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Global Corporate Venturing

Consumer sector feeds growth

INSIDE

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Global Corporate Venturing

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EDITORIAL

Public investors look to bag their unicorns

James Mawson, editor-in-chief

At the end of last month, US-based ride-sharing service Lyft kicked off what is expected to be a record year for US flotations of private companies worth at least $1bn – so-called unicorns. Lyft incurred a net operating loss of $911.3m in 2018, a record for any business in the year leading up to its initial public offering, according to the Wall Street Journal. It might be a short-lived record. Uber, Lyft's larger peer, could have its IPO as soon as this month and posted a $1.8bn loss last year.

Overriding the losses for investors, however, is the growth prospects for these businesses. Lyft reported revenues of $2.2bn last year, twice its 2017 revenues, while Uber's increased to $11.3bn, up 43%.

And even the losses might be overstated. A significant component of Lyft's $3.3bn of expenses relates to its intangible assets and might be more properly capitalised as an asset on the balance sheet instead of an expense on the income statement, according to Antonella Puca in a blog for the CFA Institute.

In their book, Capitalism Without Capital: The Rise of the Intangible Economy, Jonathan Haskel of Imperial College and Stian Westlake of Nesta say investment in intangibles, such as research and development, training, design, organisational development, branding, marketing, software and data, and original artistic material, has gradually increased over the past half-century, overtaking traditional tangible investments in buildings, equipment and manufacturing around the time of the global financial crisis of 2007-08.

Lyft and Uber are effectively companies with limited tangible assets, as they rely on drivers with their own cars, and fewer employees, as the workers are seen as contractors or freelance. Similarly, room-sharing service Airbnb, data analytics provider Palantir Technologies, and social network Pinterest, which were also all valued at more than $10bn in their latest venture rounds and potentially also heading for their IPOs this year, according to data provider Pitchbook, rely on intangibles for their value.

The shift in value-add from the US to China has happened

In addition, messaging service Slack is set to go public this year via a direct listing rather than a traditional IPO, accordng to data service PitchBook, while cybersecurity service Crowdstrike, transport efficiency service Peloton, video conferencing producer Zoom and food delivery service Postmates are "among the other unicorns that could ultimately make 2019 a year of VC-backed IPOs to remember" and worth a combined $200bn primarily through intangible assets.

This is underpinning similar to the wave of Chinese IPOs that started about 18 months ago *(see special report)*. However, a notable point of difference has emerged in their approaches to investing in the ecosystem they have helped spawn. Slack has set up an effective corporate venturing fund of its own but Uber and other US unicorns have made limited venture deals from the tens of billions of dollars raised *(see analysis)*. By comparison, many of the most highly-valued China-based unicorns have used corporate venturing to develop their products, services and international reach.

While Lyft and Uber might be competing more intensely in the US, China-based peer Didi Chuxing has already consolidated its domestic market and taken stakes or acquired peers in the main international markets even as it rolls out more advanced mobility services.

The shift in value-add from the US to China has happened. The number of VC-backed IPOs in the US declined from 125 in 2014 to 58 in 2017, before rising to 85 last year, according to PitchBook data. Hong Kong alone in greater China had 133 IPOs last year raising about HK$300bn ($38.4bn), according to accountant KPMG, while the number of Chinese IPOs in the US hit an eight-year high last year with 33 listings on the New York and Nasdaq stock exchanges, according to the Financial Times.

However, while the attention is, rightly, on China's growth and success, other parts of Asia have been perhaps under-appreciated. From Japan to India through Southeast Asia's populous countries of Indonesia and the Philippines, corporate venturing groups have been seeding and funding a wave of success stories. Even beyond the omnipresent SoftBank, Japanese and other Asian corporations are starting to do more.

As the FT also noted, the "Asian century" will begin next year, when Asia's share of world gross domestic product will, once again, exceed 50%.

But rather than view this as a bipolar world – US and China – the plurality of opportunity is such as to offer encouragement to all the investment hunters who dare to explore it and tackle the headwinds and challenges in their search for the next unicorns. ◆

NEWS

BASF commits $2m to Alchemist Accelerator

US-based startup accelerator Alchemist Accelerator has received a $2m commitment for its latest fund from BASF Venture Capital, the corporate venturing unit of chemicals company BASF. The fund will allocate at least 50% of the capital to companies developing technology for 3D printing, agriculture, material informatics and nutrition, as well as what BASF describes as "technology game-changers." Launched in 2013, Alchemist is a venture-backed business incubator that seeds 75 startups a year, investing $36,000 in companies with a revenue stream that comes from enterprises rather than consumers.

Recruit to enrol blockchain startups in $25m fund

Japan-headquartered human resources firm Recruit Holdings has launched a $25m Singapore-based corporate venturing fund to invest in blockchain technology and cryptocurrencies. RSP Blockchain Fund, which closed in November 2018, will primarily target direct investments in blockchain-related startups using tokens to raise funding. The unit will invest in startups looking to raise capital through the issue of tokens rather than equity shares. It will concentrate on international investments and operate alongside Recruit's Recruit Strategic Partners (RSP) unit.

BFG meets corporates for giant $100m fund

Agricultural trading group ContiGroup Companies and financial services firm Rabobank have contributed to a $100m fund set up by US-based venture capital firm Boulder Food Group (BFG), Forbes has reported. The fund sourced capital from 50 limited partners, including Arlon Group, a private investment group that invests on behalf of ContiGroup. Founded in 2014, BFG backs early-stage food and beverage consumer product companies.

Toshiba pushes $89m corporate venturing fund

Japan-based electronics manufacturer Toshiba has set up a ¥10bn ($89m) corporate venture capital fund, according to chief technology officer Shiro Saito. The vehicle is part of a plan by Toshiba to invest up to $8.3bn over the next five years, focusing on areas such as renewable energy technologies, power electronics, robotics and medical technologies covering treatment, screening and diagnostic testing.

Vision Fund catches $3bn credit facility

The SoftBank Vision Fund, the almost-$100bn investment fund managed by telecoms and internet group SoftBank, has secured $3bn in debt financing, according to Bloomberg. Investment banking firm Goldman Sachs and financial services firm Mizuho Financial Group co-led the financing, supplied through a capital call facility that included Citigroup, Samba Financial Group and Mitsubishi UFJ Financial Group.

A capital call facility functions as a short-term loan intended to bridge the period between an investor – like the Vision Fund – committing to a transaction and receiving the capital from its backers. Goldman Sachs and Mizuho Financial were reported in November 2018 to be assembling a $4bn credit facility for the Vision Fund.

Air Asia readies Redbeat Capital to invest

RedBeat Ventures, the digital ventures subsidiary of Malaysia-headquartered airline operator Air Asia, has launched corporate venturing fund RedBeat Capital in partnership with US-based venture capital firm 500 Startups.

The fund will focus on startups in the travel and lifestyle, logistics and financial technology sectors, in addition to artificial intelligence, big data and internet-of-things companies, that have passed seed stage and are looking to expand into or within Southeast Asia.

Silicon Valley-based RedBeat Capital is targeting a $60m close according to TechCrunch. Air Asia CEO Tony Fernandes told TechCrunch the new fund could invest up to $5m per startup.

RedBeat Ventures' portfolio will be transferred to RedBeat Capital and will henceforth function as an incubator and company-focused investment unit. Aireen Omar, CEO of RedBeat Ventures and deputy chief executive of technology and digital for Air Asia, will head RedBeat Capital.

NEWS

Vilmorin & Cie passes into PSL fund

Plant seed supplier Vilmorin & Cie has become a limited partner in the PSL Innovation Fund established by Université PSL under the management of venture firm Elaia Partners. The fund has a targeted close of $87.5m. Vilmorin & Cie will participate over 10 years in exchange for preferential access to the fund's innovation pipeline.

PSL Innovation Fund was launched in July 2018 with partners including Université PSL and a host of corporates including financial services firm BNP Paribas, marine defence and energy systems supplier Naval Group and insurance provider Mgen. Fonds National d'Amorçage 2, an early-stage vehicle managed by state-owned investment bank BPIFrance, is also supplying capital along with KPN Ventures, the corporate venturing arm of telecoms firm KPN, and Famille C, part of cosmetics manufacturer Clarins Group.

PSL Innovation Fund is focused on commercialising deep technologies including artificial intelligence, in sectors such as IT, agriculture, biotechnology and life sciences. It has been positioned to align with Université PSL's areas of research expertise and will back companies spawned by its innovation ecosystem.

Salesforce Ventures takes $50m Australian trip

Customer relationship management software provider Salesforce's corporate venture capital arm, Salesforce Ventures, has launched $50m Australia-focused fund Australia Trailblazer Fund.

The vehicle will invest in enterprise software developers based in Australia and represents the latest in a series of Trailblazer Funds formed by the corporate, beginning with the creation of SI Trailblazer Fund in mid-2017 to back cloud consulting service providers. US-headquartered Salesforce subsequently formed the $100m Canada Trailblazer Fund in May 2018 before putting another $100m into the Japan Trailblazer Fund five months later.

Coral corrals corporates for $45m Japan fund

US-headquartered venture capital firm and accelerator 500 Startups has spun out Japan-based investment firm Coral Capital with a ¥5bn ($45m) fund backed by several corporates.

The fund has received commitments from property developer Mitsubishi Estate, energy utility J-Power, financial services firms Mizuho Bank and Shinsei Bank and private investors Taizo Son, Paul Kuo and Kotaro Chiba. A few top-tier institutional investors account for almost 50% of the fund's total.

All five existing employees at 500 Startups Japan are moving to the new vehicle, with Coral operating from the same Tokyo office used by the unit. 500 Startups Japan partner James Riney and venture partner Yohei Sawayama will lead the new fund, which will adopt a sector-agnostic approach in Japan.

SoftBank shows off $5bn Latin America fund

Japan-headquartered telecoms and internet group SoftBank has launched $5bn Latin America-focused technology vehicle SoftBank Innovation Fund with $2bn.

SoftBank's contribution is the fund's anchor investment, and it aims to raise additional capital externally. It has also formed SoftBank Latin America Local Hub to interact with local portfolio companies to aid their growth.

The unit will invest across the Latin America region, covering South America up to Mexico, and its target areas include e-commerce, healthcare, mobility, insurance and digital financial services.

SoftBank Innovation Fund will be headed by SoftBank's chief operating officer, Marcelo Claure, who is also chief executive of Sprint, SoftBank's US-based telecoms subsidiary. He will be CEO of the unit and oversee its activities while continuing in his other roles.

Binance forms Argentina co-investment deal

Binance Labs, the incubator and venture capital fund formed by US-based cryptocurrency exchange Binance, has partnered Argentina's government to co-invest in blockchain projects.

Argentina's Ministry of Production and Labour has agreed to provide a grant of up to $50,000 for every project that receives funding from Binance Labs through a collaboration with Founders Lab, a blockchain accelerator affiliated with logistics service provider LatamEx, over a four-year period, with an aim to invest in up to 10 projects each year.

Binance Labs will host a 10-week incubator for blockchain startups in the city of Buenos Aires, which was initially picked as the regional hub for season two of the Binance Labs Incubation Program.

NEWS

Seventure completes first step to $225m fund

France-based venture capital firm Seventure Partners has reached the first close of a €200m ($225m) healthcare-focused fund with commitments from corporate limited partners including cheese producer Bel and food provider Danone.

Pharmaceutical firm Novartis, yeast manufacturer Lesaffre, medical device producer Wright Medical and Unigrains, the investment arm of agricultural products supplier Unicéréales, have also backed the fund.

Health for Life Capital II has also signed up an as-yet unnamed US-based food ingredient provider, undisclosed financial services firms and assorted individual investors. The size of the first close has not been revealed.

The fund will invest globally, focusing on technologies centred on the human microbiome, but will also conduct opportunistic investments in areas such as digital therapeutics, digital health, digital nutritional advice, personalised diets, precision medicine and food technologies.

Gilde raids Rabobank to close $225m fund

Netherlands-based investment firm Gilde Healthcare has closed a €200m ($225m) private equity fund with a contribution from financial services firm Rabobank's Rabo Corporate Investments unit.

Pension fund PGGM/Pensioenfonds Zorg en Welzijn has also backed the fund, as have a range of unnamed Netherlands-based institutional investors and international funds-of-funds. The fund, Gilde Healthcare Services III, closed at its hard cap.

Gilde Healthcare Services III will target healthcare and service providers as well as medical product suppliers, focusing on profitable businesses with earnings before interest, tax, depreciation and amortisation of $2.2m to $16.8m.

The vehicle will particularly seek out opportunities in Belgium, the Netherlands and Luxembourg, an economic region known as Benelux, and Germany, Austria and Switzerland, which are also known as Dach countries.

Alexa Fund sounds out third accelerator batch

US-based e-commerce firm Amazon has launched the third cohort of its Alexa Accelerator, which aims to develop startups working with its voice-controlled Alexa artificial intelligence (AI) technology, VentureBeat has reported.

The 13-week initiative will be run by Amazon's venture capital vehicle, Alexa Fund, in partnership with accelerator operator Techstars. It will focus on education, real estate, machine learning, healthcare and wellness, fitness and healthcare technology startups.

Alexa Fund and Techstarts will jointly provide an initial $20,000 for each company in return for a 6% stake equity stake, with an additional $100,000 convertible note also potentially on offer.

In addition to equity funding, each of the 10 startups chosen for the third batch will gain access to Amazon employees and mentors from the Seattle AI community and Techstars network.

SoftBank sizes up $500m for Ventures Asia fund

Japan-based telecoms and internet group SoftBank will put up as much as $500m for its revamped SoftBank Ventures Asia fund, the unit's chief executive, JP Lee, told Reuters.

SoftBank Ventures Asia was launched as a revamped version of the corporate's SoftBank Ventures Korea unit in January this year with an expanded remit to invest across Asia, Europe and the US, and Lee was appointed CEO and managing partner shortly afterwards.

SoftBank Ventures Asia is looking to hire investment managers for offices it plans to open Shanghai, China and Singapore, adding to offices in the cities of Beijing, Seoul, San Francisco and Tel Aviv. Lee said it may also seek funding from external limited partners such as South Korea's National Pension Service.

Lear clears investment in Maniv Mobility fund

Automotive component manufacturer Lear Corporation has provided an undisclosed amount of capital for a fund managed by Israel-based venture capital firm Maniv Mobility through corporate venturing unit Lear Innovation Ventures.

Maniv Mobility makes seed and series A-stage investments in startups developing mobility technologies such as autonomous driving software or ride-hailing technology. Alliance Ventures, the venture capital fund formed by carmakers Renault, Nissan and Mitsubishi, is also a limited partner in the fund, having committed capital in May 2018 according to Calcalist.

NEWS

Corporates favour Franklin for $100m Wisconn fund

Advocate Aurora Health, Foxconn, Johnson Controls and Northwestern Mutual have chosen Jason Franklin to lead Wisconn Valley Venture Fund, a $100m venture capital fund jointly launched by the corporates in August 2018.

Contract electronics manufacturer Foxconn, building systems supplier Johnson Controls, healthcare provider Advocate Aurora Health and insurance firm Northwestern Mutual each supplied $25m to form the fund.

As managing partner and chief executive, Franklin will find, evaluate and close investments, as well as oversee its support of portfolio companies.

Prior to joining the fund, Franklin was a partner at venture capital firm Andreessen Horowitz, working on investments in portfolio companies such as application programming interface marketplace RapidAPI and vehicle mapping technology developer DeepMap.

After co-founding mobile security technology developer Stamp Labs in 2013 as CEO, Franklin worked as a venture partner at VC firm Avalon Ventures from 2014 to 2016.

Wisconn Valley Venture Fund will invest in early-stage startups with a focus on healthcare, technology, manufacturing and financial services. It is operating out of the city of Milwaukee, Wisconsin and will back companies both in the US and internationally.

JTI ignites Vapetech accelerator

Tobacco producer Japan Tobacco International (JTI) has partnered accelerator operator Plug and Play to launch an accelerator dedicated to vaping technology developers.

The Silicon Valley-based Vapetech initiative will select 20 startups each year that are looking to improve the health benefits of vaping and the experience of the practice through new vaping devices and internet-of-things, biometric data and lifestyle technologies.

The three-month scheme will provide each participant with access to investment and corporate partnerships to help advance their products and technologies.

Gree's GFR Fund gets $20m

GFR Fund, a venture capital investor affiliated with Japan-based digital media company Gree, has raised $20m to back digital entertainment and media startups. The vehicle, GFR Fund II, has collected limited partner commitments from several unnamed strategic investors in Asia and will focus on helping US-based startups 'disrupting the digital entertainment sector' expand into Asia.

The fund will invest in virtual reality, augmented reality, eSports, livestreaming, artificial intelligence and blockchain technology developers. It has already participated in two deals, including a round for US-based eSports monetisation services provider FanAI.

Ripple and Forte form $100m gaming fund

US-based blockchain technology startup Forte has joined Xpring, the corporate venturing arm of digital payment services provider Ripple, to launch a $100m investment fund, according to VentureBeat.

Founded in 2018, Forte has developed tools that enable game developers to improve game designs and help run better and more profitable in-game economies through the use of blockchain technology.

Ripple will provide all the capital for the vehicle, which will focus on game developers with more than 50,000 active users that are looking to integrate blockchain technology into their games to increase engagement and monetisation.

The fund will operate alongside Forte's existing offering, which includes components designed in collaboration with Ripple.

Schumacher seeks results from 55 Catalyst

Jeff Schumacher, founder and formerly head of corporate innovation and incubation services provider BCG Digital Ventures, has launched his new project, US-based investment manager and financial services firm 55 Catalyst Capital. It focuses on decentralised technology developers and digital assets, and has begun raising money, according to a regulatory filing earlier this month that did not reveal a target.

The firm's other founders include Jason Nolte, a venture partner for three years at GM Ventures, carmaker General Motors' corporate venturing arm, and Juan Bruce, formerly managing partner of blockchain and digital asset investment fund Ænigma Capital.

NEWS

Line allocates $20m to ScaleUp

Line Ventures, the corporate venturing unit owned by Japan-based messaging platform Line, has set aside up to $20m to invest in Thailand-based startups. The corporate aims to develop a unicorn – a private, venture capital-backed company valued at more than $1bn – within the next three to five years, investing through its post-accelerator initiative, ScaleUp.

ScaleUp participants will gain access to Line's 44 million customers in Thailand, as well as its messaging interface, and mentoring and coaching focused on the education, digital content and e-commerce sectors.

Line Ventures will look to acquire a 20% stake in a ScaleUp participant if it has a solid business model that can be expanded globally through Line's network. It said the $20m has been reserved for the startup adjudged to be top of the class when it graduates in November.

Axeleo lucnhes $51m corporate-backed fund

France-based venture capital firm Axeleo Capital has secured $51m for its debut fund following commitments from corporate limited partners including energy and infrastructure services group Vinci Energies, according to TechCrunch.

The fund also sourced capital from French state-owned investment bank BPIfrance's French Tech Acceleration fund and financial services firms Crédit Agricole Group, BNP Paribas and Caisse d'Epargne Rhône-Alpes, as well as the Auvergne-Rhône-Alpes region and unnamed family offices and private investors.

Axelelo was founded as an accelerator, and will continue to operate its Axeleo Scale scheme, which will help approximately 10 startups reach series A stage each year. The successful companies from the 18-month accelerator can then secure investment from Axeleo's fund.

The vehicle will invest in seed and series A rounds, providing approximately $560,000 to $4.5m per deal. It will focus on France-based enterprise technology startups, covering areas such as artificial intelligence, cybersecurity and software-as-a-service developers.

OSF Ventures coasts to LRVHealth fund

Healthcare provider OSF Healthcare has committed an undisclosed amount of capital to a fund managed by US-based venture capital firm LRVHealth through its corporate venturing unit, OSF Ventures.

The corporate is now a limited partner in LRVHealth's fourth investment fund. LRV IV had targeted a $100m close in January 2018, and the firm said at the time it had secured eight national healthcare systems as partners for the vehicle.

LRVHealth invests in early-stage developers of healthcare IT, services, devices, diagnostics and other healthcare technology-enabled products. OSF will help it identify, create and invest in startups, as well as securing access to early-stage portfolio companies.

True Incube and Line Games back gaming fund

Thailand-based conglomerate True Corporation's True Incube incubator and Line Games, the gaming subsidiary of messaging platform Line, are among the founders of a new private equity fund, DealStreetAsia has reported.

The state-backed Korea Venture Investment Corporation (KVIC) and True-Kona, a joint venture between True Incube and investment firm Kona Venture Partners, are also backing the vehicle, Line Games-True-Kona Limited Partnership, which has $22.7m in capital according to a stock exchange filing.

The fund will make investments in early-stage companies operating in the gaming and technology sectors, where Line and True Incube will get the chance to forge commercial partnerships.

Corporate-backed NewMargin edges to $187m

NewMargin Ventures, a China-based investment firm backed by food producer Kerry Group and telecoms equipment provider Motorola Solutions, has reached the first close of a RMB10bn ($1.48bn) fund. The fund has so far raised about $187m from limited partners including state-owned conglomerate China Everbright and two government-backed funds, NewMargin revealed in a statement on its WeChat account.

Founded in 1999, NewMargin Ventures focuses on high-margin manufacturing and state-owned enterprises, as well as civil-military integration, a national strategy designed to transfer technologies from military and defence research to civilian-focused industries. The latest fund will target IT and new materials, investing in companies producing high-end chips, industrial robotics and automation technology.

NEWS

Corporates drive $1.46bn ride-hailing venture

Carmakers Chongqing Changan Automobile, Dongfeng Motor and FAW have joined e-commerce firm Alibaba, internet group Tencent and retail conglomerate Suning to form a RMB9.76bn ($1.46bn) investment entity, the New York Times has reported. The joint venture will invest in the on-demand ride service sector, with a particular focus on vehicles running on renewable energy. It also intends to establish its own as-yet unnamed China-based ride-hailing business.

The corporates, all of which are headquartered in China, were joined by a range of unspecified funds, and Alibaba, Suning and Tencent provided their share of the capital through unnamed investment vehicles. Suning is the vehicle's largest shareholder, with a 19% stake, while Chongqing Changan Automobile, Dongfeng Motor and FAW own 15% each. Alibaba and Tencent hold the remainder of the shares together with the undisclosed funds.

Hanwha goes through Golden Gate for $200m fund

Hanwha Asset Management, an investment subsidiary of diversified South Korea-based conglomerate Hanwha, has joined venture capital firm Golden Gate Ventures to raise $200m for an investment partnership, Bloomberg has reported.

The two have already secured $80m for the fund from external investors, according to sources. The as-yet unnamed unit will target consumer-focused technology companies in Southeast Asia, investing at series B stage.

JLL picks Concrete to source proptech investments

JLL Spark, the corporate venturing arm of real estate developer and property manager JLL, has chosen investment firm Concrete VC as an adviser for its Global Venture Fund. The corporate launched the fund in June 2018 to invest up to $100m in startups developing products and services focused on real estate development, management, leasing and the improvement of tenant experiences.

Volta charges up $180m fund with corporate help

US government-owned research laboratory Argonne National Laboratory has formed a research agreement with a $180m US-based battery technology fund backed by speciality chemicals supplier Albemarle and energy companies Equinor and Exelon, Fortune has reported.

Hanon Systems, a distributor of energy management technologies for automotive vehicles, has also committed to the fund, which was founded in 2017 under the name Volta Energy Technologies.

Volta was launched to uncover promising battery-related technologies which could be of use to its limited partners. Argonne's role includes providing resources to help Volta's portfolio companies develop their applications. Volta also claims to have access to research from prominent US national laboratories and major universities in the country, in addition to institutions in the UK, Germany, Japan and China.

Starbucks pours $100m into Valor fund

Coffeehouse chain Starbucks has provided $100m for US-based investment firm Valor Equity Partners' Valor Siren Ventures I fund as the vehicle's cornerstone investor. The fund has a target size of $400m and will seek the remaining $300m from additional strategic partners and institutional investors. It is focusing on startups working on technologies, products and services in the food and retail sectors.

Severstal steels itself with new accelerator

Russia-based steel, energy and mining group Severstal has partnered accelerator and incubator operator Global Venture Alliance to launch an accelerator dedicated to developing startups in the industrial sector. Severstal SteelTech Accelerator will target startups developing technology that could be integrated into the company's production cycle, providing each participant with one-to-training with experts and mentors over a three-month period. Each of the startups will gain access to resources, laboratories and workplaces at Severstal, as well as product packaging and development facilities.

NEWS

Infosys makes itself at home in House Fund

The House Fund, a US-based venture capital firm focused on University of California (UC) Berkeley's ecosystem, has secured $10m from IT services provider Infosys for its second vehicle, according to a regulatory filing.

House Fund II has targeted a $50m close, and the corporate's stake will not exceed 20% of its overall capital. India-headquartered Infosys expects to close the transaction before the first quarter of its 2019-20 financial year.

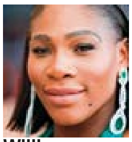
The fund was set up to invest in businesses launched by UC Berkeley students, alumni and faculty, with a focus on artificial intelligence-related technologies. Its other partners have not been disclosed, though UC Berkeley had backed its $6m precursor through its UC Ventures initiative.

Flipkart enters venturing space with dedicated fund

India-based online marketplace operator Flipkart has launched a corporate venture capital fund to invest in local early-stage startups operating in sectors such as e-commerce and financial technology.

The size of the fund was not officially confirmed, though sources told Bloomberg Quint it was between $80m and $100m. The same sources said Flipkart would invest between $2m and $3m in portfolio companies. The fund will be headed by Emily McNeal, Flipkart's chief financial officer, according to Bloomberg Quint.

Williams serves up Bumble Fund investment


Williams


Chopra

Tennis professional Serena Williams has supplied an undisclosed amount of capital for a fund formed by US-based dating app developer Bumble, Fortune has reported.

Bumble has launched the corporate venturing vehicle to invest in female-founded and female-led businesses. It invests between $5,000 and $250,000 in each portfolio company and is focusing on startups led by women from diverse backgrounds and women of colour.

The vehicle launched with a $1m commitment from Bumble and also counts actress Priyanka Chopra as an investor. Williams will advise the fund and will judge a pitch competition next month with Bumble founder and chief executive Whitney Wolfe Herd.

Wu finds New Hope

Wenjie "Jenny" Wu, founding and managing partner of Baidu Capital, a corporate venturing subsidiary of China-based internet group Baidu, has joined Chinese agribusiness conglomerate New Hope Group as chief investment officer. New Hope is involved in multiple industries including food, real estate and chemicals, and its business spans dozens of countries and regions in China and abroad.

During her two-year stint at Baidu Capital from 2016, Wu built an independent private equity management system and team from scratch. Before that, she spent five years at online travel services provider Ctrip, first as chief financial officer and then as chief strategy officer.


Wu

Sage steps up to partner at BMW i Ventures

Kasper Sage was promoted from principal to partner at BMW i Ventures, Germany-based carmaker BMW's corporate venturing arm. He said: "My key objective is to keep outperforming our steep internal rate of return goals with the current fund while adding significant value to our portfolio companies as well as BMW's business units. I also have the goal to successfully raise our second fund and potentially transform it into a multi-LP mobility-focused fund."


Sage

Ravina rises at Engie EPS

Engie Electro Power Systems, the energy storage subsidiary of France-based energy group Engie, has promoted its Italy-based chief of staff and head of new business, Giovanni Ravina, to chief innovation officer. Before joining Engie in March 2018, Ravina had spent four years as part of the founding team of Engie's corporate venturing initiative, Engie New Ventures.

NEWS

Charles swings Samsung Catalyst promotion

Samsung Catalyst Fund, a venture capital fund owned by South Korea-based electronics manufacturer Samsung, has promoted Jonathan Charles to director, according to Strictly VC.

Charles joined Samsung's evergreen multi-stage fund as a principal in 2013 shortly after its launch, and has since worked on sourcing seed and growth-stage investments.

Before being hired by Samsung, Charles held business development and product marketing roles at RoamBi, a data analytics platform that was purchased by software company SAP. He has previously worked in the mobile business development team at electronics producer Apple, as an investment banker at Jefferies and as an investment associate at venture capital fund Apjohn Ventures.

Majmudar moves to SiFive

Hiren Majmudar, vice-president at Intel Capital, semiconductor technology producer Intel's corporate venturing arm, has joined its portfolio company SiFive, a fabless provider of customised semiconductors. SiFive, which has hired Majmudar as a vice-president of business development, makes customised semiconductors based on Risc-V semiconductor intellectual property core. It most recently raised a $50.6m series C round in April last year in which Intel Capital also participated.

Majmudar was initially hired by Intel in 1993 in an engineering capacity before he was appointed in 2000 to director of electronic design automation support for five years and director of software development tools and technical marketing for a year. He spent a year at software producer Magma Design Automation before returning to Intel in 2008 as a director of intellectua property engineering.

Irujo cements Cemex Ventures departure

Pedro Irujo, an adviser for Cemex Ventures, the strategic investment arm of Mexico-headquartered building materials supplier Cemex, for which he was a founding member, departed the unit at the end of 2018.

Irujo helped launch Spain-based Cemex Ventures in 2016, having participated in designing the corporate venturing and open innovation scheme, scouting and investing in early-stage ventures.

Before that he was at Cemex's digital consulting subsidiary, Neoris, from 2005 to 2016, helping it build its presence in Europe, the Middle East and Africa. After joining Cemex Ventures, he remained a member of Neoris's executive committee and advisory board until mid-2018.

UCB Ventures hires M Ventures' Irurzun-Lafitte

Alicia Irurzun-Lafitte, formerly a principal at M Ventures, the corporate venture capital unit of Germany-based drugs producer Merck Group, has joined UCB Ventures, Belgium-based biopharmaceutical company UCB's corporate venturing subsidiary, as a partner.

UCB Ventures is a €150m ($168m) fund launched in 2017 that invests in early-stage startups developing therapeutics focused on immunological aspects of neurodegenerative and musculoskeletal disorders.

Irurzun-Lafitte, who will be based in Boston, US, will scout and conduct US-based deals in collaboration with UCB Ventures teams in Belgium and the UK. She had spent nearly three years at M Ventures, helping to grow its healthcare-focused portfolio and form spinoff companies.

Parashar shoots to U First Capital

Amish Parashar left Yamaha Motor Ventures & Laboratory Silicon Valley (YMVSV), Japan-based electronics and automotive manufacturer Yamaha's corporate venturing unit, to join venture capital service provider U First Capital.

Parashar

Parashar will be an adviser at U First, a corporate-focused VC service firm co-founded in November 2018 by Sanjit Singh Dang and Ekta Dang, both alumni of Intel Capital, semiconductor and data technology provider Intel's corporate venturing unit. U First helps corporate clients identify innovation opportunities through startups and universities. It has announced it is partnering speciality chemicals and materials supplier DowDuPont's electronics and imaging segment to source internet-of-things and artificial intelligence deals.

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Agnihotri moves away from Maumee Ventures

Rashmi Agnihotri, formerly president of Maumee Ventures, the strategic investment arm of agribusiness the Andersons, left the unit to be suceeded by John Kraus, director of investor relations at the Andersons.

At Maumee Ventures, Agnihotri identified and conducted deals, managing a portfolio of agricultural technology companies. Before joining Maumee Ventures in December 2016, she spent two decades at the Andersons, having been treasurer and director of corporate strategy for 10 years each.

