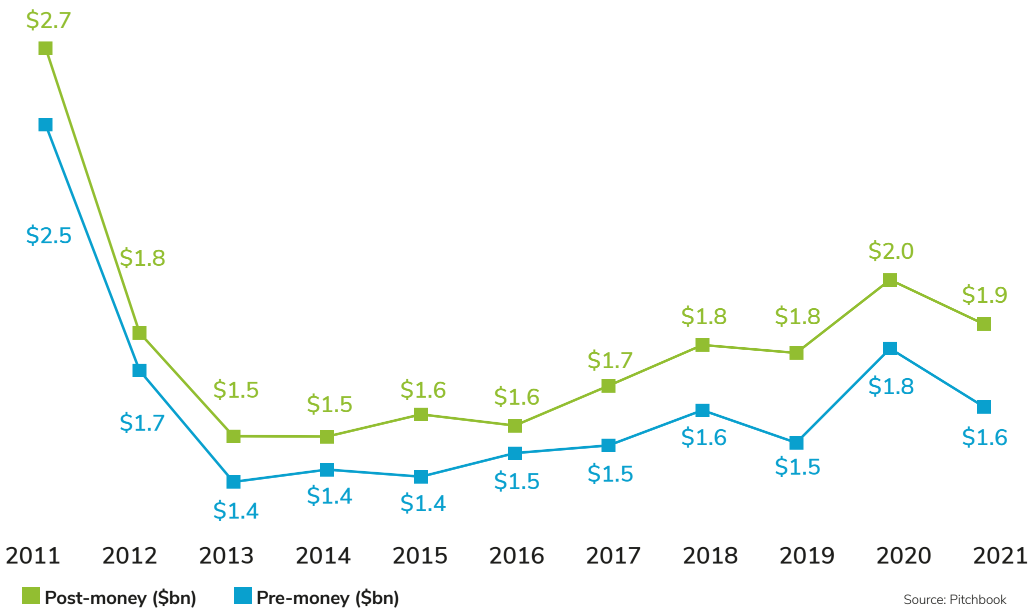
It is therefore instructive to look at figures on unicorns from the overall VC space, provided by PitchBook. We have seen much growth in global unicorn VC deals over the past decade and we find a similar post-covid spike. In 2011, there were 26 deals in unicorns and the total capital committed in them stood at around $7bn. This had increased multifold to 251 deals and an estimated $74bn of capital by the end of 2019 in the eve of the pandemic. In 2020, the numbers increased to 320 deals and $87bn and then soared to 850 deals and $238bn in 2021. While the number of deals raised by unicorns has gone through the roof, the median pre and post-money valuations seem to have remained broadly stable in recent years and have even slightly dropped in 2021. This implies that, rather than just seeing already existing unicorns' valuations soar, in 2021 there were likely more and new companies reaching unicorn status.

Top corporate investors for 2021 included telecoms and internet company SoftBank with 281 deals, diversified internet conglomerate Alphabet (Google) with 171 investments, enterprise software producer Salesforce (110) and internet company Tencent (97). The top three investors involved in the largest rounds were also SoftBank, Alphabet and Tencent.

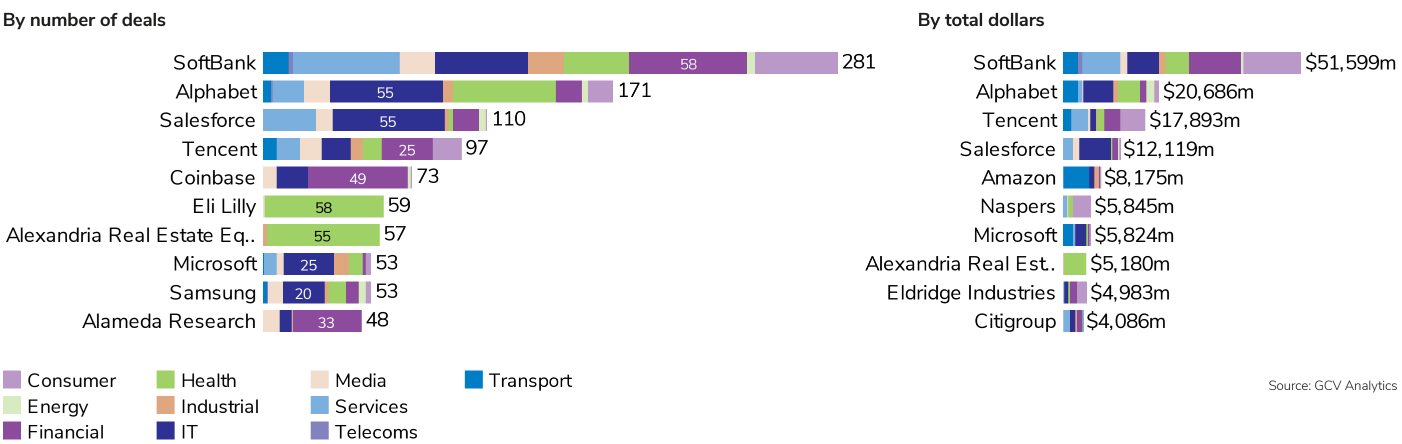
Global unicorn VC deal activity 2011-21



Median pre and post-money valuation in VC-backed unicorn deals 2011-21



Top investors 2021



Top deals of 2021

Portfolio company	Location	Sector	Round	Round Size	Co-Participant List
Northvolt	Sweden	Energy	Undisclosed	$2.75bn	AMF | AP1 | AP2 | AP3 | AP4 | ATP | Baillie Gifford | Baron Capital Group | Bridford Investments | Compagnia di San Paolo | EIT InnoEnergy | Goldman Sachs | Ikea | Norrsken Foundation | Omers | PCS Holding | private investors | Stena Metall | Volkswagen
Rivian	USA	Transport	Undisclosed	$2.65bn	Amazon | Coatue | D1 Capital Partners | Fidelity | T Rowe Price | undisclosed investors
Waymo	USA	Transport	Undisclosed	$2.5bn	Alphabet | Andreessen Horowitz | AutoNation | Canada Pension Plan | Fidelity | Magna | Mubadala | Perry Creek Capital | Silver Lake | T Rowe Price | Temasek | Tiger Global Management
Rivian	USA	Transport	Undisclosed	$2.5bn	Amazon | Coatue | D1 Capital Partners | Dragoneer Investment Group | Fidelity | Ford Motor | T Rowe Price | Third Point Ventures
J&T Express	Indonesia	Services	Undisclosed	$2.5bn	Boyu Capital | Hillhouse Capital Management | Sequoia Capital | Susquehanna International Group | Tencent
GM Cruise	USA	Transport	Undisclosed	$2bn	General Motors | Honda | Microsoft | undisclosed investors
Xingsheng Youxuan	China	Consumer	Undisclosed	$2bn	China Evergrande | FountainVest Partners | KKR | Primavera Capital | Sequoia Capital | Temasek | Tencent
Lineage Logistics	USA	Services	Undisclosed	$1.9bn	BentallGreenOak | CenterSquare Investment Management | Cohen & Steers | D1 Capital Partners | Morgan Stanley | OP Trust | Oxford Properties
Common-wealth Fusion Systems	USA	Energy	B	$1.8bn	Alphabet | Breakthrough Energy Ventures | Coatue | DFJ Growth | Emerson Collective | Eni | Equinor | Fidelity | FootPrint Coalition Ventures | Future Ventures | Hostplus | Jimco | JS Capital Management | Khosla Ventures | Lowercarbon Capital | Moore Strategic Ventures | Private Investor | Safar Partners | Schooner Capital | Senator Investment Group | Soros Fund Management | Starlight Ventures | Temasek | The Engine | Tiger Global Management | Time Ventures | undisclosed investors
Yanolja	Singapore	Services	Undisclosed	$1.7bn	SoftBank

Source: GCV Analytics

Deals

GCV Analytics tracked many large deals through 2021. In fact, all of the top 10 deals stood well above the $1bn mark. These sizeable rounds were raised mostly by emerging businesses from the transport, energy and business services space.

Carmaker Volkswagen invested $620m to co-lead a $2.75bn private placement for Sweden-headquartered battery producer Northvolt, which also included commercial vehicle producer Scania. The round was co-led by a host of other institutional investors. Founded in 2016, Northvolt produces lithium-ion batteries for use in electric vehicles in addition to portable electronics products, such as drones, and the storage of renewable energy. The new financing will support the expansion of the company's Gigafactory from a capacity of 40 GWh per year to 60 GWh per year.

US-based electric truck developer Rivian raised $2.65bn from investors including e-commerce group Amazon's Climate Pledge Fund. The round was led by funds and accounts advised by T. Rowe Price and also featured Fidelity, Coatue, D1 Capital Partners and undisclosed new and existing investors. The funding was reportedly secured at $27.6bn valuation. Founded in 2009, Rivian has developed and produces a range of electric trucks that include an electric pick-up truck dubbed the R1T as well as the R1S, an all-terrain electric sports utility vehicle.

Waymo, the autonomous driving technology developer spun off by Alphabet, raised $2.5bn in funding from investors including its former parent company. Automotive retailer AutoNation and automotive component manufacturer Magna International also participated in the round. Initially launched in 2009, Waymo develops an autonomous driving system dubbed Waymo Driver for use in driverless vehicles in the taxi, package delivery and freight industries. It has launched an autonomous taxi service in the US city of Phoenix.

Amazon's Climate Pledge Fund and automotive manufacturer Ford Motor Company co-led a $2.5bn funding round for US-based electric truck developer Rivian. The round was also co-led with investment firm D1 Capital Partners and funds and accounts advised by T Rowe Price and included Third Point, Fidelity, Dragoneer Investment Group and Coatue Management. Its vehicles were supplied to Amazon to serve as their last-mile delivery vans.

Indonesia-headquartered logistics provider J&T Express received $2.5bn in funding from investors including Tencent. Boyu Capital, Hillhouse Capital and Sequoia Capital China also contributed to the round while one of the sources named SIG China, a subsidiary of quantitative trading firm Susquehanna International Group, as an additional participant. J&T operates an express delivery and warehousing business focused on the e-commerce space, which has boomed in Indonesia with the entry of domestic online platforms such as Tokopedia, Bukalapak and Sociolla in recent years.

US-headquartered autonomous driving technology developer Cruise raised more than $2bn from investors including software provider Microsoft and automotive manufacturers General Motors (GM) and Honda. Microsoft invested through a strategic partnership that will involve it partnering ecosystem with Cruise's to bolster the commercialisation of the latter's technology. The corporates were joined in the round by undisclosed institutional investors and the cash was provided at a $30bn post-money valuation. Founded in 2013, Cruise is developing autonomous driving software that will be used in all-electric vehicles forming the basis for shared taxi services, in addition to hardware such as sensors, robotics and telematics systems.

China-based community buying platform developer Xingsheng Youxuan secured approximately $2bn in a funding round featuring Tencent and real estate developer China Evergrande Group. Sequoia Capital China led the round, which also featured FountainVest Partners, Primavera Capital Group, KKR and Temasek. It valued Xingsheng at $6bn pre-money. Xingsheng Youxuan runs an e-commerce business that allows local communities to club together to purchase items in bulk. The company processes more than 8 million daily orders and covers more than 30,000 towns across China.

US-headquartered cold chain services provider Lineage Logistics secured $1.9bn in equity funding from investors including real estate developer Oxford Properties and investment bank Morgan Stanley's MS Tactical Value and Conversant Capital vehicle. Founded in 2008, Lineage provides chilled transportation for food in addition to temperature-controlled storage through a network of 340 warehouses across five continents, utilising technology to make its activities more efficient.

US-based fusion energy technology developer Commonwealth Fusion Systems (CFS) raised more than $1.8bn in a its series B round featuring Alphabet and petroleum suppliers Eni and Equinor. Alphabet and Equinor participated in the round through GV and Equinor Ventures and it was filled out by private investors Bill Gates and John Doerr, among many other investors. Founded in 2018 and spun out of Massachusetts Institute of Technology, CFS is working on nuclear fusion technology that generates electricity by fusing two nuclei – rather than splitting an atom, as in current nuclear power stations.

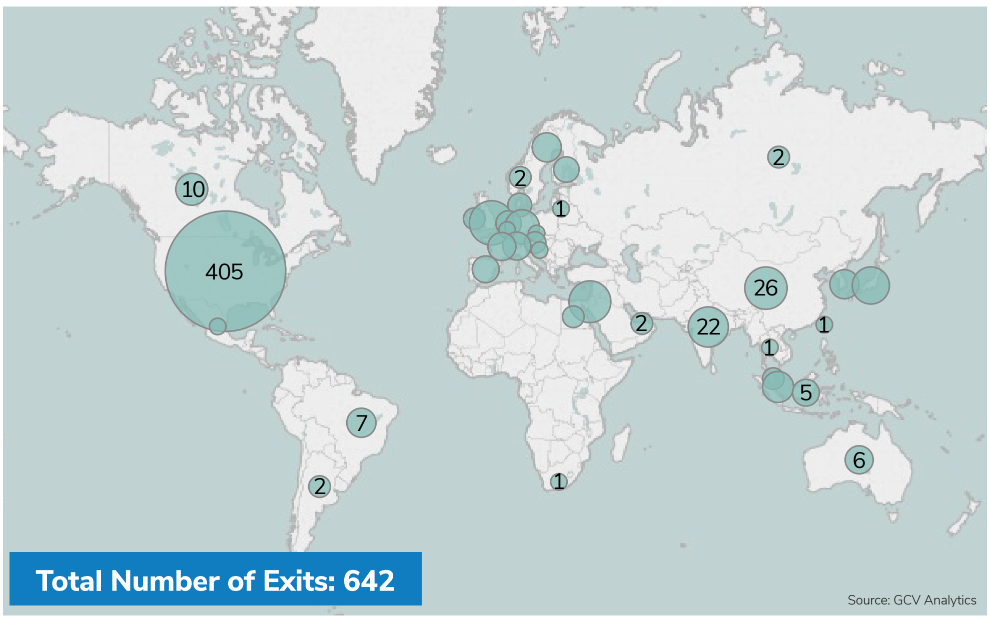
The company will use the funding to build, commission and operate its fusion machine – named Sparc – which is expected to achieve commercially relevant net energy by 2025. With the European Commission recognising nuclear energy as a "green" energy source, as of the beginning of 2022, it is not unlikely to see more innovation in this space in the near future.

SoftBank's Vision Fund 2 supplied $1.7bn in funding for South Korea-based travel and accommodation services provider Yanolja. Yanolja will use the capital to invest in its technology and expand its technology-based services into new markets. It intends to build a global travel platform that leverages artificial intelligence technology and big data to provide more automated and personalised services. Founded in 2005, Yanolja initially began as a short-term accommodation services provider before adding hospitality, food, leisure and transportation booking services to its offering, which is accessible through a mobile app.

Exits

GCV Analytics tracked 642 exits involving corporate venturers and companies backed by such investors. This represents a 69% increase over the previous year's level (381). The US hosted 405 of those transactions, followed by the

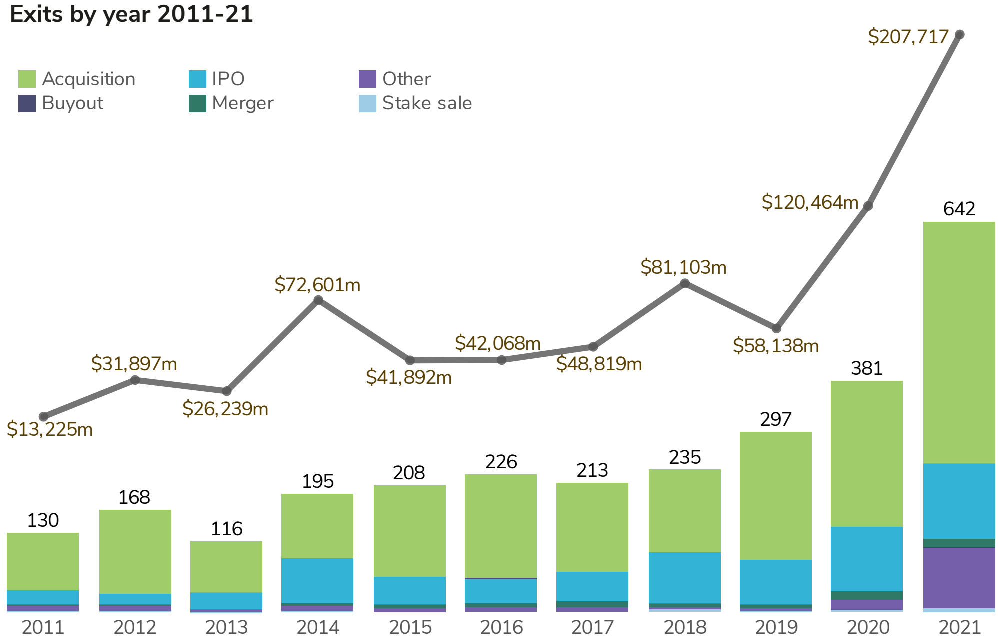
Global View of exits 2021



UK (40), China (26), Israel (25), India (22) and Japan (17). The total estimated capital involved in the exits stood at $207.72bn, which was 72% above the $120.46bn registered in 2020. Most of the top exits in 2021 were acquisitions in addition to some high-profile initial public offerings (IPOs) and reverse mergers with special purpose acquisition companies (Spacs).

Reverse mergers with Spacs (also known as "despacking" in the language of investment professionals) have gone from being a relatively rare practice to a widely used means of raising capital and going public. Such reverse mergers are, theoretically at least, much less expensive than traditional IPO or direct listings and also much less burdensome from regulatory standpoint.

Exits by year 2011-21



Source: GCV Analytics

Most publicly listed companies that have been despacked to date, however, have seen their stock prices spike sharply only to give those gains back shortly afterward. This is a reflection of the flood of liquidity provided by central banks across the industrialised world in public markets, which has also fueled speculative fervour over tech stocks and "fear of missing out" among small retail investors.

However, the situation appears to have started changing already. The SEC already imposed stricter regulations on Spacs in mid-2021 and due to record-high inflation rates (upward of 6% in most of the industrialised world), the Federal Reserve has also clearly stated intentions to start tapering and gradually raising interest rates in 2022. This may also be one of the factors to explain why there has been so much haste in deal making and scoring exits in 2021.

US-based electric jeep developer Rivian went public in an $11.9bn IPO that scored exits for corporates Amazon, Ford, automotive and telecoms group Cox Enterprises and conglomerates Sumitomo and Abdul Latif Jameel. The company increased the number of shares in the offering from 135 million to 153 million and priced them at $78.00 each, above the $72 to $74 range it had set earlier. It floated on the Nasdaq Global Select Market. The offering followed about $10.5bn in funding for the company since it was founded in 2009. Rivian began deliveries of its all-electric pickup truck, the R1T, in September 2021 and its sports utility vehicle, the R1S, is scheduled to follow suit. It is largely a pre-revenue company but generated a $994m net loss for the first six months of 2021.