She told GCV: "I am now inclined to explore ways to connect my US strategy, agriculture and corporate venture experience with the burgeoning agtech opportunities in India where it seems to have really taken off, and possibly in Africa."

Hawthorne catches Cargill for new role

Peter Hawthorne formerly vice-president of corporate strategy and development for agribusiness Cargill, has become an operating director at US-based private equity firm Paine Schwartz Partners. Hawthorne held the role at Cargill for 12 years and oversaw corporate venturing investments as well as mergers and acquisitions, joint ventures and spinoffs. Paine Schwartz focuses on sustainable food deals, investing in food and agribusiness technology and service providers.

Google hires ex-JetBlue principal Heggie


Heggie

Christina Heggie has left her role as investment principal at JetBlue Technology Ventures (JTV), US-based airline operator JetBlue's corporate venturing subsidiary, to join internet technology provider Google.

Heggie initially joined JTV in 2016 as an investment associate before being promoted in late 2017. She previously worked in a senior marketing role for Checkmate.

Heggie told GCV her new role would be in the Google Partnerships organisation, helping Google strengthen its partnerships within the travel industry, adding: "It was a tough decision as JTV has been a wonderful home for three years, but I am incredibly excited to be joining Google to help build out their travel strategy and could not pass up the opportunity."

Hana Ventures chooses KIP's Choi

Henry Choi, formerly a principal at venture capital and private equity firm Korea Investment Partners, has joined Hana Ventures, South Korea-based financial services firm Hana Financial Group's ₩1 trillion ($894m) fund of funds.

Choi will head Hana Ventures' global investment efforts. The unit intends to back venture capital firms focusing on investments in biotech and information, communication and technology product developers, both domestically and abroad.

Choi spent seven months at Korea Investment Partners, which manages 41 funds with a total of more than $2bn in assets under management globally. He previously held a similar role at VC firm Big Basin Capital, overseeing seed-stage investments and taking board seats at eight portfolio companies.

IBC's Steager makes strides to Anthem


Steager

Eric Steager left Independence Blue Cross (IBC), a healthcare licensee of health insurance group Blue Cross Blue Shield Association, to join health benefits provider Anthem as staff vice-president of corporate venture capital at its new corporate venturing unit.

Steager joined IBC in 2012 as director of corporate development and innovation, and oversaw strategic investments, partnerships and mergers and acquisitions. He also co-managed its corporate venture capital arm, Strategic Innovation Portfolio, sourcing and leading investments in early-stage healthcare information technology companies.

He told GCV that Tom Olenzak, co-manager of Strategic Innovation Portfolio, had taken over his duties at IBC.

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TCM hires ex-JLabs lead Tom Luby

Tom Luby, the former head of JLabs Texas, a regional incubator subsidiary of pharmaceutical firm Johnson & Johnson, has joined US-based healthcare provider Texas Medical Centre (TCM) to lead its innovation institute.

Luby has been appointed director of TCM Innovation, the TCM subsidiary that houses several accelerators and initiatives focused on developing technologies centred on digital health and medical areas such as neurology, oncology and mental health.

As site head of Johnson & Johnson's JLabs@TMC incubator, which is overseen by the corporate's Johnson & Johnson Innovation–JJDC unit, Luby helped pharmaceutical, medical device and consumer health startups develop technologies and services.

Luby was previously senior director of new ventures at Johnson & Johnson for four years from 2013, having moved from a senior director of research ventures position at biopharmaceutical firm Shire.

Humana's Burr to hang with Mr Cooper

Burr

Elizabeth "Busy" Burr, formerly US-based health insurance provider Humana's chief innovation officer and vice-president of healthcare trend, has joined mortgage lender Mr Cooper. Humana hired Burr in 2015 to set up its Silicon Valley office and its corporate venturing subsidiary, Humana Health Ventures. Mr Cooper has appointed Burr to its board. Her new role will involve her "working on a startup in the innovation and venturing space", she told GCV.

Tepper takes off from GE Ventures

Alex Tepper, formerly a managing director of GE Ventures, the corporate venturing subsidiary of industrial and power technology producer General Electric (GE), has joined US-based startup studio Human Ventures.

Tepper will be a senior managing director at Human Ventures, ending six years at GE Ventures. He joined the unit in 2012 as global director of innovation before becoming a managing director two years later.

Before joining GE Ventures, Tepper held various roles at payment services firm American Express during a seven-year stint at the company.

Founded in 2015, Human Ventures is a venture capital firm and studio incubator that helps early-stage technology startups develop, providing funding once they have graduated from the process.

Pfizer's Jones to retire

Jones

After two decades in venture capital and business development applying pharmaceutical research, Elaine Jones, executive director of pharmaceutical firm Pfizer's corporate venturing subsidiary, Pfizer Ventures, will retire at the end of this month.

Pfizer Ventures hired Jones at the end of 2008 to drive deals and manage the unit's portfolio at the board level. She began her career in corporate finance at pharmaceutical company GlaxoSmithKline's corporate venturing unit, SR One, in 1999 as a vice-president, after which she spent five years as a general partner at EuclidSR Partners, a joint venture between SR One and venture capital firm Euclid Partners.

(See comment)

Jett reaches new heights at Vision Fund

Lydia Jett has been promoted to partner at the SoftBank Vision Fund, the $98.6bn investment vehicle managed by Japan-based telecoms group SoftBank, Bloomberg has reported.

Jett joined SoftBank in 2015, the year before the Vision Fund was established, and has been leading and managing investments on behalf of the corporate in areas such as consumer internet, e-commerce, marketplaces, robotics and financial technology.

Before joining to SoftBank, Jett spent six years as a vice-president at private equity firm M/C Partners, where she focused on communications, media and IT investments. She was previously an associate at investment bank Goldman Sachs and an analyst at JPMorgan.

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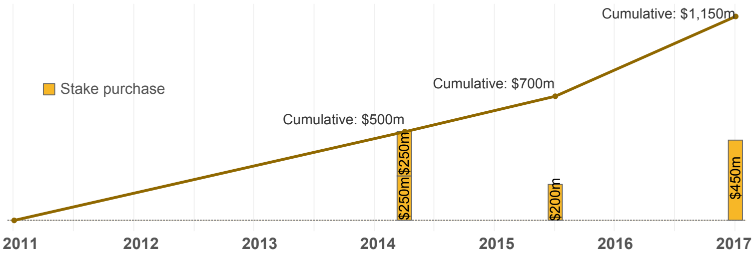
Analysis: Vice seeks $200m

Kaloyan Andonov

Vice Media investment profile 2011-17



US-based media group Vice Media is reportedly in the process of raising up to $200m. Vice has been previously backed by a number of incumbent corporates from the media sector including entertainment producers 21st Century Fox, A&E Networks, Walt Disney and advertising and public relations company WPP.

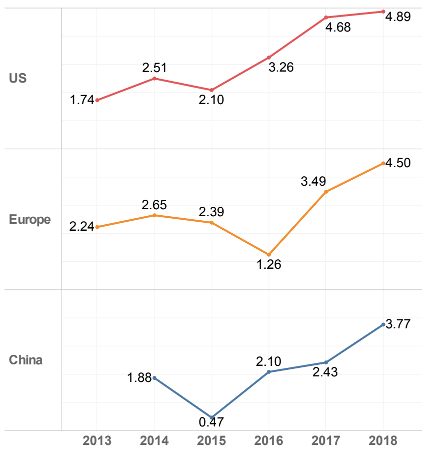
The funding, expected to come in a mixture of debt and equity financing, may be a down round, reportedly raised at a "steep discount" compared with the company's last known valuation of $5.7bn in 2017. Vice Media had raised over $1.15bn from rounds that have featured corporate backers.

Founded originally in 1994 as a media outlet focused on the city of Montreal, Vice has grown into a media and broadcasting group, targeting a millennial demographic. It includes publishing books and a monthly magazine along with a digital media offering, a dedicated newsroom, a film production studio, a record label and television channel Viceland. The channel failed to attract high ratings and the documentary series it was producing for cable network HBO were cancelled. The sought funding is supposed to help Vice reach profitability by early 2020. The news of the funding came a week after the company laid off 250 people across all departments. ◆

Analysis: Ride-hailing IPOs

Kaloyan Andonov

Average time in years to IPO after first corporate-backed round by region 2013-18



US-based ride-hailing service Uber has disclosed plans to file for its IPO in April 2019. Uber has so far raised more than $13bn from investors, which included carmaker Toyota, telecoms firm SoftBank, its China-based peer Didi Chuxing, software provider Microsoft, internet company Baidu, media groups Axel Springer and Bennett Coleman & Co, as well as GV, a corporate venturing subsidiary of internet conglomerate Alphabet. Uber's backers also include financial services firms Fidelity and Goldman Sachs.

In addition, recent reports suggest a consortium, including the SoftBank Vision Fund and Toyota, is in advanced talks to invest at least $1bn in Uber's self-driving car subsidiary. The autonomous car unit has been running since 2015 but has reportedly been losing $20m a month without completing a commercial product. Uber has also just acquired Careem, its United Arab Emirates-based counterpart backed by several corporates, for $3.1bn in cash and shares. This would not be the first strategic M&A transactions for Uber. In 2017, it merged its operations in Eastern Europe with Yandex Taxi, a ride-hailing subsidiary of Russia-based internet company Yandex.

Founded in 2009, Uber runs an on-demand ride service that is the market leader in several countries around the world including the US. It also operates a food delivery service called UberEats, among other services subsidiaries. The company made a reported $11.3bn in revenue in 2018, but recoded a $3.3bn net loss, not taking into account the proceeds from its sales of subsidiaries in Southeast Asia and Russia.

Uber's US-based rival Lyft also announced its IPO and raised about $2.4bn when the company floated at the top of its range at the end of last month. The total valuation of the IPO was $24bn. Previous corporate backers of Lyft include Alphabet, e-commerce firms Rakuten and Alibaba, carmakers GM and Jaguar Land Rover, its peer Didi Chuxing, automotive parts maker Magna and holding company Icahn Enterprise.

Lyft's ride-hailing platform served 30.7 million people in the US and Canada in 2018 and was responsible for roughly

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$8.1bn in bookings. It doubled revenue to about $2.16bn in 2018, though its net loss increased from $688m to $911m over that period.

Both Uber and Lyft raised their first corporate-backed rounds in 2014 – it has taken the two companies nearly five years to go to public. This is in line with the average time for corporate backed companies, as GCV Analytics data suggest. From 2015-16 onwards, the time required to reach an IPO since the first known – disclosed – corporate-backed rounds has doubled from an average of 2.1 year to 4.89 years.

This extra time to stay private does not mean that corporate-backed companies stay idle on the investment side. According to GCV Analytic estimates, in China, for example, nearly a quarter of all unicorns – companies worth at least $1bn – are engaged in some form of minority stake investing. In the case of Uber and Lyft, the former has been more active than the latter, which is known only to have absorbed the team of US-based livestreaming app developer Kamcord, which shut down in 2017.

Uber, however, has been more active in taking minority stakes in startups. It participated in the $335m round raised by US-based electric scooter rental service Lime, where it co-invested with Alphabet and other corporates. It also took an an equity stake of undisclosed size in US-based mobile car buying platform Fair.com as part of a deal that involved Fair acquiring Uber's India-based vehicle leasing business, Xchange Leasing.

Earlier, Uber had also supported 1st Consult Technologies, an India-based operator of ambulance location and hailing platform Ambee, with an undisclosed amount. Uber had also invested $30m in the Indian offshoot of its car-leasing subsidiary Xchange Leasing. In 2015, it acquired US-based geospatial data and navigation system provider DeCarta, giving an exit to telecoms company Deutsche Telekom and retail chain Best Buy. ◆

Analysis: Amazon delivers $700m to Rivian

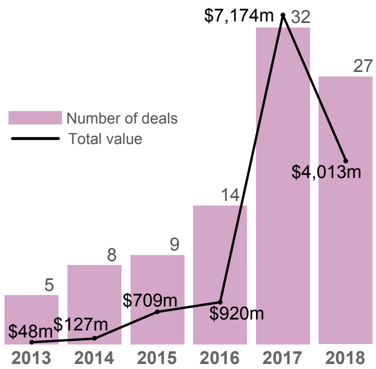
Kaloyan Andonov

US-based sustainable truck developer Rivian Automotive raised a $700m round led by e-commerce and cloud computing group Amazon. Rivian had previously closed financing from diversified conglomerate Sumitomo and car distributor Abdul Latif Jameel.

Details on previous funding rounds were not disclosed, although the company had reportedly raised over $1.5bn to date, including $200m in debt financing from financial services firm Standard Chartered Bank in 2018. Automotive manufacturer General Motors was also rumoured to be a potential investor or partner of the company but it reportedly only remains in talks for the moment.

Founded in 2009, Rivian is currently developing an all-electric pick-up truck and a sports utility vehicle, both expected to be commercially available in the US in late 2020 and, subsequently, in Europe. The company plans to manufacture vehicles at a facility in the state of Illinois.

Corporate-backed deals in electric vehicles 2013-18



This is the first sizeable corporate-backed deal this year in the electric vehicle space, which has been of interest to corporate investors, though there was a slight drop in activty last year. The number of corporate-backed deals went down from 32 in 2017 to 27 in 2018, as did the total capital estimated in those rounds – from $7.17bn to just more than $4bn. ◆

Big deal: SoftBank fund makes billion-dollar Grab

Rob Lavine

Singapore-based on-demand ride provider Grab raised $1.46bn from the SoftBank Vision Fund, increasing its series H round to more than $4.5bn. The round already includes $1bn from Toyota, $250m from fellow carmakers Hyundai and Kia Motors, $200m each from travel service Booking Holdings and shopping centre operator Central Group, $150m from motor vehicle producer Yamaha and $50m from financial services firm Kasikornbank.

Ping An Capital, a subsidiary of insurer Ping An, has also invested in the round, as has software provider Microsoft, leasing service Tokyo Century and Mirae Asset–Naver Asia Growth Fund, which is backed by internet company Naver. The corporates are being joined by OppenheimerFunds, Cinda Sino-Rock Investment Management, All-Stars Investment, Vulcan Capital, Lightspeed Venture Partners and Macquarie Capital, a subsidiary of investment banking firm Macquarie.

Formerly known as GrabTaxi, Grab operates a ride-hailing service in eight Southeast Asian countries, and is looking to expand both geographically through partnerships with some of its corporate investors, and in adjacent markets such as package and food delivery and mobile payments. A source told TechCrunch the round valued Grab at $14bn, and the company told the website that the round is not yet officially closed.

The company will put the new funds towards expanding its "super app" vision by growing adjacent services and introducing new offerings that will include online video, insurance, healthcare and travel booking, the last two through partnerships with Ping An and Booking Holdings.

Anthony Tan, co-founder and CEO of Grab, said: "SoftBank and the Vision Fund are long-standing strategic investors and we are grateful for their continued support. The investment is a clear statement of belief in our vision to grow Southeast Asia's technology ecosystem as the region's number-one super app. We aim to continue improving the lives of many millions of Southeast Asians by providing enhanced income opportunities through our platform, and giving our users more choice and convenience."

The latest cash influx increased Grab's overall funding to about $8.4bn, having received $2.5bn from SoftBank, Hyundai, Chinese ride-hailing platform Didi Chuxing and Toyota's Next Technology Fund in a series G round that closed at a $6.5bn post-money valuation in January 2018. Grab had raised a total of about $90m from travel agency Qunar, Vertex Venture Holdings, Temasek, GGV Capital, Tiger Global Management and Hillhouse Capital before SoftBank supplied $250m in series D funding for the company in 2014.

SoftBank, Didi Chuxing, then known as Didi Kuaidi, China Investment Corporation, Coatue Management and Tiger Global added $350m in a 2015 series E round that was followed by a $750m series F led by SoftBank and backed by unnamed existing investors the following year.

David Thevenon, a partner at SoftBank Investment Advisers, which oversees the Vision Fund's investments, said: "We have been working alongside Grab for a number of years and are privileged to support the evolution of its user-driven technologies. This investment will help the company explore exciting new opportunities across on-demand mobility, delivery and financial services as it continues to grow its offline-to-online platform across Southeast Asia."

The announcement came days after Grab's biggest rival in the region, Go-Jek, increased its series F round, which has a targeted close of $3bn, to about $1.1bn. It also represents the latest in a series of 10-figure investments by the Vision Fund in transport tech companies including Uber, GM Cruise and Chehaoduo. ◆

Big deal: PayPal's Pipe dream comes to MercadoLibre

James Mawson

Financial payments company PayPal has agreed to invest $750m in MercadoLibre as part of a $1.85bn equity offering for the Argentina-based online retailer and payments provider.

PayPal will make its investment through the purchase of common stock in Nasdaq-listed MercadoLibre, and while such private investments in public equities (Pipes) are rarely a focus for Global Corporate Venturing, the back story to this deal is fascinating.

MercadoLibre will also publicly offer about $1bn of common stock and sell an additional $100m from an affiliate of hedge fund manager Dragoneer Investment Group. The PayPal and Dragoneer investments are contingent on the closing of the public offering, and underwriters will have the option to buy an additional $150m in MercadoLibre stock depending on demand.

PayPal has been ramping up its spending after last year committing to pump $3bn a year into deals. In the past few months, PayPal's minority investments have included cross-border savings platform Raisin's $114m series D round, money group Dosh's $40m B round, Viva Republica's $80m deal, LendUp's funding and spin-off of its credit card business, and mobile bank operator Monese's $60m round.

Dan Schulman, CEO of PayPal, said: "We have been impressed with the digital commerce and payments ecosystem Marcos [Galperin, CEO of MercadoLibre] and his team have built. We see great opportunities to integrate our respective capabilities to create unique and valuable payment experiences for our combined 500 million customers throughout the region and around the world."

Some of the funding could also flow into corporate venturing for MercadoLibre, which has looked to China rather than the US to learn about corporate venturing and its strategic direction, according to insights shared at the Corporate Venture in Brasil 2017 conference. PayPal's type of Pipe deal involving MercadoLibre is increasingly common, led by China-based groups such as Tencent, which has a strategy of minority and majority stake investments as part of an ecosystem development and partnerships strategy.

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MercadoLibre's own corporate venture capital strategy was born in 2013 after its parent opened up its e-commerce platform the year before. MercadoLibre had by late 2017 now made about 20 investments, of which about half were in its home country of Argentina and about five in Brazil.

MercadoLibre said the funding would expand its platform, strengthen its logistics infrastructure and invest in inclusive end-to-end financial technology and payments tools.

For the fourth quarter, MercadoLibre said its payments business, MercadoPago, was the fastest-growing segment of the company's business. The number of payment transactions grew to 126 million, up 72% year on year, resulting in record total payment volume – the total value of transactions – of $5.3bn, up 23% compared with the same quarter the previous year.

MercadoPago is increasingly adopted by bricks-and-mortar retailers and online stores, with transactions exceeding $2bn for the quarter. MercadoLibre expects off-platform transactions to exceed those from its e-commerce operations in the very near future. The total number of payment transactions has grown more than 60% year over year for 16 successive quarters – four years.

Founded in 1999, MercadoLibre is Latin America's leading e-commerce firm, involved in collaboration and competition with US-based peer eBay going back to 2001. After a period when the pair competed for the same Latin American e-commerce customers, eBay gave MercadoLibre its Brazilian online trading platform iBazar in exchange for a 19.5% stake in MercadoLibre. In addition, the companies agreed not to compete in the region and to share best practices.

One of the developments that resulted from the partnership was the creation of MercadoLibre's payment solution, MercadoPago, which was modelled on PayPal. EBay had acquired PayPal in 2002 for $1.5bn and spun off the payments group in 2015.

EBay made $1.37bn from its sale of 18% of MercadoLibre in October 2016 having spent about $146m to acquire its stake in MercadoLibre, according to analysis by Motley Fool published on Nasdaq in March.

At the time of the divestiture, eBay sold its stake in MercadoLibre for about $168 a share. At the close of trading on Tuesday March 12, those shares were fetching about $483, according to Motley Fool. In the intervening period, Latin American retail e-commerce sales have grown from $29.8bn in 2015 to $54bn in 2018.

The decision to spin off PayPal and then MercadoLibre has resulted in fantastic financial gains for eBay but the cultural and now equity connections between the two former partners has created the opportunities to build closer links in one of the most exciting regions in the world.

SoftBank, a Japan-based internet and communications conglomerate, has committed $2bn to launch a $5bn fund for investment in Latin American startups. Masayoshi Son, chairman and CEO of SoftBank, said: "Latin America is on the cusp of becoming one of the most important economic regions in the world, and we anticipate significant growth in the decades ahead."

As SoftBank noted, the Latin American market represents 10% of the world's population and 8% of the world's gross domestic product but has more than 375 million internet and 250 million smartphone users, outpacing the US. ◆

Big deal: Anaveon proves UZH fund model works

Thierry Heles

Anaveon emerged out of University of Zurich in late 2017 with the support of Novartis-backed UZH Life Sciences Fund and the corporate has now also invested directly.

There is a great interest among tech transfer leaders in connecting to corporate venture capital funds to benefit their spinouts – corporations do not simply provide capital but also offer industry expertise and access to a vast clientbase. But convincing corporate venturers to invest in spinouts at launch can be tricky because technologies are often too early for businesses to have matured beyond the point where a tech transfer office can offer more resources.

That does not mean those deals never happen. Global University Venturing, together with sister publication Global Corporate Venturing, has increasingly been taking steps to help foster connections at its GUV: Fusion conference, which brings together speakers and delegates from both worlds, and some fascinating deals have come together thanks to this effort.

Some universities take a more direct approach and launch university venture funds in partnership with corporates – perhaps the most renowned example of such an initiative is Oxford Sciences Innovation, the $800m behemoth formed by University of Oxford with the support of backers including diversified conglomerate Fosun International, internet group

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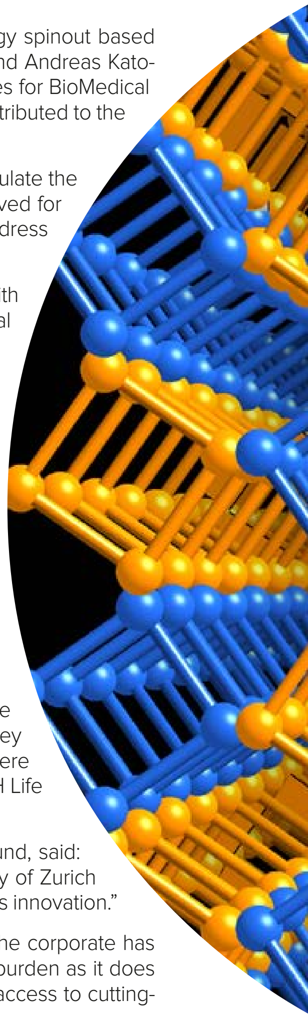
Tencent and GV, an early-stage investment subsidiary of technology conglomerate Alphabet.

Another such program is the UZH Life Sciences Fund, launched by University of Zurich's endowment UZH Foundation and Novartis Venture Fund, the pharmaceutical firm's corporate venturing division, in 2016. Each contributed $3m, with an eventual target size of $20m.

UZH Life Sciences Fund was set up as an evergreen vehicle and made its first investment in 2017 when it supplied $1m in convertible note financing to Cutiss, a skin graft technology spinout.

Michael Hengartner, president of Universiy of Zurich (UZH) and a member of the UZH Life Sciences Fund board, remarked at the time: "It takes a long time to develop marketable applications, especially in the life sciences, and clinical trials are expensive. The UZH Life Sciences Fund accelerates the transfer of research findings from UZH into clinical practice, which ultimately benefits patients and the public at large."

Then, in June 2018, UZH Life Sciences Fund returned to help launch Anaveon, an immuno-oncology spinout based on research by co-founders Onur Boyman, professor and chair in the department of immunology, and Andreas Katopodis, previously director of autoimmunity, transplantation and inflammation work for Novartis Institutes for BioMedical Research, the corporate's internal R&D division. Healthcare-focused accelerator BaseLaunch also contributed to the seed round, though a figure was not revealed.



Anaveon develops cancer treatments that exploit a signalling protein called interleukin-2 (IL-2) to stimulate the immune system and allow it to detect and kill cancer cells. IL-2 treatments have already been approved for metastatic melanoma and renal cancer, so while the approach is not new, Anaveon is working to address certain drawbacks such as toxicity and reduced effectiveness during repeat doses.

Cutiss raised about $7.3m in series A funding in June 2018 led by private investor Giammaria Giuliani, with participation from Yellowstone Holding, a local affiliate of diversified holding group Chailease, financial services firm Zürcher Kantonalbank and assorted angel investors.

UZH Life Sciences converted its loan as part of the series A round and ensured Cutiss's second venture round was early proof that the fund's model of focusing on spinouts getting off the ground was working. And the initial success was surpassed at the end of last month by Anaveon's $35.1m series A.

Again, the fund converted its notes as part of the series A round, but more importantly, Novartis Venture Fund also invested separately in the company.

Herbert Reutimann, chief executive of Zurich's tech transfer office Unitectra, told Global University Venturing: "The UZH Life Sciences Fund was established jointly by UZH and the Novartis Venture Fund to get promising high-quality life sciences spinoff companies off the ground professionally and as quickly as possible, avoiding unnecessary loss of precious time or mistakes which could later be damaging for the business.

"At the same time, it ensures that seed financing is made at fair terms. In addition, seed financing by the fund is intended to increase the credibility of the supported companies for other investors because they know that the businesses have already been scrutinised. Anaveon is a good and early example where the concept worked exactly as intended in all aspects. Thus it is definitely also a success for the UZH Life Sciences Fund."

Anja König, global head of Novartis Venture Fund and a board member at the UZH Life Science Fund, said: "Such a strong series A financing, by an international syndicate, of a company spun out of University of Zurich was for me personally a great validation of the principles behind the UZH spinout fund to support Swiss innovation."

Why did Novartis invest separately? It is safe to assume that through the UZH Life Sciences Fund, the corporate has given itself an insight into Zurich's innovation ecosystem at a reduced risk – sharing the investment burden as it does with the endowment – and using it as a pipeline for big bets that could net it substantial profits and access to cutting-edge academic expertise in the long run.

The round was led by Syncona, the life sciences investment trust backed by research charities Wellcome Trust and Cancer Research UK, which has been spreading its wings into continental Europe. It put in $28m and owns a 47% stake in Anaveon following the deal.

Syncona, in fact, is no stranger to spinouts in the UK and several of its bets have paid off already – most recently there was the $800m acquisition of Nightstar Therapeutics, an Oxford spinout focused on therapies for inherited eye diseases, by biotech developer Biogen.

Another Syncona portfolio company, Autolus, a cancer-focused biopharmaceutical spinout from University College London, floated on Nasdaq in June last year after collecting $150m in its initial public offering.

UZH Life Sciences Fund may not have the fire power of Oxford Sciences Innovation, but its approach is promising, and with two interesting spinouts now under its belt, it is a vehicle that Global University Venturing will continue to observe closely.

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If you want to learn more about how corporate and university venturers can collaborate, and make those all-important connections with your peers, you have until April 1 to buy tickets to GUV: Fusion at a 23% discount. The conference will take place at London's County Hall – which boasts views from the networking area over the River Thames to Big Ben and the Palace of Westminster – on May 22 and 23. ◆

Analysis: DoorDash gets $400m order

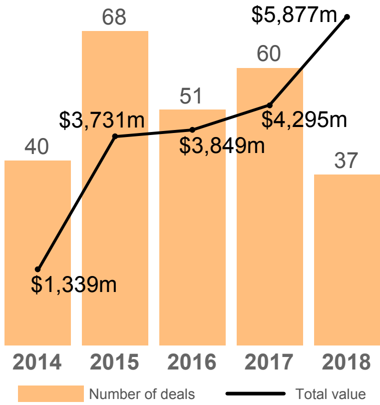
Kaloyan Andonov

US-based food delivery service DoorDash closed a $400m series F round, which featured the Softbank Vision Fund, the $98.6bn fund managed by telecoms and internet firm SoftBank. It also included Singaporean state-owned investment firm Temasek and investment firm Dragoneer Investment Group, both of which co-led it. SoftBank is a returning investor, as it had helped DoorDash secure $535m in 2018. This transaction reportedly valued the company at $7.1bn, significantly up from its previous recorded valuation at $4bn in 2018.

Founded in 2013, DoorDash runs a last-mile delivery service that specialises in food deliveries from local restaurants but has expanded to cover other local retail businesses. The company's users can order items via its app. DoorDash's offering focus is, however, on the retailer's rather than the consumer's end, providing business analytics and services in addition to logistics. It covers 3,300 cities across all 50 US states and Canada and has entered into exclusive partnerships with fast food chains such as Chipotle and Denny's.

The last-mile logistics space has not remained outside the interests of corporate investors in general. Our GCV Analytics data suggest that the last-mile delivery and logistics space experienced a drop in the number of corporate-backed deals – from 60 in 2017 down to 37 in 2018. However, the total capital estimated in such funding rounds went up $4.3bn to $5.88bn. This suggest growing valuations of emerging businesses in this space, such as evidenced in the case of DoorDash. ◆

Corporate-backed deals in last-mile delivery 2014-18



Big deal: Oxford PV begins capturing series D

Thierry Heles

Last October, the UN Intergovernmental Panel on Climate Change released a landmark report warning that humanity has only a dozen years left to avoid a climate catastrophe that would cause extreme heat in parts of the world, leading to climate refugees, forcing hundreds of millions of people into poverty and increasing the risk of drought and floods. Coral reefs – complex ecosystems for marine life – would be destroyed in a process known as bleaching with far-reaching consequences for our oceans.

The report said the only way to stop all of this from happening was for society to keep global warming to a maximum of 1.5 degrees Celsius – 34.7 degrees Fahrenheit – the report declared. This remained achievable and actually lay within the limits dictated by the Paris agreement, which pledged to keep the increase to between 1.5 and 2 degrees Celsius.

In 2015, the carbon footprint of a US resident was 15.5 tonnes, roughly on a par with Canada (15.3 tonnes) and Australia (15.8 tonnes) but more than three and a half times as much as the carbon footprint of a French person (4.3 tonnes) and more than twice as much as a resident of the UK (5.9 tonnes) and China (6.5 tonnes). Germany, the EU's largest economy, came in at 8.9 tonnes per citizen, according to figures published by intergovernmental organisation the International Energy Agency.

Yet political will to enact tough laws to curb emissions remains almost non-existent. In some instances – notably the US – government policy is actually to support coal, one of the worst offenders when it comes to polluting the environment. Despite President Donald Trump's campaign promises to revive the coal industry. However, plants continue to close at a rapid rate because the cost of wind and solar power is dropping so fast it is not worth relying on coal.

With hundreds of thousands of schoolchildren all over the world protesting against political inaction over the climate crisis, following the example set by their 16-year-old peer Greta Thunberg from Sweden in August 2018, it appears clear that this unwillingness to act will not be tolerated by those who arguably matter most – the next generation of voters.

Thunberg has been nominated for the Nobel peace prize. Should she be chosen as the laureate, she would be the youngest person to receive the prize.

But even with a lack of political will, there is much that people can do in their everyday life, and that includes switching energy providers to those that rely exclusively on renewable energy or install solar roof panels. It is in this latter area that Oxford Photovoltaics (PV), a UK-based solar cell technology spinout from University of Oxford, is hoping to make a significant impact.

The spinout achieved a first close of £31m ($41m) in series D funding led by wind turbine manufacturer Goldwind on Friday, with participation from energy company Equinor and Legal & General Capital, the corporate venturing arm of the insurance provider.

Seeing an insurance firm invest in a solar energy technology producer may seem counterintuitive at first, but climate change poses a significant threat to the industry – to name two such threats, more fires mean more homes destroyed, while more pollution means more health issues such as respiratory diseases.

John Bromley, head of clean energy at Legal & General Capital, and Ingunn Svegården, investment director at Equinor, echoed each other's thoughts, stating: "We continue to believe in the potential for the technology to deliver low-cost solar solutions. We have been impressed by the achievements so far and look forward to supporting the company in the next phase towards commercial product."

Oxford PV was founded in 2010 to commercialise thin, electrically conductive films that are attached to solar cells to boost the performance of silicon photovoltaics, thus generating higher energy output and making solar panels even more viable. The films are made of perovskite, a mineral capable of absorbing higher amounts of solar energy than current alternatives.

The technology is based on work conducted by Prof Henry Snaith, who leads the Photovolatic and Optoelectronic Device Group in the department of physics at University of Oxford. Snaith co-founded the spinout with serial entrepreneur Kevin Arthur, who was founding chief executive until 2015.

Today, the spinout operates both a research and development facility in Oxford and an industrial pilot plant in Berlin, Germany. It expects to license its first commercial product to select manufacturing partners. The series D funding will be put towards moving the technology into the commercial phase. The spinout did not specify a target size for the series D round, but has now raised more than $118m in equity and debt financing.

Legal & General Capital and Statoil Energy Ventures, the strategic investment unit of energy producer Statoil, injected $11.2min in April 2018, after they had already taken part in a $20.9m series C in 2016 alongside unnamed investors.

The European Investment Bank, the nonprofit long-term lending institution of the EU, awarded a $15.6m grant to Oxford PV in 2017. The spinout's other shareholders include University of Oxford, Parkwalk Advisors, MTI Partners, Longwall Venture Partners and a range of individual investors.

Xiao Zhiping, vice-president at Goldwind, said: "Goldwind's investment in Oxford PV supports our commitment to innovation that delivers clean cost-efficient renewable energy. It is our belief that photovoltaics and wind power will become an increasingly important part of the global energy mix over the next 20 years. We have been impressed with Oxford PV, their perovskite photovoltaic technology and the pace of their progress, and we look forward to supporting the company going forward."

Frank Averdung, chief executive at Oxford PV, added: "Goldwind's investment in Oxford PV and the continued support of our existing shareholders, demonstrates the confidence in our technology and its commercial readiness. We are delighted to have investors that recognise the capability of our perovskite solar cell technology to transform the performance of silicon-based photovoltaics and the role it will play in the global transition to a clean energy future."

A series D round of $41m may not seem like an obvious reason for considering it a big deal – even as a first close – but the technology Oxford PV is working on is not only fascinating, it is groundbreaking to the point where it could help save the planet. As far as a university's mission to create impact goes, achievements really do not come any bigger.

When Thunberg gave her speech to the UN in December 2018, she remarked: "For 25 years countless people have come to the UN climate conferences begging our world leaders to stop emissions and clearly that has not worked as emissions are continuing to rise. So, I will not beg the world leaders to care for our future. I will instead let them know change is coming whether they like it or not."

It is truly heartening to see the younger generations fight for their future survival. And while Thunberg may have been referring to the courage of her peers in taking to the streets rather than potential technological solutions, it is equally heartening to know that academic researchers are out there ensuring that renewable energy will continue to become a viable alternative to power our growing energy needs. ◆

SECTOR FOCUS

Consumer sector feeds growth

Kaloyan Andonov, reporter, GCV Analytics

GCV Analytics defines the consumer sector as encompassing e-commerce platforms, food and beverages and related technologies and services, fashion and apparel, hygiene, beauty and fitness, consumer electronics and other physical consumer products.

Technological advances married with a quest for customer centricity were the defining characteristics of the consumer industry through 2018. These underlying traits are line with and a manifestation of broader trends in the consumer sector, which revolve around its digital transformation and shifting consumer preferences.

GCV's last report on the consumer sector highlighted the importance of demand-side pressures on contents of products and packaging along with supply-side disruption with the digitisation of commerce and retail. These medium-term trends are likely to continue. The commitment to customer centricity – understanding consumer preferences and increasing one-on-one connections – is a corollary of the overall digitisation of the sector.

As consultancy Deloitte's 2019 Consumer Products Industry Outlook report specifies, digitisation has become essential. "In the past, consumer product companies have not generally been associated with being at the forefront of implementation of cutting-edge technology. But as a growing number of consumers research, purchase and engage with brands digitally, it will likely become imperative for such companies to adopt newer technologies – or risk being outdated."

The disruptive impact of digitisation is also evident in the supply chain of consumer sector businesses. Many businesses in the sector are opting for "a dynamic, interconnected system that can integrate consumer demand patterns and ecosystem partners conveniently". The emerging digital supply chain networks add value by lowering transaction costs and latency as well as by innovating in production lines that are much closer and more connected to the customer.

The Deloitte report notes that interest in innovation has been reflected in the venture capital investments of incumbents. "Many consumer product majors are investing in venture capital funds focused on concepts that are driving food industry trends, such as supply chain technology and e-commerce." The report also cites some of the trends in the food space, such as "rising demand for healthier foods and personalised nutrition, alternative proteins, shortening supply chains, reducing wasted calories by addressing unused food production and food waste, and improving agricultural yield".

Consultancy McKinsey's 2017 report – Trends that will shape the consumer industry – predicts that 1.4 billion people will join the global middle class, 85% in the Asia-Pacific region, with each person spending between $10 and $100 a day by 2020. These new members of the middle class are expected to drive further growth in e-commerce, whose potential appears to be shifting eastward. According to data provider Statista, commerce is projected to grow by nearly 71% in China by 2023 compared with roughly 46% in the US. Furthermore, according to data from e-commerce consultancy ShopifyPlus, e-commerce sales in Asia-Pacific increased 31.1% to $1.35 trillion in 2017, with China, at $340bn, the largest e-commerce market in the world, more than twice the size of the US.

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E-commerce has disrupted retail business to the extent that some analysts speak of a "retail apocalypse". There has been a number of bankruptcies among well-known brands and disappointing results from others. The share prices of major US bricks-and-mortar retailers such as Macy's, JC Penney, Nordstrom and Kohl, plummeted early this year. In contrast, online sales grew 15.6% in 2018, according to the US Department of Commerce.

However, e-commerce sales constitute a relatively small portion of all retail sales – about 10% or so, according to estimates of the US Census Bureau.

Consumers have orientated toward more economical brands, dubbed a "shift to value". A McKinsey research note on consumer packaged goods found "70% of US consumers are looking for ways to save money" and feel content with cheaper brands. The increased propensity to save money has taken a toll, anad could explain the continuing emphasis on customer-centric approaches that aim to understand consumers better and connect with them. This has led to a growth in investments in big data and internet-of-things applications, giving companies in-depth market research insights. A current microtrend Deloitte's report mentions is a rise in branded pop-up stores, providing both a physical point of engagement with customers and a data collection point.

Nowhere has brand erosion been more evident than in fast-moving consumer goods (FMCG) . As so-called millennials are less likely to purchase big brands, there has been a shift of focus to small brands. According to market research company Nielsen, cited by McKinsey, US retailers are "giving small brands double their fair share of new listings" in an attempt to differentiate their proposition and drive up margins, as small brands tend to be positioned as premium. As a result, small brands capture "two to three times their fair share of growth while the largest brands remain flat or in slight decline."

Small brands have also made a significant breakthrough in the health, beauty and wellness subsector. A McKinsey report – The new model for consumer goods – notes that in cosmetics, for example, small challenger brands "already represent 10% of the market and are growing four times faster than the rest". One of the major drivers of such brands is digital user-generated content – the report claims 1.5 million beauty-related videos are posted on YouTube every month. Thus, emerging brands in this space are likely to enjoy interest from venture capital investors, including corporate venturers.

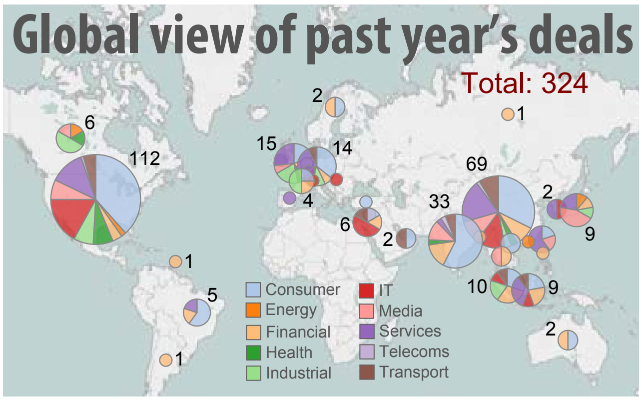
Aside from e-commerce and FMCG, there are notable trends in clothing and apparel, where digitisation has already been a key disruptor. The Business of Fashion and McKinsey – in their report The State of Fashion 2019 – predicts 2019 "will be a year of awakening" for an industry that has been surmounting challenges and whose turn it is to seek opportunities.

Digital engagement with customers is a given in the apparel industry. As the report notes: "Regardless of size and segment, players now need to be nimble, think digital-first, and achieve ever faster speed to market. They need to take an active stance on social issues, satisfy consumer demands for radical transparency and sustainability, and, most important, have the courage to self-disrupt their own identity and the sources of their old success to realise these changes and win new generations of customers."

The report also claims that the fashion and apparel industry is still concentrated in the hands of relatively few players. "Polarisation continues to be a stark reality in fashion. Fully 97% of economic profits for the whole industry are earned by just 20 companies, most of them in the luxury segment. Long-term leaders include, among others, Inditex, LVMH and Nike, which have more than doubled their economic profit over the past 10 years."

Not all regions and subsegments within fashion are of equal weight in terms of perceived growth prospects. According to the survey of industry executives for The State of Fashion 2019, optimism prevails mostly among executives from North America and those of luxury brands. "In all other regions and segments, executives are notably pessimistic, reflecting the potential challenges ahead," notes the report.

For the period between March 2018 and February 2019, GCV reported 324 venturing rounds involving corporate investors from the consumer sector. A considerable number (112) took place in the US, while 69 were hosted in China, 33 in India and 15 in the UK.



Many of those commitments (111) went to emerging enterprises from the same sector (mostly food and beverages, e-commerce, and fashion and apparel) with the remainder going into companies developing other technologies in synergies with consumer sector incumbents – 48 deals in the services sector (accommodation and travel tech, logistics and supply chain services, and human resources tech), 37 in IT (primarily artificial intelligence, big data analytics and enterprise software) and 36 in financial services (mostly payment and insurance technology).

The network diagram, illustrating co-investments of consumer corporates, shows the variety of investment interests

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of the sector's incumbents. The commitments range from ride-hailing (Go-Jek) and robots (Magazino) to e-commerce (Flipcart) but with a considerable weight on the food and beverage segment (Chef'd, Evolve BioSystems, MycoTechnology).

On a calendar year-on-year basis, total capital raised in corporate-backed rounds went up significantly from $17.13bn in 2017 to $44.05bn in 2018, a 157% surge. The deal count also grew, by 53% from 215 deals in 2017 to 330 by the end of 2018.

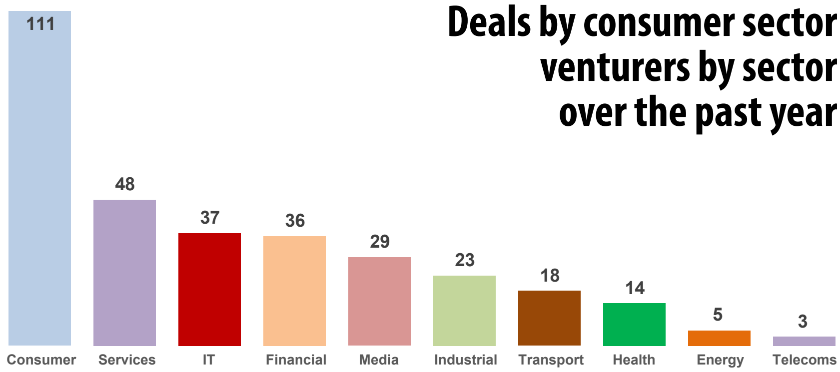
The 10 largest investments by corporate venturers from the consumer sector were not necessarily concentrated in the same industry.

The leading corporate investors from the consumer sector in terms of number of deals were e-commerce firms Alibaba, Amazon, Rakuten and JD.com. Consumer corporates committing capital in the largest rounds were also led by Alibaba, along with cigarette manufacturer Altria Group and JD.com.

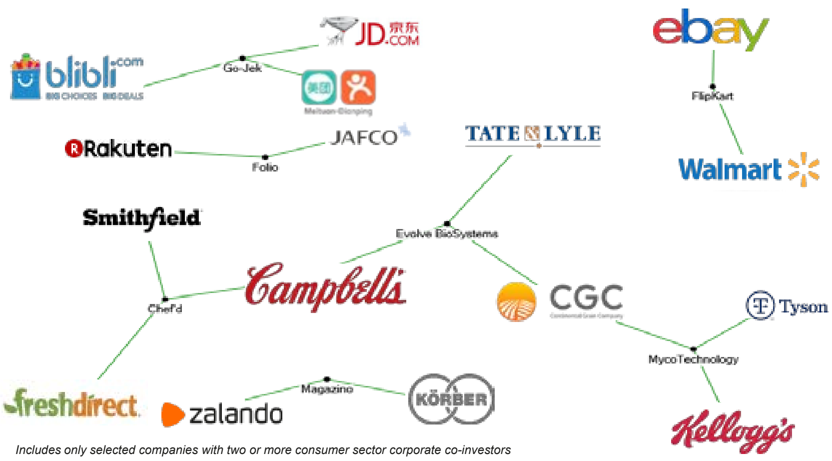
The most active corporate venture investors in emerging consumer businesses were Alibaba, telecoms firm SoftBank and internet company Tencent.

Emerging consumer businesses in the portfolios of corporate venturers came from the food and beverage tech space (Miss Fresh, Zomato, Swiggy, MycoTechnology) as well as physical consumer goods (B8ta), health, wellness and

Deals by consumer sector venturers by sector over the past year

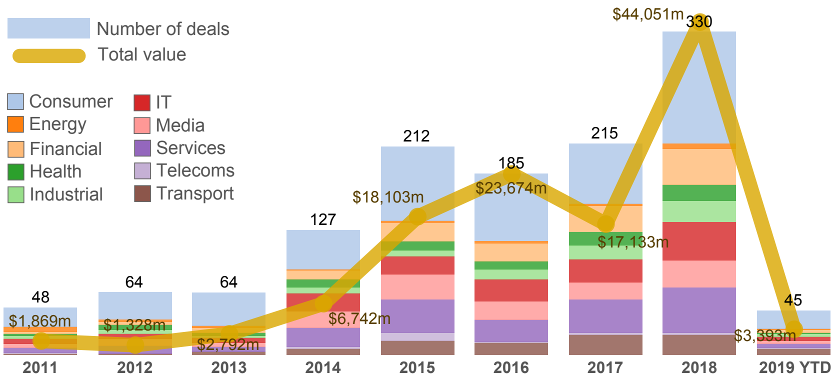


Co-investments of consumer sector venturers 2017-19

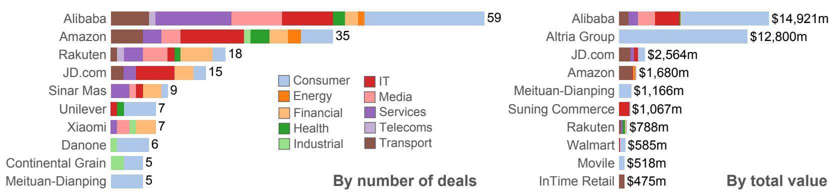


Includes only selected companies with two or more consumer sector corporate co-investors

Deals by consumer corporates 2011-19



Top consumer sector investors over the past year



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beauty (Peloton Cycle), fashion and apparel (Mogujie), as illustrated by the network diagram of corporate co-investments.

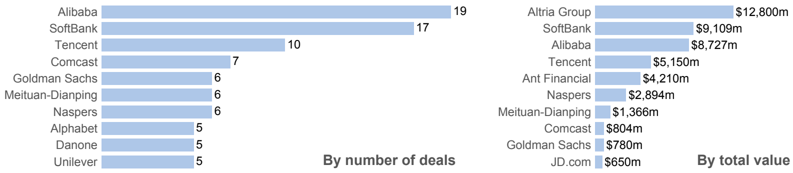
Overall, corporate investments in emerging consumer-focused enterprises rose from 226 rounds in 2017 to 261 by the end of 2018, a 15% increase. Estimated total value more than doubled from $15.87bn in 2017 to $40.62bn last year.

Deals

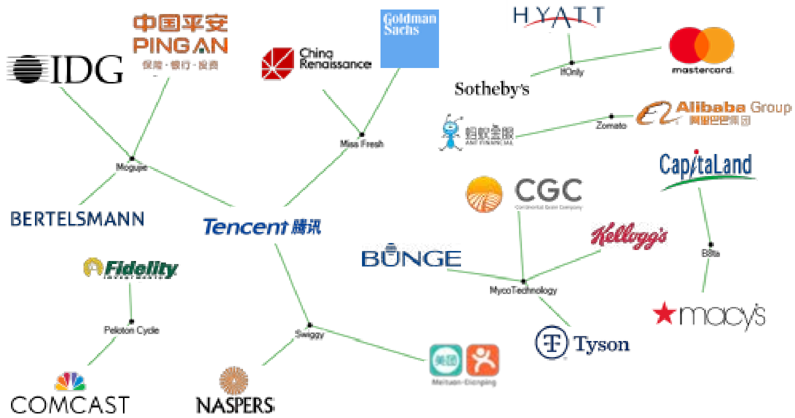
Corporates from the consumer sector invested in large multimillion-dollar rounds, raised mostly by enterprises in the same sector as well as media, transport and business services. Six of the top 10 deals were above $1bn.

Altria Group paid $12.8bn for a 35% stake in e-cigarette maker Juul Labs, valuing the latter at $38bn. The transaction gave hedge fund manager and Juul investor Tiger Global Management a $1.6bn dividend and Juul's employees reportedly received some $2bn through the deal. Juul was spun out of electronic vaporiser manufacturer Pax Labs in July 2017 to market an e-cigarette first released by its parent company two years earlier. The company produces its own cartridges and aims to replicate the experience of smoking cigarettes.

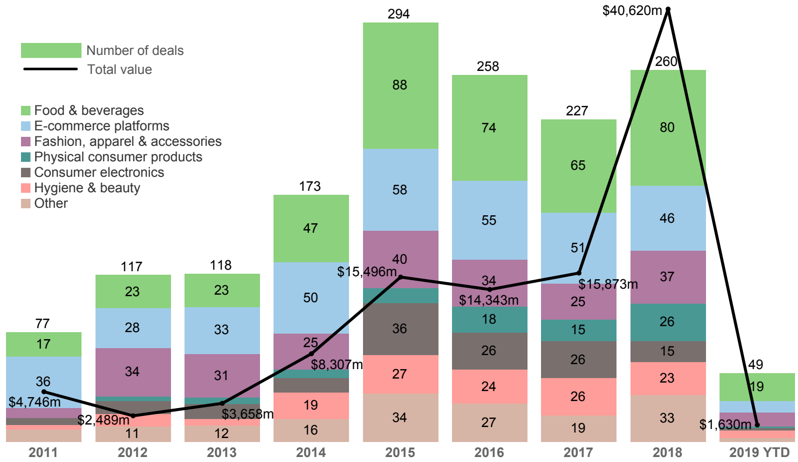
Top investors in consumer enterprises over the past year



Corporate co-investments in consumer enterprises 2017-19



Consumer sector deals by subsector 2011-19



Ele.me and Koubei, the recently merged local services subsidiaries of Alibaba, raised $4bn at a $30bn valuation from investors including the SoftBank Vision Fund, Alibaba and its financial services affiliate Ant Financial, and private equity group Primavera Capital. The capital was provided to support the merger of Ele.me, the portfolio company Alibaba fully acquired in April 2018 at a $9.5bn valuation, and Koubei. The merged company will provide mobile users with a wide range of local services including retail, food delivery, travel and accommodation.

Alibaba agreed to invest $2bn in Singapore-based online marketplace Lazada, in which it already held an 83% share. It has not disclosed whether the new funding was used to buy the rest of the company's stock. Lazada runs an e-commerce operation spanning Singapore, Indonesia, Malaysia, the Philippines, Thailand and Vietnam with more than 145,000 merchants selling items such as electronics, household goods, fashion, toys and appliances. The company had raised a total of more than $730m from investors including e-commerce holding group Rocket Internet and retailers Tengelmann and Tesco.

US-based short-form video production company NewTV closed an initial $1bn in funding from a consortium including a range of corporate investors, including media and entertainment groups 21st Century Fox, Walt Disney, Entertainment

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Top 10 deals by consumer sector corporate investors over the past year

Company	Location	Sector	Round	Size	Investors
Juul Labs	US	Consumer	Stake purchase	$12.8bn	Altria Group
Ele.me-Koubei	China	Consumer	–	$4bn	Alibaba | Ant Financial | Primavera Capital | SoftBank
Lazada	Singapore	Consumer	–	$2bn	Alibaba
NewTV	US	Media	A	$1bn	21st Century Fox | Alibaba | Entertainment One | Goldman Sachs | ITV | JPMorgan | Liberty Global | Lionsgate | Madrone Capital Partners | Metro-Goldwyn-Mayer Studios | NBC Universal | Sony | Viacom | Walt Disney | Warner Media
Tokopedia	Indonesia	Consumer	E and beyond	$1bn	Alibaba | SoftBank | undisclosed investors
Go-Jek	Indonesia	Transport	E and beyond	$1bn	Alphabet | JD.com | Mitsubishi | Provident Capital Partners | Tencent
Swiggy	India	Consumer	E and beyond	$1bn	Coatue | DST Global | Hillhouse Capital Management | Meituan-Dianping | Naspers | Tencent | Wellington Management
Magic Leap	US	IT	D	$963m	Alibaba | Alphabet | AT&T | Axel Springer | Grupo Globo | Saudi Arabia's Public Investment Fund
Huitongda	China	Services	–	$717m	Alibaba
Rivian	US	Transport	–	$700m	Amazon | undisclosed investors

One, ITV, Lionsgate, Metro Goldwyn Mayer, NBCUniversal, Sony Pictures Entertainment, Viacom and Warner Media. Alibaba, mass media group Liberty Global and investment banking firms Goldman Sachs and JPMorgan Chase also participated. NewTV is developing an online platform with drama, comedy, documentaries and reality shows cut into 10 minute episodes made with budgets comparable to high-profile cable channels or streaming services like HBO or Netflix.

Indonesia-based e-commerce marketplace Tokopedia raised $1bn from investors including SoftBank, reportedly at a valuation of about $7bn. Founded in 2009, Tokopedia allows users to set up an online store. The company claims to offer items from more than 4 million merchants and to have more than 80 million monthly active users.

Indonesia-based on-demand ride provider Go-Jek secured about $1bn from investors including JD.com, corporate backers Tencent and internet conglomerate Alphabet at a $10bn post-money valuation. Tencent, JD.com and Alphabet co-led the funding, which represented the first close of Go-Jek's series F round. They were joined by conglomerate Mitsubishi Corp and investment manager Provident Capital. Go-Jek reportedly had up to 25 million users as of mid-2018. It has moved into Singapore and is in discussions with Philippine regulators over an entry to that market.

E-commerce and media group Naspers invested $660m in India-based online food delivery platform Swiggy to lead its $1bn series H round. Local services platform Meituan Dianping and Tencent also took part in the round, along with DST Global, Coatue Management, Hillhouse Capital and Wellington Management. The round reportedly valued Swiggy at $3.3bn. The company runs an app-based service enabling users to order food from local restaurants for delivery in 58 Indian cities. The new funds will support the expansion of Swiggy's machine learning and engineering teams.

US-based augmented reality technology developer Magic Leap closed a series D round at $963m. The round was initially backed by Alibaba, Alphabet and media company Grupo Globo that all contributed to the round's $502m first tranche in 2017, a tranche that also featured Singaporean government-owned investment firm Temasek. Founded in 2011, Magic Leap develops an augmented reality headset together with a dedicated operating system. Magic Leap's goggles superimpose animated computer graphics over a user's vision of reality.

Alibaba made a RMB4.5bn ($717m) investment in Huitongda Network, a spinoff from China-based retail chain Jiangsu Five Star Appliances. Alibaba supplied the funding through a strategic partnership that will involve the companies collaborating on technology, logistics, warehousing and supply chains. The partnership will support growth in rural areas. Founded in 2010, Huitongda provides e-commerce and marketing services to a network of about 80,000 rural bricks-and-mortar retailers in 15,000 towns across 18 Chinese provinces.

US-based sustainable truck developer Rivian Automotive raised a $700m round, which was led by Amazon. Rivian had previously closed financing from diversified conglomerate Sumitomo and car distributor Abdul Latif Jameel. Details on previous funding rounds were not disclosed, although the company had reportedly raised over $1.5bn to date, including $200m in debt financing from financial services firm Standard Chartered Bank. Automotive manufacturer General Motors was also rumoured to be a potential investor or partner of the company but reportedly only remains in talks. Founded in 2009, Rivian is currently developing an all-electric pick-up truck and a sports utility vehicle, both expected to be commercially available in the US in late 2020 and subsequently in Europe.

There were interesting deals in emerging consumer-focused businesses backed by corporate investors from other sectors.

China-based online group buying platform Pinduoduo completed a $3bn funding round, which was led by Tencent, reportedly at a $15bn valuation. The round also featured venture capital firm Sequoia Capital. Tencent previously backed a $110m series B round in 2016. Founded in 2015, Pinduoduo runs an e-commerce offering allowing use of social media platforms to form purchasing groups to secure discounts. The platform offers products across a wide range of categories such as food, cosmetics and babycare and claims to have attracted about 300 million users.

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Top 10 investments in emerging consumer sector enterprises over the past year

Company	Location	Round	Size	Investors
Juul Labs	US	Stake purchase	$12.8bn	Altria Group
Ele.me-Koubei	China	–	$4bn	Alibaba | Ant Financial | Primavera Capital | SoftBank
Pinduoduo	China	–	$3bn	Sequoia Capital | Tencent
Coupang	South Korea	Stake purchase	$2bn	SoftBank
Lazada	Singapore	–	$2bn	Alibaba
Tokopedia	Indonesia	E and beyond	$1bn	Alibaba | SoftBank | undisclosed investors
Swiggy	India	E and beyond	$1bn	Coatue | DST Global | Hillhouse Capital Management | Meituan-Dianping | Naspers | Tencent | Wellington Management
Peloton Cycle	US	E and beyond	$550m	Balyasny Asset Management | Comcast | Fidelity | Kleiner Perkins | TCV | True Ventures | Wellington Management
Dada-JD Daojia	China	–	$500m	JD.com | Walmart
Letgo	US	–	$500m	Naspers

SoftBank invested $2bn in South Korea-based e-commerce platform Coupang through the SoftBank Vision Fund at a valuation reported by Forbes to be $9bn. Coupang operates an online marketplace that offers more than 120 million products, 4 million of which are available for one-day delivery through Rocket, its end-to-end fulfilment system, which delivers about a million parcels daily. The company has more than doubled its revenue in the past two years and was expected to record a total of $5bn in sales last year, though Forbes reports its losses have risen significantly since 2014. The funding will support a strengthening of Coupang's technology capabilities – cutting delivery times while introducing features such as an artificial intelligence-equipped product recommendation system and a one-touch payment option.

Media and e-commerce group Naspers led a $900m round for India-based online food delivery service Swiggy. The round reportedly consisted of roughly $600m in primary funding and $300m in secondary share purchases, and also included Tencent. Swiggy runs an online platform enabling users to order food from local restaurants for home delivery.

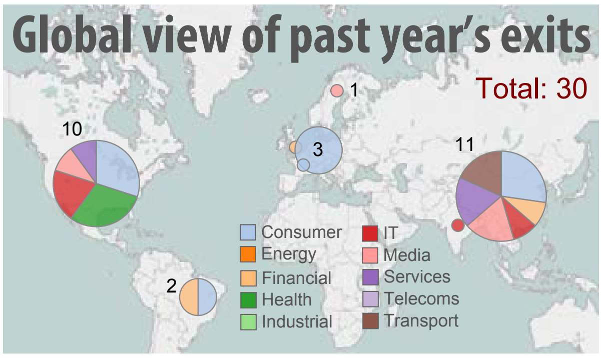
US-based home fitness service Peloton Interactive raised $550m in a series F round backed by media group Comcast NBCUniversal. The transaction reportedly valued the company at $4.15bn. The round was led by growth equity firm TCV with a $150m investment, and featured financial services and investment group Fidelity. Peloton sells exercise bikes with touchscreens, allowing customers to access live daily workout videos and on-demand fitness classes.

China-based online grocery delivery service Dada-JD Daojia raised $500m in a round that included a $320m investment by big-box retailer Walmart. JD.com supplied the rest. Walmart had invested $50m in Dada-JD Daojia in late 2016 as part of a cooperation agreement. Dada-JD Daojia comprises two companies – crowdsourced last-mile delivery service Dada and JD Daojia, which offers one-hour delivery of items ordered online from more than 100,000 partner retailers, including 200 Chinese branches of Walmart.

Naspers provided $500m for US-based e-commerce app developer Letgo. Naspers made the investment through online marketplace subsidiary OLX. Letgo has created an app that enables users to list, sell and buy secondhand goods, employing an artificial intelligence system that can set a category, title and price for each item based on a photo. It has been downloaded more than 100 million times and hosted some 400 million listings.

Exits

Corporate venturers from the consumer sector completed 30 exits between March 2018 and February 2019 – 14 acquisitions, 13 initial public offerings, two mergers and one other transaction.



Alibaba merged local services spinout Koubei and food delivery platform Ele.me with $3bn from investors including SoftBank. Koubei was spun off in 2015, and Ele.me acquired by Alibaba in May last year. The vehicle will be focused on Alibaba's resources, such as Ant Financial's mobile payment offerings and the corporate's loyalty membership service, and will incorporate local services.

Local services platform Meituan-Dianping agreed to buy China-based bike rental service Mobike for $2.7bn. Several Chinese media reports had suggested Meituan-Dianping was going to pay $3.7bn, but information service Caixin disputed the figure. The transaction was reportedly being brokered by Pony Ma, chief executive of Tencent, which also owns a stake in Meituan-Dianping. Founded in 2015, Mobike operates an app-based dockless bike-sharing service that has attracted hundreds of millions of registered users. Previously, Mobike has attempted unsuccessfully to merge with rival Ofo.