Online food ordering service DoorDash agreed to acquire Wolt, a Finland-based food and consumer delivery service that counts internet group Prosus as an investor, in a €7bn ($8.1bn) all-share deal. The transaction includes a retention pool sized at about €500m for Wolt's 4,000 employees and its management team. The company had raised approximately $856m in funding. Founded in 2014, Wolt operates an online platform which allows customers in 23 countries to order food, groceries and other consumer goods from local shops to be delivered to them at home. The purchase will allow DoorDash to expand its reach to a host of new markets

Identity authentication technology provider Okta agreed to acquire US-based identity verification platform developer Auth0 for a total of $6.5bn, giving an exit to telecoms firms NTT Docomo, Telstra, Deutsche Telekom as well as Salesforce. Founded in 2013, Auth0's software platform enables app development teams to secure and authorise access for users, mobile devices and other applications.

China-based video streaming platform developer Kuaishou Technology raised $5.4bn in an IPO on the Hong Kong Stock Exchange that scored exits for internet groups Tencent and Baidu. The company issued about 365 million shares priced at HK$115 ($14.83) each. Its shares closed at HK$300 on the first day of trading, giving it a market cap of roughly $160bn mark. Kuaishou has built a short-form social video app with more than 300 million daily active users. Its chief rival, Douyin, is better known internationally as TikTok.

Pharmacy operator Walgreens Boots Alliance (WBA) paid $5.2bn to increase its stake in US-based primary care provider VillageMD from 30% to 63%. WBA had made an initial $250m investment in VillageMD in July 2020, at the time pledging a total of $1bn in equity and convertible debt financing over the next three years – the precise mix of which was not disclosed – to give it a 30% stake. VillageMD operates a network of 230 primary care services providers across 15 US markets under the Village Medical brand. The company will use the proceeds to speed up an initiative to open at least 600 co-located Village Medical at Walgreens outlets by 2025 across 30 US markets, with 1,000 planned by 2027.

Coupang, a South Korea-based online marketplace backed by SoftBank, floated on the New York Stock Exchange in an upsized $4.55bn IPO. The company priced 130 million shares at $35.00 each, above the price range of $32 to $34 it had set earlier. Founded in 2010, Coupang runs an e-commerce platform that offers a wide range of consumer goods through a same-day delivery service. It increased its annual revenue 91% to almost $12bn in 2020 and cut its net loss from $699m to $475m.

Lucid Motors, a US-based luxury electric vehicle provider backed by diversified conglomerate Mitsui, agreed to execute a reverse merger with special purpose acquisition company Churchill Capital Corp IV, giving it a listing on the New York Stock Exchange, following Churchill's flotation in a $1.8bn IPO in July 2020. Saudi Arabia's Public Investment Fund anchored a $2.5bn private investment in public equity financing (PIPE) for the company at an initial pro-forma equity valuation of approximately $24bn. Lucid has been developing a luxury sedan dubbed the Lucid Air that is slated for subsequent release. It also expects to launch a luxury sports utility vehicle dubbed Gravity in 2023. In addition to its own vehicles, it also plans to offer its technology to third parties.

South Korea-based computer game publisher Krafton, backed by gaming and internet group Tencent, raised KRW4.3 trillion ($3.75bn) in its IPO. Krafton offered 8.65 million shares priced at the top of a revised KRW400,000 to KRW498,000 ($350 to $436) range, making it the second largest IPO held in the country so far. The amount was about 25% smaller than the one disclosed earlier, after a regulator demanded the company amend its filings. Formed by video game producer Bluehole as a holding group in 2018, Krafton oversees subsidiaries including Bluehole Studio, PUBG Studio and Striking Distance Studios. It has sold some 70 million copies of its battle royale game, PlayerUnknown's Battlegrounds.

JD Logistics, the logistics offshoot of China-headquartered e-commerce group JD.com, floated on the Hong Kong Stock Exchange in a HK$24.6bn ($3.2bn) IPO. The offering consisted of approximately 609 million shares priced at HK$40.36 each, towards the lower end of the IPO's HK$39.36 to HK$43.36 range. JD.com's stake in the spinoff was diluted from 79.1% to 64.4% in

Top exits of 2021

Portfolio company	Location	Sector	Round	Acquirer	Exit size	Exiting investors
Rivian	USA	Transport	IPO		$11.9bn	Abdul Latif Jameel | Amazon | Baron Capital Group | Coatue | Cox Enterprises | D1 Capital Partners | Dragoneer Investment Group | Fidelity | Ford Motor | private investors | Soros Fund Management | Sumitomo | Third Point Ventures | undisclosed investors
Wolt	Finland	Consumer	Acquisition	DoorDash	$8.1bn	83North | Coatue | DoorDash | DST Global | EQT Ventures | Goldman Sachs | Highland Europe | Iconiq | KKR | Lifeline Ventures | Naspers | Tiger Global Management | Vintage Investment Partners
Auth0	USA	IT	Acquisition	Okta	$6.5bn	Bessemer Venture Partners | Deutsche Telekom | K9 Ventures | Meritech Capital Partners | NTT Docomo | NXTP Corp Partners | Portland Seed Fund | Salesforce | Sapphire Ventures | Silicon Valley Bank | Telstra | Trinity Ventures | World Innovation Lab
Kuaishou	China	IT	IPO		$5.4bn	Boyu Capital | Sequoia Capital | Temasek | Tencent | Yunfeng Capital
VillageMD	USA	Health	Acquisition	Walgreens Boots Alliance	$5.2bn	Adams Street Partners | Athyrium Capital Management | Kinnevik | Oak HC/FT | Town Hall Ventures | Walgreens Boots Alliance
Coupang	South Korea	Consumer	IPO		$4.55bn	BlackRock | Greenoaks Capital | LaunchTime | Rose Park Advisors | Sequoia Capital | SoftBank | Wellington Management
Lucid Motors	USA	Transport	Other		$4.3bn	BlackRock | Churchill Capital Corp IV | Fidelity | Franklin Templeton | Mitsui | Neuberger Berman Private Equity Funds | Public Investment Fund (PIF) | Wellington Management | Winslow Capital Management
Krafton (PUBG)	South Korea	Media	IPO		$3.75bn	Bluehole | PUBG Studio | Striking Distance Studios | Tencent
JD Logistics	China	Services	IPO		$3.2bn	China Development Bank | China Life Insurance | China Merchants Group | China Structural Reform Fund | Hillhouse Capital Management | Industrial and Commercial Bank of China | JD.com | Sequoia Capital | Tencent
Paidy	Japan	Financial Services	Acquisition	PayPal	$2.7bn	500 Startups | Arbor Ventures | Cherubic Ventures | CyberAgent | Fidelity | Goldman Sachs | Itochu | JS Capital Management | MS Capital | PayPal | Recruit Holdings | SBI Group | Soros Fund Management | Susquehanna International Group | Tybourne Capital | Visa | Wellington Management

Source: GCV Analytics

the offering. It had raised $2.5bn from investors including internet and gaming group Tencent and insurance firm China Life in 2018. Formed by JD.com as its delivery services arm, JD Logistics combines artificial intelligence technology with a China-wide network of warehouses to deliver e-commerce products to customers within 24 hours. The IPO proceeds will go to strengthening its logistics infrastructure.

Digital payment processing firm PayPal agreed to acquire one of its portfolio companies, Japan-based consumer finance service provider Paidy, for about $2.7bn. After the acquisition is complete, the company will continue to operate under the leadership of its founder and executive chairman Russell Cummer and president and CEO Riku Sugie. Founded in 2008, Paidy provides a buy-now-pay-later service which makes it possible for customers to make instant credit purchases, which they can subsequently repay on a monthly basis. PayPal plans to use the acquisition to strengthen its capabilities and presence in the Japanese market.

Funding initiatives

Top funding initiatives of 2021

Initiative name	Type	Size	Location	Sectors	Backers
SoftBank Vision Fund II	VC Fund	$30bn	Japan	Telecommunications	Apple | Dai-Ichi Life | Daiwa Securities | Hon Hai | Microsoft | Mitsubishi UFJ Financial | Mizuho Financial | Mubadala | National Investment Corporation of National Bank of Kazakhstan | Saudi Arabia's Public Investment Fund | SoftBank | Standard Chartered | Sumitomo Mitsui
Norwest Venture Partners XVI	VC Fund	$3bn	USA	Consumer, Health, IT	Wells Fargo
SoftBank LatAm Fund II	VC Fund	$3bn	Japan	Unspecified/Sector-agnostic	SoftBank
Sapphire Ventures Fund VI	VC Fund	$2bn	USA	IT	Sapphire Ventures
Legend Capital Comprehensive Growth Fund VI	VC Fund	$1.54bn	China	Consumer, Energy	Legend Holdings | Xiangcheng Financial Holdings
Sea Capital	CVC Unit	$1bn	Singapore	Consumer	Sea Group
Project AsiaForward	Other	$1bn	China	IT	Alibaba
EIP Fund II	VC Fund	$1bn	USA	Energy, Industrial, IT	Energy Impact Partners | FirstEnergy | undisclosed investors
Chuanghong Fund	VC Fund	$858m	China	Unspecified/Sector-agnostic	Century Golden Resources Group | China Merchants Bank | Country Garden Holdings | Fortune Capital | Hunan Broadcasting System | Joyoung | Ping An Bank | Wuhu Gopher Asset Management | Zero2IPO Group
M Ventures	CVC Unit	$677m	Netherlands	Health	Merck KGaA (M Ventures)

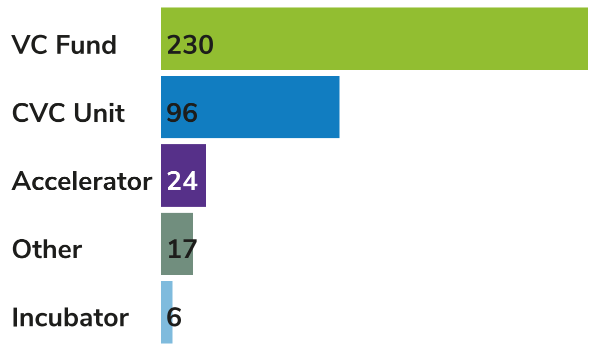
Source: GCV Analytics

GCV tracked 373 funding initiatives that received corporate backing throughout 2020, including 230 venture funds, 96 venturing units (most of them newly launched or recapitalised), 24 corporate-backed accelerators, 17 other initiatives and six incubators. Most of these initiatives were set up in North America (164), Asia (129) and Europe (52). The countries that hosted the largest number of such initiatives were the US (157), Japan (48), China (35), India (14) and the UK (14).

The overall number of corporate-backed initiatives registered a 17% increase compared with the 320 we reported in 2020. The total estimated size of the initiatives ($74.28bn) was 55% higher than the 2020 figure of $46.98bn, though this was largely due to the effect of one large fund – the $30bn Vision Fund 2 of SoftBank discussed below.

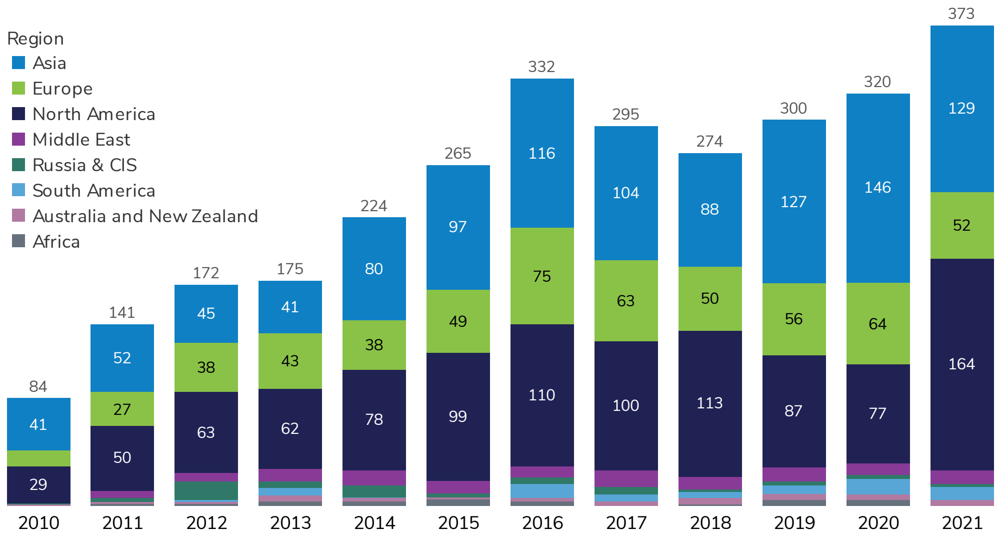
The top funding initiatives we reported last year ranged in scope of their targeted sectors from IT and health through consumer and media. One notable trend, which originated in 2020 through the prominence of the Black Lives Matter movement and which we have continued to see throughout 2021, has been impact-oriented funds. Though smaller in size, such funds attract corporate backing and focus on diversity and inclusion. They are aiming to fund underfunded and underrepresented minority groups in the innovation ecosystem.

Funding initiatives by type 2021



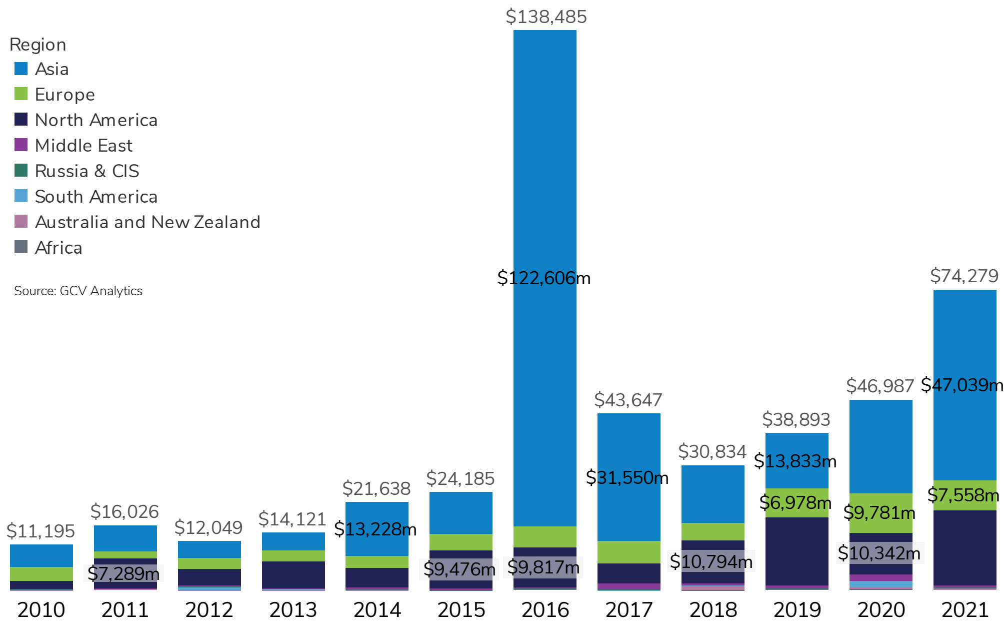
Source: GCV Analytics

Corporate-backed funding initiatives by region 2010-21



Source: GCV Analytics

Value of funds raised by region 2010-21 ($m)



Contributing to Society & Entrepreneurs First

TDK Ventures has been an unbelievable help to our company, including direct assistance with marketing, product development, and hiring strategy. And they closed the investment 11 days after our first meeting! We truly appreciate the value that they bring beyond the financial investment.

— CEO and co-founder, Mekonos
Anil Narasimha

TDK ventures is an unusually valuable CVC firm. This non-financial contribution is often more difficult to realize than the raw dollars of an investment.. All this in just three months – truly remarkable!

— Uhnder CEO
Manju Hegde

TDK Ventures rapidly understood our value proposition and closed the deal with us faster than any other CVC we know. I wish all CVCs were like TDK Ventures and brought such goodness.

— Genetesis CEO
Peeyush Shrivastava

I didn't even know a CVC has such an incredible network and be an enabler! TDK Ventures treats us like their marquee customer.

— Autoflight CEO
Tian Yu

We invest globally in early-stage startups that leverage fundamental materials science to unlock an attractive and sustainable future for the world.

TDK Ventures' goal is to help every startup we invest in to achieve their full potential for positive world impact.

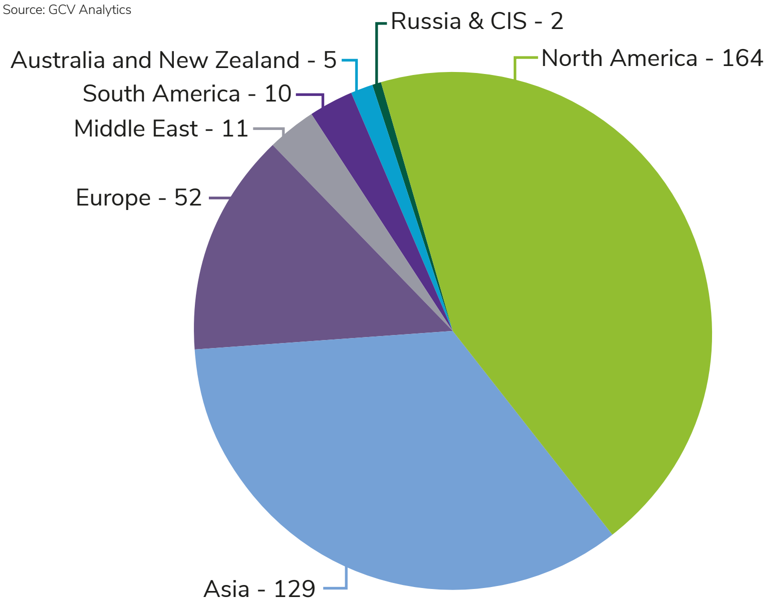
Our team is sharply focused on bringing "TDK Goodness" to all our portfolio companies and believe that hard-tech entrepreneurs are those we serve.