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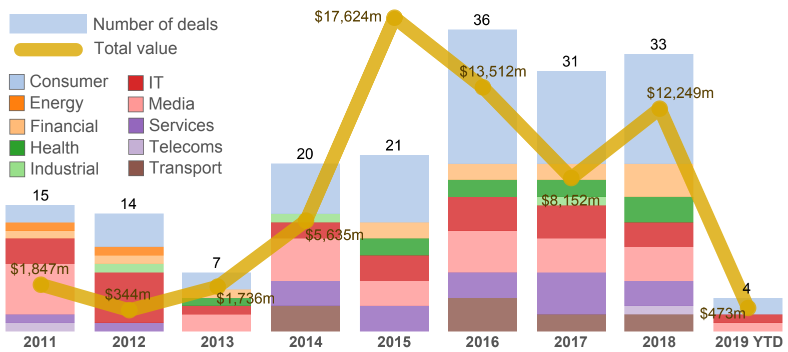
Top 10 exits by consumer sector corporate investors over the past year

Company	Location	Sector	Exit type	Acquirer	Size	Investors
Ele.me	China	Consumer	Merger		$3bn	Alibaba | SoftBank
Mobike	China	Transport	Acquisition	Meituan-Dianping	$2.7bn	Bertelsmann | Bocom International | Ctrip.com | Farallon Capital Management | Hillhouse Capital Management | Hon Hai | Huazhu Hotels Group | ICBC International | Joy Capital | Panda Capital | private investors | Qiming Venture Partners | Sequoia Capital | Temasek | Tencent | TPG | Warburg Pincus
StoneCo	Brazil	Financial services	IPO	–	$1.22bn	Alibaba | Berkshire Hathaway | HR Holdings | Madrone Capital Partners | T Rowe Price | Tiger Global Management
Nio	China	Transport	IPO	–	$1bn	Baidu | Baillie Gifford | Citic | GIC | Hillhouse Capital Management | Hopu Investment Management | International Data Group | JD.com | Joy Capital | Lenovo | Pine Capital | Sequoia Capital | Shunwei Capital | Temasek | Tencent | TPG
Farfetch	US	Consumer	IPO	–	$885m	Advance Publications | DST Global | E.Ventures | Eurazeo | Index Ventures | International Data Group | JD.com | New Leaf Venture Partners Advent Venture Partners | Temasek | Vitruvian Partners | private investors
Funding Circle	UK	Financial services	IPO	–	$576m	Baillie Gifford | BlackRock | DST Global | Index Ventures | Ribbit Capital | Rocket Internet | Sands Capital | Temasek | Union Square Ventures
Avnera	US	IT	Acquisition	Skyworks Solutions	$405m	Altien Ventures | Bessemer | Best Buy | DAG Ventures | Icon Ventures | Intel | Panasonic | Polycom | Redpoint Ventures
Maoyan	China	Consumer	IPO	–	$250m	Enlight | Meituan-Dianping | Tencent
Propeller Health	US	Health	Acquisition	ResMed	$225m	3M | Aptar Pharma | GSK (SR One) | Hikma Pharmaceuticals | Kapor Capital | McKesson Corporation | Safeguard Scientifics | Social&Capital | Walgreens | XLerateHealth
BabyTree	China	Media	IPO	–	$217m	Alibaba | Chenshan Capital | China Merchants Wealth | Fosun Group | Matrix Partners | Tal Education Group | undisclosed investors

Exits by consumer corporates 2011-19



Ant Financial agreed to invest $100m in Brazil-based financial technology provider Stone Co alongside an IPO that could reach $1.1bn. StoneCo set a share price range of $21 to $23 and aimed to issue 45.8 million class A common shares on the Nasdaq Global Select Market while investors were to divest a further 1.9 million shares. Ant Financial intended to provide the extra funding in the form of a private placement. Founded in 2012, StoneCo provides cloud-based technology that enables merchants to accept electronic payments. It has more than 200,000 active clients.

Nio, a China-based smart electric car developer backed by domestic corporates Tencent, Baidu, Lenovo and JD.com, raised about $1bn when it floated on the New York Stock Exchange. The IPO consisted of 160 million American depositary shares at $6.26 each, near the bottom of the $6.25 to $8.25 range the company had set. It valued Nio at $6.4bn. Founded in 2014 as NextEV before rebranding in July 2017, Nio is working on plug-in electric cars fitted with features including in-built artificial intelligence and autonomous driving systems. Nio's first model was released in 2016, and it launched its first commercial model, a seven-seater sports utility vehicle, in 2017. It plans to introduce a five-seat version in the first half of next year.

Farfetch, a UK-based fashion e-commerce platform backed by media group Advance Publications and JD.com, went public in an IPO that raised about $885m. The company issued just over 33.6 million shares on the New York Stock Exchange while its shareholders sold an additional 10.6 million. The shares were priced at $20, above the IPO's $17 to $19 range, giving it a market cap of about $5.8bn. Founded in 2008, Farfetch operates an online marketplace for luxury and high-end fashion items, selling pieces from almost 1,000 producers to 2.3 million customers worldwide.

Funding Circle, a UK-based peer-to-leer lending platform backed by e-commerce holding company Rocket Internet, went public in a £440m ($576m) IPO in its home country. The company issued $393m of new shares at £4.40 each, at

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the lower end of their £4.20 to £5.30 range, while its shareholders divested about $184m of shares. The offering valued Funding Circle at $1.97bn. Funding Circle runs a platform where small businesses can access debt financing from a pool of some 80,000 investors who use an online account.

Avnera, a US-based fabless semiconductor producer backed by a number of corporates, agreed to a $405m acquisition by semiconductor company Skyworks Solutions. Previous corporate backers of the company include semiconductor and chip maker Intel, electronics producer Panasonic, retail chain Best Buy, communications technology provider Polycom and audio equipment maker Onkyo. Skyworks will pay $405m upfront, along with up to $20m in additional capital if Avnera meets certain performance milestones within a year. Founded in 2004, Avnera designs analogue system-on-chips for consumer products. The technology will enhance Skyworks products in fields such as smart voice assistants and vehicle in-dash systems.

Maoyan Entertainment, a China-based online film ticketing platform backed by corporates Enlight Media, Tencent and Meituan Dianping, raised $250m in its IPO. The company floated at the foot of the HK$14.80 ($1.89) and HK$20.40 range it had set earlier, giving it a $2.2bn valuation, after issuing 132 million shares on the Hong Kong Stock Exchange. Formed in 2012 as a subsidiary of group buying platform Meituan, Maoyan runs an online cinema ticketing platform with 130 million monthly active users as of September 2018. The company is the exclusive film ticket vendor for Meituan Dianping, the local services platform formed by Meituan's subsequent merger with Dianping.

Propeller Health, a US-based digital respiratory therapeutics developer backed by multiple corporate investors, agreed to a $225m acquisition by connected medical devices provider ResMed. Previous corporate backers of Propeller include health product supplier McKesson, drug delivery technology provider Aptar Pharma, manufactured goods producer 3M and pharmaceutical firms Hikma and GlaxoSmithKline, and pharmacy chain Walgreens. Founded in 2010, Propeller Health has created a system of small sensors attached to inhalers that track usage and offer feedback to patients through a mobile app. The platform is aimed at people with chronic respiratory diseases.

Babytree, a China-based social parenting media and e-commerce platform backed by corporates Alibaba, manfucturing group Fosun and education services provider TAL Education, raised $217m in its Hong Kong IPO. The company priced its shares at HK$6.80 ($0.90), settling at the bottom of a range that had HK$8.80 at the top. Babytree had hoped to secure up to $1bn at a valuation of $3bn to $5bn, but its valuation instead dipped to $1.5bn, down from $2.2bn earlier. Babytree operates an online community where parents share experiences, seek advice and find information such as a vaccination checklists and dietary guides for mothers. It also operates an e-commerce platform and video-sharing app WeTime.

Global Corporate Venturing also reported exits from emerging consumer-related enterprises that involved corporate investors from various sectors.

Top 10 exits from consumer sector enterprises over the past year

Company	Location	Exit type	Acquirer	Size	Investors
FlipKart	India	Acquisition	Walmart	$16bn	Accel Partners | Baillie Gifford | Bennett Coleman & Company | DST Global | GIC | Greenoaks Capital | Iconiq Capital | International Data Group | Morgan Stanley | Naspers | Qatar Investment Authority | Sofina | SoftBank | Steadview Capital | T Rowe Price | Tencent | Tiger Global Management
Xiaomi	China	IPO		$4.72bn	All-Stars Investment | China Mobile | CICFH Entertainment | DST Global | GIC | Hopu Fund | International Data Group | Morningside | Nokia | Qiming Venture Partners | Qualcomm | SF Express | Temasek | Yunfeng Capital
Meituan-Dianping	China	IPO		$4.2bn	Canada Pension Plan Investment Board | Capital Today | China Structural Reform Fund | China-UAE Investment Cooperation Fund | Coatue | Darsana Capital Partners | DST Global | GIC | Hillhouse Capital Management | International Data Group | Lansdowne Partners | Oppenheimer Funds | Priceline | Sequoia Capital | Tencent | Tiger Global Management | TrustBridge Partners
Ele.me	China	Merger		$3bn	Alibaba | SoftBank
Pinduoduo	China	IPO		$1.63bn	Cathay Capital | Gaorong Capital | International Data Group | Lightspeed Venture Partners | Sequoia Capital | Sky Royal Trading | Sun Vantage Investment | Tencent
Farfetch	US	IPO		$885m	Advance Publications | DST Global | E.Ventures | Eurazeo | Index Ventures | International Data Group | JD.com | New Leaf Venture Partners Advent Venture Partners | Temasek | Vitruvian Partners | private investors
Maoyan	China	IPO		$250m	Enlight | Meituan-Dianping | Tencent
Home24	Germany	IPO		$174m	Baillie Gifford | Kinnevik | Rocket Internet | Vanguard
Corephotonics	Israel	Acquisition	Samsung	$155m	Amiti Ventures | Beijing Singularity Power Investment Management | BetaAngels Partners | CE Ventures | CK Telecom | Hon Hai | Horizon Ventures | iVentures | LSG Industrials | Magma Venture Partners | MediaTek | Mizmaa Ventures | OurCrowd | Radiant Venture Capital | Samsung | Sandisk | undisclosed investors | Western Digital
Tapingo	Israel	Acquisition	GrubHub	$150m	Carmel Ventures | DCM | Khosla Ventures | Kinzon Capital | Qualcomm

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Retail group Walmart closed its $16bn acquisition of a 77% stake in India-based online marketplace Flipkart, enabling SoftBank and e-commerce company eBay to exit. Although some of its investors, including SoftBank and eBay, exited entirely, others like Tencent, software provider Microsoft and investment firm Tiger Global Management opted to retain stakes. The deal valued Flipkart at about $20.8bn, and the stake purchase was made alongside the provision of $2bn of equity funding. Flipkart's platform lists more than 80 million products including electronics, appliances, clothing and home goods. It also owns fashion e-commerce subsidiaries Myntra and Jabong, and payment app PhonePe.

China-based consumer electronics producer Xiaomi, backed by mobile semiconductor maker Qualcomm, raised $4.72bn in its IPO. The company priced roughly 2.18 billion shares at the low end of the HK$17 to HK$22 range it had previously set. NGP Capital, the venture capital firm spun off from communications technology producer Nokia, was also an investor but with a small stake. The price valued Xiaomi at about $54bn and was to be floated on the Hong Kong Stock Exchange. Founded in 2010, Xiaomi designs and manufactures smartphones as well as other electronic devices. It made a RMB43.8bn net loss in 2017 from revenues of RMB115bn.

Home24, a Germany-based online home products retailer backed by e-commerce holding group Rocket Internet, raised €150m ($174m) in an IPO in its home country. The company priced just over 6.5 million shares at €23, near the top of the offering's €19.50 to €24.50 range, giving it a market capitalisation of more than $690m. Home24 runs an online platform that sells furniture, lighting products or bedding to customers in Germany, France, Italy, the Netherlands, Austria, Switzerland, Belgium and Brazil on behalf of more than 500 producers.

Consumer electronics producer Samsung agreed to buy Israel-based portfolio company and smartphone camera technology producer Corephotonics for $155m, giving exits to several corporates, including memory card maker SanDisk, hard disk provider Western Digital, manufacturing services provider Foxconn, chipmaker MediaTek and telecoms equipment supplier CK Telecom. Corephotonics designs technology that helps mobile device users take professional-standard photographs, integrating capabilities such as optical zoom, low-light performance, depth features and optical image stabilisation.

Tapingo, a US-based student-focused food ordering platform backed by Qualcomm, agreed to an acquisition by food delivery service Grubhub for about $150m. Grubhub will integrate Tapingo's service into its own offering. Tapingo has developed an app that allows university students to order and pick up food from local outlets. The app integrates with meal plans and point-of-sale systems on campus, and is available at more than 150 institutions in the US.

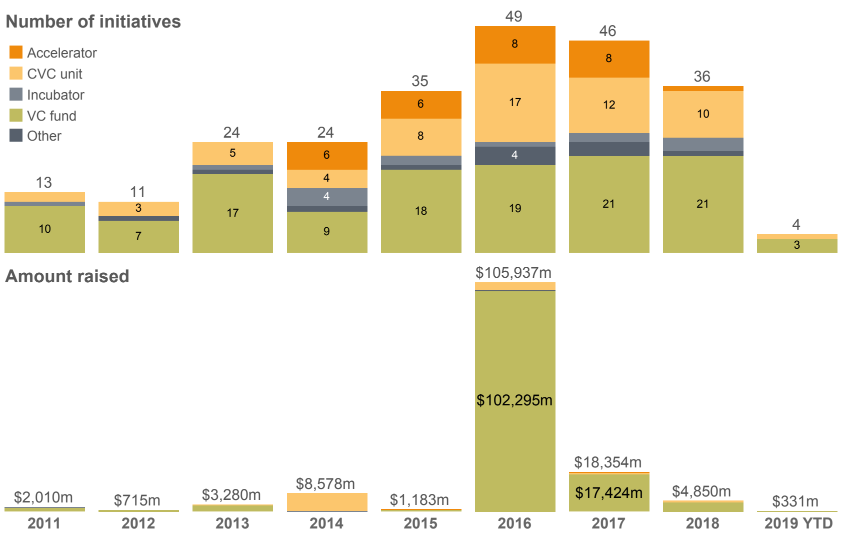
Funds

Between March 2018 and February 2019, corporate venturers and investors in the consumer sector secured over $2.67bn in capital via 19 funding initiatives, including 12 VC funds, five new or refunded venturing units, one incubator and one other initiative. On a calendar year-to-year basis, the number of funding initiatives in the consumer sector dropped to 36 in 2018 from 46 in 2017 and 49 in 2016. Total estimated capital also decreased to $4.85bn by the end of last year, down 74% from the $18.35bn in 2017.

China-based venture capital firm Fortune Venture Capital secured RMB4.63bn for its latest renminbi-denominated fund, from limited partners including property developer Century Golden Resources Group. Financial services firm Industrial and Commercial Bank was also among investors, as was Shenzhen Yunneng Fund, Kpeng Capital and the city of Shenzhen's guidance fund. Founded in 2000, Fortune VC focuses on consumer goods and services, agricultural technology and cleantech as well as media and telecoms. The firm began raising money for the Shenzhen Fortune Chuangtong Equity Investment fund in 2017 and has so far invested about $190m in 30 companies.

Eight Roads Ventures, a venture capital branch of financial services group Fidelity, launched a $375m third fund aimed at Europe and Israel-based growth-stage companies. ERVE III will be sector-agnostic, but Eight Roads identified consumer, enterprises, financial

Funding initiatives in the consumer sector 2011-19



SECTOR FOCUS

Consumer sector funding initiatives over the past year

Funding initiative	Type	Funds raised	Location	Focus	Investors
Unnamed Fortune VC fund	VC fund	$667m	China	IT, media, consumer, telecoms, services, industrial	Century Golden Resources | Fortune Venture Capital
ERVE III	VC fund	$375m	US	Consumer, financial, health, IT	Eight Roads Ventures | Fidelity
AlphaX Partners I	VC fund	$313m	China	IT, consumer, media	AlphaX Partners | CreditEase | Focus Media | Qihoo360 Technology | Zero2IPO Group
Grab Ventures	CVC unit	$250m	Singapore	Consumer, transport, services, financial	Grab
AVP Early Stage II	VC fund	$150m	France	Financial, health, consumer, IT	Axa
Unnamed 36kr unit	CVC unit	$144m	China	Consumer, health	36kr
Imec.xpand	VC fund	$135m	Belgium	Industrial, IT, consumer	Applied Materials | Belfius | BNP Paribas | BOM | Imec | KBC | KPN | Philips | PMV | Samsung | SFPI-FPIM | SK Hynix | angel investors
Guangdong Midea Smart Technology Industrial Investment Fund	VC fund	$104m	China	Consumer, Energy, Services	Midea Global
Golden Gate Ventures III	VC fund	$100m	Singapore	IT, consumer, media	CTBC Group | EE Capital | Golden Gate Ventures | Hanwha | IDO Investments | Ion Pacific | Korea Venture Investment Corp | Mistletoe | Mitsui Fudosan | Naver | Temasek
Evolv Ventures	CVC unit	$100m	US	Consumer, services	Kraft Heinz
Propel Asia	Accelerator	–	Singapore	Services	District6 | Jones Lang LaSalle | Lend Lease | MeshMinds

technology and healthcare IT as areas of interest. The vehicle will be managed by its London office and is expected to make 15 to 20 investments of $10m to $30m. In addition to providing capital, Eight Roads also aims to help companies scale sales and marketing efforts, assisting with international expansion plans and creating a management hierarchy.

China-based venture capital firm AlphaX Partners closed its first fund at RMB2bn with backing from corporates CreditEase, Focus Media and Qihoo 360. In addition to online lending platform CreditEase, outdoor advertising firm Focus Media and cybersecurity software producer Qihoo 360, venture capital and startup services provider Zero2IPO Group and government guidance fund CICC are also among the fund's limited partners. The fund is dual dollar and renminbi-denominated, and investors include undisclosed institutional investors from Europe and the US as well as Chinese entrepreneurs. Founded in 2016, AlphaX targets Chinese high-growth companies developing technologies in the online, consumer, enterprise software, artificial intelligence, sports and culture sectors.

Ride-sharing firm Grab launched investment arm Grab Ventures to invest in eight to 10 startups over the next two years. The company will also operate an accelerator program, Velocity, targeting growth-stage businesses, in addition to incubating new services from within Grab. Velocity will accept four to six companies per cohort. Grab has recruited Singaporean government agencies Info-communications Media Development Authority of Singapore and Enterprise SG as partners. The total capital earmarked for Grab Ventures is $250m. It will partner or invest in businesses working to solve food, mobility, logistics, fintech and other challenges.

Axa Venture Partners (AVP), the corporate venturing arm of France-headquartered insurance group Axa, raised $150m for the first close of its second early-stage fund. AVP Early Stage II already collected more capital than its predecessor, which closed at $110m in 2015 with commitments from undisclosed new and existing investors. The fund will target pre-revenue and early-revenue companies with a focus on consumer technologies, financial technology and digital health as well as enterprise software and services aimed at small and medium-sized enterprises. AVP Early Stage II will initially invest up to $6m in each startup and will offer business development opportunities to its portfolio companies. Formerly known as Axa Strategic Ventures before rebranding in April 2018, AVP now manages $600m in assets and has backed more than 40 companies. It invests through growth and early-stage funds as well as ASV Diversified, the $175m fund-of-funds scheme it launched in late 2017.

China-based media company and business services provider 36Kr launched a RMB1bn venture capital fund. 36Kr's core business is its technology news platform, but it also provides financial data concerning startups and projects as well as hosting co-working spaces and offering fundraising services for startups. The fund will target consumer-focused companies, medical technology developers and those in the cultural product space. By the time of the announcement, the fund had made several investments.

Belgium-based nanoelectronics research institute Imec closed its early-stage and growth fund, Imec.xpand, at €117m with backing from a range of corporate limited partners, including electronics manufacturers Samsung and Philips, semiconductor technology producers Applied Materials and SK Hynix, insurance firms KBC and Belfius, and BNP Paribas Fortis and KPN Ventures, subsidiaries of financial services firm BNP Paribas and telecoms company KPN respectively.

Imec itself contributed capital, as did the Flemish government and its investment vehicle PMV, state-owned regional development agency BOM, Belgian government-owned investment firm SFPI-FPIM and several unnamed universities and high-net-worth individuals. The fund will focus on technology startups where the research institute's expertise and infrastructure can have an impact on their success.

China-based appliance manufacturing group Midea raised $104m for an investment fund with a targeted close of RMB1bn to RMB2bn. Guangdong Midea Smart Technology Industrial Investment Fund's initial fundraising includes a $44m commitment from an unnamed wholly-owned investment arm of Midea. Other limited partners were not named. The fund will focus on areas such as intelligent manufacturing, smart home, retail and new energy. It will be managed by an asset management vehicle formed in June 2018. Founded in 1968, Midea has grown into a conglomerate with more than 200 subsidiaries covering consumer appliances, heating, ventilation and air-conditioning systems, supply chain logistics and robotics and industrial automation.

Singapore-based venture capital firm Golden Gate Ventures closed its third fund at $100m, having secured commitments from diversified conglomerate Hanwha, internet company Naver, property developer Mitsui Fudosan, Singapore state-owned investment firm Temasek, the government-backed Korea Venture Investment Corporation, financial holding company CTBC Group, investment banking firm Ion Pacific, startup hub Mistletoe, IDO Investments and EE Capital. Founded in 2011, Golden Gate concentrates on series A investments in Southeast Asian companies developing mobile and online-focused consumer offerings.

US-based packaged food producer Kraft Heinz launched strategic investment vehicle Evolv Ventures with up to $100m. The fund will be headed by Bill Pescatello as managing partner. He was hired from venture capital firm Lightbank, where he had been a partner since 2011. Evolv Ventures will target developers of e-commerce, logistics and supply chain technology as well as direct-to-consumer projects, Pescatello told Bloomberg. Its formation follows Kraft Heinz's launch of accelerator Springboard.

People

Muriel Atias, formerly project director of M&A corporate finance for France-based cosmetics producer L'Oréal, joined its corporate venturing unit, Business Opportunities for L'Oréal Development (Bold). Bold hired Atias as a chief investment officer, and will take minority stakes in companies developing marketing, research and development, retail and supply chain-focused technologies. Atias held the project director role for nearly five years, managing turnover from L'Oréal's real estate, industrial and R&D investments. She has also been director of financial operations for retail group Groupe Casino, overseeing its grocery store chain Franprix and discount store chain Leader Price.


Gaceta

Mel Gaceta, an experienced leader of corporate venturing units, joined Nasdaq-listed packaged food and beverage producer Mondelēz International to set up its new venture capital unit. Gaceta has nearly 20 years' experience in corporate venturing under his belt, including more than 13 years at Motorola Ventures, a subsidiary of telecoms product maker Motorola. Gaceta was director of finance for Motorola Ventures from its November 2000 formation. In late 2004, he became an investment manager at Motorola Ventures, which evolved into Motorola Solutions Venture Capital after the split of its parent into Motorola Solutions and Motorola Mobility. He joined mobile network operator US Cellular at the end of 2013.

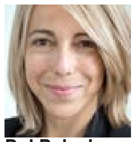
David Parfett, former head of airline operator Qantas's Innovation and Ventures unit, joined Australia-based shopping centre operator Scentre Group as general manager of strategy and business development. Parfett had originally joined Qantas in 2011 as a senior manager of group strategy before being promoted to head of strategy and innovation in 2014 and eventually running the Innovation and Ventures team from late 2016. During two years in the role, Parfett helped Qantas form its innovation and ventures strategy, and set up corporate venturing unit Qantas Ventures in 2017 to make investments in early and growth-stage technology developers.

Bill Qian, formerly head of cross-border M&A at JD.com's financial technology spinoff, JD Finance, was promoted to general manager of corporate ventures. Qian currently oversees investments in enterprise services, industrial internet-of-things and consumer internet technologies. Having joined JD in July 2015 as head of crowdfunding business strategy, Qian initially concentrated his efforts on equity crowdfunding as part of a year-long stint in which it raised more than RMB1.1bn for 89 startups.


Doddala

US-based financial services firm TIAA promoted Raja Doddala, managing director of its business-to-business digital division, to head the financial technology strategy and development branch. Doddala joined TIAA in 2016 to head the digital team in the institutional financial services department, implementing self-service sales, mentoring new hires and managing storefront websites. Before joining TIAA, Doddala spent a decade at US-based convenience retail chain 7-Eleven, where he held various senior roles, co-founding its corporate venturing unit, 7-Ventures, in 2013 as senior director of services and new ventures.

Joe Kraus, a general partner at corporate venturing unit GV since 2009, left to become chief operating officer for US-based scooter and bicycle rental service Lime. Since taking his board seat, Kraus has helped the company hire a chief business officer, general counsel, head of engineering and head of operations and strategy. He will take over some of the day-to-day duties of Lime co-founder and CEO Toby Sun. Kraus will retain a venture partner position at GV, according to the unit's website. He co-founded search engine provider Excite.com in 1993 as well as enterprise directory software developer JotSpot, which was acquired by Google in 2006 and converted into Google Sites.


Del Palacio

Itxaso del Palacio, formerly a partner at software provider Microsoft's corporate venture capital unit, M12, was appointed investment director at UK-based venture capital firm Notion Capital. Del Palacio joined M12, formerly Microsoft Ventures, in 2017, helping to launch its UK office in London and managing its business-to-business technology dealflow in Europe.

Kabir Misra, managing partner of SoftBank Capital, a corporate venturing subsidiary of SoftBank, left Indian e-commerce marketplace Snapdeal's board of directors. SoftBank first invested in Snapdeal as part of a $500m funding round in 2015, and held a 33% stake and two of the company's board seats as of April 2017, by which time it had provided $900m of the $1.7bn in venture capital it had raised. The corporate attempted to leverage a merger between Snapdeal and chief rival Flipkart. Misra reportedly played a big part in the talks.

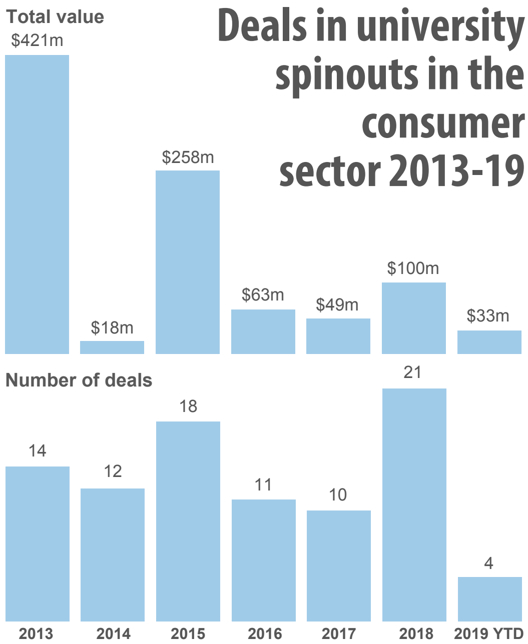
University backing

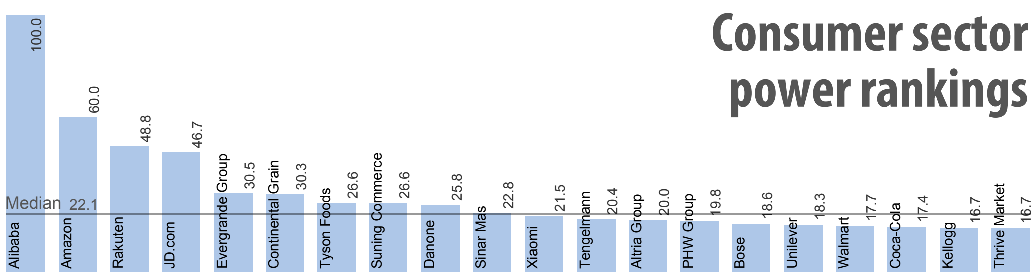
GCV's sister publication Global University Venturing reported various commitments to university spinouts in the consumer sector. By the end of 2018, 21 rounds had been raised by university spinouts, more than twice the 10 registered in the previous year. The level of estimated total capital deployed in 2018 was $100m, more than double the $49m in 2017.

US-based microbiome company Evolve BioSystems closed a $40m series C round that featured agribusinesses Tate and Lyle and Continental Grain, pharmaceutical firm Johnson & Johnson, dairy cooperative Arla Foods and food producer Campbell Soup. Philanthropic organisation Bill and Melinda Gates Foundation co-led the round with Horizons Ventures, the venture division of charity Li Ka Shing Foundation. Founded in 2011, Evolve is working on probiotics that establish, restore and maintain a healthy infant gut microbiome. The company was spun out from the Food for Health Institute at University of California Davis.

US-based healthy meals supplier Oh My Green raised $20m in a seed round backed by Stanford-StartX Fund, the venture capital arm of Stanford University-affiliated StartX accelerato. Initialized Capital, Powerplant Ventures, Talis Capital, ZhenFund and Backed VC also contributed to the funding round. Founded in 2014, Oh My Green curates healthy food products and kitchen equipment for businesses, selecting its range on the basis of a nutrition scale invented by Pamela Peeke, an assistant professor of medicine at University of Maryland.

3F Bio, a UK-based food protein spinout from University of Strathclyde, received £6.2m in a series A round backed by the university and the Scottish Investment Bank, part of government-owned development agency Scottish Enterprise. The round also featured angel network EOS Technology Investment Syndicate, venture capital fund Data Collective as well as private investors including Nick Elmslie and unspecified members of the 3F Bio management team. Founded in 2015, 3F Bio has developed a meat-free mycoprotein that can be used as a vegetarian foodstuff or to complement standard meat-based ingredients. The production process is designed to discharge little waste and retain three to 15 times as much protein as conventional farming methods. ◆





Interview: Maisie Devine, AB InBev

GCV's Robin Brinkworth spoke to Maisie Devine, who runs AB InBev's 100-plus Accelerator, on sustainable investing, developing markets, and what blockchain can offer Zambia's farmers.

Anheuser-Busch InBev is the Belgium-based drinks group behind brands like Becks, Budweiser, Corona, Leffe and Modelo. As a consumer-oriented multinational, it has beers in markets across the globe. Such a global presence demands resources, and with climate change a global priority, this is where Maisie Devine comes to the fore.

Devine runs AB InBev's 100-plus Accelerator, which is dedicated to finding and supporting startups that can help the company meet its 2025 sustainability goals. Those goals are varied, from ensuring that all packaging is either from recycled or reused materials, to making sure that all electricity is from renewable sources. As Devine said: "Given the scale of our supply chains, and the complexity of these issues, we know that we cannot achieve these goals unless we pool together the best expertise and the latest forward-thinking solutions."

Devine is emphatic about how important the accelerator is for AB InBev. "It is seen as the critical test-and-learning ground for the business. AB InBev operates in nearly 50 countries and the needs of each market are vast and varied, ranging from water insecurity to decreasing our transport emissions."

The accelerator offers radical opportunity, not just for AB InBev but for the startups themselves. She said: "A huge component of the 100-plus program is the opportunity for each of the startups to pilot their solution within our supply chain. Our teams within AB InBev serve as the main points of contact for the startups and are vital to bringing the pilot to fruition."

> "AB InBev operates in nearly 50 countries and the needs of each market are vast and varied"

Given that the sustainability goals apply to the multinational's key business units, it is unsurprising to see that they are involved. What is surprising is the level of involvement. As Devine said: "We have around 175,000 colleagues around the world who help us to source participants. BanQu, for example, one of the winners of our inaugural accelerator program, was already one of our partners for a pilot project providing financial identities to smallholding farmers in Zambia before they won further investment to scale the initiative to other parts of Africa."

VC investing is often about weighing up the technology risk, the business model and the market opportunity. With a global sustainability-driven investing model, there is another balance to be struck. What works in San Francisco may not work in Lusaka or Sao Paulo. As a global business, AB InBev has to invest in developing markets, places where many other western investors are either too fearful or inexperienced to invest.