Total funding raised by region of fundraiser 2021

Source: GCV Analytics

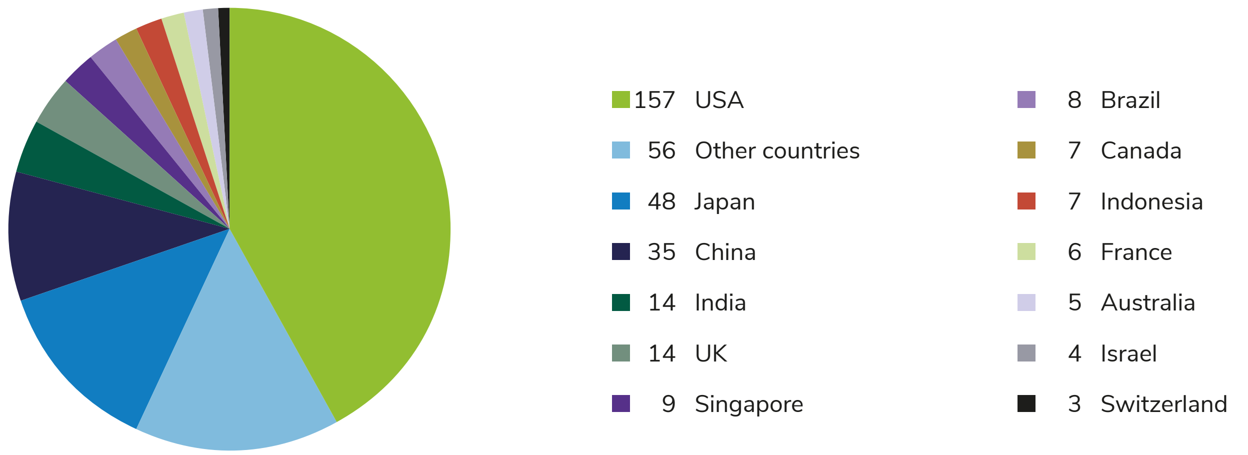
Funding initiatives by region 2021

Source: GCV Analytics



Funding initiatives by country 2021

Source: GCV Analytics

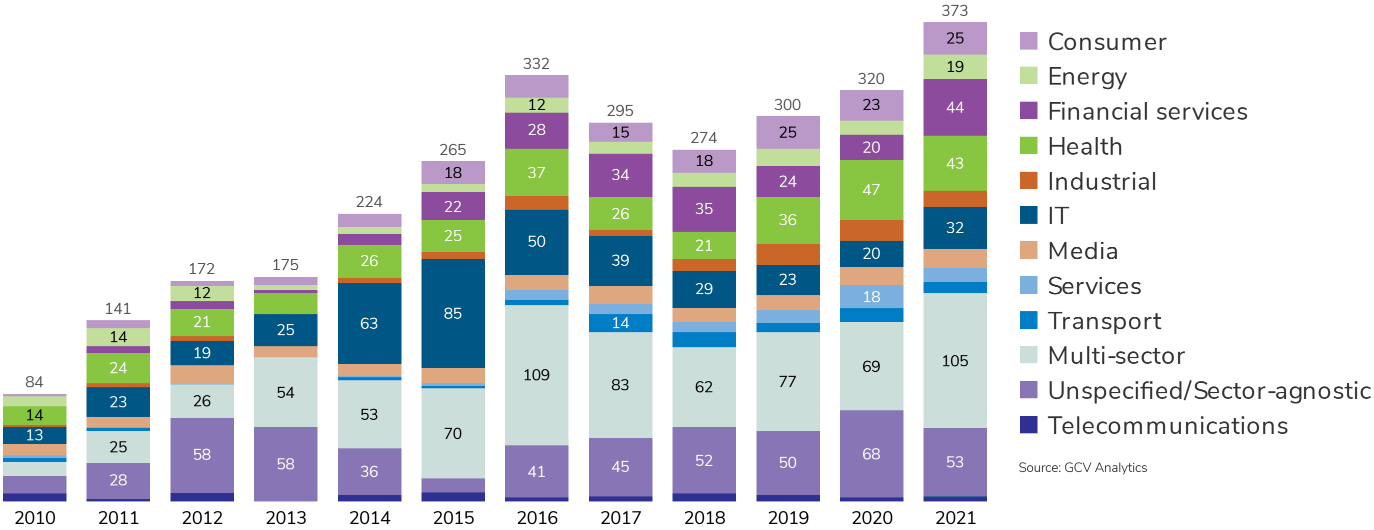


SoftBank increased the size of its Vision Fund 2 from $10bn to $30bn, as it announced huge paper profits for the investments made through its two Vision Funds. The company's original Vision Fund closed at $98.6bn in 2017 with contributions from corporate limited partners and sovereign wealth funds. The first Vision Fund booked a $16.8bn net loss for 2019, however, due to bankruptcies for portfolio companies OneWeb and Brandless, the failure of workspace provider WeWork to successfully float as well as lacklustre share performance for others such as ride hailing service Uber. However, the coronavirus pandemic caused tech stocks in several industries to skyrocket while also driving the pre-IPO funding market, leading to a considerable turnaround in the corporate's fortunes. In 2021, when SoftBank's latest full-year results were published, the values of its holdings in several portfolio companies had increased sharply, giving the Vision Funds a $37bn paper profit.

Norwest Venture Partners, an independent venture capital and growth equity investment firm backed by US bank Wells Fargo, closed its sixteenth fund at $3bn and hired Tiba Aynechi as a general partner on the healthcare team. Aynechi was a former GCV Rising Stars award winner, after spending 11 years at Denmark-based healthcare group Novo's corporate venturing unit. For this latest fund, Norwest said it would continue to invest across stages in across consumer, enterprise and healthcare sectors from offices in North America, India and Israel. Since its last $2bn fund closed in November 2019, Norwest has made new investments in more than 60 companies, including Classy, Dave, Devoro Medical, Fabric, Faire, Icon, Qualified, Upside Foods and VanMoof, and exited 29 portfolio companies. Norwest Venture Partners XVI took the firm's total capital under management to $12.5bn.

SoftBank also allocated $3bn to its second Latin America-focused fund. The corporate had launched its first $5bn fund focused on the region in early 2019. The fund is headed by its chief operating officer, Marcelo Claure. The $3bn represents Fund II's initial allocation, but SoftBank was also reportedly exploring options to add to its size. The first fund's portfolio companies include on-demand delivery service Rappi, online real estate portal QuintoAndar, digital currency exchange Mercado Bitcoin, wellness programmer operator Gympass and online furniture

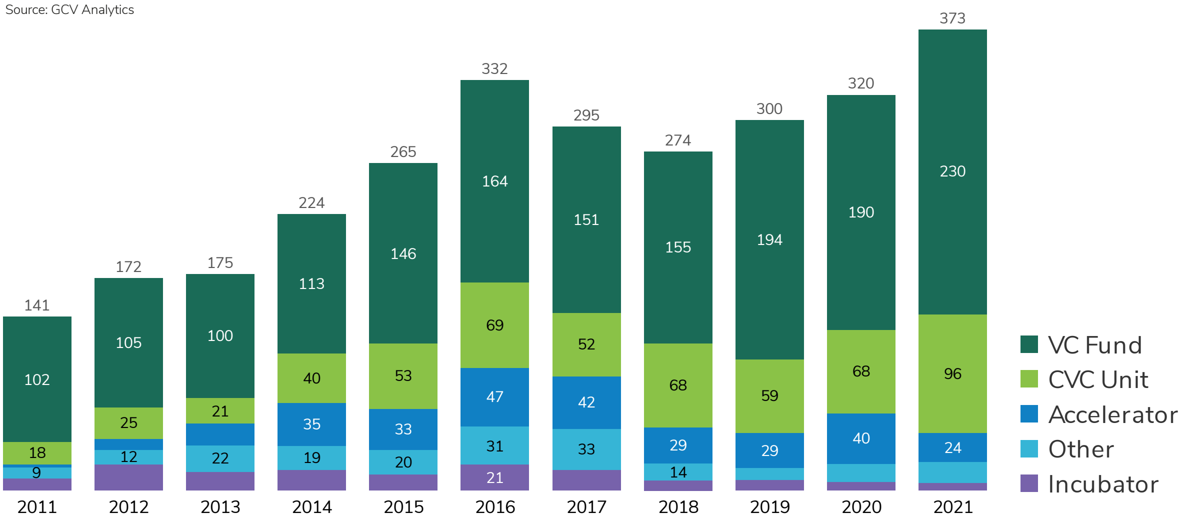
Corporate-backed funding initiatives by target sector 2010-21



Source: GCV Analytics

Corporate-backed funding initiatives by type 2010-21

Source: GCV Analytics



retailer MadeiraMadeira. Claure commented on the announcement: “Over the past two years, we have seen tremendous success and returns from the SoftBank Latin America Fund that far exceeded our expectations.“

Sapphire Ventures, a US-based independent venture capital firm backed by software provider SAP, raised almost $2bn and expanded its sports-focused investment team with the hire of Chloe Steinberg as a partner. In its largest fundraise to-date, the firm said the closings of Sapphire Ventures Fund VI and associated co-investment vehicles took its assets under management to $8.8bn. Sapphire invests in series B through late-stage enterprise technology companies in the US, Europe and Israel and would move beyond SAP as its LP. The firm has opened three new offices in Austin, London and San Francisco, with Sapphire’s new London-based team led by Andreas Weiskam.

Legend Capital, the China-based venture capital firm formed by diversified conglomerate Legend Holdings, launched a RMB10bn ($1.54bn) sixth renminbi-denominated fund. Formed in 2001 with a $35m commitment from Legend Holdings, Legend Capital operates as an independent venture capital firm but retains the backing of its former parent. The vehicle was dubbed Legend Capital Comprehensive Growth Fund VI and it was backed by the state-owned Xiangcheng Financial Holdings, among its LPs so far. It will invest in developers of technology in areas such as semiconductors and integrated circuits, consumer electronics and new energy vehicles. Legend Capital had closed its most recent fund, a dollar-denominated vehicle dubbed LC Fund VIII, at $500m in October 2020. The firm’s most significant exits include artificial intelligence technology provider iFlytek and mobile commerce platform developer Wish which floated in a $1.1bn IPO in December 2020.

Singapore-based e-commerce and video game group Sea Group committed $1bn to a corporate venture capital unit called Sea Capital, it revealed in its annual financial results. Founded in 2009 as Garena, Sea offers online games through a platform also dubbed Garena, as well as running an e-commerce marketplace called Shopee and a digital financial services offering under the Sea Money brand. It floated in an $884m initial public offering in 2017. Sea Capital was launched to build a broader ecosystem around the company's offering and will target developers of consumer and enterprise technology. The $1bn will be deployed over the next few years.

Alibaba Cloud, the cloud services subsidiary of e-commerce group Alibaba, pledged $1bn to an initiative to support tech startups and developers. Project AsiaForward, as the initiative was dubbed, is intended to support some 100,000 recipients over the next three years while also providing training for prospective software developers and linking entrepreneurs to venture capital investors. Jeff Zhang, Alibaba Cloud's president, said: "We are seeing a strong demand for cloud-native technologies in emerging verticals across the region, from e-commerce and logistics platforms to fintech and online entertainment." The move came as Alibaba's cloud platform was reportedly losing ground to competitors such as internet group Tencent and electronics producer Huawei as well as US rivals like Amazon Web Services.

FirstEnergy, a New York-listed electric distribution company, made its second commitment to US-based venture capital firm Energy Impact Partners (EIP). As a limited partner in EIP Fund II, FirstEnergy joined other utilities and companies to provide more than $1bn in capital commitments to invest in heating and air conditioning, transportation electrification, energy storage and carbon capture technology, grid hardening, cybersecurity as well as smart home and smart city programmes. This marked FirstEnergy's second investment with EIP. In July, FirstEnergy backed EIP's Elevate Future Fund, which is focused on expanding venture capital access and opportunities for underrepresented sustainable energy entrepreneurs. The commitments are part of FirstEnergy's plan to achieve carbon neutrality by 2050, with an interim goal of achieving a 30% reduction in greenhouse gases by 2030.

China-based venture capital firm Fortune Capital's yuan-denominated vehicle, Chuanghong Fund, reached a RMB5.5bn ($858m) first close with backing from LPs including several corporate investors. Mass media group Hunan TV & Broadcast Intermediary, soymilk machine producer Joyoung and property developers Century Golden Resources Group and Country Garden all made commitments to the fund. Financial services providers China Merchants Bank and Ping An Bank also contributed to the vehicle, as did the firm's management team, funds of funds run by Gopher Asset Management and Zero2IPO Group as well as unnamed family offices and government-backed asset management firms. The fundraising efforts began in the third quarter of 2020 and it is targeting roughly $1bn for a final close.

Merck KGaA, a Germany-based healthcare and technology group, increased its commitment to corporate venture capital with a further €600m ($677m) to invest over the next five years. As an evergreen fund, the proceeds from any exits will now be reinvested. Merck's CVC unit, M Ventures, had previously been allocated €400m and has invested in more than 80 portfolio companies. The fund is run by Hakan Goker, managing director covering bio and femtech since April, and Owen Lozman,

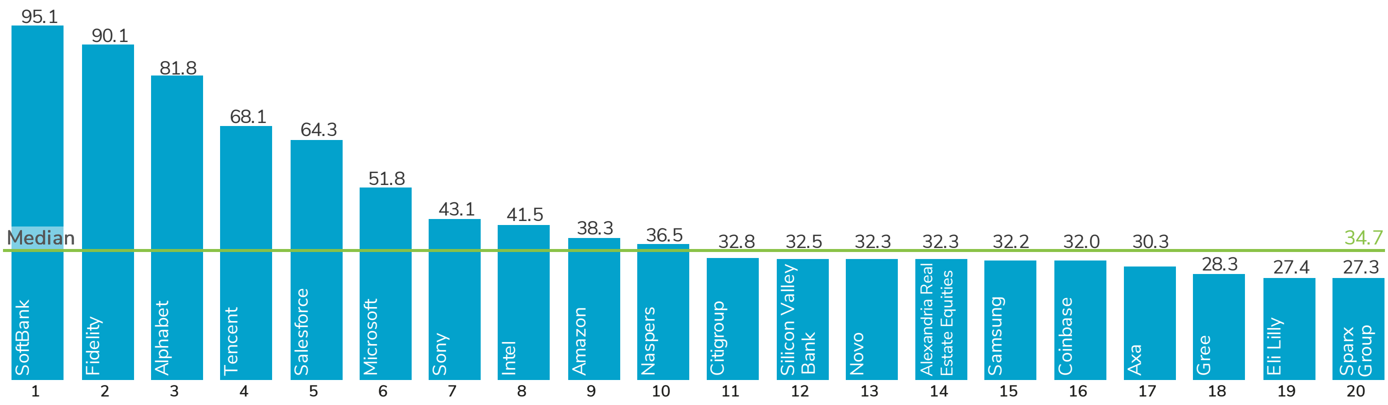
Coinvestment analysis 2021

Color Scale 1 – 22

	SoftBank	Fidelity	Alphabet	Salesforce	Tencent	Tiger Global Management	Sequoia Capital	Goldman Sachs	Susquehanna International Group	Coinbase	Alexandria Real Estate Equities	BlackRock	Temasek	Andreessen Horowitz	Insight Partners	Lightspeed Venture Partners	Coatue	Sumitomo Mitsui
SoftBank		17	6	2	9	17	15	6	3	5	4	13	9	3	9	8	3	1
Fidelity	17		18	2	2	13	10	6	1		9	22	9	6	2	2	9	1
Alphabet	6	18		5		18	7		1		7	11	9	12	5	6	7	
Salesforce	2	2	5			16	8	1				4	3	5	10	7	9	
Tencent	9	2				3	13	2	1				4			3	8	
Goldman Sachs	6	6		1	2	2	3					1	2	1	4		2	
Susquehanna International	3	1	1		1	3	6			3								
Coinbase	5					5	5		3			1	1	9	1	6	2	
Alexandria Real Estate Equit	4	9	7									3	2	1			1	
Naspers	5	2			3	4	6	2	1				3	1		3	1	
Eli Lilly	1	3	2	1			5	1			5	2	2					
Microsoft	5	2	1	5		4	1					3	1	3		2	1	
Mirae Asset Ventures	4	4	1			3	5			1	3	1	4			1		
Mizuho Financial	2	1																14
Citigroup	2	1	2	1		4	2	3					1	1	2	1		1
Intel	2	4	3					1			1	3	1	2	3			
Samsung	3		1			1	1		2	3			1	1	4	1		
Legend Holdings	3				1		7		2				2				1	
SBI Group	2	1				2	1						1					6
Sony	1	1			1					1		2			1			3

Source: GCV Analytics

Power Rankings 2021



Source: GCV Analytics

managing director for tech since July. "Over the past decade, M Ventures has established itself globally as a leading partner to the biotech and tech venture ecosystems," said Belén Garijo, chair of the executive board and CEO of Merck.

Focus on China

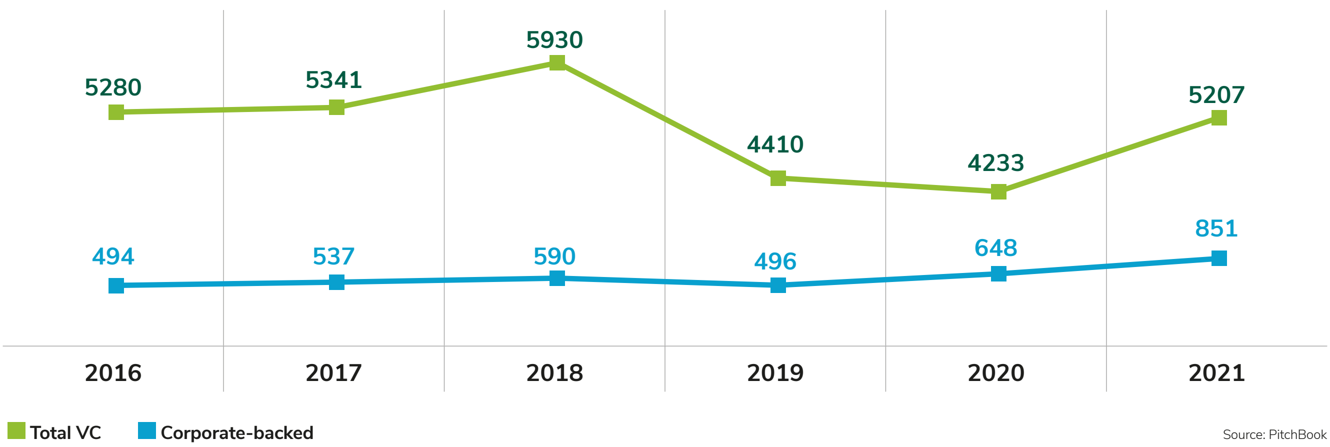
Last year was far from being an uneventful one for the rising superpower China, as news coming from it sent shockwaves through world markets on several occasions in 2021.