Yet the same technologies that excite Silicon Valley can be just as exciting elsewhere. Take blockchain, perhaps the most divisive of technology's current buzzwords. Blockchain has excited a lot of technology enthusiasts, but real-world use cases have perhaps not been as prevalent. Yet Devine offers blockchain as not just a technology, but an empowerment through technology.

"As a large and complex business operating in nearly 50 countries, blockchain holds a lot of opportunity for us. It is allowing us to make our complex, agricultural supply chains more transparent, efficient and sustainable. Through our accelerator, we have been able to scale up our partnership with BanQu, which is responsible for developing the first and only non-cryptocurrency blockchain platform to help lift people out of extreme poverty by providing them with a platform that records all financial transactions.

"Using the platform in our business, we have been able to make our cassava and barley supply chains in Africa more transparent, by having a means to locate where our product is at each stage of the supply chain journey.

"In talking to our farmers, we realised very quickly that, beforehand, they were not getting the prices that we thought they were – corruption and middlemen were taking a toll and we saw an incredible, potential impact that BanQu's platform could have on our business, as well as the communities we operate in around the world."

Blockchain is changing people's lives in Zambia and Uganda. This is, in part, what makes the 100-plus Accelerator interesting. It is pushing boundaries, and not just from a technological perspective. It is backing entrepreneurs from different backgrounds, backing the value of varied experiences, while supporting those same entrepreneurs potentially to transform AB InBev into a sustainable global corporation.

Almost every nation drinks beer, and that means that AB InBev has to get involved. From using BanQu's technology to support farmers in Zambia and Uganda, "we also have RSU, based in Brazil, which has developed a technology that is capable of transforming landfill waste into clean energy, while Colombia-based startup AcuaCare has developed a process for converting waste-water sludge into biofertiliser", Devine said.

Devine and the accelerator's goals are inherently practical, led by sustainability criteria. That means cutting-edge technology sometimes needs to defer to local experience.

"For us, what is most important is to empower driven committed innovators and entrepreneurs who are solving real-world problems. As such, we take a strictly results-driven approach to our investment decisions – it is about making a real measured impact in the communities we operate in around the world. For example, Majik Water, which is a startup co-founded out of Kenya by Beth Koigi, Anastasia Kaschenko and Clare Sewell, was launched to solve a critical challenge where over half the population in Kenya do not have access to clean water. What we saw was the global potential that this locally-produced solution could provide our business."

"Female entrepreneurs and investors have natural insights, instincts and understanding of the product offerings that will captivate female consumers"

Differing experiences are not only important when it comes to geography. Gender is also key, for investing is still largely male-dominated. That said, the consumer sector is perhaps more open to women than any other. Devine said the consumer sector was friendlier to female investors and entrepreneurs, as a function of the power of female consumers.

"Female entrepreneurs and investors have natural insights, instincts and understanding of the product offerings that will captivate female consumers, so naturally they will be quite successful in the sector."

Devine herself has been working with startups for seven years, as both an angel investor and in corporate venture capital. For her, climate change represents both a threat and an opportunity.

"Given the sheer number of challenges that climate change presents, there is a huge opportunity for entrepreneurs to bring innovative solutions to market. Between now and 2030, corporates, governments, and non-government organisations will need to spend between $5 trillion and $7 trillion to achieve the UN Sustainable Development Goals, so there is capital available and commercial spend up for grabs. It is the perfect time to use a successful structure to accelerate the growth and progress of startups in the sustainability space."

The accelerator is in its first year of operation. It is attached to the company's sustainability-focused 10 Challenges for this year, and next year will bring a new set of challenges, alongside a new set of startups.

"We will be seeing the launch of pilot programs in several markets with some very promising startups from the cohort, for example, Desolenator, a solution that combines thermal and electrical energy from solar panels to make pure water from the ocean, Green Mining, tackling our global recycling problem by tapping into data mapping and blockchain for more efficient collection, and SmartHop, an artificial intelligence-powered mobile platform to make beer deliveries more efficient."

AB InBev is putting its money where its mouth is. But with climate change a present and increasing threat, things need to move quickly. Beyond this year, what does success look like for the accelerator?

"Success for us is about launching innovative solutions in-market that have the potential to create a measurable impact by decreasing our environmental footprint and improving the lives of those in our extended value chain. But this is just the beginning. Our intention is to launch 10 new challenges each year to support AB InBev's vision of building a company to last for the next 100-plus years." ◆

Interview: Paul Bernard, Amazon Alexa Fund

GCV's Robin Brinkworth spoke to the Amazon Alexa Fund's lead, Paul Bernard, about supporting Alexa, hardware versus software, and how Alexa is aiming for ubiquity.

The Amazon Alexa Fund is US-listed retailer Amazon's first venture capital fund, started in 2016. It is dedicated to finding and supporting startups that work with voice technology. Paul Bernard leads the fund, and said: "Our goal is to identify startups creating new experiences with Alexa or advancing the state of the art in voice technology, and to give them the resources they need to grow their business.

"We have invested in more than 60 companies across a range of segments from smart home and wearable technology, to education, entertainment, and health and wellness, as well as technologies like microphones and processors that unlock new use cases for Alexa."

There are two parts to Alexa's success – hardware and software. Amazon wants Alexa, as Bernard said, to be "a ubiq-

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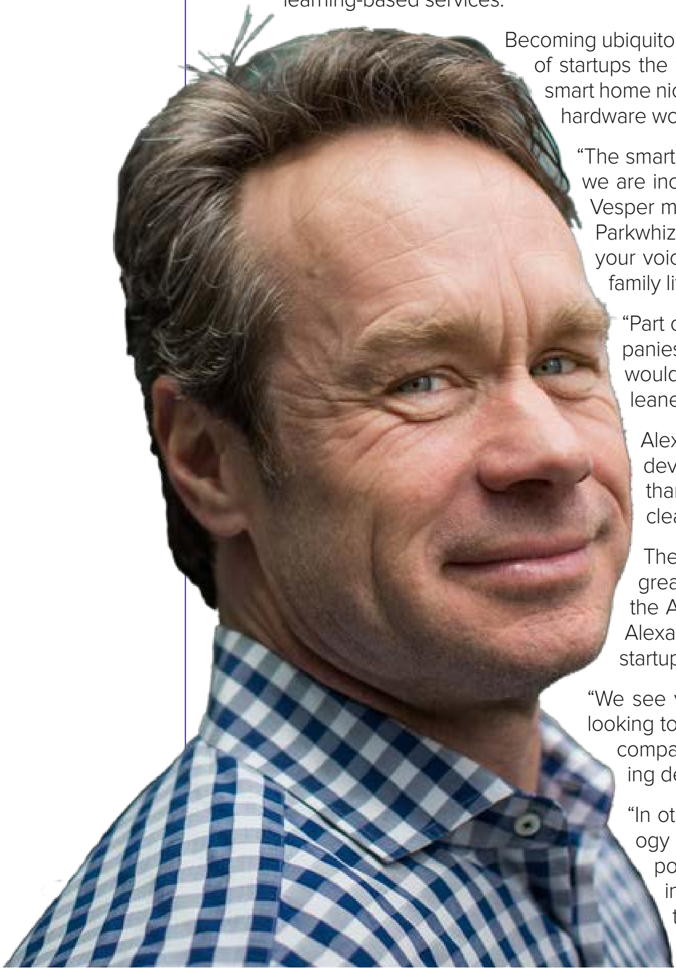
uitous service". He added: "For Alexa to be successful, we need to bring Alexa to more people in more places, and we need to introduce features that make life easier and more convenient for customers. Our investments reflect that. We have invested in hardware manufacturers like Ring, Ecobee and North, as well as services companies that span entertainment (Novel Effect), wellness (Aaptiv), developer tools (Pulse Labs) and workplace productivity (Tact.ai)."

Yet as Bernard also pointed out: "In some ways, the debate over hardware and software is artificial. Some of the best companies we come across are using hardware as a mechanism to deploy advanced artificial intelligence and machine learning-based services."



Becoming ubiquitous means that Alexa needs to find a role in every area of life. The variety of startups the fund has backed is remarkable and moves the fund well beyond the smart home niche in which most consumers who have an Echo or other Alexa-enabled hardware would place it.

"The smart home continues to be a place where we see significant potential, and we are increasingly looking at products that make Alexa more useful on the go. Vesper microphones and Syntiant processors are good examples, as is the new Parkwhiz skill for Alexa, which enables you to find and book parking spots with your voice. We are also excited about services that put Alexa at the centre of family life through products.

"Part of the benefit of our approach is that we can work with a range of companies and technologies across the spectrum on the so-called hype curve. I would rather take a risk with an entrepreneur than look back and wish I had leaned in."

Alexa is still a platform in its infancy, despite Amazon pushing Alexa-enabled devices heavily on its sales platform. Amazon recently revealed that more than 100 million Alexa-enabled devices had been sold, although it is not yet clear on how many of those were Amazon's own Echo devices.

The Alexa Fund is one way Amazon is supporting adoption through a greater range of services and products, but Amazon also offers access to the Alexa Skills Kit and Alexia Voice Service for companies looking to offer Alexa as part of their product. For Bernard, these tools make finding potential startups for investment relatively easy.

"We see voice technology as a major leap forward for customers, and we are looking to invest in startups that share that enthusiasm. In many cases, these are companies developing new Alexa capabilities with the Alexa Skills Kit or creating devices with Alexa built-in using the Alexa Voice Service.

"In others, startups may be working on the underlying science and technology that powers Alexa – things like machine learning and hardware component decision – or enabling new experiences that leverage voice-first interactions. At the same time, we are focused on ventures that have the promise to be compelling businesses – it is important that the companies in which we invest have compelling venture capital outcomes."

> "We are focused on ventures that have the promise to be compelling businesses – it is important that the companies in which we invest have compelling venture capital outcomes"

Finding companies has become easier as time has gone on. The fund was launched at the same time as Alexa was launched as a service, which restricted the initial wave of investments. Now, says Bernard, the pool is much greater.

"Our pool of potential investments was limited to start. That changed quickly as startups' interest in building with Alexa increased, and word spread quickly that we were open for business and that entrepreneurs valued our product. What has evolved is the expansion of domains in which we find compelling entrepreneurs. Sometimes these companies are already thinking about voice and have built an integration. Other times we meet a compelling company and realise they would benefit from having Alexa as part of their offering."

Investing in technologies related to Alexa does put the fund into a niche, despite Amazon's aims towards ubiquity. How much competition does the fund find itself up against?

"We see Alexa intersecting with a range of daily habits – at home, on the go, at work, for fun, to learn and more. We already work with many of the top venture investors who are co-investors in our portfolio companies. Where we think we differentiate ourselves is the extent to which we treat our companies as customers. We have a team dedicated to providing our portfolio companies with technical, program, marketing and other relationship support, all designed to help them be as successful as they can be with Alexa and across Amazon."

That pitch is simple enough: "Want Alexa in your product? Come to us."

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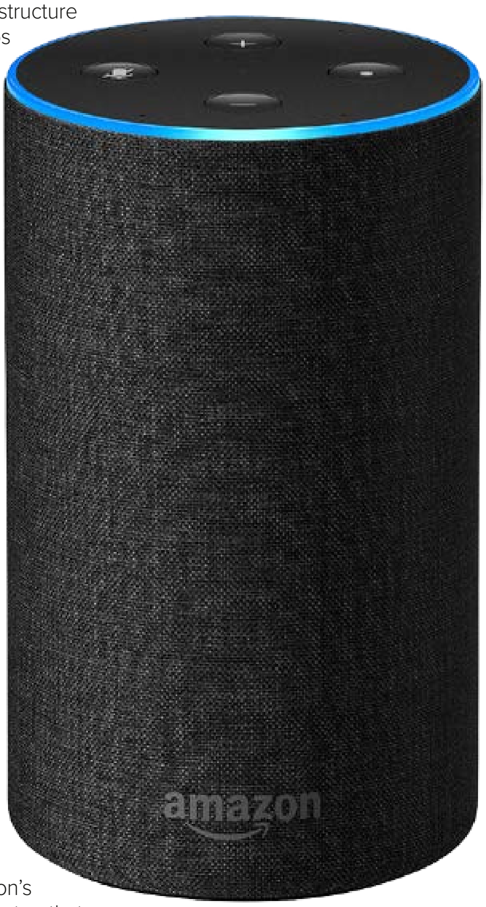
Alexa is now in millions of devices, from televisions to light bulbs to plugs. As these devices become "smart", one trend is clear – a smart device is more expensive than a regular device. Costs will come down, but it would be easy to caricature Alexa-enabled devices as little more than expensive indulgences for tech-savvy urban-dwelling west coast Americans. Although one might argue this, the developing world needs key infrastructure more than consumer luxury, so the support the fund has given to startups outside the US is commendable.



"The Alexa Fund was launched with $100m to invest in voice-first companies, and we later announced a subsequent $100m to support startups and entrepreneurs based outside the US. There are hundreds of thousands of developers from more than 180 countries building with Alexa, and we are especially excited about the number of startups emerging in places like Latin America and India."

Bernard said Amazon needed to support startups over the entire company lifecycle, and pointed to two Amazon initiatives to do so – the Alexa Accelerator and the Alexa Fellowship.

"We need to evolve and create new ways to work with companies across the lifecycle of company evolution. Examples of what have created to address these opportunities include the Alexa Accelerator, a 13-week program geared toward early-stage startups, and the Alexa Fellowship, which supports university faculty, researchers and student entrepreneurs. I expect to see more innovation in our approach and capabilities going forward."

Amazon has created an ecosystem for Alexa, from developer tools to startup support, all to enable Alexa's commercial success. Alexa now offers a panoply of services and there are more Alexa-enabled products. Yet Alexa does not feel essential to modern life in the same way that a smartphone does. Smartphones have reached ubiquity in almost every society on the planet, and Alexa is aiming for nothing less.

Technology adoption often revolves around the idea of a killer app, the one product or service that becomes so essential that it demands purchase of the platform. Atari had Space Invaders, Microsoft had Powerpoint and Internet Explorer, the social networks were their own killer apps, the smartphone had everything. What demands adoption of Alexa?

That is not necessarily Bernard's problem to solve, but he is part of Amazon's solution. As he said: "We obviously cannot invest in every compelling startup that embraces voice technology. But we do try to identify some of the most compelling ones, support them to bring their vision to Alexa, and, in so doing, help them build a great company. If we keep doing this, it can only help move us toward the vision we have for Alexa to be a ubiquitous service that makes daily life easier and more convenient for customers." ◆

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Patterns for my success

Remarks made by Elaine Jones, vice-president, Pfizer Ventures, at Pfizer Women's Breakfast at JPMorgan

I just celebrated my 10th anniversary at Pfizer but I have been involved with the JPM Women's Breakfast for a very long time. I never dreamed that I would be the speaker. I really have laboured over what I could share that would be valuable for an audience of successful women. I hope my remarks may impart some wisdom.

A few weeks ago I announced my intent to retire from Pfizer Ventures. This has put a unique perspective on my preparations for this speech. I have been thinking back on my professional path and talking with a number of women about their careers to get their advice on what I could talk about. I had the fortune to be seated next to a young professor from an Ivy League university some months ago and I put the question to her. What could I say that would be impactful to an audience of accomplished women? She revealed an amazing thing to me – the "imposter syndrome" is still alive and well.

In prepping her students for important moments in their academic lives, she told me that she must be their chief confidence officer – their supreme cheerleader. In advance of their presentations, she counsels her students to play the part of a confident person. They can fall apart afterwards but for the next few moments, they must act like their picture of success.

I was astonished. I thought to myself – young women still suffer from the same lack of confidence that I had as a young professional and on occasions still do; they too have the tiny voice in their head saying they cannot do this; I am afraid; when will others find out that I am really a fake?

So it appears that the imposter syndrome endures, even in the times when examples of successful women leaders are more prevalent than ever. This revelation, that the same issue that plagued women in my generation persists, caused me to reflect on the path that led me to today and forms the basis for my remarks. I think I have become less of an imposter and more of an imposer – but I admit I still have some ways to go.

So how do I think I have been able to quiet my fears and gain more confidence about myself? I was not born confident. This was something I learned over time, but what were the key steps that allowed me to become more confident? Of course, I benefited from mentors, but for me visualising success has had the most influence in my life.

I do not consider myself an innovator, but rather someone who executes a plan. I need a picture of success on which I can pattern myself. Consequently, I am a mimic, a conscripter of good ideas that I incorporate into my approach. I have watched successful people in many different situations. I have admired their thought processes, their unique perspectives, the tone they have used to convey their messages.

I take these lessons, test them out, adapt them to my style, and then incorporate those that work for me into the philosophy that I then use in my everyday life – kind of like making your own jigsaw puzzle, as you try different positions with each piece to see what works best for you. Each day, I see something I can borrow from individuals I interact with and I add another piece to the puzzle of my life.

So I thought I would share stories about three people who have served as my "pictures of success" and describe the patterns that they have given me which have contributed to leading me here today in the hopes that these lessons may also be helpful to you.

Let's begin in my early days, when I left the lab and began to pursue the business of science. Tamar Howson was my first picture of success. I worked for Tamar when she led business development at SmithKline Beecham but she went on to other senior leadership roles at large pharma and within biotech. At that time I first met her, Tamar was the rare woman at the top of the leadership of a large pharma and she was smart and tough.

Tamar still is a guiding light in my life and she has given me many sage words of advice over the 20 years we have grown to know one another, but I share one incident early in my business career that was a true catalyst for change. During our time together at SmithKline Beecham, there were some rough periods where I felt that Tamar was under attack from other powerful members of the company's management team. I once asked her how she coped with knowing that people were out to get her. She replied that if she was worried about people liking her, she would never get out of bed in the morning. You have to press forward if you believe in what you are doing.

I know that these comments may seem unremarkable, but they imparted some important messages. First, being liked is not a true corollary of success. Second, you do not have to make everyone happy. Or maybe more realistically, you cannot. Third, you cannot be afraid to pursue your path. So get used to the feeling of being alone, disliked or uncertain if you are being true to yourself. This was the moment I decided to get in the game, sit at the table, speak up, and start acting on decisions I was passionate about – my "fake it until I make it" moment. After time passed, I became more comfortable being uncomfortable.

My second picture of success was Brenda Gavin, one of the leading women venture capitalists and my first boss when I entered the VC world after joining SR One. Brenda was bold and outspoken, and never afraid to ask for what she wanted. No doubt her intelligence, great personality and sense of humour allowed her to be beloved by all those that worked with her, even when pushing the envelope.

Unfortunately, Brenda died almost three years ago, and having her as my friend and mentor ended way too soon. But I have two of her mantras that run through my mind almost every week. First, you cannot make a mistake until you are 50. And of course, as she reached and then passed that age, Brenda kept adjusting the number upwards.

Her second mantra was if you make a bad choice, make another one. So Brenda gave me several more critically impactful snapshots of success and puzzle pieces for my life. First, take a chance. Try something new. Don't be stuck in your ways. I really hate being wrong or looking silly, but she helped me understand that mistakes are part of life – you do not have to be perfect. It is in our failures that great lessons are learned and pivots are made that can lead you into new fulfilling paths.

Not taking a chance is as big a loss as trying and failing, despite how scary this might be

Not taking a chance is as big a loss as trying and failing, despite how scary this might be. And it is my choice to make. If I have made a decision that does not make me happy, then I can choose to get out of that situation. I do not have to accept intolerable circumstances. I can reorient and move on.

My third picture of success is my partner, my boss, and my dear friend – Barbara Dalton, senior managing partner at Pfizer Ventures. Many of you can relate when I say that she has been a huge influence on my career and made such a difference in my life.

Perhaps you have noticed, but Barbara always appears supremely confident and seems to have all the answers. It is this picture of success I have in mind when I head out each day to work with my teammates, companies and co-investors.

Because our professional lives are so similar, Barbara is a key source of patterns for mine. She willingly shares her experience as an investor, a board member, a large company executive. By sharing her approaches, I have been able to add many more solutions to my toolkit and my repertoire has been significantly expanded.

These puzzle pieces have allowed me to look smarter than I have a right to be. Barbara is very thoughtful and deliberative. She is like a chess master who thinks many moves ahead, prepared and ready to discuss perspectives and solutions from different angles to drive towards her recommended outcome. Whether it is your problem or hers, she sweats the details with you, often coming back to offer additional guidance after thinking more about the issue. In addition, Barbara never tires of making those around her better. She is 150% supportive. You always know she has your back.

Barbara is very generous with her knowledge and experience. She makes many opportunities available to me, encouraging me to try new things, to step out of my comfort zone and do more. Barbara sees greatness in me that I cannot envision. She has been my biggest champion and cheerleader – my chief confidence officer. Finally, Barbara's "pay it forward" philosophy has ingrained in me the value of helping others achieve their best.

Here are the key lessons I have learned from these three role models:

- Being liked is a nice-to-have, not a need-to-have.
- Press on through your fear.
- Take a chance and don't be afraid to make a mistake.
- Course correct, when needed.
- Think about issues from different perspectives.
- Continually seek improvement by observing success in others.
- Take advantage of a support system.
- Be generous with your time and talents.

I can say with certainty that many women have given me pictures of success. I have taken snippets of behaviour, attitude, approach, tone, thought processes and incorporated them into my style. Women have given me another critical component of my success – faithful support. By having faith in me, I grew more confident in myself. I may not have the answer

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but I do have the patterns to find a solution. And with these patterns, I have increasing confidence to try new things, to use them to make a new picture of success.

Fear of failure still quivers in me with surprising regularity, but with the snapshots I have collected from Tamar, Brenda, Barbara, and others, along with the knowledge that they are in my corner, I have made great progress on the path from imposter to imposer.

How does this help further women's leadership? Here is how I think it can be impactful. Just as I have shared the influence that Tamar, Brenda and Barbara have had on my life, I want all women to take a minute to think about someone who has helped them along the way. What pictures of success have they shown you? What puzzle pieces have they shared with you along the way? How have you woven these into your success story?

Then I want to ask women to become a picture of success for another person in their network. Consider giving the same assistance to them, help them see and adapt puzzle pieces in their life story. I realise that we see lots of influential leaders on TV or read books by others that inspire us. However, I think a more personal grass roots approach can be so much more effective in helping others see what they could be.

> Tell the story of your career, how you collected experience, made mistakes, pivoted to try something new

When I was growing up, I saw women only as homemakers, teachers, nurses, retail clerks. I realise that this is quite different today, but I do not think that this is a universal truth. I think it is very important to show others a more personal picture of what a successful woman looks like. Make it real for them. Let them see you, get to know you, learn about your path. Tell the story of your career, how you collected experience, made mistakes, pivoted to try something new. Share how you used one situation to impact another. Admit that you can be afraid but still pressed on. Show them how you have woven a tapestry of solutions into the unique path you have charted for yourself.

The impact of this can be huge – whether at home with your children, volunteering in your neighborhood, working with your alumni association or even on a grander scale in your companies, in politics, via social media, wherever you have the opportunity to make a role model real. I am an example of the power that pictures of success can have in one person's life.

A few months ago, I watched the movie Won't You Be My Neighbor? The film ended with some remarks that children's television host Fred Rogers shared during one of his commencement speeches. As I thought about my career, I found the messages to be inspirational as they spoke to the power that people in your lives can have, so I wanted to conclude with them and add a few remarks of my own.

Quoting Fred Rogers:

- Think about those special people who have helped you along the way.
- No matter where they are, deep down you know that they have always wanted what was best for you.
- They have always cared about you beyond measure, and have encouraged you to be true to the best within you.
- From the time that you were very little, you have had people who have smiled you into smiling, people who have talked you into talking, sung you into singing, loved you into loving.

I am now asking you to be someone else's "people". To take time to share your snapshots with others so they too can see what different versions of success look like and adapt solutions for themselves from the patterns you help provide. Be the people who help support them into succeeding, the people that share them into sharing, lead them into leading. Give others a snapshot of success that they can incorporate into their life's picture. Who knows what beautiful portrait they can compose. ◆

SPECIAL REPORT

Blessing of Chinese unicorns for world's markets

James Mawson, editor-in-chief

◆China's generational shift of corporate venturing exits and unicorns

◆"Staggering" density of $1bn-valued companies

◆Geopolitical concerns raise regulatory risks

While the US has started its next wave of $1bn flotations after ride-hailing platform Lyft's initial public offering at about $23bn in market capitalisation last month, Chinese counterparts have spent the past 18 months taking to the public markets. About a quarter of the estimated 125 Chinese unicorns – private companies worth at least $1bn – in summer 2017 have floated on public markets over the past year and a half, according to analysis by Global Corporate Venturing Analytics.

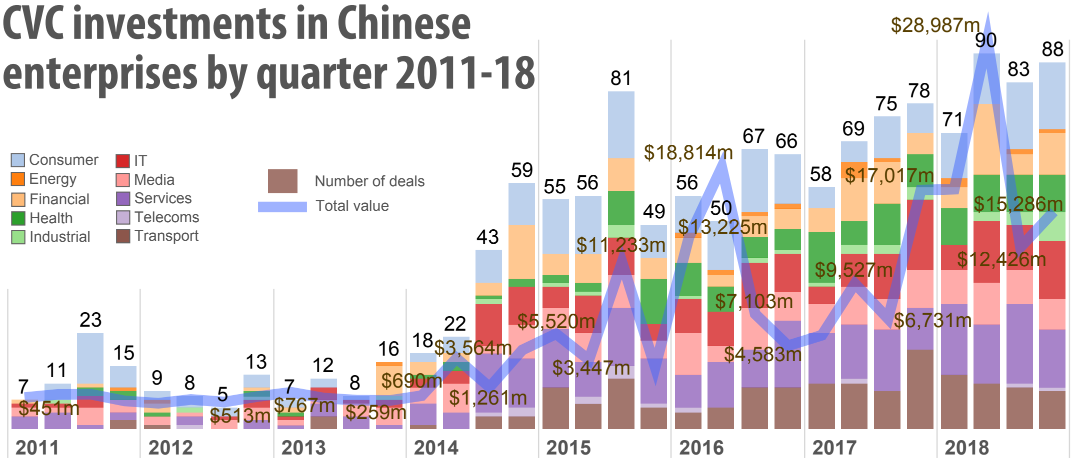
The first generation of Chinese private internet companies, led by Baidu, Alibaba, Tencent and JD – known collectively as the BATJ – which all floated in the decade leading up to the end of 2014, has been followed by a new generation, led by Toutiao (Bytedance), Meituan-Dianping, Didi Chuxing and Xiaomi – collectively known as the TMDX – as well as subsidiaries formed by BATJ, including iQiyi, Ant Financial, Tencent Music, JD Finance and JD Logistics.

Meituan-Dianping and Xiaomi floated last year, collectively raising almost $9bn in the world's biggest internet-focused IPOs in four years. Both were valued at more than $50bn. Bytedance and Didi Chuxing's reported $75bn and $56bn private valuations respectively, mean their IPOs are also eagerly anticipated.

The success, however, of spinouts from the BATJ also points to their ability to bring value-added services to startups – capital, customers, product development and hiring, as well as the chance for successful exits through acquisitions and IPOs.

Baidu's video content channel, iQiyi, raised $2.25bn in its Nasdaq listing last year at an $18bn market cap, while Tencent Music raised about $1.1bn on the New York Stock Exchange to be valued at $21bn. Ant Financial, an affiliate of Alibaba, and JD Finance both last year pushed back their expected IPOs after raising tens of billions of dollars in private funding at reported valuations of about $150bn and $20bn respectively.

CVC investments in Chinese enterprises by quarter 2011-18



In February, JD Logistics provided 20% of the capital to a RMB4.8bn ($715m) Properties Core Fund to buy RMB10.9bn of its logistics facilities and so "recycle capital for its future growth initiatives".

Investments surge

As Tencent noted last month in its 2018 annual results: "We have invested in more than 700 companies. More than 100 investees were valued at over $1bn each, among which, over 60 went public."

Tencent's investment strategy differs from that of rival Alibaba, China's largest e-commerce group, which has made significant outright purchases of companies, including Asian e-commerce platform Lazada, logistics platform Cainiao Network and Chinese on-demand services company Ele.me, according to one of Alibaba's portfolio companies, news service South China Morning Post.

Alibaba also pointed in its results to "cash outflow of RMB22.89bn for investment and acquisition activities, including investments in Focus Media and Tokopedia" in its fourth quarter. JD.com in its annual results for last year noted an "increase in investment in equity investees and investment securities of RMB22bn".

Baidu in its annual results for last year said its "total other income was RMB11.8bn, increasing 111% from 2017, mainly due to gains from the disposal of Du Xiaoman (financial services), and fair value gains on private company investments".

A senior director at one of the large China-based corporate venturers said: "The markets were choppy in the fourth quarter of 2018 but private markets have remained fairly stable and companies are increasingly relying on private capital even well beyond the $1bn valuation benchmark.

"The density of unicorns within a given segment or vertical, and the sheer growth in the number of private unicorns in China and globally is also staggering, which begs the question whether the $1bn unicorn threshold is that meaningful a benchmark in differentiating companies in the current environment."

Data provider CB Insights tracks 326 unicorn companies around the world. The Economist, citing research by CB Insights, noted last month that, in the last three months of 2018, deals to commit venture capital to Chinese startups slumped in number by two-fifths. However, the number was supported by corporate venturers, which increased their activity to 88 deals in the fourth quarter compared with the previous three months' 83 deals and 78 in the same period of 2017, according to GCV Analytics.

Next generation of unicorns emerge

The power of these corporate venturing offerings to spinouts and startups has meant most – 110 of 130 – of the next generation of unicorns awaiting a flotation or acquisition have local corporate venturing backing, according to research by GCV Analytics using latest valuations data on Chinese unicorns by China Money Network and CB Insights.

Japan-based telecoms and internet group SoftBank has backed Bytedance – developer of the short-form video app TikTok (Douyin) – following its earlier backing of Alibaba after the millennium.

Alibaba, Ant Financial and Tencent have helped ride-hailing platform Didi Chuxing develop, merge and grow with nearly $20bn in private funding. Alibaba and Ant have invested in at least another 20 local unicorns, excluding international deals, such as Paytm in India or Stone in Brazil, and the family offices and personal investments of its senior executives, Jack Ma and Joseph Tsai, such as through Yunfeng Capital, have also been active. Alibaba has had holdings in at least six unicorn IPOs over the past 18 months, based on the original list from summer 2017, and also acquired and merged portfolio companies Cainiao and Ele.me.

Tencent has investments in at least another 30 China-based unicorns – which makes up about 5% of its 400 to 500 Chinese portfolio companies – and, as seen by its support of Meituan's flotation, it has a well-developed strategy for supporting public companies, such as Tesla and Snap. It has backed nearly a dozen China-based unicorn IPOs in the past 18 months.

Baidu and JD, outside of its subsidiaries' own corporate venturing deals, have stakes in half a dozen or more unicorns each, but relatively few exits.

Given the success of this corporate venturing strategy by the BATJ, it is no surprise to see the TMDX follow suit, and others that have subsequently floated or remained unicorns).

Bytedance acquired music-based social media app Musical.ly for $800m and in December was also putting together a $1.44bn corporate venturing fund having reaped rewards from backing other start-ups, such as Dailyhunt and 17zuoye.

Meituan-Dianping has continued to expand through acquisitions and venture deals, buying bike-sharing service Mobike for $2.7bn in April last year and raising a $435m fund following deals such as Yijiupi.

Didi Chuxing's has invested in mobility peers Careem, Ofo, Ola, Lyft, Renrenche, and bought Brazilian portfolio company 99 for a reported $600m.