In July, in a much-anticipated IPO on the New York Stock Exchange (NYSE), ride hailing company Didi raised $4.4bn and that was the biggest listing of a China-based company since Alibaba had listed years ago. Despite the initial rally of the stock, a few days later Chinese regulators announced that they were investigating the company to "protect the public interest." It was subsequently announced that Didi would delist from the NYSE and pursue a listing on the Hong Kong stock exchange.

Around the same time, Chinese authorities effectively banned the country´s for-profit education industry, thus frustrating investors in such companies, whether public or privately held. The move came as part of president Xi Jingping's drive for common and equitable prosperity. Such measures obviously stirred jitters among foreign investors, some of whom may become increasingly anxious whether to invest in a country where the government could decide to overhaul an entire industry in one fell swoop overnight. Later during the year, we also witnessed the default of property manager Evergrande and other of its peers on their obligations. This was also caused by new regulations aiming to deleverage China's real estate sector.

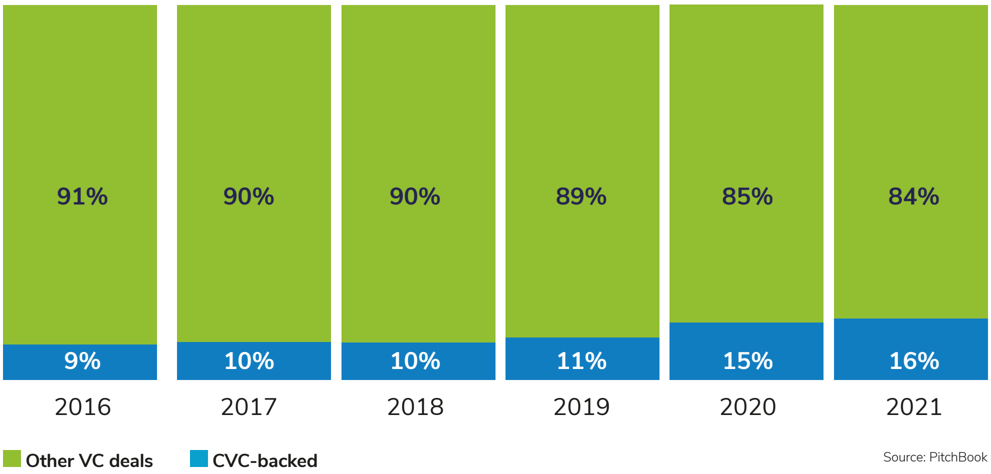
How have these developments impacted on venture investing in China? So far not very much, at least according to PitchBook's data on either the total VC deals or corporate-backed deals in China-based enterprises. Total VC deals in the country grew significantly from 4,233 in 2020 to 5,207 deals by end of 2021, scoring a 23% year-over-year gain. Similarly, corporate-backed rounds in China-based companies went up 31% from 648 in 2020 to 851 in 2021. With increases in the number of such deals, the relative proportion of China's CVC-backed deals in 2020 and 2021 was higher than in previous years.

Corporate-backed deals in China-based companies as part of total VC deal count (#)



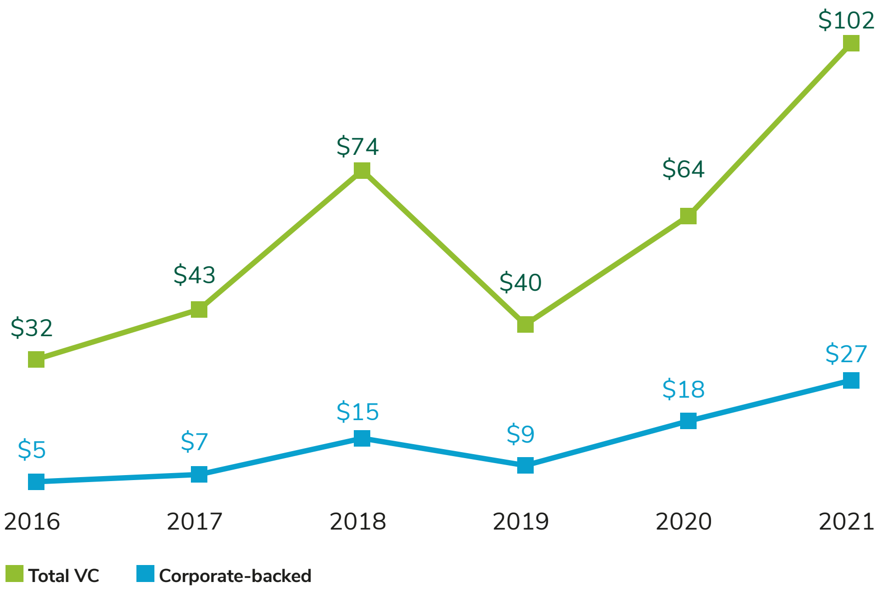
Source: PitchBook

Share of CVC-backed deals among total VC deals in China-based companies (2011-21)

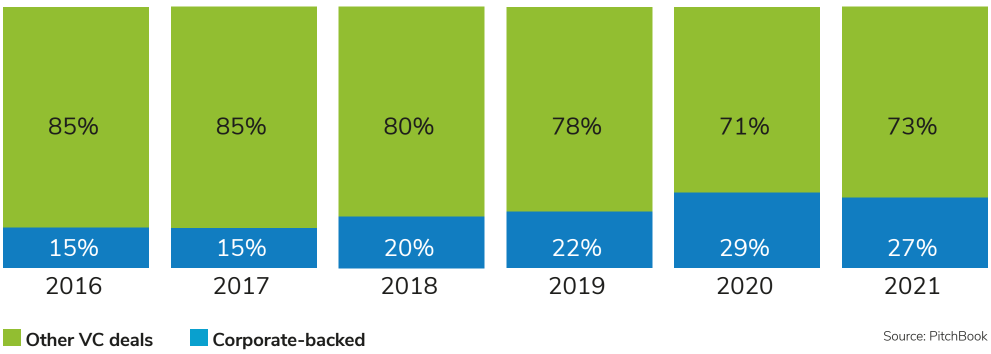


Source: PitchBook

Corporate-backed deal values vs. total VC deal values in China-based enterprises ($bn)



Corporate-backed deal values as % of total VC deal value in China-based enterprises ($bn)

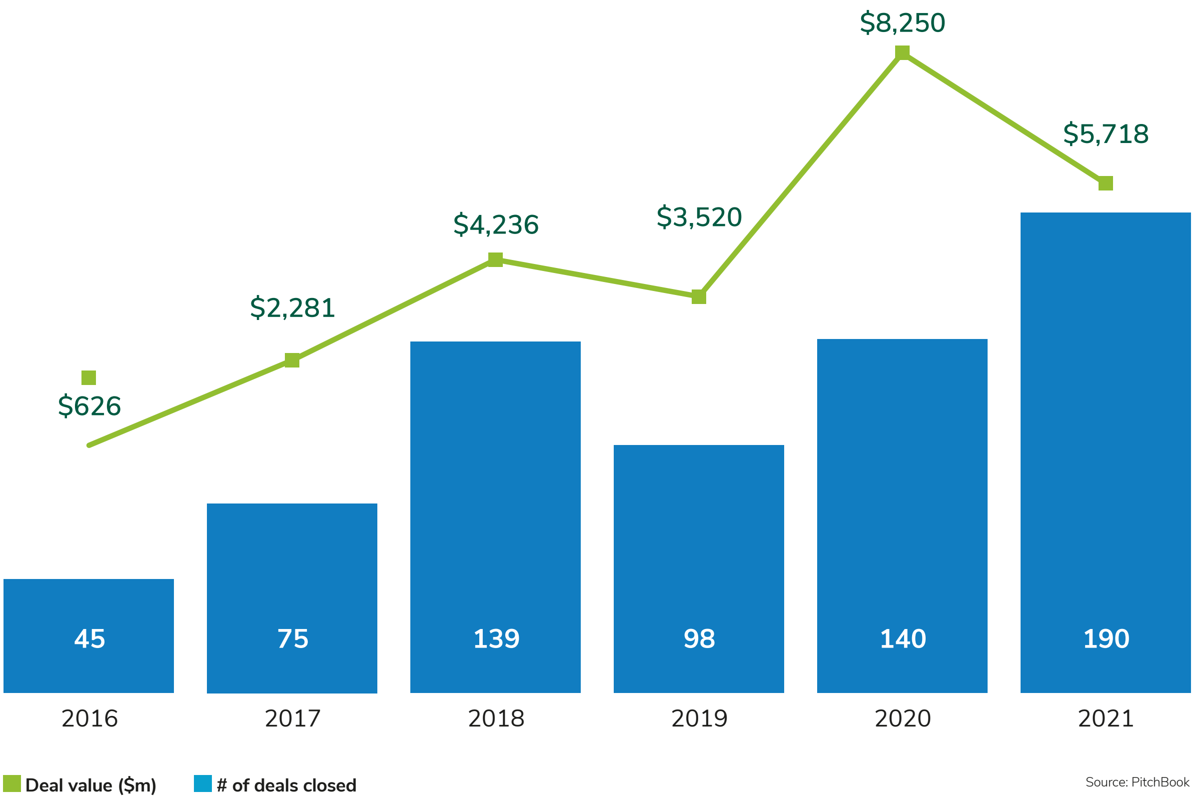


Source: PitchBook

Total estimated capital in VC rounds raised by China-based companies also soared from an estimated $64bn in 2020 up to $102bn, representing a 59% annual increase. The total estimated dollars in corporate-backed rounds also went up by 50% from $18bn in 2020 to $27bn last year. Much like their peers around the world, corporate investors in China-based companies seem to have the same tendency to invest in the some of the deals with high valuations.

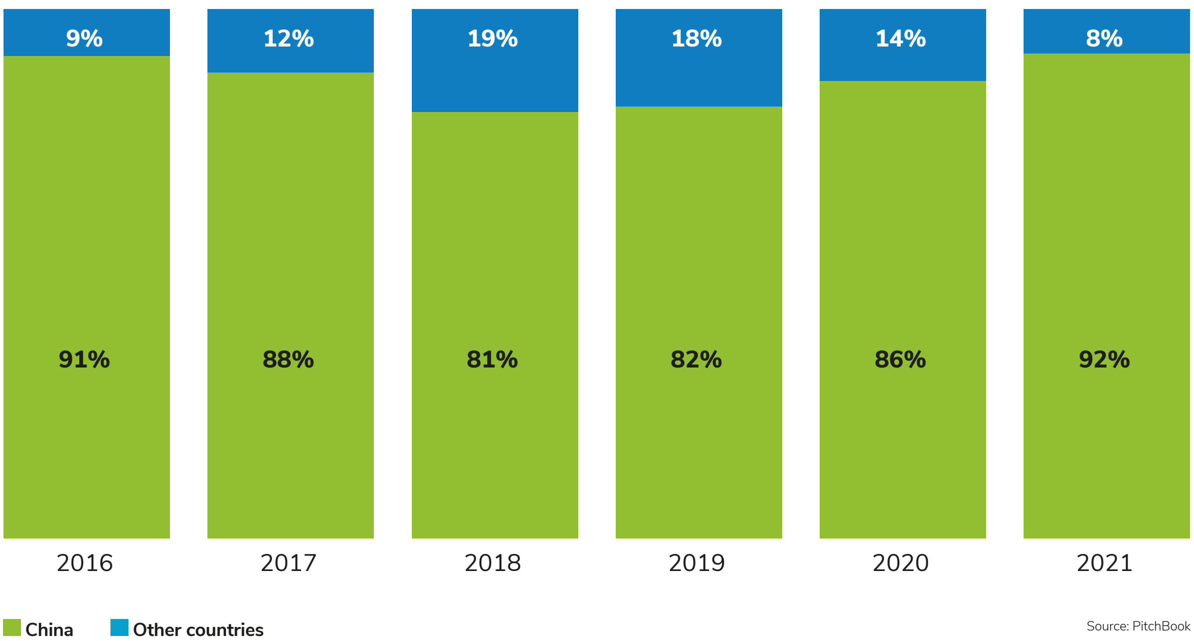
China's top corporations Baidu, Alibaba and Tencent (BAT) do not seem to have slowed down their investment activity since the pandemic broke out, however. To the contrary, the combined number of VC deals done by them, their affiliates or subsidiaries grew from 98 in 2019 to 140 in 2020 and 190 in 2021. These corporates have traditionally been investing in domestic startups mostly, with commitments to foreign startups making up anywhere from 12-18% of the total. In 2021, the proportion of investments in emerging businesses outside of China went down to 8%. This may reflect changing macroeconomic and political realities and we are yet to see if this will persist.

VC deals by Baidu, Alibaba & Tencent (BAT) and associated subsidiaries 2016-21



Source: PitchBook

VC deals by BAT and associated subsidiaries by geography



Source: PitchBook

Term sheets and special rights

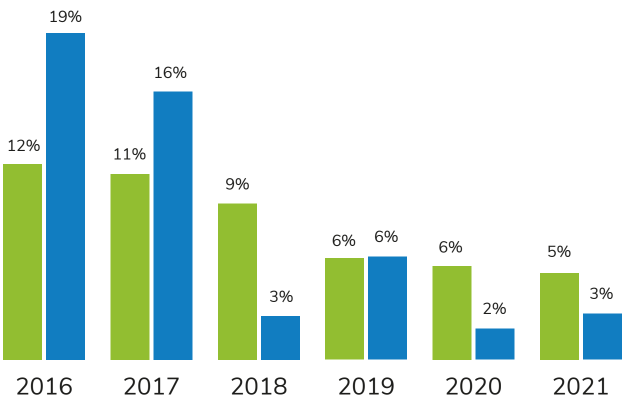
Venture investing is a profession with unwritten rules that all players find themselves obligated to follow if they want to stay long in the game. Some of those unwritten rules pertain to the rights and provisions that venture investors ask for and that subtly define professionalism in venture capital.

Data provider Aumni generously shared findings from its database to deliver insights on specific rights and provisions and how often they are sought by investors in venture deals. Aumni's database represents over $1 trillion in AUM across more than 100,000 distinct venture transactions, sourced to more than 40,000 unique investors to establish a first-order number of transactions and investors from fully executed closing set documents.

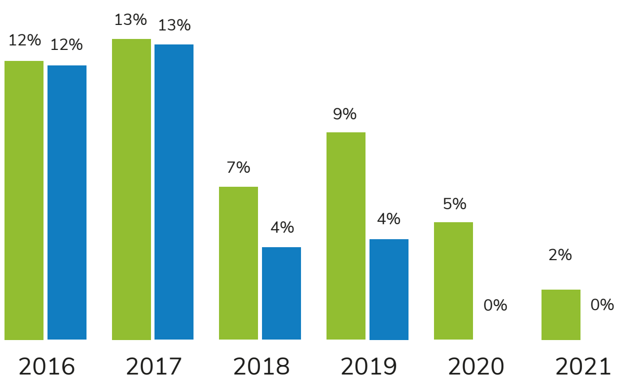
In the case of the data used to create the following graphs and conclusions, Aumni had sampled thousands of transactions completed in the US, spanning chronologically from 2016 to the end of 2021. The sample sizes employed were as follows: 2,268 seed rounds of which 228 involved corporate backing, 2,492 series A transactions of which 304 featured corporate backing, 1,457 series B deals of which 234 involved corporate investors and 754 series C transactions of which 173 featured corporate backers.

Among the potentially most controversial provision in venture deals' term sheets are preemptive (or pro rata) rights. In the context of startup investing, such a provision grants existing investors the right but not the obligation to purchase shares in a follow-on round raised by the company before new investors can be given that opportunity. Though such rights may be construed by some long-term investors as a must, they have become increasingly rare in VC deals in general and in corporate-backed deals in particular, comprising less than 10% of the total for each stage sampled.