Xiaomi has perhaps been the most expansive of the four, putting up about a third of a $1.7bn venture fund in 2017 and aiming to invest up to $1bn in about 100 India-based startups in partnership with founder Lei Jun's family office, ShunWei capital, which has separately raised $1.2bn for its latest venture fund. A few years before, Xiaomi had said it would invest in more than 100 Chinese startups, such as Ninebot, to build the ecosystem around its hardware by investing strategically in businesses that could become partners as it seeks to develop its internet-of-things product range.

And beyond the the TMDX generation,

Top 10 Chinese unicorn exits since 2017

	Corporate backers	Exit route
Cainiao Network	Alibaba	Acquired by Alibaba
Ele.me	Alibaba | Ant Financial | Citic | JD.com | Tencent	Acquired by Alibaba
Meituan-Dianping	Alibaba | Alphabet | Dalian Wanda Group | Fosun Group | Hina Group | Meituan | Tencent | TrustBridge Partners | Undisclosed strategic | Xiaomi	IPO
Tencent Music	Tencent	IPO
Nio (formerly NextEV)	Baidu | International Data Group | Lenovo | Tencent	IPO
SouGou	Tencent, Sohu	IPO
Jia.com	Youku Tudou	IPO
iQiyi	Baidu | International Data Group | Xiaomi	IPO
VIPshop		IPO
ZhongAn Insurance	Alibaba, CDH, CICC, Morgan Stanley, SoftBank	IPO

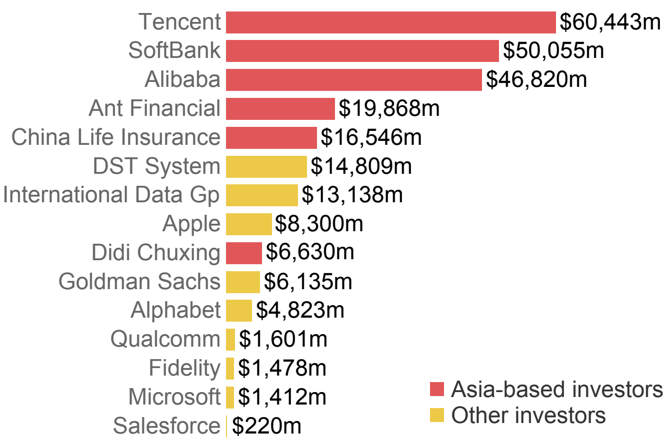
Source: GCV Analytics

Top 20 Chinese unicorns with CVC units

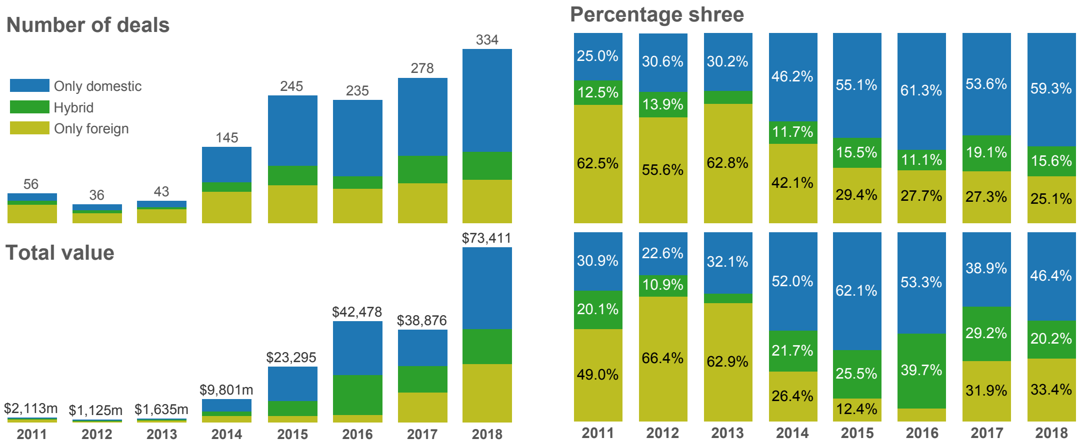
Company	Valuation	Selected corporate investors
Ant Financial	$150bn	Alibaba
Bytedance	$75bn	SoftBank
Didi Chuxing	$56bn	Alibaba | Ant Financial | Apple | Tencent
Ele.me-Koubei	$30bn	SoftBank | Alibaba
JD Finance	$20bn	JD
Manbang Group	$6bn	SoftBank | Tencent | Alphabet (CapitalG)
Lianjia	$5.8bn	Baidu | Tencent | Vanke | Sunac
We Doctor	$5.5bn	Tencent | Centrillion | AIA
Trendy International Group	$5bn	Citic
SenseTime	$4.5bn	Alibaba | Qualcomm | Suning | Dalian Wanda
YITU Technology	$2.4bn	Sanhua
Lakala Payment	$1.6bn	Legend
Aihuishou	$1.5bn	JD
Loji Logistics	$1.3bn	
Luoji Siwei	$1.2bn	Tencent
58 Daojia	$1bn	Alibaba | Ping An
Ding Xiang Yuan	$1bn	Tencent
iCarbonX	$1bn	Tencen | Vcanbio
Jolly Information Technology	$1bn	Ping An
Womai	$1bn	Baidu | Cofco

Sources: GCV Analytics, CB Insights

Top 15 corporate investors in Asia-based enterprises by total round size 2014-18



Foreign vs domestic investment in China 2011-18

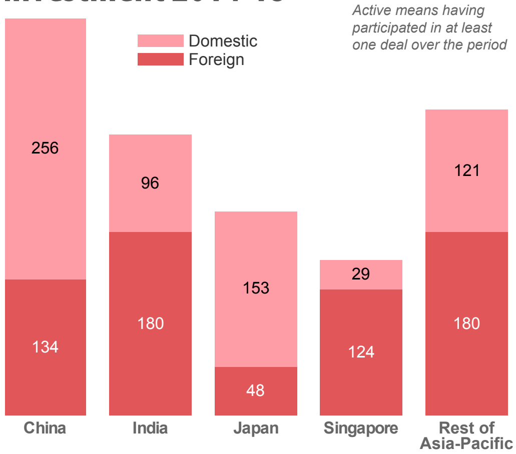


other unicorns, including Ele.me-Koubei, Lianjia, Manbang, SenseTime and We Doctor, are following this corporate venturing playbook as part of strategy to develop a supporting ecosystem and understand customers and product development.

The local sourcing of corporate venture capital and market development means only a handful of primarily US corporations, such as Apple and Uber in Didi-Chuxing, Alphabet – through CapitalG – in Manbang, Qualcomm in Unisound or Walmart in Dada-JD Daojia, have invested in these China-based unicorns, while Asian peers, including SoftBank, Rakuten, SK Group and Telstra, have had similar levels of access and only Bertelsmann among European companies has successfully built a local venturing franchise.

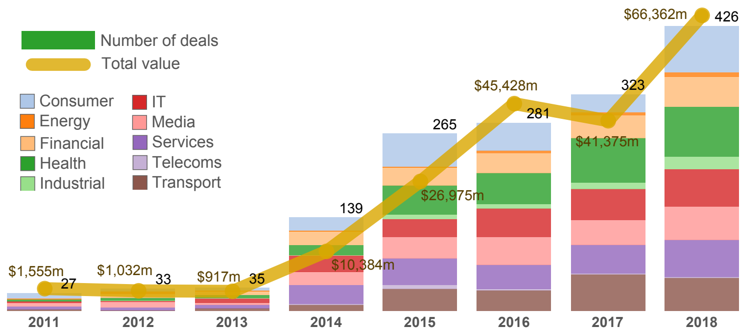
By contrast, Chinese corporate venturing investments internationally have continued to climb, having tripled over the five-year period to 2018 to 426 deals worth an aggregate $66.4bn last year from 139 worth $10.4bn in 2014, according to GCV Analytics.

Foreign vs domestic corporate investment 2014-18



Global focus

Chinese corporate investments globally 2011-18



This effectively neo-mercantilist policy through China's internet "great firewall" has protected local markets under state guidance and in the unique combination of scale of market, population demand and competition, creating products and services, such as WeChat and TikTok, that western companies are trying to emulate. It is notable that Fortune's CEO Daily newsletter's headline last month was "Mark Zuckerberg Has WeChat Envy – and That's Terrifying", after the Facebook co-founder and CEO posted a 3,300 word blog on its privacy strategy, while a New York Times headline blared: "How TikTok Is Rewriting the World".

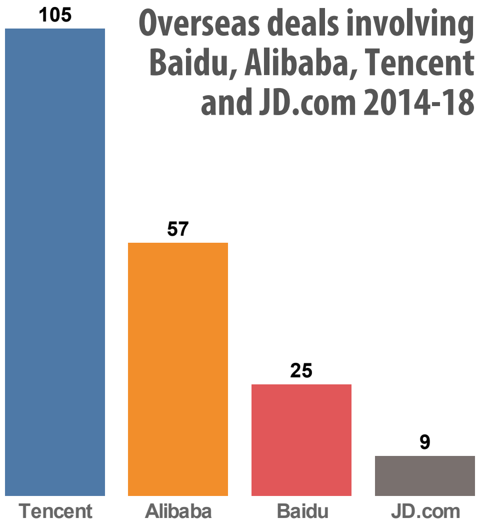
However, just repeating successful strategies runs the risk of missing opportunities or running into regulatory pushback. Tencent president Martin Lau was reported by the Financial Times as saying the total market capitalisation of companies in which it held stakes in excess of 5% exceeded $500bn – more than its own $420bn market cap. If an average holding size is about 10% to 20% then Tencent's 700-strong portfolio could be worth between $50bn and $100bn.

But the dollar value today misses the value the portfolio brings to Tencent's own strategy. The FT quoted a person close to Tencent saying: "How is the internet developing? How do we develop knowledge of users? What is driving users' use? What are the common traits? Basically, Tencent does not want to miss the clues. It is so easy to do that and be surprised by something new and radical. TikTok was a bit of a wake-up call."

Beyond the consumer internet, Tencent's strategy is focused on so-called Industry 4.0. In its annual report published late last month, Tencent said: "Looking ahead, we will invest in core infrastructure and frontier technologies to embrace the trend of the industrial internet, while continuing to drive the evolution of the consumer internet.

"We will enable our enterprise partners to better connect with our users via an expanding open and connected ecosystem. Utilising our innovation and technology capabilities, we seek to assist a range of industries in undergoing digital upgrades and transformation."

Overseas deals involving Baidu, Alibaba, Tencent and JD.com 2014-18



It is not quite as straightforward as US-listed retailer Amazon seeming to know what to build from the signals it receives from customers because other merchants are selling their own products on Amazon's third-party marketplace or developing apps on Amazon Web Services, but not far off as Tencent's Mini Apps platform has been increasingly popular and could eventually hit challenges similar to those of its games division, which faced regulatory headwinds last year forcing renewed focus on diversification and internationalisation.

Amazon's practices have been a point for potential anti-competition policy, according to Lina Khan in a paper at Yale Law School identified by Alex Danco at venture capital firm Social Capital. Danco added in his weekly email: "The key question is this: is Amazon able to use its huge audience and distribution platform to effectively coerce its third-party merchants into a raw deal? If you want to sell on our platform, you have to give us valuable product development data for free. The more free data we can get, the greater is our ability to build our own cheaper versions of these products and continue to attract customers on our platform, and therefore maintain our coercive power over merchants.

"The charge, then, is that Amazon's behaviour is something new, which we can think of as anticreative. It means two things. If you are selling on Amazon, then the returns to your creative effort and creative product development will accrue disproportionately to Amazon. But if you are not selling on Amazon, then any creative effort and creative product development will genuinely be harder for you to do because you won't have access to the customers you need. It is not about competition, it is about creation, and Amazon's ability to coerce you into developing new products with full knowledge that they will gain most of the benefit – but the alternative is worse."

Take the idea to Amazon's Chinese peer, Alibaba, or from Facebook's messaging and games to China's Tencent, and the potential for pushback exists. China has in many ways been more effective in pushing regulatory and societal changes on its private companies, such as stopping licensing all new games last summer while, the FT noted in January, Alibaba faces growing regulatory threat as China's economy falters.

But even in an apparently slowing economy the opportunities enjoyed through successful corporate venturing as part of an innovation toolset remains unprecedented. ◆

Top corporate investors in Asia by sector 2014-18

	Tencent	SoftBank	Alibaba	Baidu	Alphabet	Intel	Microsoft
Services	29	16	22	10	3	2	
Consumer	37	20	36	5	1	6	1
Media	25	13	11	7	2	7	
Transport	29	21	18	15	2	3	1
IT	15	8	12	3	6	25	1
Financial	14	15	8	3		5	
Health	13	7	3	1	2	2	
Energy	1		1	1			
Industrial	3			2	1	2	
Telecoms	1	1	1	3		2	

Top corporate deals in trending tech areas 2014-18

	Tencent	SoftBank	Alibaba	Baidu	Alphabet	Intel	Microsoft
Artificial intelligence	17	21	7	3	34	36	19
Autotech	12	7	2	6	3	8	
Big data	6	10	4	5	35	36	13
Fintech	2	3	1		7		
Internet of things	5	9	1		4	30	
Logistics & last mile delivery	13	10	12	2	5		
Virtual & augmented reality	3	2	7	1	15	16	1

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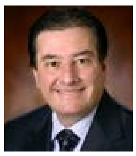
Michael Redding
Accenture Ventures


Jaidev Shergill
Capital One


Bonny Simi
JetBlue Technology Ventures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Marianne Wu
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INNOVATIVE REGION

The French venturing revolution

Robin Brinkworth, reporter

◆France sees opportunity to catch up with international peers

◆Corporations add vital support to entrepreneurs

◆Iris Day shows partnership potential in venture leadership

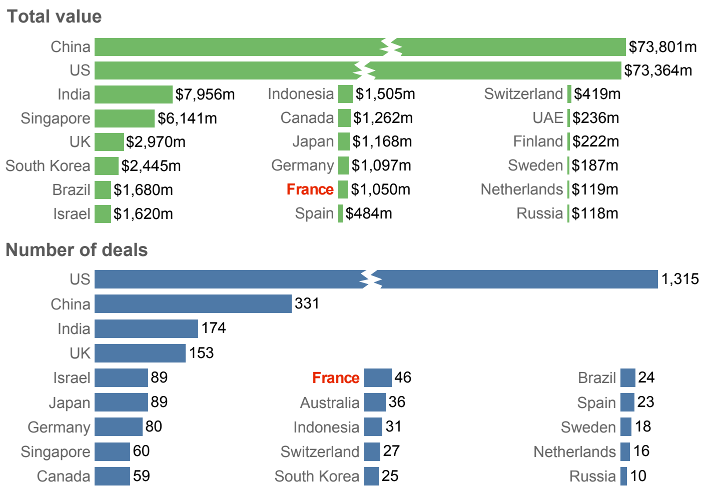
France has much to offer the world of innovation and corporate venturing. This is so even though it is not Germany with its famed industry, nor the UK with its banking and services sectors, nor the US or China with their economic might.

A record level of corporate venture capital was comitted in France last year, and it is now neck and neck with Germany's $1bn spent on corporate-backed deals last year.

Data provider Sifted noted France's €3.7bn ($4.2bn) total venture capital investment in more than 500 deals put it third behind Germany's €4.4bn and the UK's €7.7bn last year, and in a survey of VC fund managers by the European Investment Fund last year, the French were "on average more confident about the long-term prospects of their market".

To the external investor, there are two reasons why France is not yet understood to be an innovation hub. The first is reputation. French bureaucracy and its regulatory environment are seen as prohibitive, perhaps unfairly so. The second is language. French

Top countries by estimated corporate-backed deals 2018



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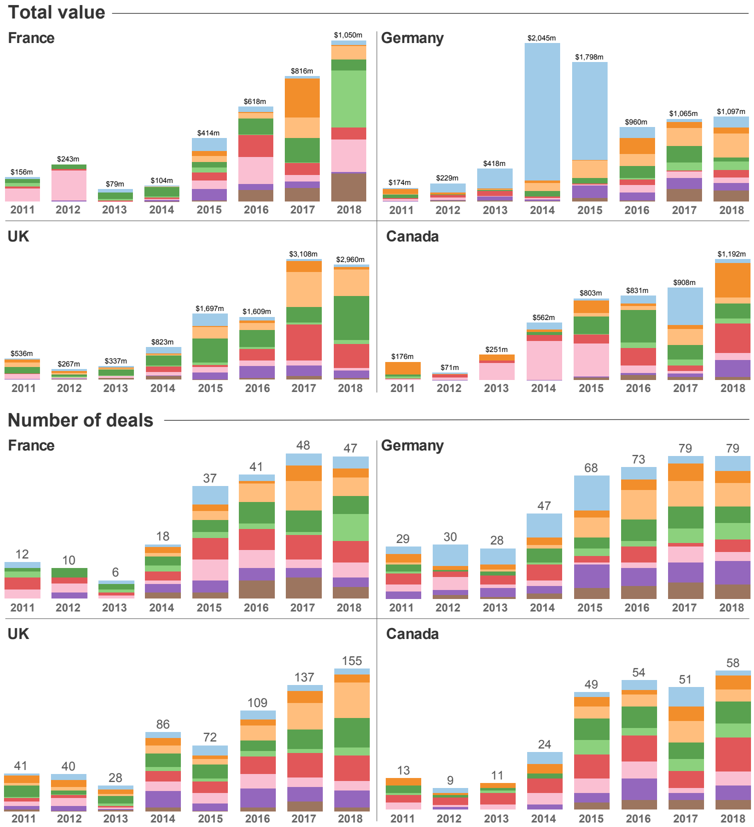
cannot compete with English as a trader's tongue – Germany, for example, has 45 million English speakers – and francophone countries are often less developed, representing less attractive investment opportunities when compared with New Zealand, Australia, South Africa, Ireland, Canada, India and the US.

Yet while France may not have those advantages, it is still one of the world's strongest economies. As Antoine Delafargue of Total Energy Ventures said: "France is home to a vibrant innovation and startup ecosystem. Over the years, several regulatory and fiscal incentives have been introduced to make life easier for startups and investors. The country is reputed for the quality of its engineers, its research institutes and world-class multinationals.

"It is just a matter of time before the country's reputation as a hot VC ground crosses borders to foreign VC investors."

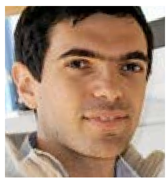
Roxanne Varza agrees. She knows the grass-roots scene in France well, having initially been at Microsoft's startups platform and is now director at Paris startup hub Station F, tech billionaire Xavier Niel's contribution to France's entrepreneurial ambition.

Corporate backed deals by sector by country 2011-18

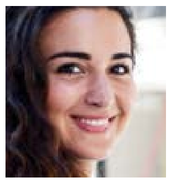


She said: "France has really risen to the forefront of innovation in Europe, perhaps in part because the UK is less attractive for entrepreneurs as a result of Brexit. There are now tons of additional resources for startups and [government-backed ecosystem catalyst] La French Tech has just introduced a new visa making it very easy for startups to recruit foreign tech talent."

Station F is the world's largest startup campus, set in a former freight rail depot. It gives Varza a unique perspective, both being at the ground level as well as seeing a high volume of startups. "We have over 1,000 early-stage startups on campus and one-third of our residents come from outside France. We have over 50 different nationalities represented on campus and over 600 people at Station F do not even speak French."



Delafargue



Varza

If language is no longer the barrier it once was, how about the bureaucracy? Has President Emmanuel Macron changed things? Varza acknowledged that Macron had changed the image of France but pointed out that a many changes were made by previous administrations.

"The French ecosystem did not change overnight with the election of President Macron. In fact, a lot of the different elements already existed. However, what Macron really changed was the image of France – he was able to project a more pro-business innovation-friendly France."

Delafargue is more direct, noting the minister in charge of digital affairs is an "energetic" former entrepreneur. For Delafargue, two measures introduced by the former administrations have been beefed up – a stronger fiscal incentive to support research and development, and the public BPIFrance funds, now ubiquitous in the French startup scene. In addition, the large French multinationals are now on board. Delafargue said they had become more open and were deploying more firepower to help startups grow.

Part of that firepower is aimed towards incubators and accelerators. Varza said more corporates were launching their own incubators, and both she and Delafargue agreed that entrepreneurship was catching on. As Delafargue said: "Culturally, millennials are much more attracted to entrepreneurship than a lifetime career in a CAC40 company [the top of the French stock index]."

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There have also been changes in universities, with an increasing emphasis on technology transfer offices, while more immediately, universities and public research institutes, such as the French Alternative Energies and Atomic Energy Commission, have, according to Delafargue, been "structured into excellence centres, with an emphasis on more autonomy and seeking more practical and industry funded research". As a result, there have been more university spinouts – nine in 2017 and seven in 2018, up from just two in 2014.

Young people are emerging from French universities with valuable skills. Delafargue pointed out that, being in France, they do not have to pay the Silicon Valley tax for engineers and data scientists. Plus, he said, the "quality of life in France does play a role in attracting the best scientists".

Domestic French talent is all well and good, but Varza said attracting international talent was a key issue, one hopefully to be rectified by La French Tech's overhaul of the visa system. Startups need talent to succeed, but they also need funding. Fortunately for France, that is where the country is relatively well placed.

Both Varza and Delafargue agreed the early-stage startup and funding ecosystem was working well. Varza said: "France is now the leading location for recruiting technical talent in Europe and for finding early-stage funding for startups – two very important components when launching a business."

More startups are finding funding, particularly from corporations. The CVC-backed deal count has risen from just six in 2013 to 47 in 2018. That is in part because of miniature ecosystems like the one Varza leads as well as more established networking centres around venture capital firms, such as Iris Capital's noted corporate partnerships *(see Iris Day flowers, overleaf)*.

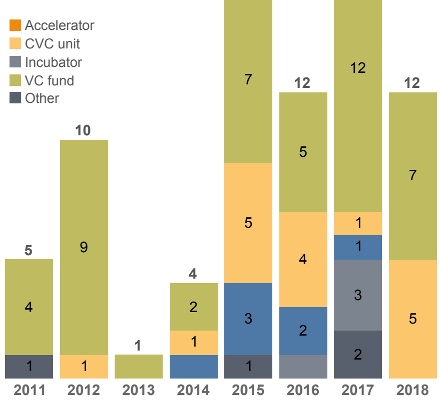
Varza and the team at Station F have "put together an entire ecosystem with all the resources a young company could possibly need all under one roof – this includes 30-plus administrative or public services, an investor community with over 40 members, 30 different startup programs, a makerspace for prototyping, events and meeting spaces and more".

Delafargue said work remained to be done in the latter funding stages. "The next steps will be to strengthen later-stage funding and growth phases, to yield more unicorns [companies worth at least $1bn]."

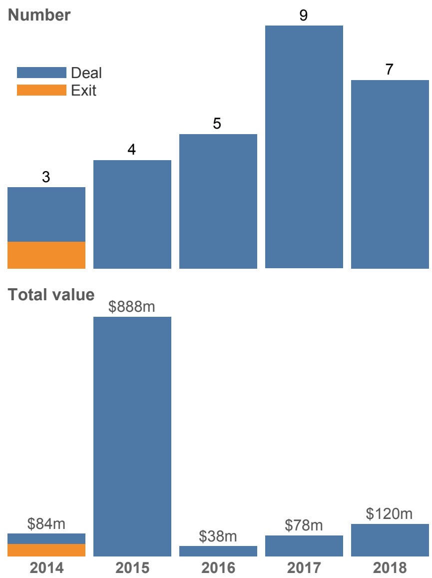
He added: "Unicorns do not appear overnight. It takes time to build global leaders, along with the late-stage investors that are needed to support them. A more technical factor may be the fact that historically French VC funds have pretty much covered the whole French dealflow, leaving little room for foreign funds, but this is evolving. France cannot benefit from market sizes as big as in the US and China, so French startups need more late-stage funding to internationalise without losing too much time."

Sigfox is an example he cited – the French communications startup has had two rounds over $100m – but that size of deal is still relatively rare. Since 2011, there have been only nine $100m-plus rounds in which a CVC unit has been involved, and the most frequent corporate investors in France in 2018 are still all European, barring Intel and Salesforce. Orange, XAnge, and BNP Paribas were the three most dominant, and other French firms round out most of the rest of the list – Danone, Crédit Agricole, France Telecom, and SNCF to name a few.

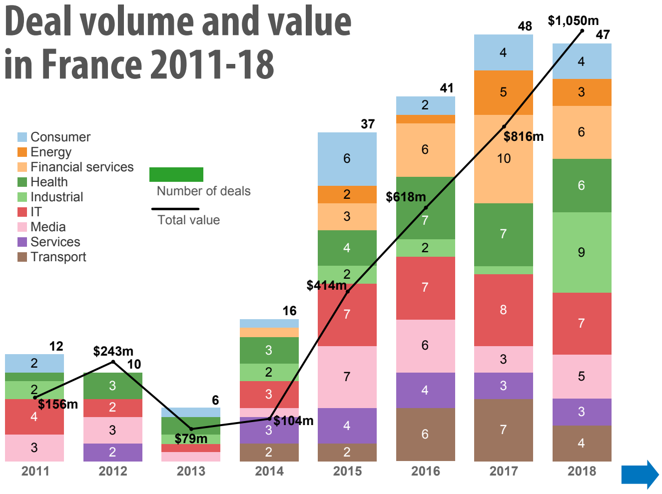
Corporate-backed funding intiatives in France 2011-18



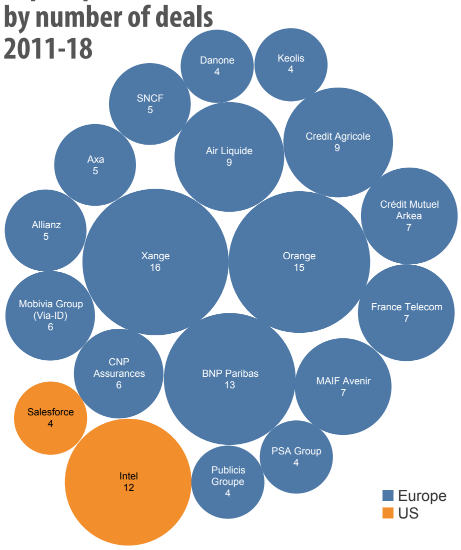
Deals and exits from French university spinouts 2014-18



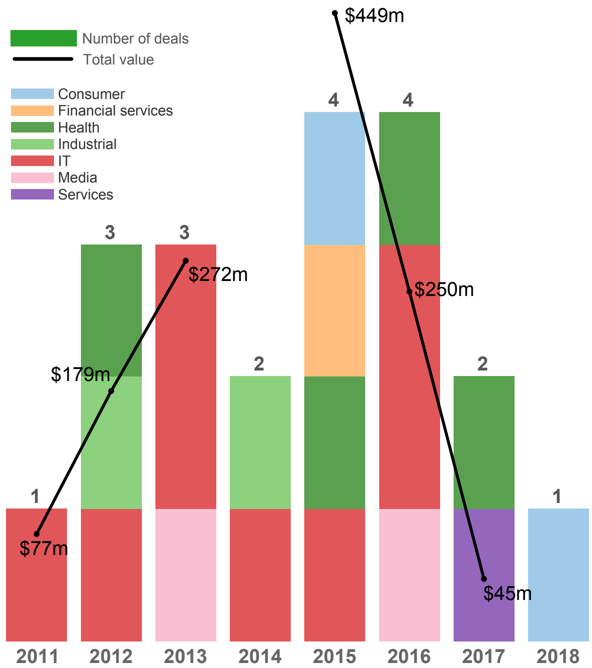
Deal volume and value in France 2011-18



Top corporate investors in France by number of deals 2011-18



Exit volume and value in France 2011-18



Accountancy firm KPMG in its venture review of last year noted Blablacar's $117m series D round was one of the region's largest in the fourth quarter and said: "France truly came into its own as an innovation ecosystem."

Varza added something to that list: "The local exit market is really less developed than some of the other markets." Again, exits are rare for CVCs: just 21 since 2011, and no unicorns, although French firms have been involved in others around the world, such as Middle East-focused ride hailing service Careem. Yet despite that, Varza is confident "For the moment, things are really heating up. The government is making a conscious effort to address a lot of our concerns, we are seeing a more international investors as the geopolitical situations deter investors in the US and the UK."

While the situations in the US and UK may be apparently deterring investors there, although the data so far is hardly conclusive for both given record years for venture deals in both countries, according to Pitchbook, competition is increasing globally for Delafargue, although he still things France is in a strong position. "Although many other countries are becoming innovation hotbeds, I think the future is very positive for France. At Total, we would be delighted to increase the French share of our portfolio, as this would only increase Total's competitiveness on the global energy scene."

As each issue in turning France into an innovation hub is identified, they seem to be overcome: visas, corporate culture, and bureaucracy. The great organs of the French economy, the French state, universities and research centres, and the big multinationals are all pulling in the same direction: towards innovation.

Focus: Iris Day flowers

James Mawson

Iris Capital's corporate day in Paris highlighted the flowering of France's entrepreneurial ecosystem and its position among the global venture elite. Iris Day was held for the second year at the Eiffel Tower – designed by German-born immigrant Gustav Eiffel – was a suitable reflection of the Franco-German firm's international ambitions and successes.

Iris Day included a fitting tribute, by Pierre de Fouquet and Antoine Garrigues, Iris Capital's founding partners, to the late Erkan Kilicaslan, managing partner. He would have been proud of the team's achievements through supporting entrepreneurs and with more than 260 exits, the latest being ride-hailing service Careem, sold to Uber for $3bn in cash and stock – a 100-times return.

Angus Paterson (via Zoom) and Alexander Wiedmer, partners at Iris Capital, indicated that another unicorn exit could be announced following Uber's $3bn purchase of Careem last month. From seed investment through four rounds to unicorn exit and a four-times return of the whole STC Ventures fund for the Middle East, managed for Saudi Telecom by Iris Capital, indicates a second fundraising could be near.

Erik de la Rivière and Curt Gunsenheimer, managing and senior partner, respectively at Iris Capital, had earlier reflected on the past year's 29% year-on-year aggregate growth in the revenues of 52 portfolio companies to €2.4bn, and a 20%

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rise in employee numbers to 10,600 as testament to their entrepreneurial successes.

They were followed by fascinating insights from Mari-Noëlle Jégo-Laveissière, deputy CEO for technology and global innovation at Orange, on how the shift to 5G (fifth generation) in mobile telecoms standards could open up "ambient intelligence" and internet everywhere, and by "not doing everything ourselves" will enable opportunities for entrepreneurs and hence a broader platform for corporate venturing.

Startups seemed ready to seize the opportunity, judging from some of Iris's seven new investments in the past year that presented their plans to the gathering.

Iris Capital partners Angus Paterson, on screen, and Alexander Wiedmer

Gilad Rozen, co-founder and CEO of Israel-based wifi chip developer Celeno, said its Doppler radar technology allied to software and analytics could enable 5G to create smart homes and mobility, such as home assistance, without compromising privacy. This could have consumer and enterprise applications, and Iris's France-based portfolio, including Exotec and Braincube, offered promising insights into how the so-called industry 4.0 era could develop.