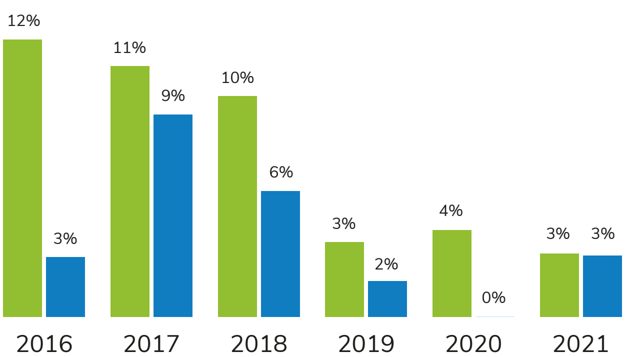
Preemptive rights - Seed rounds



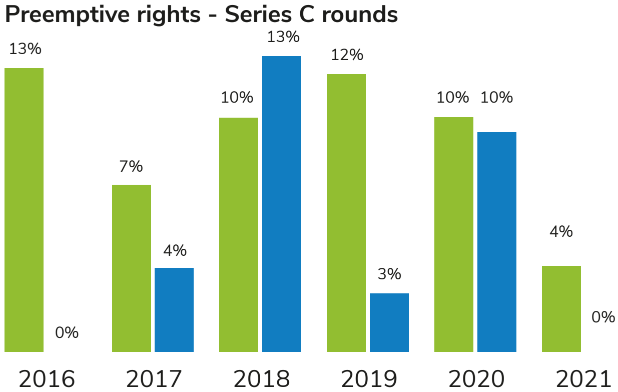
Preemptive rights - Series B rounds



Preemptive rights - Series A rounds



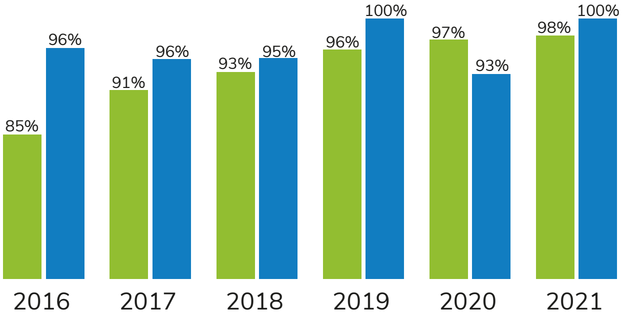
Preemptive rights - Series C rounds



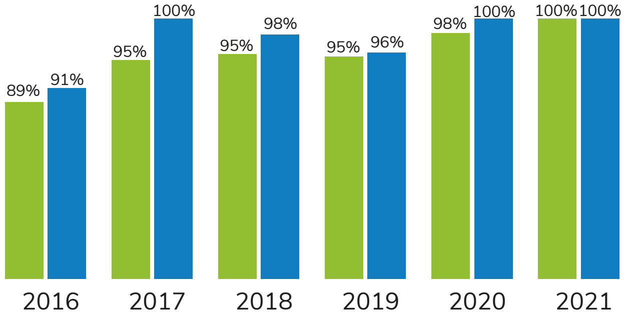
All VC rounds   CVC-backed rounds

Source: Aumni

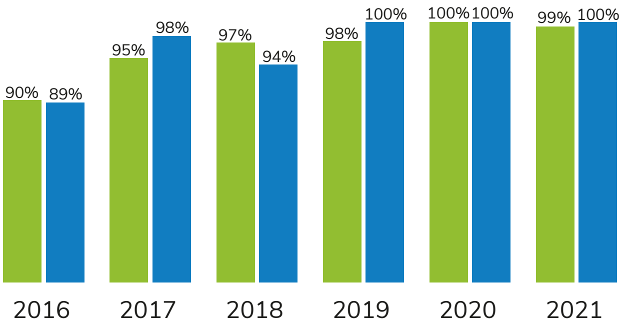
Drag along clauses - Seed rounds



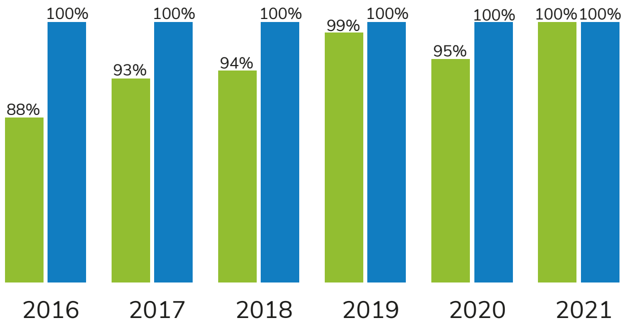
Drag along clauses - Series B rounds



Drag along clauses - Series A rounds



Drag along clauses - Series C rounds



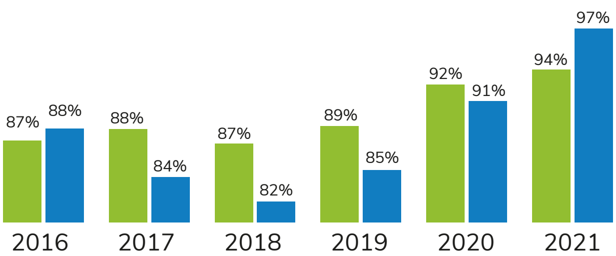
All VC rounds CVC-backed rounds

Source: Aumni

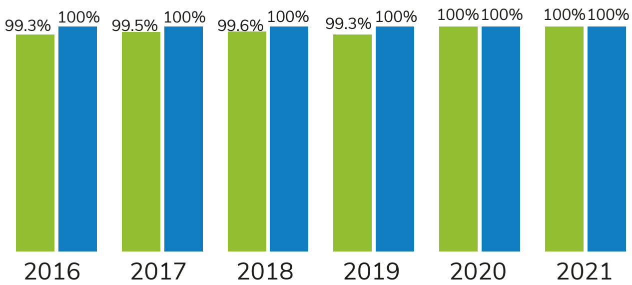
Another interesting provision in VC deals are "drag-along" clauses. Such rights are envisioned to protect majority shareholders of companies in an exit event, such as a merger or an acquisition, by enabling them to force minority shareholders into a sale, provided the latter are offered the same terms. According to Aumni's data, such provisions are found in nearly all deals across all stages, whether with or without a corporate backer participating.

Another very commonly found provision in VC term sheets are anti-dilution rights. As their name suggests, these are meant to protect investors' ownership share in a startup. Given most promising startups raise equity continuously throughout various rounds, it is hardly surprising that such provisions are so common. Anti-dilution clauses adjust the conversion terms for preferred shares and specifically the number of common shares they may convert into under specific dilutive events, such as a down round, for example. From the standpoint of founders, such clauses may be a point of contention and lawyers tend to advise them to request contingencies to such clauses under a set of standard circumstances (often referred to as "carve-outs"). According to Aumni's data, anti-dilution rights are requested by investors in nearly all deals, especially at later stages.

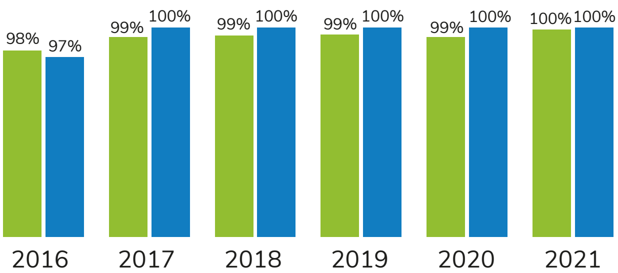
Anti-dilution rights - Seed rounds



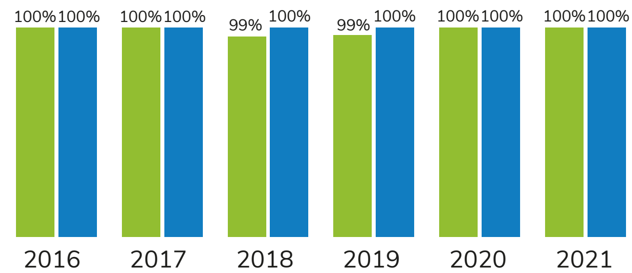
Anti-dilution rights - Series B rounds



Anti-dilution rights - Series A rounds



Anti-dilution rights - Series C rounds



All VC rounds CVC-backed rounds

Source: Aumni

Global Corporate Venturing Institute

The first specialized institute dedicated to corporate venturing industry advancement, staying power and impact

By CVCs, For CVCs – Actionable professional development and certification, benchmarking, and community building

Powering Corporate Venturing

The GCV Institute was established to unleash the collective power of corporations as strategic investors and innovation partners. Created by CVCs for CVCs, the GCV Institute combines an expert-driven case study approach, cohort-based learning and mentored problem-solving to arm participants with common language, tools, and best practices for professional startup investment and partnering.

About the Institute Curriculum

The Institute provides professional development and assessment-based certification for cross-functional CV team members as well as key parent and external stakeholders at executive, management, and entry levels. The curriculum includes both overview and deep dive courses with:

- Dual tracks for corporate venture investing (CVC) and corporate venture business development (CVBD) / portfolio development
- Unique content for parent stakeholders who partner with and support CV teams

Institute Course Goals and Features

INFORMED

- Global CV industry data, insights, and best-practice case studies
- Leading CV "storytellers" discuss real world experiences in videos and live panels
- Seasoned CV program faculty and mentors

ENGAGING (COHORT-BASED)

- Combination of self-paced (conceptual) and real-time (feedback-based) learning
- Community-driven, active application of concepts in peer breakouts and Q&A panels with CV experts

ACTIONABLE

- Best practice solutions to address real world challenges
- Mentored, on-the-job problem-solving (deep dive courses)
- Professional CV library: extended access to Institute resources, tools, and templates
- Powerful communities of practice: alumni, CV experts, mentors

Global Corporate Venturing

Institute

The first specialized institute dedicated to corporate venturing industry advancement, staying power and impact

By CVCs, For CVCs – Actionable professional development and certification, benchmarking, and community building

Upcoming Courses

CORPORATE VENTURE PARENT PARTNERING

- Cohort-based introduction to corporate venturing and innovation partnering
- Illustrates high-value startup partnering approaches, interweaving industry concepts in expert stories from all perspectives: CV teams, parent partners, startups

CVC INVESTMENT PROGRAMS

- Cohort-based introduction to corporate venture capital (CVC)
- Leverages industry models and best practice case studies across CV program types and maturity phases
- Explores nuances for CVCs in VC investment process

CVC INVESTMENT BASICS

- Primarily self-paced introduction to the VC investment process with emphasis on nuances for corporates (CVCs)
- Uses industry models and best practice video case studies and resources
- Includes quarterly live online expert Q&A panels

LANDING THE VALUE OF CORPORATE VENTURING

- Cohort-based course focused on key considerations for designing, building, and optimizing professional CVBD (startup partnering) programs
- Includes mentored, on-the job project to address an end-to-end investing challenge

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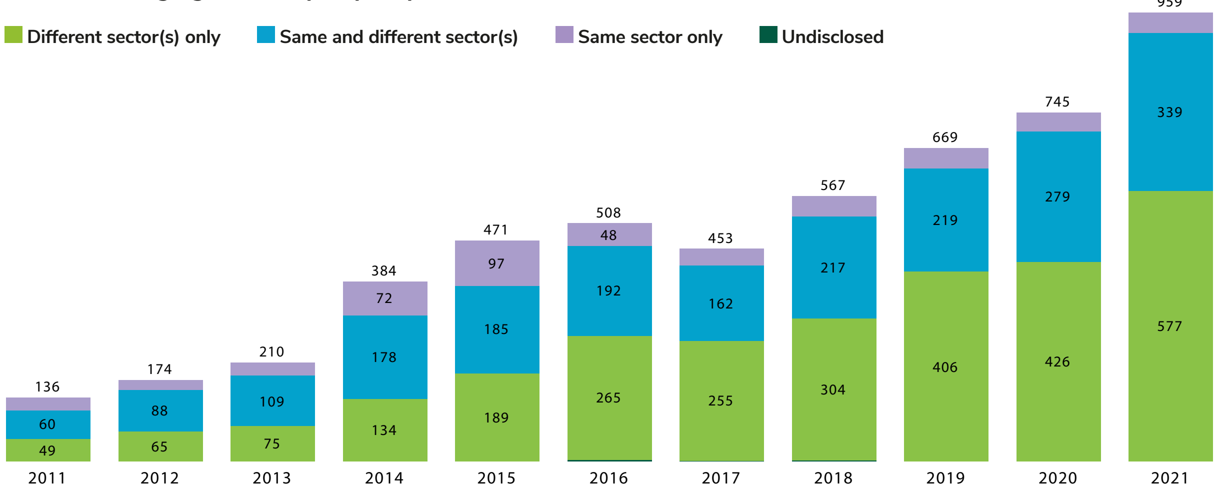
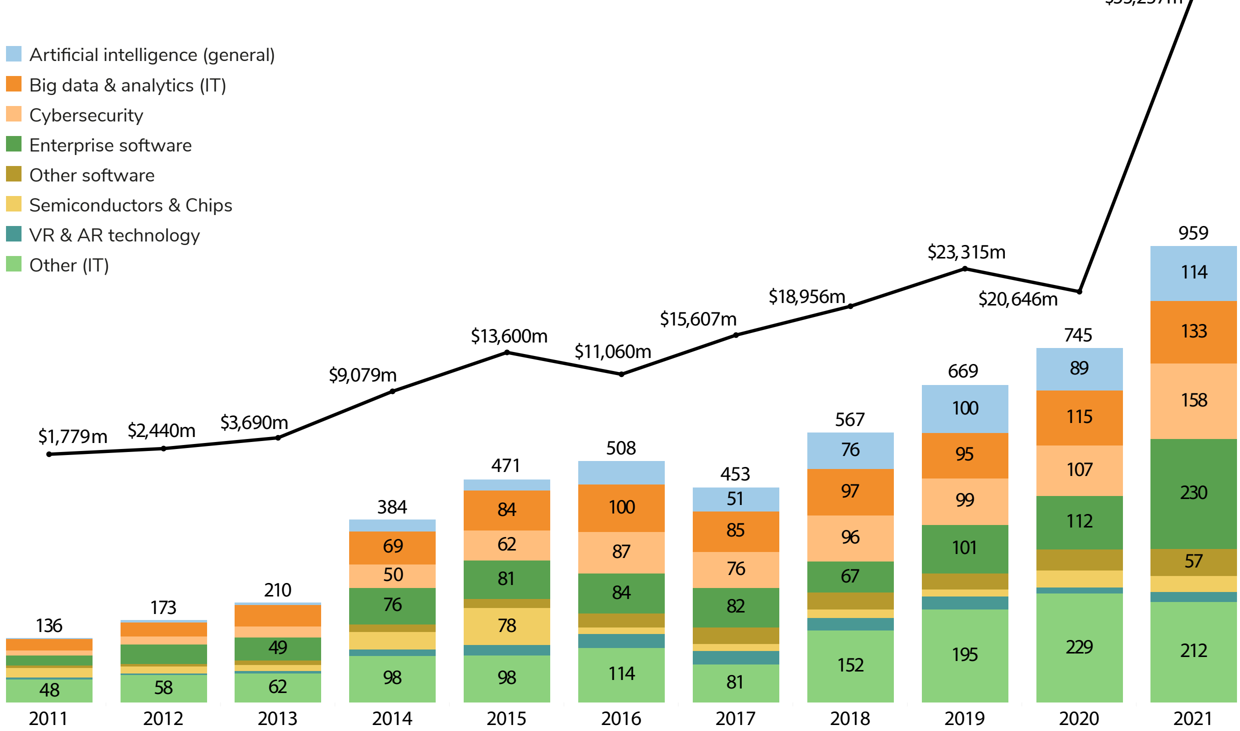
 | Enroll at gcvinstitute.com or contact info@gcvinstitute.com

Information Technology

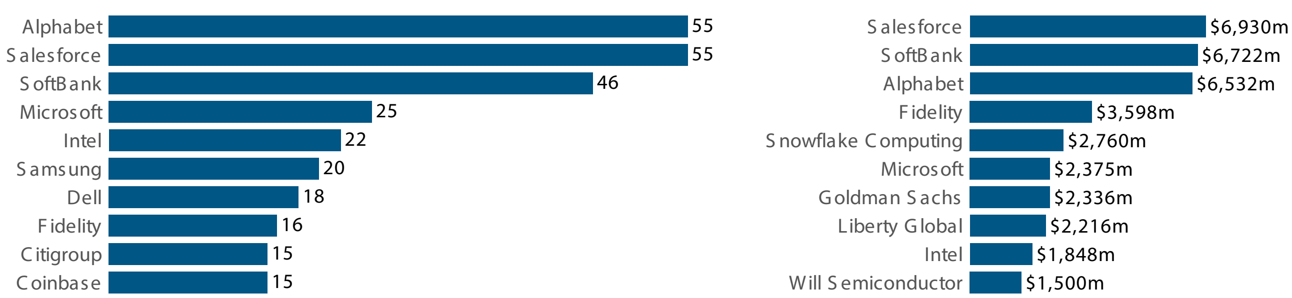
Deals in emerging IT startups by corporate backers from



Corporate-backed rounds in emerging IT startups by subsector

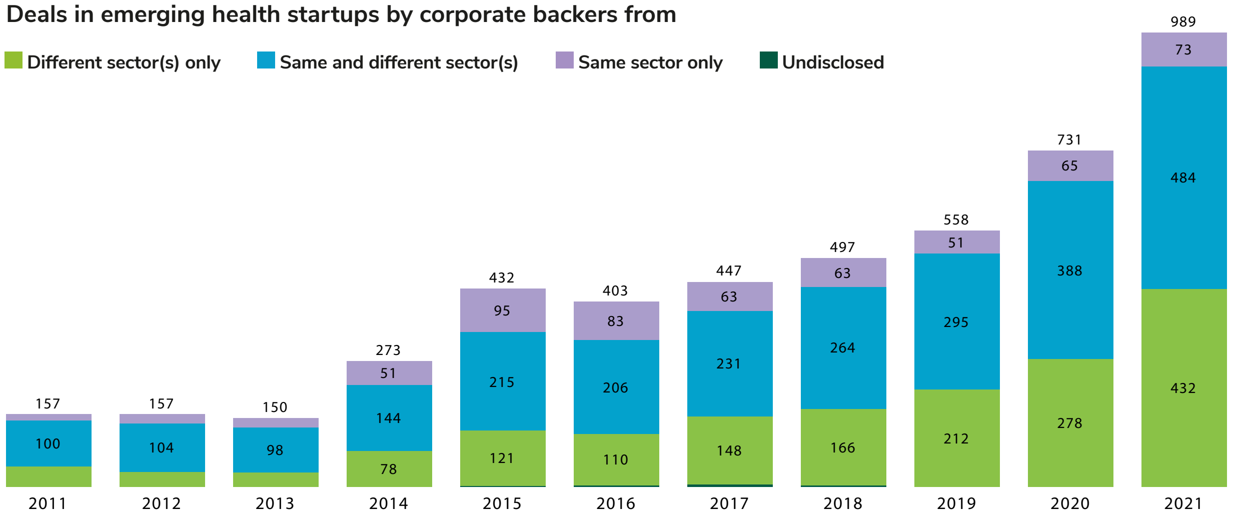


Top investors in IT startups in 2021

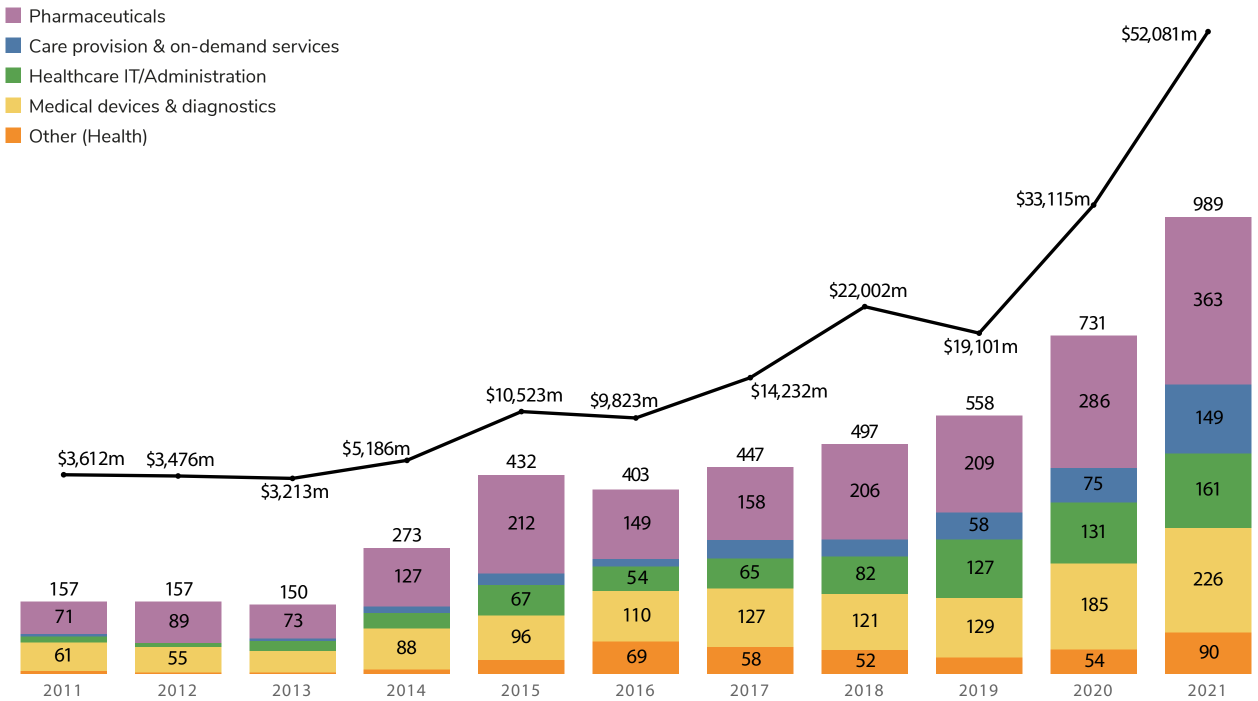


Health

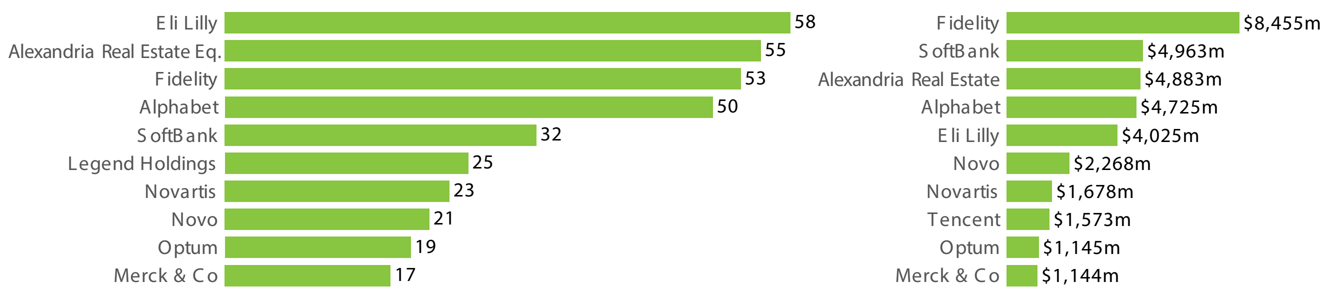
Deals in emerging health startups by corporate backers from



Corporate-backed rounds in emerging health startups by subsector

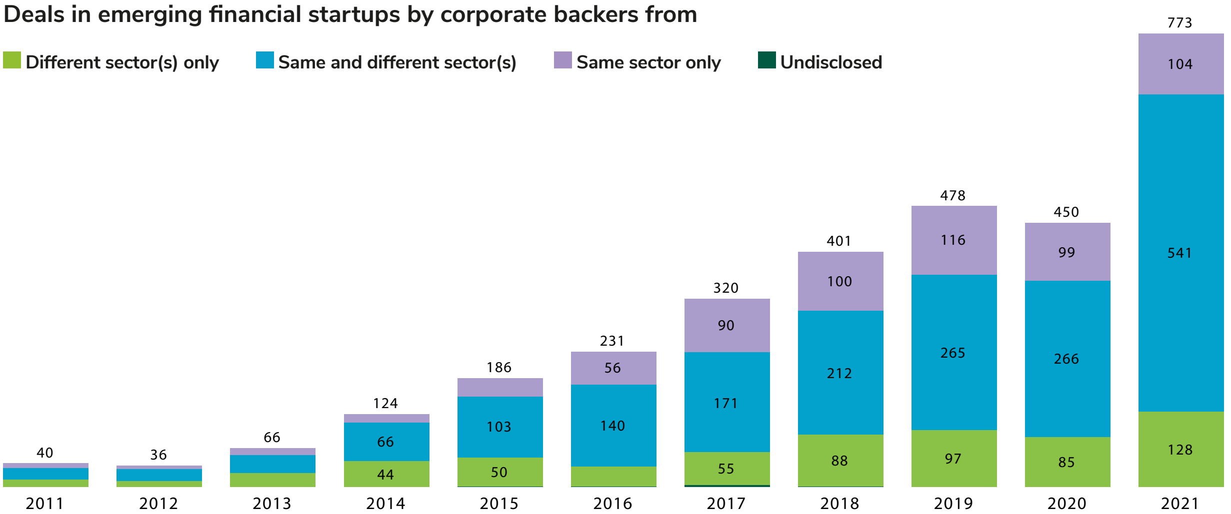


Top investors in health startups in 2021

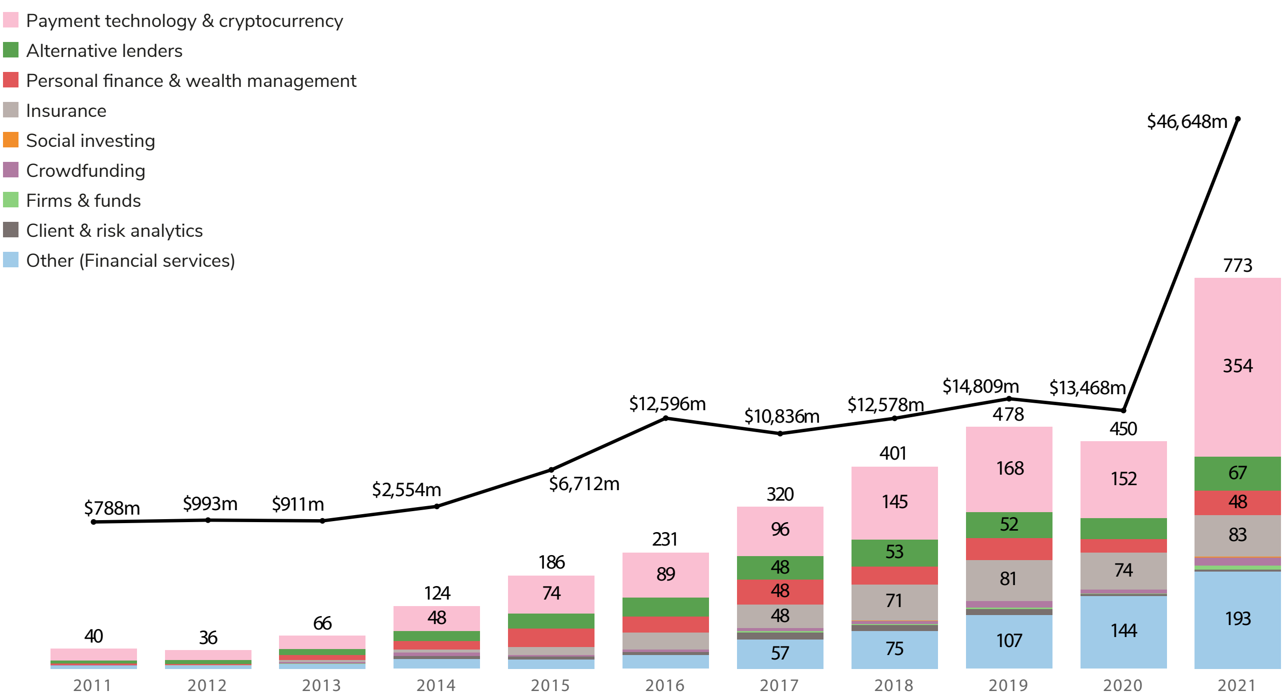


Financial

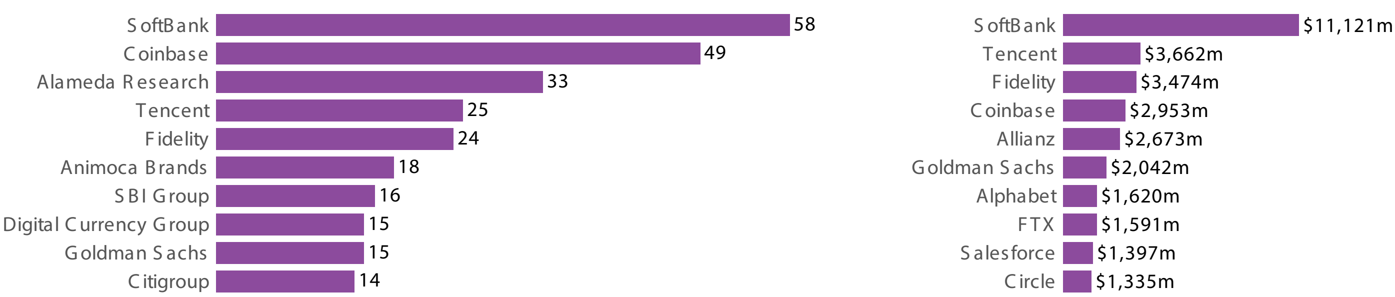
Deals in emerging financial startups by corporate backers from



Corporate-backed rounds in emerging financial startups by subsector

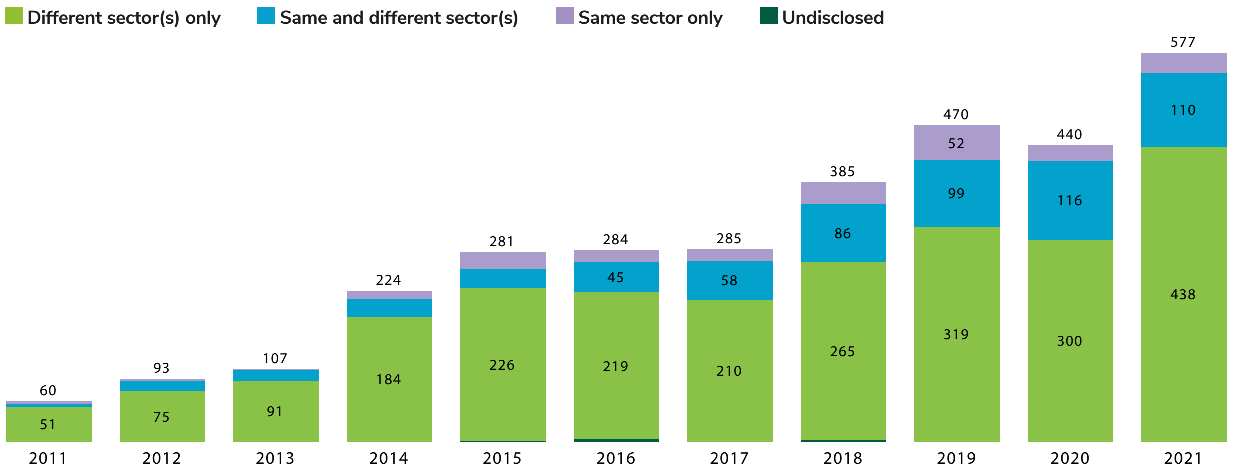


Top investors in financial startups in 2021

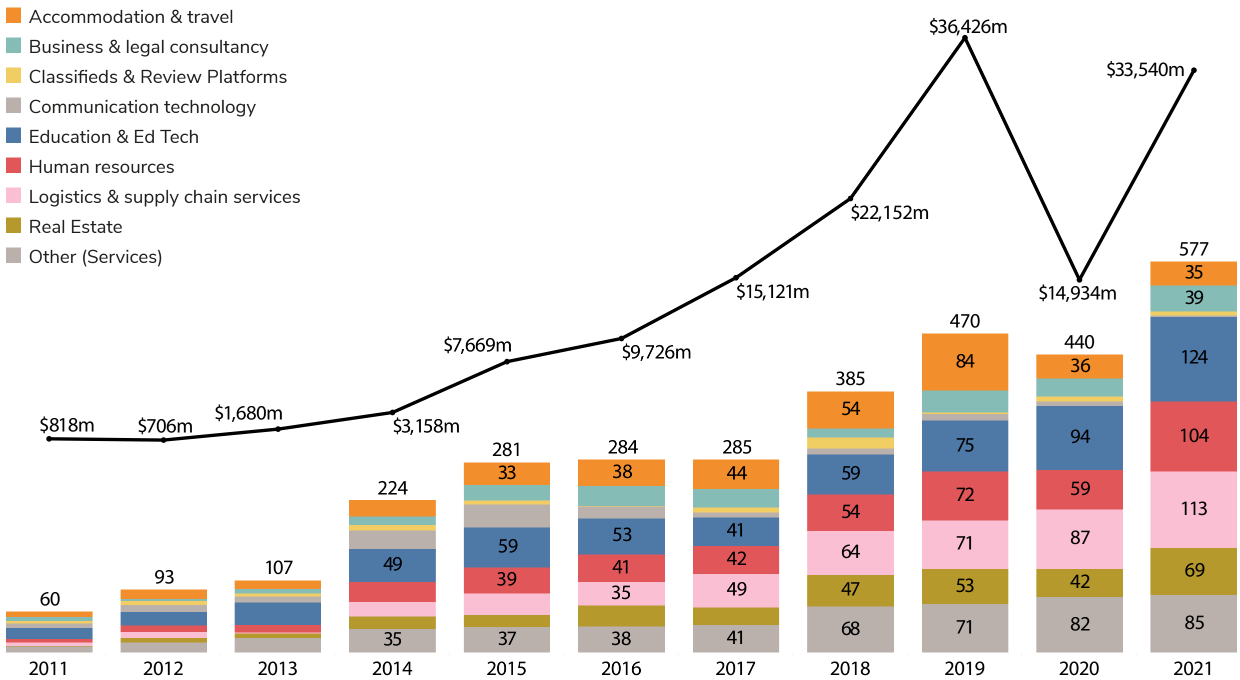


Services

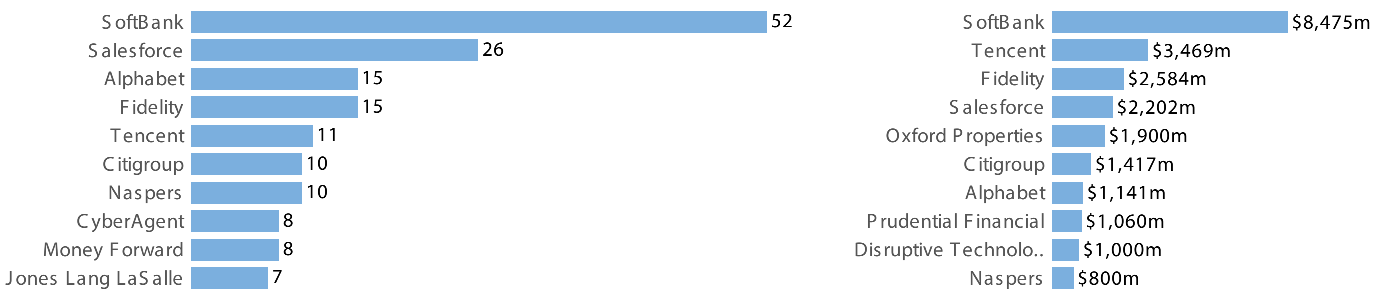
Deals in emerging services startups by corporate backers from



Corporate-backed rounds in emerging services startups by subsector

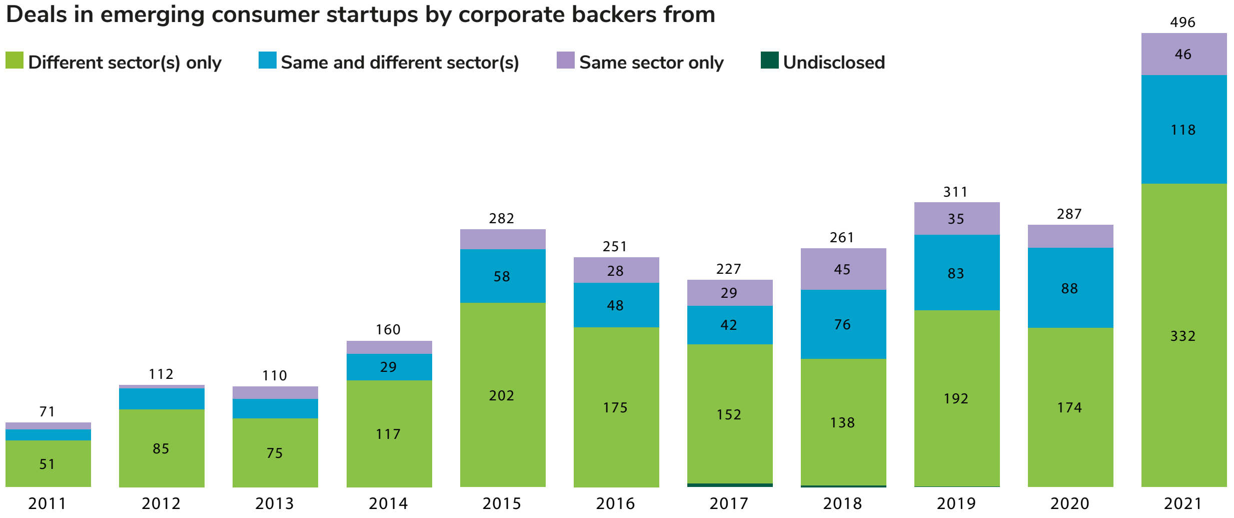


Top investors in services startups in 2021

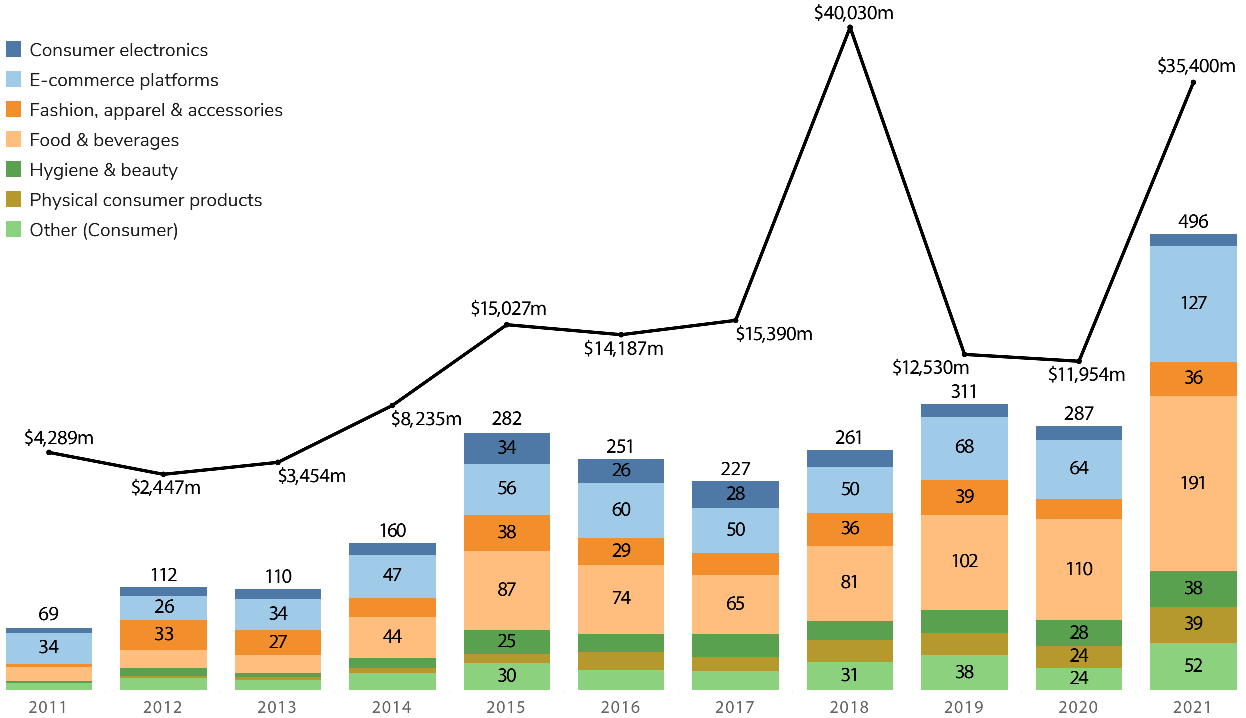


Consumer

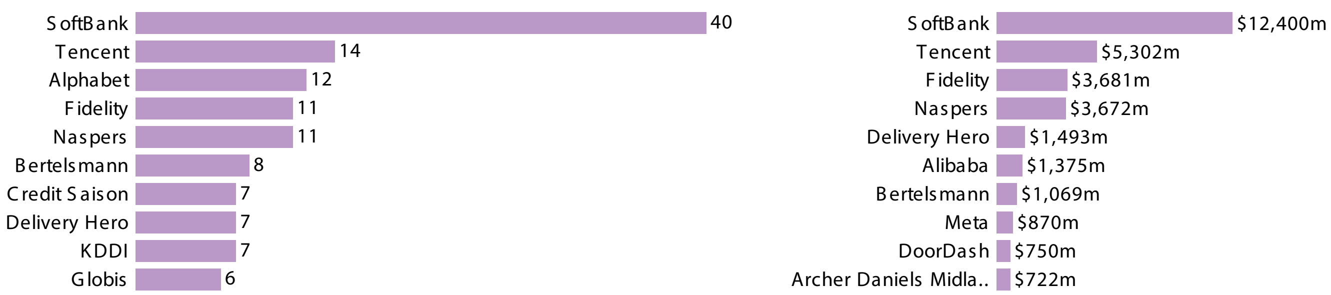
Deals in emerging consumer startups by corporate backers from