Exotec's 3D logistics robots offered a way to support the burgeoning e-commerce market, while Braincube has spent a dozen years building a unique set of customer relationships to help automate industrial plants through the use of artificial intelligence. Profitable for a decade before raising venture capital from Iris and Germany-based industrial conglomerate Siemens' corporate venturing unit Next47, Braincube's chairman Laurent Laporte and general manager Helene Olphe-Galliard said the money was used to transform the company's strategy and fund customer development.

In a reflection on BPIFrance's importance to the local ecosystem, Laporte said she had heard a presentation by the French state agency's president calling for the next unicorns to apply and had sent a text message saying Braincube would be one. This led to a meeting and invitation to BPIFrance's BIG conference, where Braincube met Siemens and started the path to Next47's investment, while BPIFrance also usefully advised against too much dilution in its first round until the strategy was proved and a bigger round could be set up in future.

By using Bayesian logic to run multivariant probability analysis on the thousands of factors that can affect production of, for example, paper plants, Braincube is helping automate factories and supply chains and improve efficiency and reliability and hence lower costs.

All these startups focused on customer pain points and in conversation added that Iris's ability to help with strategy and governance as well as capital and corporate introductions was an important aid to their growth rates – and corporate partners were also benefiting.

Agathe Bousquet, CEO of Publicis France, explained how the customer-first principle had helped the ad agency's transformation to respond to cost pressures, disruption and questions of trust in brands through acquisitions, such as Sapient. With partnerships with peer tech companies in other sectors, such as Safran, R&D ties with top universities and corporate venturing through Iris and others, Valeo has a focused strategy on delivery of car parts to the next generation of mobility services, such as Unu Motors' scooters, he added.

Christophe de Valroger, vice-president for strategy and product in Europe for Japan's tyre maker Bridgestone, said it used incubation (Mobox, Fleetpulse), M&A (TomTom) and other innovation tools to develop its mobility solutions roadmap

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for predictive maintenance and "tyres as a service".

They were both joined by Pascal Blum, co-founder and CEO of Unu Motors, and Thibaud Chassagne, ride-sharing peer Virtuo's co-founder, to discuss the changing mobility landscape as ownership patterns changed between generations and how China's rise to first in transport had made Europe a follower in areas such as ride-sharing.

From half a century of limited change, transport was undergoing a threefold transformation, as ownership models changed, electrification replaced power trains and autonomous vehicles started to emerge.

This would lead to new ways of living life, the panel agreed, with individuality at its centre. ◆

Above: Christophe de Valroger, Bridgestone

Left: Mari-Noelle Jego Laveissiere, Orange

Above: Guillaume Devauchelle, Valeo

Left: Pierre de Fouquet and Antoine Garrigues, Iris

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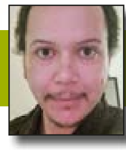
Changing attitudes – sustainability, nutrition and wellness

Perspectives on sustainability and wellbeing are changing in response to health and environmental challenges, offering an opportunity to university-linked businesses

Callum Cyrus, reporter



A barrier to achieving sustainability in food production is that the term means different things to different people. Whereas sustainability is often thought of in purely environmental terms, for farmers an agricultural process cannot ultimately be sustainable unless it protects their livelihood. As a society, we demand transparency about the origins of our food and, as a result, should expect extra costs as standards are tightened. Customers nonetheless continue intuitively to source the cheapest produce.

Economic orthodoxy in agriculture is not as widespread as some would imagine, particularly when it comes to profit-maximising considerations such as managing inputs, according to Bruno Basso, a foundation professor in the department of earth and environmental sciences of Michigan State University (MSU), whose research areas include agronomy and soil science.

As it is difficult to judge how much fertiliser needs to be used, farmers often deploy more to be sure, with negative implications for the environment. Even with the arrival of new agricultural technologies, the habit can be difficult to change.

"This is something that I personally struggled with myself with farmers, making them understand that often profitability means the profit coming from reduced input," Basso said. "Farmers still manage for yield, they manage for increased production and as the inputs are still low in terms of cost, they still use them as insurance against possible losses."

Basso's research in the area, which led to the formation of MSU spinout Cibo Technologies in 2014, epitomises how the agtech industry is trying to reconcile often contradictory expectations of sustainability.

Cibo sells virtual farm simulation systems based on a complex process-based crop simulation model able to capture the effects of the interactions of soil properties, climate, genotype characteristics and agronomic management on crop growth, and environmental impact in a given set of conditions.

Rather than relying on sensors on the ground, Cibo regards the plant itself as the result of a network of factors, from moisture levels to management practices, that inform its growth path.

Basso claimed the inspiration came from tech-savvy farmers working with a major sensor manufacturer, who said they needed more effective insights from technology. "[The farmers said] we need something that will lead to something worth the time and money to invest in sensors. So they said they would like help in making sense of this so-called big data – back then they were flooded with information, and these were the farmers who actually knew more than most technologically."

Cibo repurposed an existing management ethos, known as the system approach, that stresses how different factors interact and depend on each other. Applying the concept to agriculture, the result was a model that tracks each plant's interaction with external factors, such as soil quality, from day to day.

The technology is now available under licence, and while it is not being marketed to farmers directly, Basso believes it should provide greater insight into which agricultural management practices reduce greenhouse gas emissions while promoting soil health and carbon sequestration.

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It grew enough legs to bring Cibo Technologies $30.2m in its series B round in March 2017. Investors swinging behind the spinout include Flagship Pioneering, whose VentureLabs incubator helped build the business, and sustainability-focused investment manager Generation Investment Management.

Basso said: "The simulation and being able to relate with the system approach allows one critical thing. It transfers the ability to understand what happens in one field, or what happens to 90 million acres of corn. What if I inject 100kg or so of fertiliser, versus 45kg or 150kg?

"Would the yield change, or would it cause more environmental impact without any economic return? Results change depending on various factors, and the model accounts for those factors and their interactions. And that is the ultimate goal of sustainability – it is what farmers often do not have a clear understanding of. They want to know what the risk is if they use 45kg or more, and what is the response."

For Basso, the key lies in transferring the knowledge collected by novel technologies – food producers must be able to access the information in useful terms. The same rationale could unlock a host of advances in precision agriculture, allowing producers to meet the demands of the environment and more conscientious buyers.

Such technologies are also poised for impact on the consumer side of food sustainability. Basso gave the example of tracer systems, which track a food product's route through the supply chain. Consumers can be sure the best ingredients have been used, while production houses can reallocate the surplus to other products, saving resources in the process. The main question is one of price, Basso argued, as none of these technological changes will be cheap to implement.

"People always want to have everything with no additional cost. That is important to address. Do we want to reduce the income of the farmers because they pollute, so they have to take action to reduce that? As a consumer, are we willing to pay for that?

"And that is where government policies come in. Europe is ahead of the game with the Rural Development Plan. The US is not quite there. They are starting to do a lot of this work, but the question has to be are we willing to pay for it all. Are we willing to be less hypocritical?"

"People always want to have everything with no additional cost"

Bayer's university links

University expertise in agriculture is demonstrated by collaborations with life sciences firm Bayer, now fresh from the acquisition of agribusiness Monsanto in May 2018 which brought the Growth Ventures corporate venturing unit.

Bayer's academic tie-ups include a branch of its agriculture and foodtech-focused CoLaborator incubator launched with University of California (UC) Davis in March 2018.

The initiative is already home to three businesses – ultra violet light plant nurturing technology developer Biolumic, vineyard cultivation microbiome startup Biome Makers, and Joyn Bio, a sustainable agriculture partnership between Bayer and microbe engineering company Ginkgo Bioworks, according to Christi Dixon, spokeswoman for Bayer.

Bayer also has an agreement in place to source potential CoLaborator tenants from UC Davis's Venture Catalyst spinout support initiative, further strengthening its links to the university's ecosystem.

Elsewhere, the corporate's crop science division has announced a tie-up with Ben-Gurion University of Negev focused on applying local drip-irrigation technology DripByDrip to administer one of its crop protection products.

Dixon said: "According to the Food and Agriculture Organisation, population growth and environmental degradation are the biggest threats to humankind. Now more than ever, the world needs innovative modern agricultural solutions to address the challenges facing our food system. There has never been a more important time for innovation in agriculture."

She added that Growth Ventures – now Bayer Growth Ventures– was excited to pick up the work of its Monsanto-owned precursor alongside Bayer's existing vehicle, Leaps by Bayer, in light of the estimated $8bn of VC investment poured into agriculture and food startups in 2017.

It should be noted CoLaborator is operated independently of Bayer Growth Ventures.

Dixon added: "We are eager to partner companies making a difference in agriculture. We are seeking the innovative ideas being developed outside our four walls – and sometimes outside the agriculture industry. Ideally we stay close to the work of entrepreneurs and venture capitalists to identify emerging ideas quickly."

Nutrition

Changing attitudes to food has also been a driver of innovation in nutrition. While diet has long been known to influence health, it seems the importance of living healthily is rapidly climbing the agenda. Nutrition has become a central tenet in the school of preventative healthcare, and some of the most promising research in the area stems from universities, particularly where it comes to applying modern technologies for nutritional and wellness purposes.

UNIVERSITY CORNER

One example is the recent formation of Food, Genes and Me from University of Nevada Las Vegas, which is using genetic information supplied by consumers to provide tailor-made dietary recommendations, part of a research field often termed nutrigenetics.

Martin Schiller, creator of the project and executive director of Nevada Institute of Personalised Medicine, said while the science behind nutrigenetics remained relatively underexplored, there was a sizeable opportunity given the logical connection between genes, disease and diet.

"It is an unbelievably unexplored area. The reason is funding and difficulty with nutrition studies – there is just no large agency like the US National Institutes of Health, or the UK's Medical Research Council, that funds nutrition genetics research. Because of that the study sizes tend to be small and what is called underpowered, where even when you get a result you only have a certain amount of confidence in it.

"The reason we know there is a large opportunity here is a scientific metric called heritability, which scientists use to estimate what proportion of a human disease, behaviour or other condition is associated with genetics, and what percentage comes from the environment.

"When you look at common things like diabetes or Alzheimer's and nutrition, on average about half of it is due to heritability, so it is based on genetics. Based on that general observation there is a huge chance here to use a person's genetics to tailor diets, but many think the science is just getting started in this area."

One of the project's strengths is that it is compatible with consumer-facing genetic testing and analysis already available through platforms such as 23andMe. The net effect should be consumers can easily receive more personalised information than general nutritional targets, perhaps sparking earlier remedial action.

Schiller said the concept was one of a number plugging into consumer genetic testing platforms to attain deeper insights. Food Genes and Me is also attempting to build an ecosystem around the data it collects, by offering free tests to customers who consent to their information being used for scientific research.

"We will give you a free personalised diet report, but in return let us see your DNA file"

"What we are doing is taking a survey and then saying to people: 'We will give you a free personalised diet report, but in return let us see your DNA file.' We will engage with them by writing a blog and keeping them really involved in the genetic space but will also be using their data. As we get more members joining, we are going to be able to use a more modern approach to genetics called a genetic risk score – and this is not really doable out of the public domain in any serious way at present.

"All of the science being done over the past two years points to common things – like nutrition or diabetes and other common disorders – really needing a multi-faceted genetic risk score rather than detection of single mutations.

"What we are doing is collecting the data. And in a very precise manner we are going to have a matrix, with categories of health conditions on the Y axis and potential dietary and nutrition changes on the X axis. For that higher matrix, we are calculating a genetic risk score for each category so we can reliably take a person's DNA and say: 'Here are the major correlations we found, so for you to prevent these diseases you need these interventions.'

Another company hoping to spark interest in nutrition assessments based on individual genetics is Toronto-founded Nutrigenomix.

Rather than target consumers directly, Nutrigenomix is relying on business from healthcare professionals and clinics, to which its genetic profiling kit is marketed. The service tests for 45 genetic markers related to elements of lifestyle, including nutrient metabolism, cardiometabolic health and food intolerance. University of Toronto has a series of research projects related to food, including a wide-ranging initiative focused on its biological and health impact.

Jennifer Fraser, director of innovations in the innovations and partnerships office of University of Toronto, said: "The goal of this research program is to elucidate the role of these foods in the prevention and treatment of chronic diseases such as cancer, cardiovascular disease, diabetes, osteoporosis and obesity, and regulatory aspects related to their use in Canada."

Elena Comelli, associate professor in University of Toronto's department of nutritional sciences, is studying how diet and the intestinal microbiota interact in early life to sustain long-term health, including abnormalities linked to cardiovascular disease and type 2 diabetes. Collectively known as the gut microbiome, these microbes have become one of the most intriguing frontiers of biology-orientated nutrition research.

Due to its involvement with the immune system and metabolic processes, the gut microbiome plays a crucial role in human health, with diet and nutrition known to influence its development. As researchers discover more gut microbiome mechanisms specifically tuned to influencing human disease, the commercialisation of gut flora-boosting probiotic products is likely to gain momentum.

In addition to genomics, advances in machine learning have also led to the commercialisation of other nutritional applications. FitGenie, a nutrition prediction engine founded by Georgia Tech graduates, is among the startups in this area. It provides customers with a machine learning-powered “smart calorie counter” that automatically adjusts calorific targets based on personal information and predictive forecasts.

The business, which had 21,000 users by August 2017, has been through Georgia Tech’s Create-X startup accelerator, a faculty-led initiative offering students training in areas such as product design and procuring capital that has spawned 115 businesses since launching in 2014.

Raghupathy Sivakumar, founding director of Create-X and the Wayne J Holman professor in Georgia Tech’s School of Electrical and Computer Engineering, said: “FitGenie was certainly one of the top startups Create-X worked with in the 2016 cohort. They were passionate about their startup and exhibited all the traits we look for in entrepreneurs – passion, curiosity, customer-focus, hustle and adaptability.”

Create-X is supporting a number of other startups in the nutrition and sustainability space, Sivakumar said, including vertical farming technology developer Replantable, water-testing services provider TruePani and nootropic supplement drink supplier Synapse.

Finding the right entrepreneurial strategy will be crucial for many nutrition applications. Schiller of University of Nevada Las Vegas argues that the field still lacks government funding compared with more established branches of medicine, and experts will instead have to engage the wider population with innovative business models.

“If you look at human disease over the past four millennia, there have been two major bumps where our life expectancy and quality of life have jumped drastically.

“Until the industrial revolution, life expectancy was only 30 years. But at that point, where we controlled sanitation and created a stable food supply, that drastically increased the life expectancy of the average human. With the molecular medical sciences that started with the turn of the 20th century this happened again, and for the past 50 years life expectancy has increased rapidly.

“Until the industrial revolution, life expectancy was only 30 years”

“I suspect the next major influence on this is preventing disease, not treating disease. Nutrition is a key part of that because it is clear in a lot of cases that a nutritional intervention will prevent a lot of diseases – the research we have done in the genetics space proves that this is going on.”

Wellness

Healthy living generally involves food, mind and exercise, so it seems apt to touch briefly on these other sides of the equation.

Using the health and fitness-orientated accelerator M-1 Ventures as a springboard, BurnAlong has reached the market with an online platform connecting customers with fitness and wellness classes offered through video chat. M-1 Ventures’ affiliates include Johns Hopkins University (JHU) and UM Ventures, the tech transfer office of University of Maryland system.

Like some of its nutrition-focused peers, BurnAlong deploys artificial intelligence technology to drive customer engagement, using machine learning algorithms to tailor recommendations ranging from high-intensity workouts to meditation supplied by its affiliated fitness centres and professionals.

The company, which had assembled about $4.7m of funding from backers including Johns Hopkins by November 2018, also supports social interaction through its platform to encourage friends and co-workers to work out together.

Initially orientated around exercise, BurnAlong is now aiming to build a more holistic wellness service, with additional programs centred on nutrition, chronic conditions and financial discipline.

Working along similar lines is India-based CureFit Healthcare, which received $25m in an August 2017 round backed by the UC-RNT Fund established by University of California in partnership with Ratan Tata, chairman emeritus of conglomerate Tata Sons.

CureFit’s wellness apps connect to its own kitchens and fitness centres, engaging its Indian customers through a mixture of online and offline channels. It has expanded strongly since the 2017 round and now operates in four cities, with the launch of bespoke apps dealing with different strands of exercise and wellness. Though UC-RNT was reportedly absent, CureFit nonetheless secured $120m for its series C round last August co-led by VC firms IDG Ventures, Kalaari Capital and Accel Partners, according to the Economic Times.

A bright future

Many attractive applications could be in store thanks to technologies ranging from genetic analysis to machine learning, and universities are well placed considering the resources and expertise at their disposal.

Some applications may require innovative business models to circumvent shortcomings in government policy and demand-side behaviour, as Schiller and Basso pointed out. However, the incentive may prove too strong for investors to ignore, given the area’s increasing impact on consumers, healthcare and the environment. ◆

MONTHLY ANALYSIS

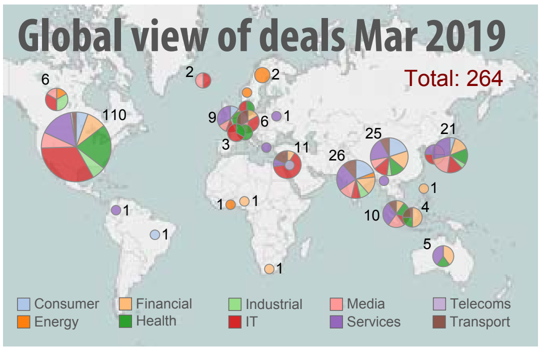
This is our data snapshot based on last month's investment activity. The charts and tables have been generated by our data platform GCV Analytics.

Deals and value down slightly

Kaloyan Andonov, reporter, GCV Analytics

The number of corporate-backed deals worldwide in March was 264, down 4% from the 274 in the same month last year. Investment value also decreased, by 13% to $10.9bn, down from $12.5bn in March 2018.

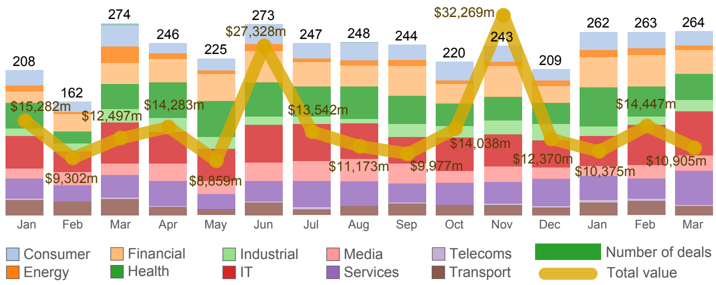
In comparison with other months this year, deals in March were similar to January and February (262 and 263 rounds respectively). However, the total estimated capital invested, while similar to January's $10.38bn, was lower than the $14.45bn estimated for February.



The US came first in the number of corporate-backed deals, hosting 110 rounds, while India was second with 26 rounds, China – third with 25 and Japan fourth with 21.

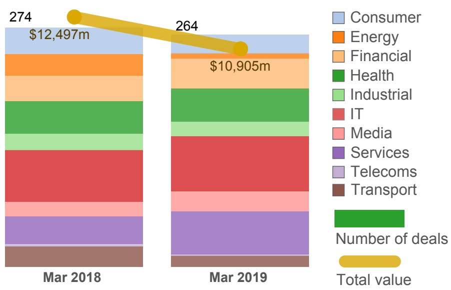
The leading corporate investors by number of deals were diversified internet conglomerate Alphabet, internet company Tencent and telecoms firm SoftBank. In terms of involvement in the largest deals, SoftBank and Tencent topped the ranking, along with mobile semiconductor producer Qualcomm.

Deals by month Jan 2018-Mar 2019



GCV Analytics reported 27 corporate-backed funding initiatives in March, including VC funds, new venturing units, incubators and accelerators. This figure was higher than February, when there were 17 such initiatives. The estimated capital raised in those initiatives was $5.39bn, more than double the estimated $2.09m in the previous month.

Deals Mar 2018 vs Mar 2019

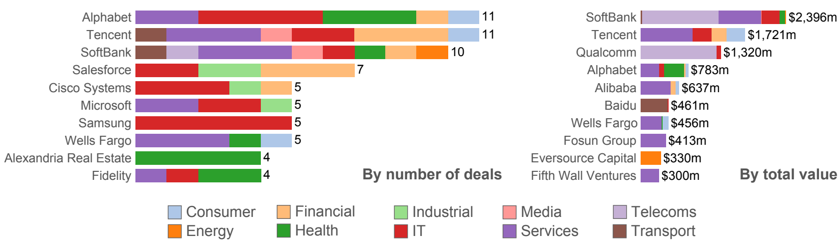


Deals

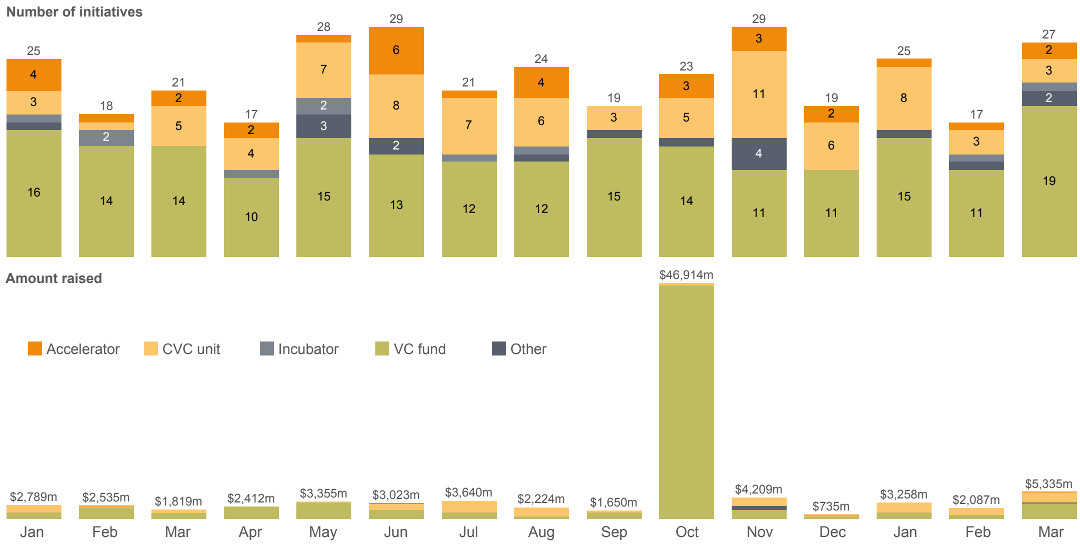
Emerging businesses from the IT, services, health and financial sectors raised the largest number of rounds during March. The most active corporate venturers came from the financial services, IT, media and service sectors, as shown in the heatmap overleaf.

US-based satellite services provider OneWeb secured $1.25bn from investors including SoftBank, diversified conglomerate Grupo Salinas and Qualcomm. They were joined by the government of Rwanda, and the round increased the total raised by the company to about $3.4bn since foundation in 2012. OneWeb is building a network of low-earth-orbit satellites intended to provide high-speed

Top investors Mar 2019

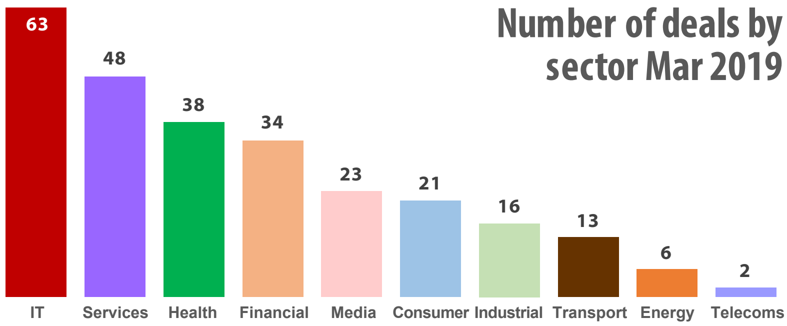


Funding initiatives Jan 2018-Mar 2019



internet connectivity to rural areas and other underserved regions. The satellites are built through a partnership with another investor, aerospace manufacturer Airbus. The funding will be used to accelerate production and increase launches.

Number of deals by sector Mar 2019



Tencent led an $800m series D round for China-based real estate listings and services platform Ke.com. Spun off from online and offline estate agency Lianjia and also known as Beike Zhaofang, Ke runs an online platform for locating properties, using 3D modelling technology to help them see the layout of homes and providing real estate brokerage services. The company also offers an online marketplace for in-home decoration and renovation services.

Deals heatmap Mar 2019

	Financial services	IT	Media	Services	Consumer	Telecoms	Health	Industrial	Energy	Transport
North America	45	38	14	11	7	9	14	12	7	3
Asia	30	22	22	8	16	13	4	6	1	2
Europe	6	4	5	2	2	1	4	4	5	2
Middle East	2	6		3					2	1
Australia / NZ	2	2	1	1			1	1		
Africa	1		1						1	
South America				1		1				
Eastern Europe			1							

Danke Apartment, a China-based operator of an online apartment rental platform, closed a $500m series C round co-led by Ant Financial, the financial services affiliate of e-commerce group Alibaba. Hedge fund Tiger Global Management co-led the round, which included Primavera Capital, CMC Capital, Gaorong Capital and Joy Capital. The company was reportedly valued at more than $2bn. Founded in 2015, Danke manages about 320,000 apartments in nine Chinese cities. The company splits large flats into smaller units aimed at recent graduates and young professionals, making more exclusive neighbourhoods affordable to individual tenants. Danke employs artificial intelligence-driven technology to calculate housing prices rather than relying on real estate agents.

Internet group Baidu led a RMB3bn ($446m) series C round for China-based smart electric vehicle manufacturer WM Motor. Chinese government-backed fund of funds Taihang Industrial Fund and venture capital firm Linear Venture also participated in the round. WM did not disclose its valuation. Founded in 2015 and also known as Weltmeister, WM released its first vehicle, a plug-in electric sports utility vehicle, in 2018.

India-based e-commerce logistics provider Delhivery closed a $413m series F round led by the SoftBank Vision Fund.

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Top 10 investments Mar 2019

Company	Location	Sector	Round	Size	Investors
OneWeb	US	Telecoms	–	$1.25bn	Government of Rwanda | Grupo Salinas | Qualcomm | SoftBank
Ke.com	China	Services	D	$800m	Tencent
Danke Apartment	China	Services	C	$500m	Alibaba | CM Capital Corp | Gaorong Capital | Joy Capital | Primavera Capital | Tiger Global Management
WM Motor	China	Transport	C	$446m	Baidu | Linear Venture | Taihang Industrial Fund
Delhivery	India	Services	E and beyond	$413m	Carlyle Group | Fosun Group | SoftBank
Ayana Renewable Power	India	Energy	–	$330m	CDC Group | Eversource Capital | National Investment and Infrastructure fund
Ola	India	Transport	E and beyond	$300m	Hyundai Motor Company | Kia Motors
OpenDoor	US	Services	E and beyond	$300m	Access Technology | Alphabet | Fifth Wall Ventures | General Atlantic | GGV Capital | Hawk Equity | Khosla Ventures | Lennar | New Enterprise Associates | SoftBank | SV Angel | Wells Fargo (Norwest Venture Partners) | undisclosed investors
CloudMinds	China	IT	–	$300m	SoftBank
Yipinshengxian	China	Consumer	B	$298m	Capital Today | Eastern Bell Venture Capital | Meituan-Dianping | Tencent

Diversified conglomerate Fosun Intenational and CA Swift Investments, a subsidiary of private equity firm Carlyle Group, also participated. The Vision Fund invested $350m and now owns a 23.4% stake. Founded in 2011, Delhivery operates an end-to-end supply chain service for India's e-commerce sector. Its network consists of 19 automated sorted centres, 30 fulfilment facilities, more than 2,500 direct delivery centres and more than 5,000 partner centres.

Eversource Capital, the joint venture between solar power producer Lightsource BP and asset manager Everstone Group, led a $330m funding round for India-based renewable energy project developer Ayana Renewable Power. The round also featured the state-owned National Investment and Infrastructure Fund of India and CDC Group, the UK government-owned development finance organisation that set up Ayana, while Eversource is participating through its Green Growth Equity Fund. CDC launched Ayana in 2018 with an undisclosed level of funding to develop hundreds of megawatts of wind and solar energy projects in India and neighbouring south Asian countries, such as Bangladesh, Sri Lanka, Nepal and Myanmar. The company currently has about 500MW of solar power under construction, having won the rights to develop 250MW in the Indian state of Andhra Pradesh through an auction by government agency Solar Energy Corporation of India.

Automotive manufacturers Hyundai and Kia invested a total of $300m in India-based ride-hailing service provider Ola through a strategic partnership agreement. Founded in 2011 as OlaCabs, Ola operates an on-demand ride app available in more than 125 cities in India, Australia, New Zealand and the UK. It makes use of a network of more than 1.3 million private and traditional metered taxi drivers. Ola has also launched tangential services such as a mobile payment platform and a credit service, Ola Money Postpaid. It entered the food delivery sector in 2017 when it acquired the Indian business of online food ordering platform Foodpanda. Delivery Hero, Foodpanda's parent company, received an equity stake in Ola as a result. Ola also formed an electric vehicle-focused spinoff called Ola Electric Mobilit. While the company said it would use part of the $300m investment to build its electric vehicle fleet and related infrastructure in India.

US-based OpenDoor completed a $300m round featuring property developer Lennar and representatives of SoftBank, conglomerate Access Industries and Alphabet – via their respective subsidiaries the SoftBank Vision Fund, Access Technology Ventures and GV, reportedly valuing it at $3.8bn. The corporate investors were joined by General Atlantic, Hawk Equity, Fifth Wall Ventures, Norwest Venture Partners, New Enterprise Associates, SV Angel, GGV Capital, Khosla Ventures and unnamed others. OpenDoor has built an online platform that enables homeowners to sell their property relatively quickly and easily. The company then carries out any repairs after a price is agreed, paying the money and selling the home through its app. It also offers prospective buyers help with scheduling viewings and making offers.

The SoftBank Vision Fund also invested in China-based artificial intelligence and robotics technology developer Cloud-Minds as part of a $300m funding round. CloudMinds has built a cloud-based system with the potential to connect to millions of robots, which it also produces, allowing them to access capabilities such as computer vision, advanced navigation and natural language processing. The technology has potential applications in a range of service industries including retail and healthcare. The new funding will support the expansion of a manufacturing line in Shanghai as it looks to scale up production. The company is also planning an international growth drive, selling a few hundred of its robots, which retail for about $50,000 each, in the US this year before moving into Japan in 2020.

Tencent led a RMB2bn series B round for China-based fresh food retailer Yipinshengxian. Longzhu Capital, the corporate venturing vehicle of local services platform Meituan Dianping, also participated, along with private equity firm Capital Today and venture capital firm Eastern Bell Venture Capital. In addition to investing, Tencent plans to supply smart retail technology that could help Yipinshengxian improve its operational efficiency and customer experience. Yipinshengxian

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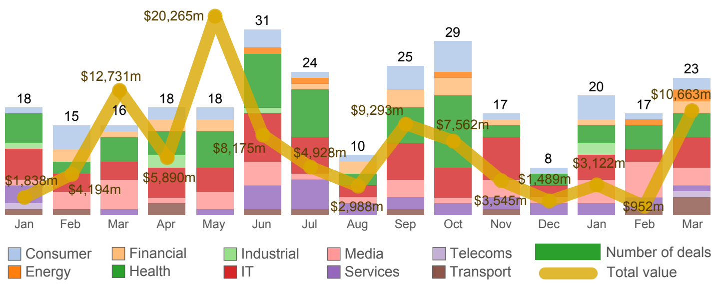
operates stores in 12 Chinese cites that sell fresh food. Customers can use a mobile app to order food from the company to be delivered to their homes or a pick-up point. The series B capital will support expansion of its offline store network to more than 1,000 outlets by the end of this year.