Corporate-backed rounds in emerging consumer startups by subsector

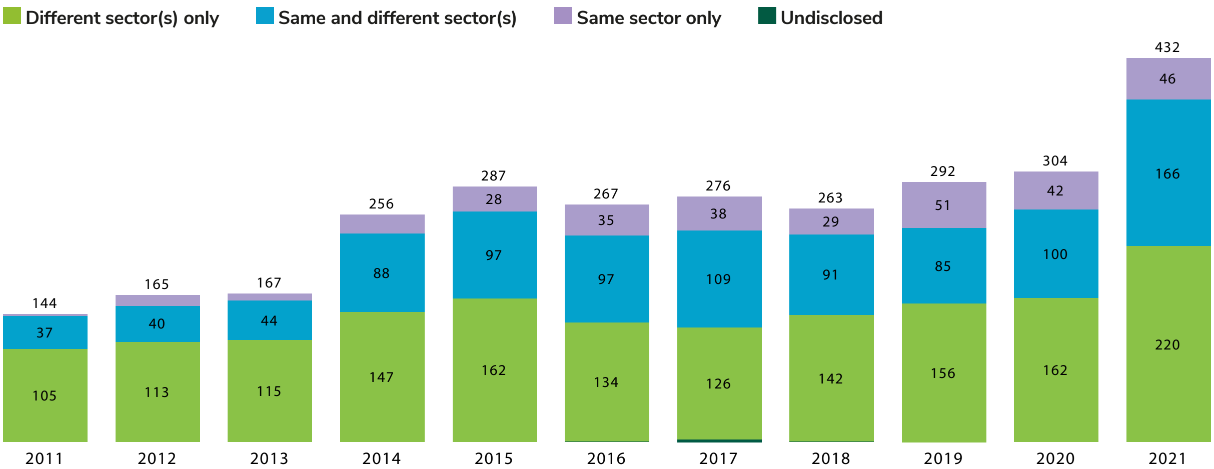


Top investors in consumer startups in 2021

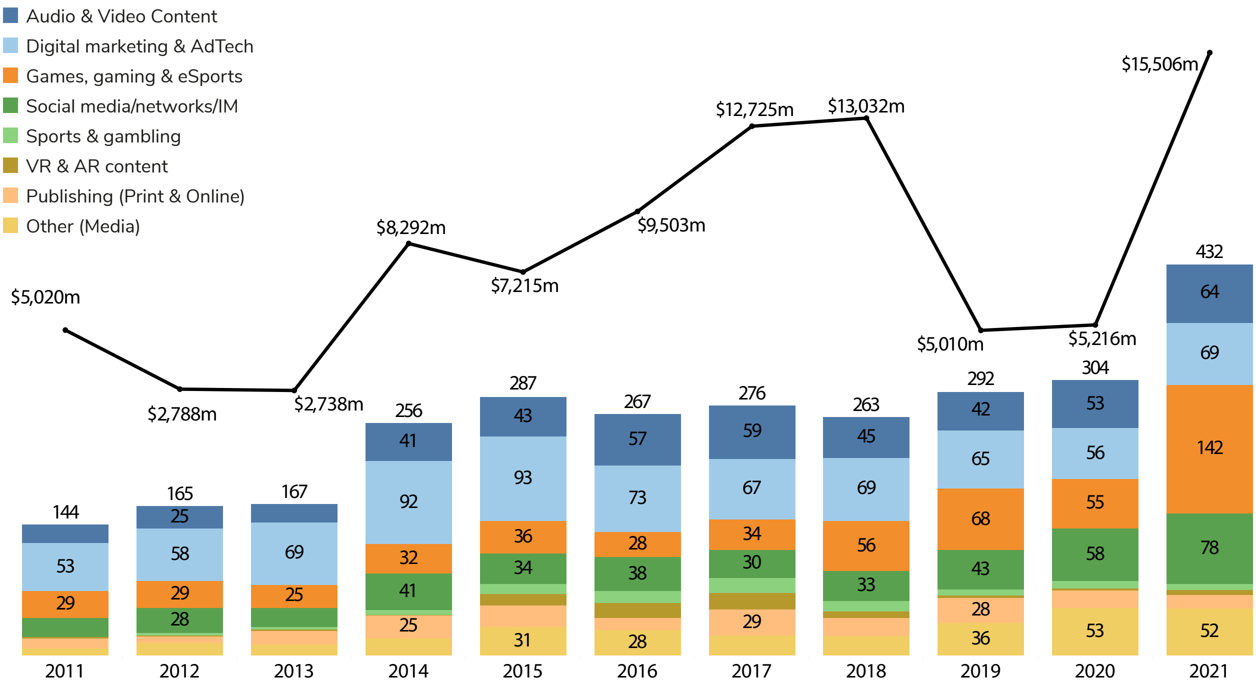


Media

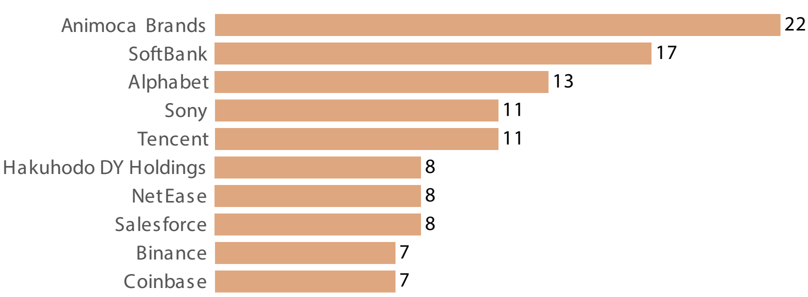
Deals in emerging media startups by corporate backers from

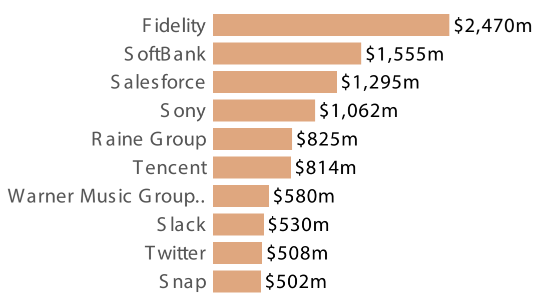


Corporate-backed rounds in emerging media startups by subsector



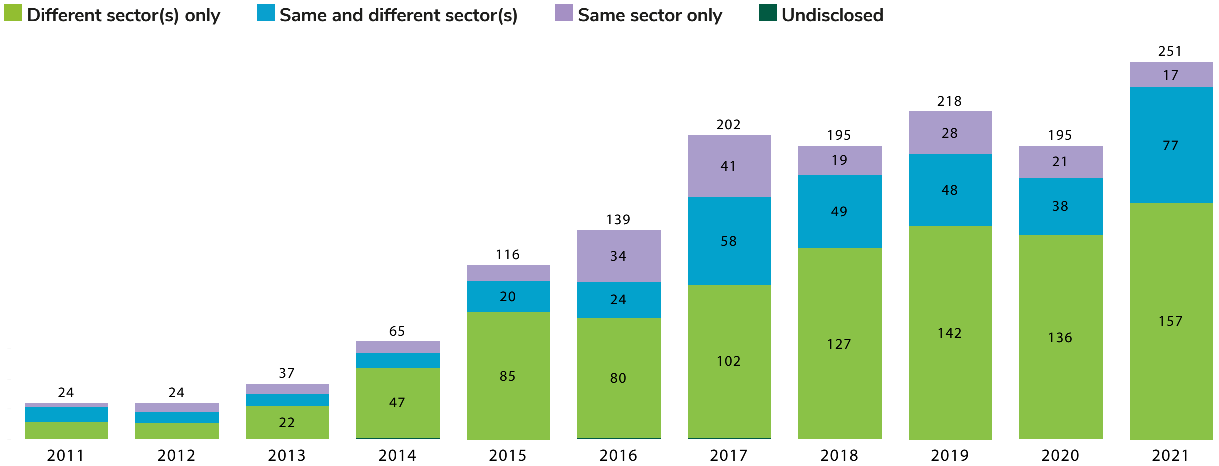
Top investors in media startups in 2021



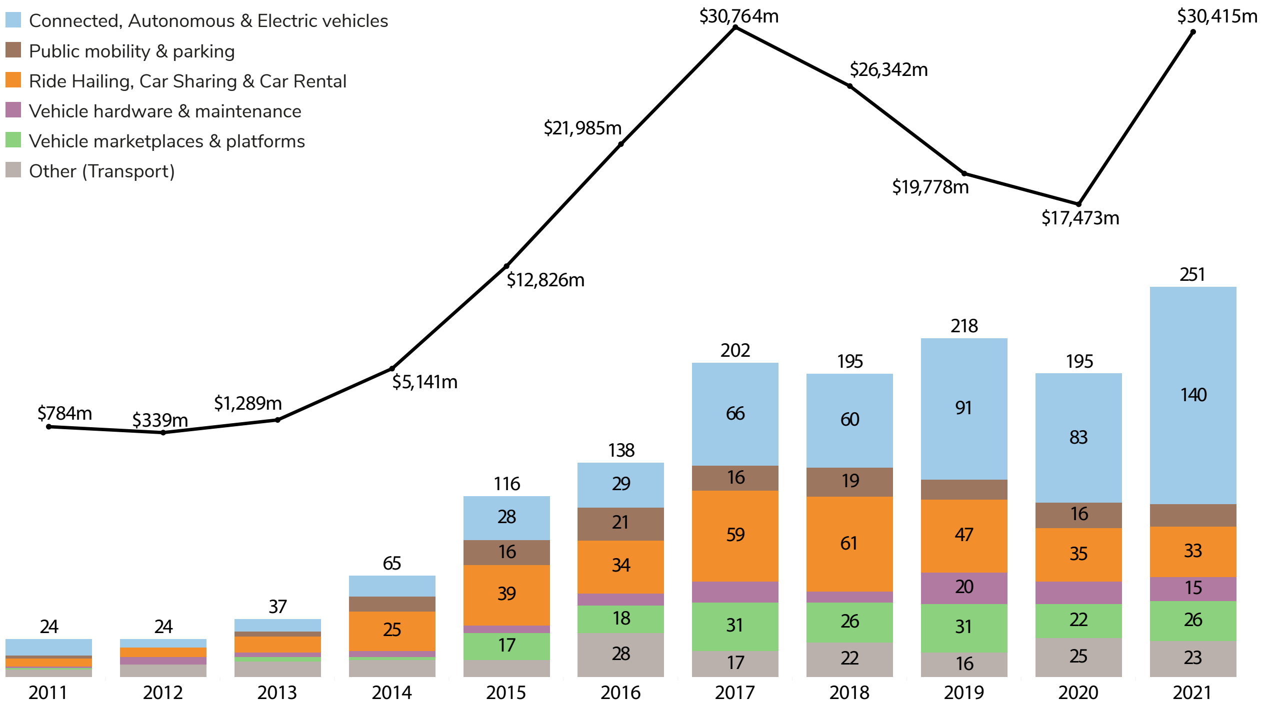


Transport

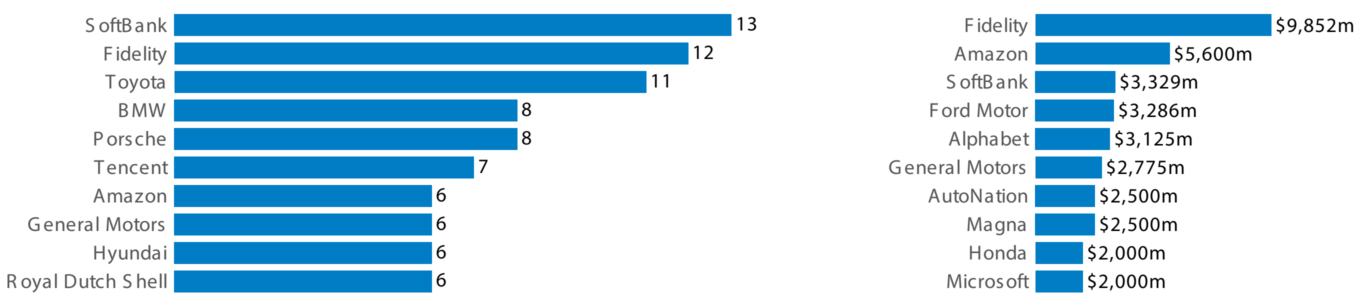
Deals in emerging transport startups by corporate backers from



Corporate-backed rounds in emerging transport startups by subsector

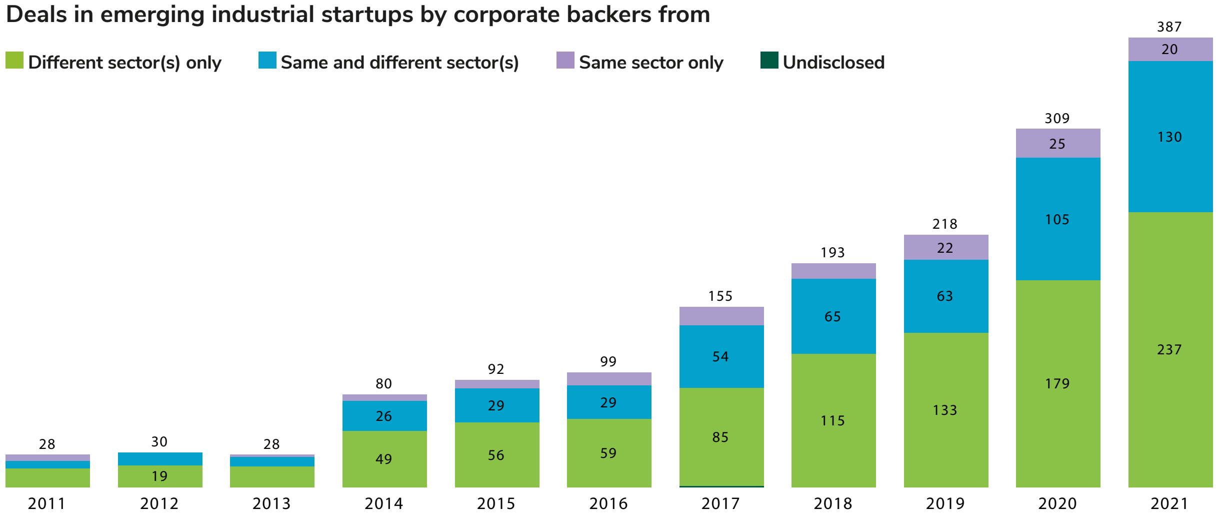


Top investors in transport startups in 2021

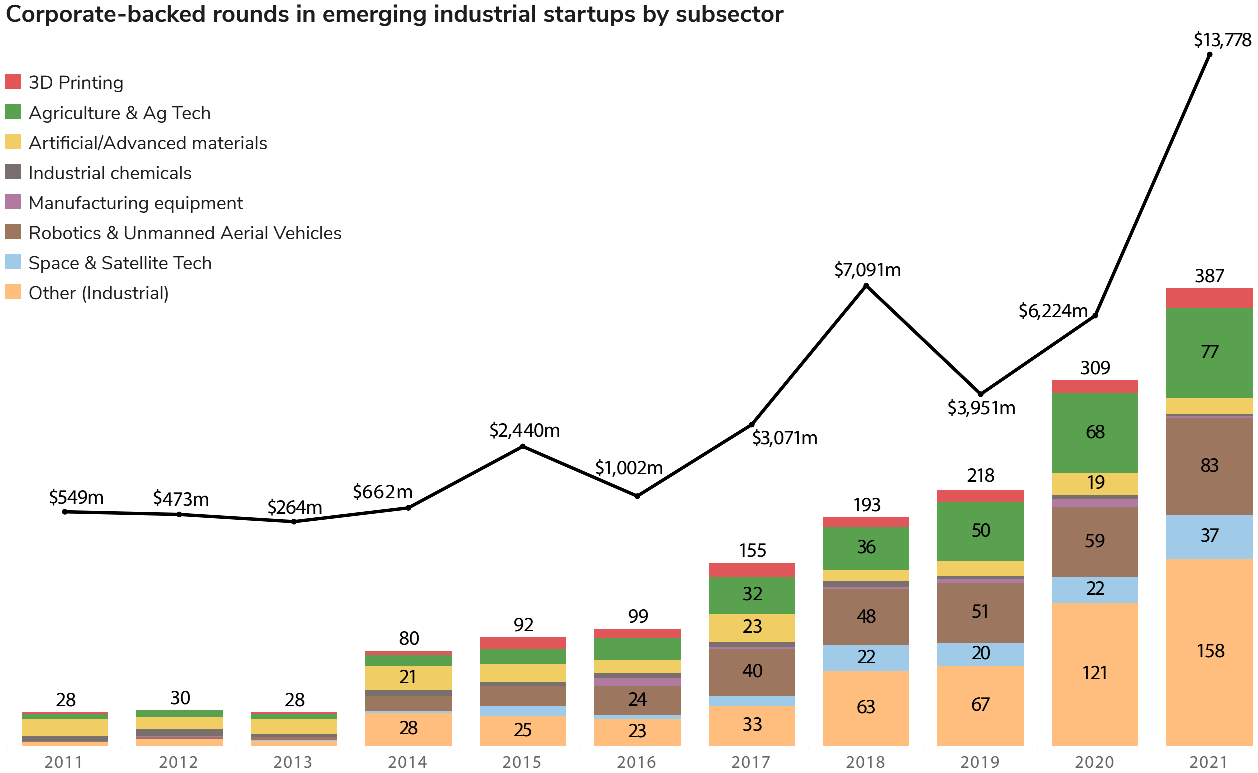


Industrial

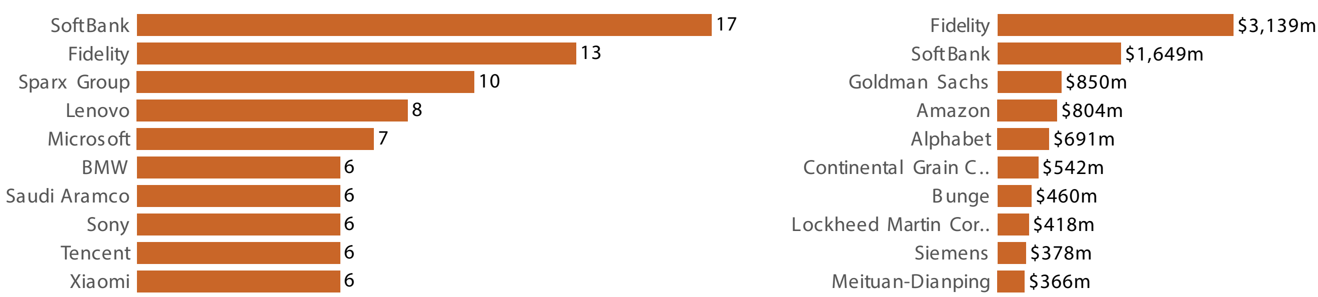
Deals in emerging industrial startups by corporate backers from



Corporate-backed rounds in emerging industrial startups by subsector



Top investors in industrial startups in 2021



Energy

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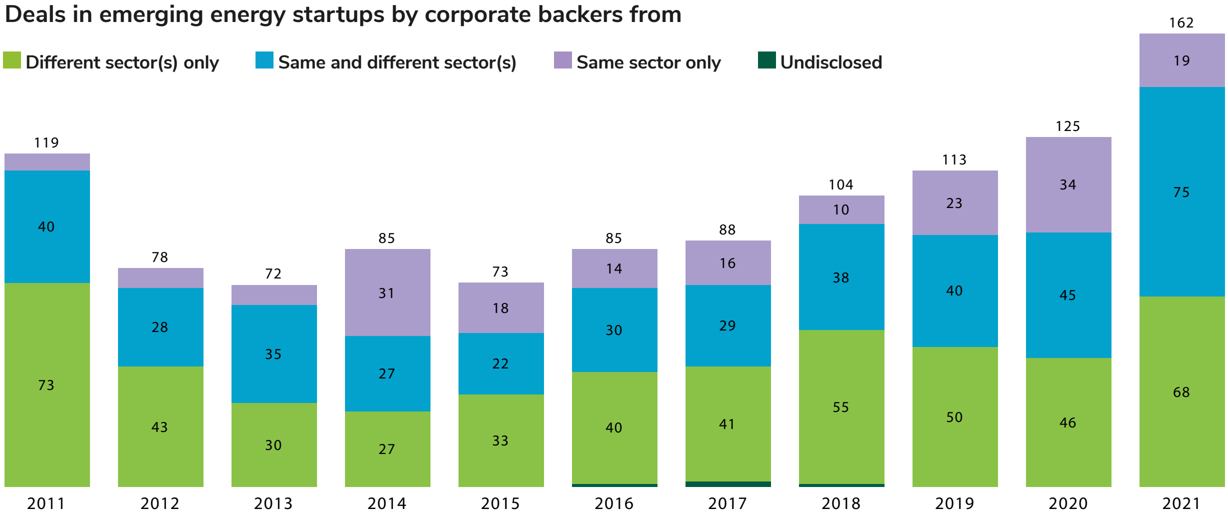
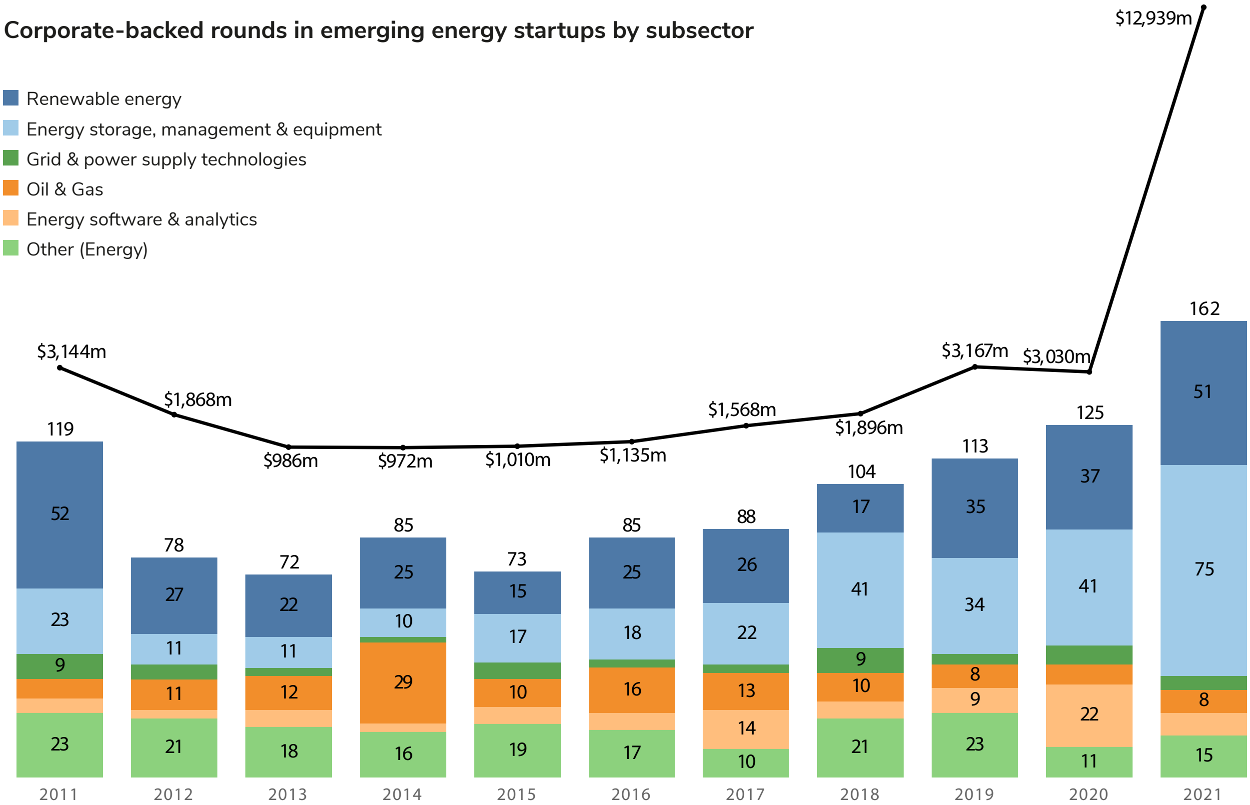
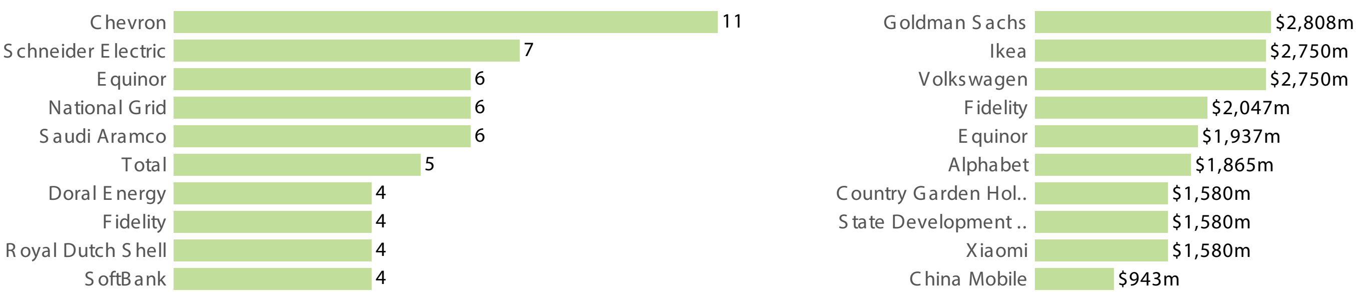


Corporate-backed rounds in emerging energy startups by subsector

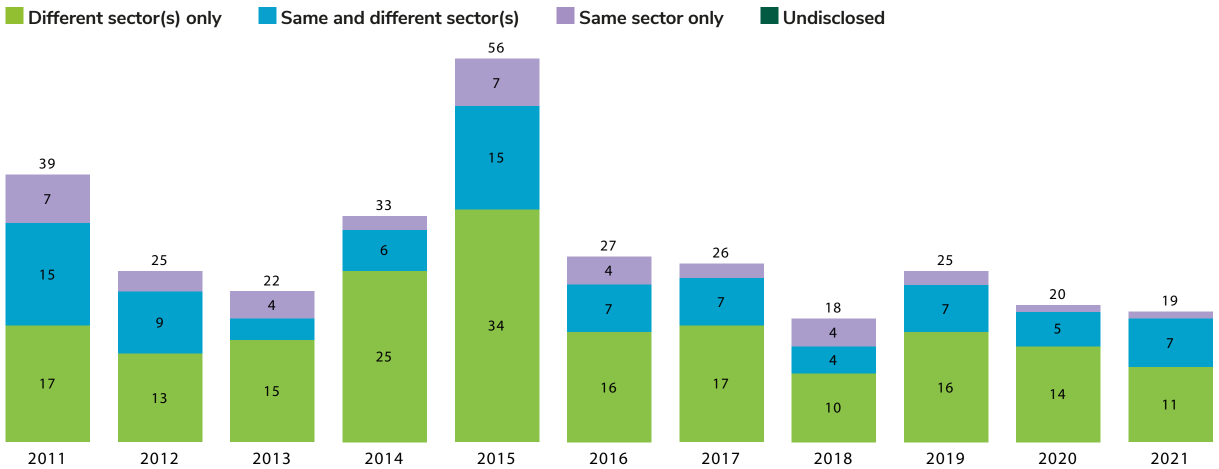


Top investors in energy startups in 2021

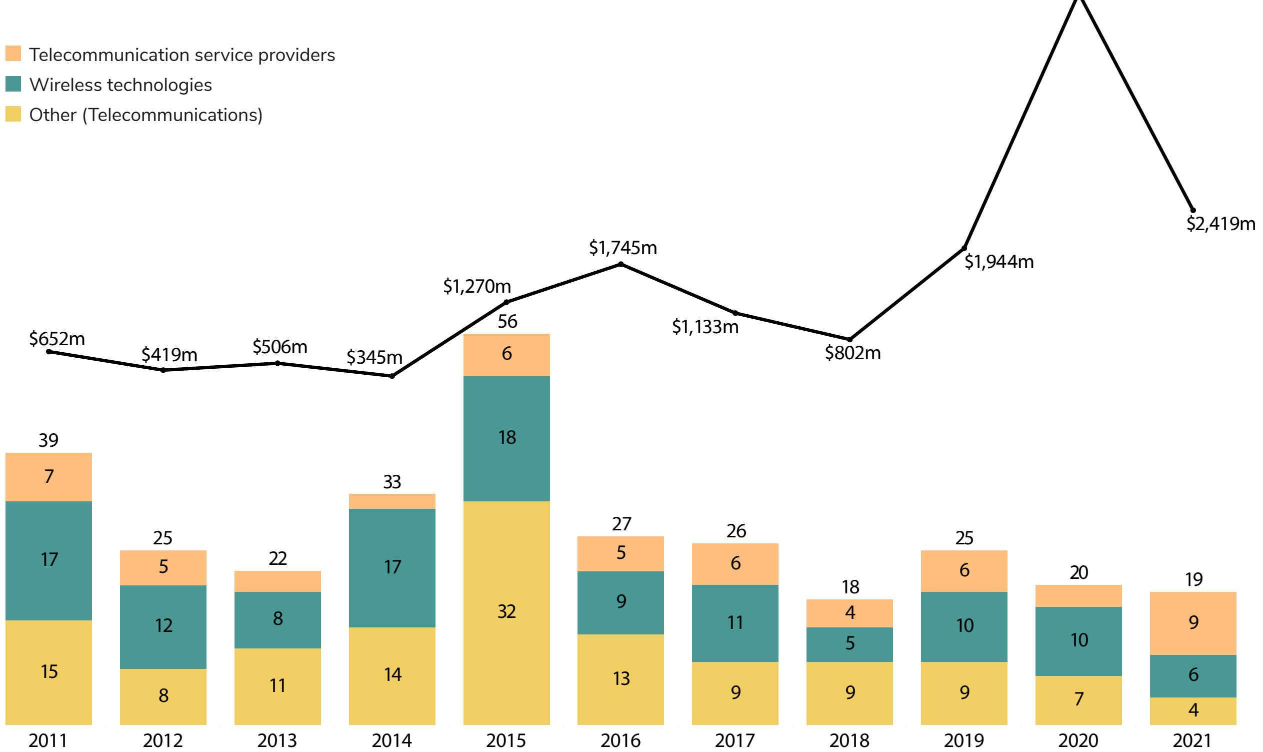


Telecoms

Deals in emerging telecoms startups by corporate backers from



Corporate-backed rounds in emerging telecoms startups by subsector



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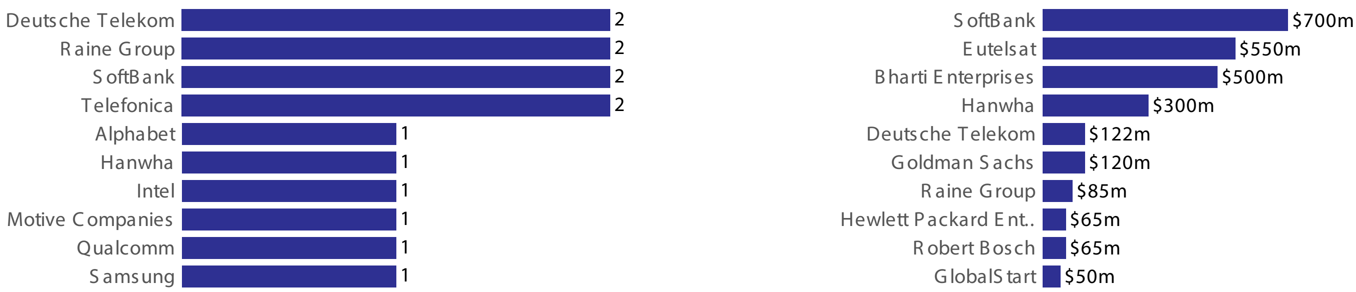

Global Corporate Venturing Leadership Society

GCV Leadership Society mission:

Informing, connecting and transforming the global corporate venturing ecosystem

The GCV Leadership Society sets the standards for long-term sustainability of corporate venturing and innovation communities worldwide. The Society provides data, information, and benchmarking services to its members, opportunities to develop professional skills and mentor next generation leaders, platforms to find and work with the best entrepreneurs and co-investors, thereby elevating the overall success and impact of the corporate venture capital industry.

Benefits	Newly-formed CVCs (under 2 years since formation)	Premium Level	Luminary Level
GCV news / website access	2 users	Unlimited users	Unlimited users
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GCV Institute Credit Additional Institute course discount*	$1,800 10%	$2,500 10%	$3,000 10%
Deal-flow management (GCV Connect Powered by Proseeder)	2 users	Unlimited users	Unlimited users
Event Partnership Discount	10%	15%	20%
Institute Alumni and Members-only gatherings	Included	Included	Included
Invitations to various VIP sessions	Included	Included	Included
Access to industry sector expertise	Included	Included	Included
Right to showcase membership with GCV logo	Included	Included	Included
Assistance in arranging 1:1 meetings at GCV events	Included	Included	Included
Biennial Editorial Interview / Overview of your CVC	n/a	Included	Included
Portfolio Company Showcase	n/a	2	4
Advisory Board Seat	n/a	by invitation only	1
Branding on Leadership Society Marketing Materials	n/a	n/a	Included
Annual	**$9,995**	**$15,500**	**$26,500**
2 Years	**$17,500**	**$28,000**	**$50,000**

*Group packages available for additional savings

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- Airbus Ventures
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- bp
- Chevron
- DENSO
- facebook
- Hyundai Cradle
- jetBlue technology ventures
- LAM Capital Investments
- LG Electronics
- LG Technology Ventures
- Merck
- Munich RE / Munich Re Ventures
- ngp capital
- Schneider Electric
- Shell Ventures
- TDK Ventures
- Tencent 腾讯

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- Help shape thought-leadership and best practice to increase success
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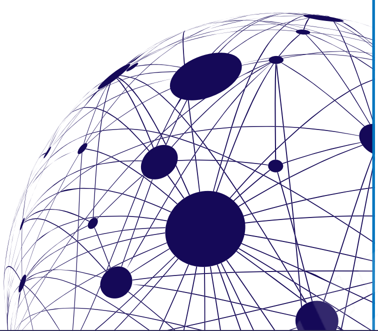
- Raise your portfolio's profile to increase customer base and deal-flow opportunities
- Increase your personal profile for your next career move
- Join sub-committees to move the industry forward in areas such as deal flow, investment models, partnership approaches, innovation excellence and intellectual property



Coming in 2022

- Online Job Listings (members can post for free)
- CVC Industry Directory (Society members highlighted)
- Benchmarking Services (additional fees apply)

For more information or to apply today, contact Janice Mawson:
+1 (703) 380 2569 (US) | janicemawson@globalventuring.com

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Over the past five years, Fenwick has guided over 50 corporate and strategic investors in over 500 investments in a broad range of industries. Our Corporate Venture practice offers unparalleled insights and services to CVC units as a blend of deep legal, industry and client expertise from Fenwick's nationally-recognized startup company and serial acquirer practices.

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