Exits

In March, GCV Analytics tracked 23 exits involving corporate venturers as either acquirers or exiting investors. The transactions included 17 acquisitions, four initial public offerings and two stake sales.

The number of exits was higher than the 17 in February. Total estimated exited capital surged to $10.66bn from $952m in the previous month. Compared with the same month last year, exits increased from 16 to 23, while the estimated total capital in exits decreased from $12.73bn.

Exits by month Jan 2018-Mar 2019



On-demand ride provider Uber agreed to acquire United Arab Emirates-based ride-hailing service Careem for $3.1bn, providing exits for e-commerce firm Rakuten, telecoms firm Saudi Telecom, travel services provider Al Tayyar, its peer Didi Chuxing and automaker Daimler. The deal consisted of $1.4bn in cash and $1.7bn in convertible notes, which reportedly would be convertible to Uber stock at $55 a share. Uber expects to file for an IPO in coming weeks. Careem's service covers more than 100 cities in the Middle East, Africa, Turkey and Pakistan in addition to digital payment business Careem Pay and last-mile delivery service Careem Now.

US-based on-demand ride provider Lyft, which has several corporates among its investors, raised $2.34bn in an IPO in which it floated at the top of its range. Lyft issued 32.5 million shares at $72 each. It initially planned to issue almost 30.8 million shares at between $62 and $68, before upgrading the range to $70 to $72. The company was valued at $24.3bn in the offering. Founded in 2012, Lyft had some 30.7 million users in 2018, through a network of about 1.9 million drivers. It made a $911m net loss in 2018 from about $2.16bn in revenue.

China-based social media platform YY completed the acquisition of one of its portfolio companies, Singapore-based social video livestreaming platform developer Bigo, for more than $1.45bn. YY paid about $343m in cash, with the remainder in shares. YY owned about 31.7% of Bigo ahead of the acquisition. Founded in 2015, Bigo's flagship product is livestreaming platform Bigo Live. It also offers short-form video-based social media service Like as well as a range of other apps, such as gaming-focused streaming platform CubeTV. Bigo relies on artificial intelligence technology to remove sexually suggestive content from its platform and has unveiled plans to partner governments to use the same technology for cyber-surveillance.

Verano, a US-based vertically integrated cannabis group backed by cannabinoid therapy developer Scythian Biosciences, agreed to an $850m acquisition by its peer Harvest Health and Recreation. The all-stock transaction assumes a Harvest share price of C$8.79 ($6.57) and is subject to closing conditions including shareholder approval. Verano operates licensed cannabis cultivation and manufacturing facilities, produces a wide range of cannabis products such as edibles, extracts and concentrates, and owns dispensaries under the brand name Zen Leaf.

Online classified listings operator 58.com agreed to sell part of its stake in China-based automotive marketplace operator Chehaoduo to an unnamed third-party investor for more than $713m. The corporate did not identify the purchasing investor but released the news on the same day as Chehaoduo secured $1.5bn in funding from the SoftBank Vision Fund. 58.com will continue to own a minority shareholding in Chehaoduo once the deal closes. Chehaoduo was spun out of classified marketplace Ganji in 2015 and runs second-hand vehicle auction and trading platform Guazi and after-sales services platform Maodou.

Application services provider F5 agreed to acquire US-based app development technology producer Nginx for about $670m in a deal that will allow telecoms firm Telstra to exit. Nginx was founded in 2011 to market the open-source web server and application delivery software of the same name. The company offers a premium version helping enterprises deliver content rapidly and securely, and the software is used in some 375 million websites, often for load balancing, where multiple workloads are distributed across several computing platforms. The company's brand will continue to exist independently following the acquisition.

IT networking technology provider Juniper Networks agreed to acquire Mist Systems, a US-based developer of artificial intelligence-equipped wireless networks, for $405m, allowing Alphabet, networking equipment provider Cisco and telecoms company NTT to exit. Juniper is acquiring the company to expand its capabilities in cloud-managed wireless networking. Founded in 2014, Mist has created a wireless platform that utilises artificial intelligence (AI) to make wifi more reliable and predictable. It also features an AI assistant called Marvis that can help with troubleshooting while supplying precise data on how the network is operating and how clients are acting.

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Top 10 exits Mar 2019

Company	Location	Sector	Type	Acquirer	Size	Exiting investors
Careem	United Arab Emirates	Transport	Acquisition	Uber	$3.1bn	Abraaj Group | Al Tayyar Travel Group | Beco Capital | Coatue | Daimler | DCM | El Sewedy Investments | Endure Capital | Kingdom Holding | Kuwait Investment Authority | Lumia Capital | Rakuten | Saudi Telecom | SQM | STV Group | Wamda Capital
Lyft	US	Transport	IPO		$2.34bn	Alibaba | AllianceBernstein | Alphabet | Andreessen Horowitz | Baillie Gifford | Coatue | Didi Chuxing | Fidelity | Founders Fund | Icahn Enterprises | Jaguar Land Rover | Janus Capital Management | Janus Henderson Investors | Kingdom Holding | KKR | Magna | Mayfield | Ontario Teachers' Pension Plan Board | PSP Investments | Rakuten | Senator Investment Group | Third Point Ventures
Bigo Technology	Singapore	Media	Acquisition	YY	$1.45bn	Bertelsmann | Gaorong Capital | Morningstar | Ping An Insurance | YY | private investor
Verano	US	Consumer	Acquisition	Harvest Health and Recreation	$850m	Scythian Biosciences
Chehaoduo	China	Transport	Stake sale		$713m	58.com | undisclosed investors
Nginx	US	IT	Acquisition	F5	$670m	BV Capital | E.Ventures | Goldman Sachs | Index Ventures | MSD Capital | New Enterprise Associates | Runa Capital | Telstra | private investor
Mist	US	Telecoms	Acquisition	Juniper Networks	$405m	Alphabet | Cisco Systems | Kleiner Perkins | Lightspeed Venture Partners | NTT Docomo | Wells Fargo (Norwest Venture Partners)
Figure Eight	US	IT	Acquisition	Appen	$300m	Microsoft | Salesforce
PowerVision	US	Health	Acquisition	Alcon	$285m	Advanced Technology Ventures | Aisling Capital | Alcon | ATV Capital | Correlation Ventures | Frazier Healthcare Ventures | Johnson & Johnson | JPMorgan | Lexington Partners | Medtronic | Panorama Capital | VenRock
OrthoSpace	Israel	Health	Acquisition	Stryker	$220m	Johnson & Johnson | Smith & Nephew

Figure Eight, a US-based AI technology developer backed by software producers Microsoft and Salesforce, agreed to an acquisition by machine learning datasets provider Appen for $300m. Appen will pay $175m up front and up to $125m more contingent on performance this year. Founded in 2007, Figure Eight has built a machine learning software platform it claims can annotate text, image, audio and video up to 50 times faster than through human labour alone. The datasets are used to train AI algorithms.

Alcon, an eyecare subsidiary of pharmaceutical firm Novartis, agreed to buy US-based eyecare technology developer PowerVision, a Novartis portfolio company, in a $285m transaction. Founded in 2002, PowerVision is developing an intraocular lens implant aimed at improving the sight of elderly patients with cataracts and presbyopia, a condition that gradually reduces the eye's ability to focus.

Medical technology provider Stryker bought Israel-based shoulder implant developer OrthoSpace for up to $220m, enabling pharmaceutical firm Johnson & Johnson and medical equipment manufacturer Smith & Nephew to exit. The all-cash deal will involve an upfront payment of $110m from Stryker, followed by future milestone payments that could reach $110m. OrthoSpace has created a biodegradable balloon implant called InSpace that helps reduce shoulder pain and improve the range of motion in the joints of patients with rotator cuff injuries. The device has been approved in the EU and is currently undergoing clinical studies in the US. ◆

Note: Monthly data can fluctuate as additional data are reported after GCV goes to press

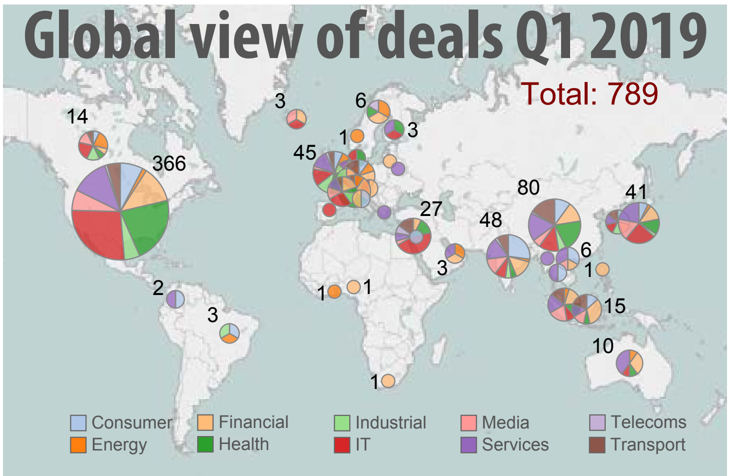
QUARTERLY ANALYSIS

This is our data snapshot based on investment activity over the past three months. To verify reported deals, we contact about 300 corporate investors each quarter – roughly 18% of the CVCs we cover, which account for most of the deals made public.

Strong first quarter breaks volume record

Kaloyan Andonov, reporter, GCV Analytics

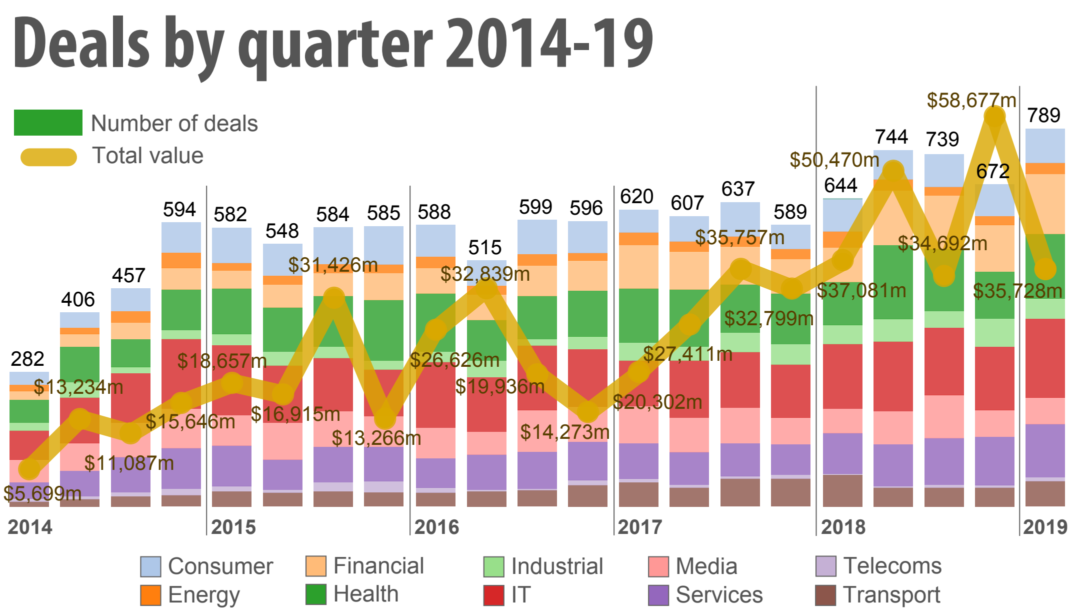
In the first quarter, GCV Analytics tracked a record 789 funding rounds involving corporate venturers, a 23% increase over the 644 recorded in the first quarter of 2018, driven by an increased appetite by first-time CVC investors over the past 15 months – a trend that might continue given the spate of new funding initiatives announced.



The estimated total investment was $35.73bn, down 4% from the $37.07bn recorded in the same period last year. The US hosted the largest number of funding rounds, nearly half of them (366), while China hosted 80 deals, India 48, the UK 45 and Japan 41.

The number of deals was higher in the first quarter than in the last quarter of 2018, when there were 672. Estimated total investment, however, went down by $23bn from $58.68bn – 39.1%.

Most of the corporate investors taking minority stakes in the first quarter were investors which have conducted at least one deal previously (80%). A fifth of corporates were disclosing their first minority stake deal. There appears to be a trend of newcomers to venturing – whether with a specific venturing unit or not. During 2017, first-time deals amounted to no



QUARTERLY ANALYSIS

more than 15% of the total number, but last year these deals took a bigger share – up to a quarter, according to GCV Analytics data.

The leading investors by number of deals were diversified internet conglomerate Alphabet, telecoms firm SoftBank, cloud-based enterprise software provider Salesforce and internet company Tencent. Corporate venturers involved in the largest deals by size were led by SoftBank, Alphabet and Tencent.

Emerging enterprises from the IT, health, financial, services and consumer sectors proved the most attractive for corporate venturers, accounting for at least 70 deals each. The top funding rounds by size, however, were raised mostly by companies in services and transport.

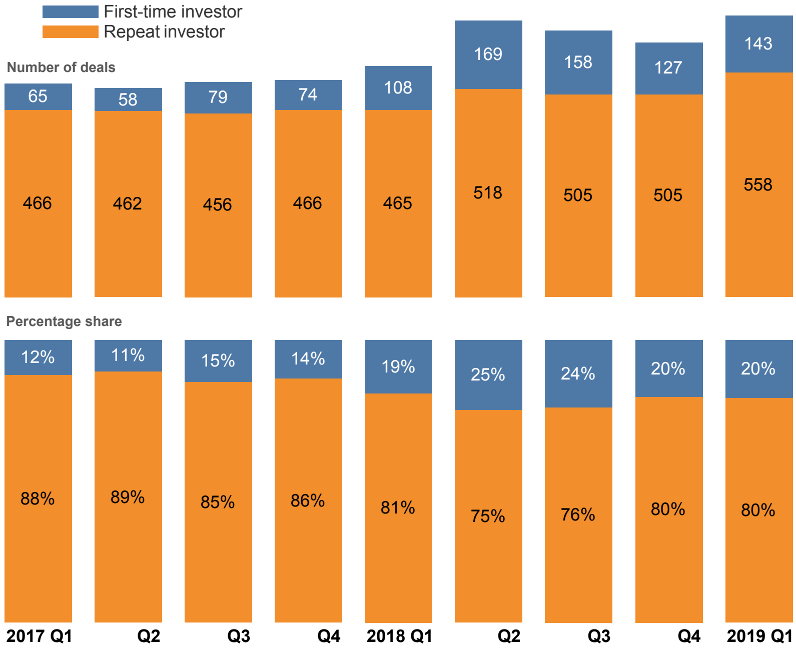
The most active corporate investors, in turn, came from the financial services, IT, media, health and services sectors, as illustrated by the deals heatmap.

Deals

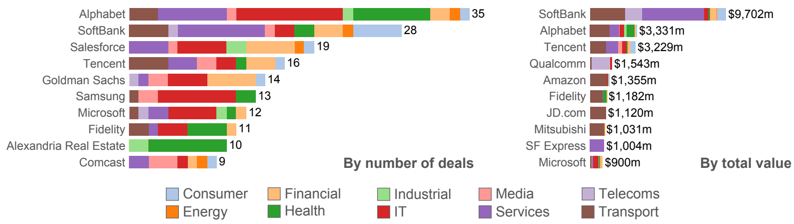
Most of the funding from the biggest rounds reported in the first quarter went to emerging enterprises in transport and services. Five of the top 10 rounds were above $1bn and SoftBank and Tencent were most often involved in those top rounds.

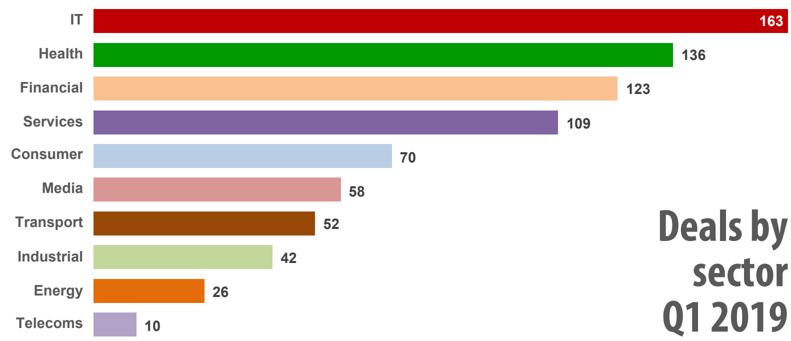
SoftBank invested $2bn in US-based workspace provider WeWork, reportedly at a $47bn valuation. The funding came from SoftBank itself rather than the SoftBank Vision Fund. News of the deal came as WeWork restructured itself into a business known as the We Company which will consist of WeWork and residential accommodation-focused division WeLive and WeGrow, which is currently running an elementary school and coding

First-time vs repeat corporate investors 2017-19



Top investors Q1 2019





Deals by sector Q1 2019

Deals heatmap Q1 2019

	Financial services	IT	Media	Health	Services	Consumer	Industrial	Telecoms	Energy	Transport
North America	141	103	47	54	44	28	30	26	18	11
Asia	79	48	44	16	22	34	18	23	3	6
Europe	59	13	12	16	5	8	13	7	13	5
Middle East	7	14	2	3	4		2	5	4	1
Australia / NZ	4	3	1	1	2		1		1	
South America	2				1		1	1	1	
Africa	1		1						1	
Eastern Europe			1							

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Top 15 investments Q1 2019

Company	Location	Sector	Round	Size	Investors
WeWork	US	Services	–	$2bn	SoftBank
Chehaoduo	China	Transport	–	$1.5bn	SoftBank
OneWeb	US	Telecoms	–	$1.25bn	Government of Rwanda | Grupo Salinas | Qualcomm | SoftBank
Flexport	US	Services	–	$1bn	Cherubic Ventures | DST Global | Founders Fund | SF Express | SoftBank | Susa Ventures
Go-Jek	Indonesia	Transport	E and beyond	$1bn	Alphabet | JD.com | Mitsubishi | Provident Capital Partners | Tencent
Nuro	US	Transport	–	$940m	SoftBank
Ke.com	China	Services	D	$800m	Tencent
Rivian	US	Transport	–	$700m	Amazon | undisclosed investors
Horizon Robotics	China	IT	B	$600m	China Oceanwide USA Holdings | Citic | Hillhouse Capital Management | Morningside | SK Group | undisclosed investors
Bird Scooter	US	Transport	C	$600m	Accel Partners | B Capital | Craft Ventures | CRV | Fidelity | Goldcrest | Greycroft Partners | Index Ventures | Sequoia Capital | Sound Ventures | Tusk Ventures | Upfront Ventures | Valor Equity Partners
Aurora Innovation	US	Transport	–	$530m	Amazon | Geodesic Capital | Greylock Partners | Index Ventures | Lightspeed Venture Partners | ReInvent VC | Royal Dutch Shell | Sequoia Capital | T Rowe Price
Danke Apartment	China	Services	C	$500m	Alibaba | CM Capital Corp | Gaorong Capital | Joy Capital | Primavera Capital | Tiger Global Management
WM Motor	China	Transport	C	$446m	Baidu | Linear Venture | Taihang Industrial Fund
OakNorth	UK	Financial services	–	$440m	Clermont | SoftBank
Delhivery	India	Services	E and beyond	$413m	Carlyle Group | Fosun Group | SoftBank

academy. WeWork runs shared workspaces in 30 countries, where users can access office equipment, high-speed internet, meeting rooms and free coffee under short-term flexible agreements. It made a $1.22bn loss in the first nine months of 2018 from $1.25bn in revenue.

China-based automotive e-commerce platform Chehaoduo secured a $1.5bn investment from the SoftBank Vision Fund. Chehaoduo, a spinout of classified marketplace Ganji, operates used vehicle auction and trading platform Guazi and after-sales services subsidiary Maodou. The funding will go to drive technology, product and services development. Chehaoduo also plans to increase its marketing activities and bolster its offline presence. It has raised more than $3.3bn in total.

US-based satellite services provider OneWeb raised $1.25bn from a host of investors including SoftBank, diversified conglomerate Grupo Salinas and mobile semiconductor producer Qualcomm. The government of Rwanda also joined the corporates in a round that increased the total raised by OneWeb to about $3.4bn. Founded in 2012, OneWeb is developing a network of low earth orbit satellites meant to provide high-speed internet connectivity to underserved parts of the world. The satellites are built through a partnership with aerospace manufacturer Airbus. The latest funding will be used to accelerate production and increase satellite launches.

The SoftBank Vision Fund led a $1bn round for US-based online shipping platform Flexport that reportedly valued it at $3.2bn. Logistics service provider SF Express also participated in the round along with investment firm DST Global and venture capital firms Founders Fund, Cherubic Ventures and Susa Ventures. Flexport focuses on what it calls an operating system for global trade, a cloud-based platform where clients can book shipping through air, sea, land or rail, and which incorporates real-time tracking and analytics. The funding will be used for recruitment, with a focus on engineers and experts in local markets, growth of warehouse facilities and possible expansion in its air fleet.

Indonesia-based on-demand ride provider Go-Jek secured about $1bn from investors including Tencent, e-commerce firm JD.com and Alphabet, reportedly at a $10bn post-money valuation. The three corporates co-led the funding, the first close of Go-Jek's series F round. They were joined by conglomerate Mitsubishi Corp and investment manager Provident Capital. Go-Jek owns a mobile ride-hailing and on-demand services app that reportedly had up to 25 million users by June 2018. It has expanded into Singapore and is in discussions with Philippine regulators.

Exits

GCV Analytics tracked 60 corporate-related exits during the first quarter of 2019, compared with 49 in the same period last year, including 45 acquisitions, nine IPOs, three mergers and two stake sales. Most of these exits took place in the US, eastern Asia, Israel and Europe.

Top exiting corporates last quarter include technology and internet companies like Alphabet, industrial conglomerate General Electric and pharmaceutical company Eli Lilly which reported at least three exits each. The total estimated value of the exits was $14.84bn. The top four recorded exits were above $1bn.

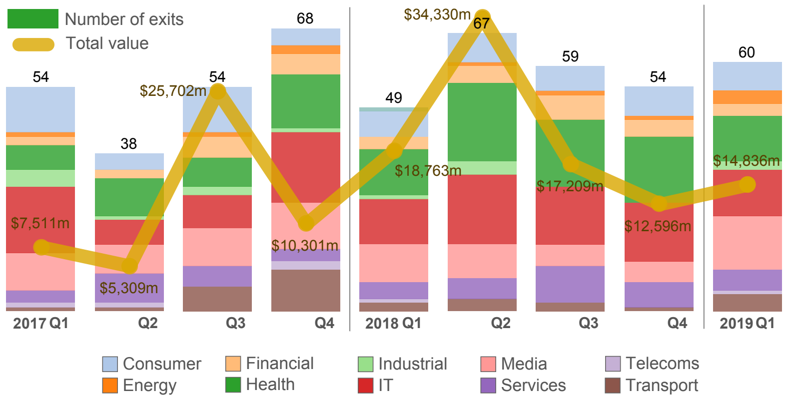
Top 15 exits Q1 2019

Company	Location	Sector	Type	Acquirer	Size	Exiting investors
Careem	United Arab Emirates	Transport	Acquisition	Uber	$3.1bn	Abraaj Group | Al Tayyar Travel Group | Beco Capital | Coatue | Daimler | DCM | El Sewedy Investments | Endure Capital | Kingdom Holding | Kuwait Investment Authority | Lumia Capital | Rakuten | Saudi Telecom | SQM | STV Group | Wamda Capital
Lyft	US	Transport	IPO	–	$2.34bn	Alibaba | AllianceBernstein | Alphabet | Andreessen Horowitz | Baillie Gifford | Coatue | Didi Chuxing | Fidelity | Founders Fund | Icahn Enterprises | Jaguar Land Rover | Janus Capital Management | Janus Henderson Investors | Kingdom Holding | KKR | Magna | Mayfield | Ontario Teachers' Pension Plan Board | PSP Investments | Rakuten | Senator Investment Group | Third Point Ventures
Avito	Russia	Services	Acquisition	Naspers	$1.6bn	Accel Partners | Kinnevik | Naspers | Northzone | Vostok New Ventures
Bigo Technology	Singapore	Media	Acquisition	YY	$1.45bn	Bertelsmann | Gaorong Capital | Morningstar | Ping An Insurance | private investor | YY
Verano	US	Consumer	Acquisition	Harvest Health and Recreation	$850m	Scythian Biosciences
Chehaoduo	China	Transport	Stake sale	–	$713m	58.com | undisclosed investors
Nginx	US	IT	Acquisition	F5 Networks	$670m	BV Capital | E.Ventures | Goldman Sachs | Index Ventures | MSD Capital | New Enterprise Associate | Runa Capital | Telstras | private investor
Mist	US	Telecoms	Acquisition	Juniper Networks	$405m	Alphabet | Cisco Systems | Kleiner Perkins | Lightspeed Venture Partners | NTT Docomo | Wells Fargo (Norwest Venture Partners)
Pluto TV	US	Media	Acquisition	Viacom	$340m	Chicago Ventures | Great Oaks Venture Capital | Luminari Capital | Pritzker Group Venture Capital | private investor | ProSiebenSat.1 | Sallfort Privatbank | Samsung | Scripps Networks Interactive | Sky | Thirdwave Capital Partners | undisclosed investors | United Talent Agency (UTA) | Universal Music Group | US Venture Partners | Windsor Media
Gimlet Media	US	Media	Acquisition	Spotify	$337m	Betaworks | Cross Culture Ventures | Emerson Collective | Graham Holdings | private investor | Stripes Group | WPP
Millipede Medical	US	Health	Acquisition	Boston Scientific	$325m	Boston Scientific | undisclosed investors
Figure Eight	US	IT	Acquisition	Appen	$300m	Microsoft | Salesforce
CStone Pharmaceuticals	US	Health	IPO	–	$285m	3W Partners | Arch Venture Partners | Avict Global Holdings | Boyu Capital | Citic PE | Frontline BioVentures | GIC | Hillhouse Capital Management | King Star Capital | Oriza Holdings | Sequoia Capital | Taikang Life Insurance Company | Terra Magnum Capital Partners | WuXi AppTec | Wuxi PharmaTech | Yunfeng Capital
PowerVision	US	Health	Acquisition	Alcon	$285m	Advanced Technology Ventures | Aisling Capital | Alcon | ATV Capital | Correlation Ventures | Frazier Healthcare Ventures | Johnson & Johnson | JP Morgan | Lexington Partners | Medtronic | Panorama Capital | VenRock
Maoyan	China	Consumer	IPO	–	$250m	Enlight | Meituan-Dianping | Tencent

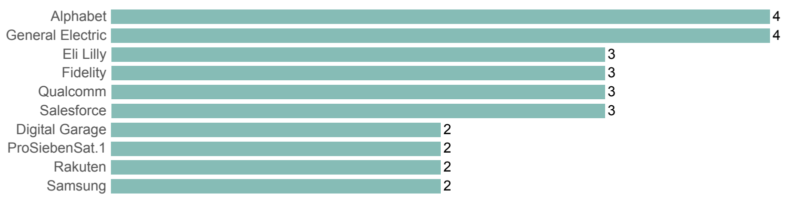
US-based ride-hailing service provider Uber announced its acquisition of United Arab Emirates-based peer Careem for $3.1bn. The transaction gave exits to ride provider Didi Chuxing, e-commerce firm Rakuten, telecoms firm Saudi Telecom, travel services provider Al Tayyar and automaker Daimler. The acquisition consisted of $1.4bn in cash and $1.7bn in notes reportedly convertible to Uber stock at $55 a share. Founded in 2012, Careem runs a ride-hailing platform in more than 100 cities in the Middle East, Turkey, Africa and Pakistan in addition to digital payment and last-mile delivery services.

US-based on-demand ride provider Lyft, which has received backing from several corporates, raised $2.34bn when it floated at the top of its $70 to $72 range. The company issued 32.5 million shares at $72 each, valuing Lyft at $24.3bn.

Exits by quarter 2017-19



Top exiting investors Q1 2019



Previous corporate backers of Lyft include Alphabet, e-commerce firms Alibaba and Rakuten, automotive parts maker Magna, automaker Jaguar Land Rover and financial services firm Fidelity. Founded in 2012, the company's platform claims to have facilitated rides for some 30.7 million users in 2018 using nearly 1.9 million drivers.

OLX Group, a classified listings subsidiary of e-commerce and media group Naspers, paid $1.16bn to increase its stake in Russia-based online classifieds and property listings platform Avito to 99.6%. Naspers had initially invested $50m in Avito in 2013 and subsequently another $1.2bn two years later to take its stake from 17.4% to 67.9%. The latest investment involved it growing its share from 70.4% and values the company at $3.85bn. Avito's platform, with 10.3 million daily visitors, covers property, consumer goods, vehicles, services and jobs.

China-based social media platform YY acquired its portfolio companies Bigo, a Singapore-based social video live-streaming platform, for over $1.45bn. The deal consisted of roughly $343m in cash, the rest in shares. Founded in 2015, Bigo runs platform Bigo Live, while also offering short-form video-based social media service Like as well as a range of other apps such as gaming-focused streaming platform CubeTV. Bigo uses artificial intelligence to eliminate sexually suggestive content from its platform.

US-based vertically integrated cannabis group Verano, previously backed by cannabinoid therapy developer Scythian Biosciences, was acquired by peer Harvest Health and Recreation for $850m. The all-stock transaction is subject to closing conditions including shareholder approval. Founded in 2018, Verano runs licensed cannabis cultivation and manufacturing facilities, having a wide range of cannabis products such as edibles, extracts and concentrates. The company owns dispensaries under the brand name Zen Leaf.

Funding initiatives

Corporate venturers supported 69 fundraising initiatives in the first quarter of 2019, comparable to the 64 initiatives reported during the same period of 2018. The estimated total capital raised, $10.68bn, was considerably higher (49%) than last year's first-quarter figure of $7.14bn. The initiatives included 45 announced, open and closed VC funds with corporate limited partners, 14 new corporate venturing units, four corporate-backed accelerators and two incubators, among others.

SoftBank launched $5bn Latin America-focused technology vehicle SoftBank Innovation Fund with a $2bn investment. SoftBank will act as its general partner while raising additional capital externally. It has also formed the SoftBank Latin America Local Hub to aid the growth of local portfolio companies. The unit will invest across South America up to Mexico. Its target areas include e-commerce, healthcare, mobility, insurance and digital financial services. The SoftBank Innovation Fund will be headed by SoftBank's chief operating officer, Marcelo Claure, who is also chief executive of Sprint, SoftBank's US-based telecoms subsidiary.

Carmakers Chongqing Changan Automobile, Dongfeng Motor and FAW joined Alibaba, Tencent and retail conglomerate Suning to form a RMB9.76bn ($1.46bn) investment entity. The joint venture will invest in the on-demand ride service sector, with a particular focus on vehicles running on renewable energy. It also intends to establish its own as-yet unnamed China-based ride-hailing business. The corporates, all based in China, were joined by a range of unspecified funds, and Alibaba, Suning and Tencent provided their share of the capital through unnamed investment vehicles. Suning is the vehicle's largest shareholder, with a 19% stake, while Chongqing Changan Automobile, Dongfeng Motor and FAW own 15% each. The new entity is expected to face stiff competition from Didi Chuxing, which reportedly takes 90% of all bookings in a Chinese ride-hailing market estimated by consulting firm Bain & Co to be worth roughly $23bn.

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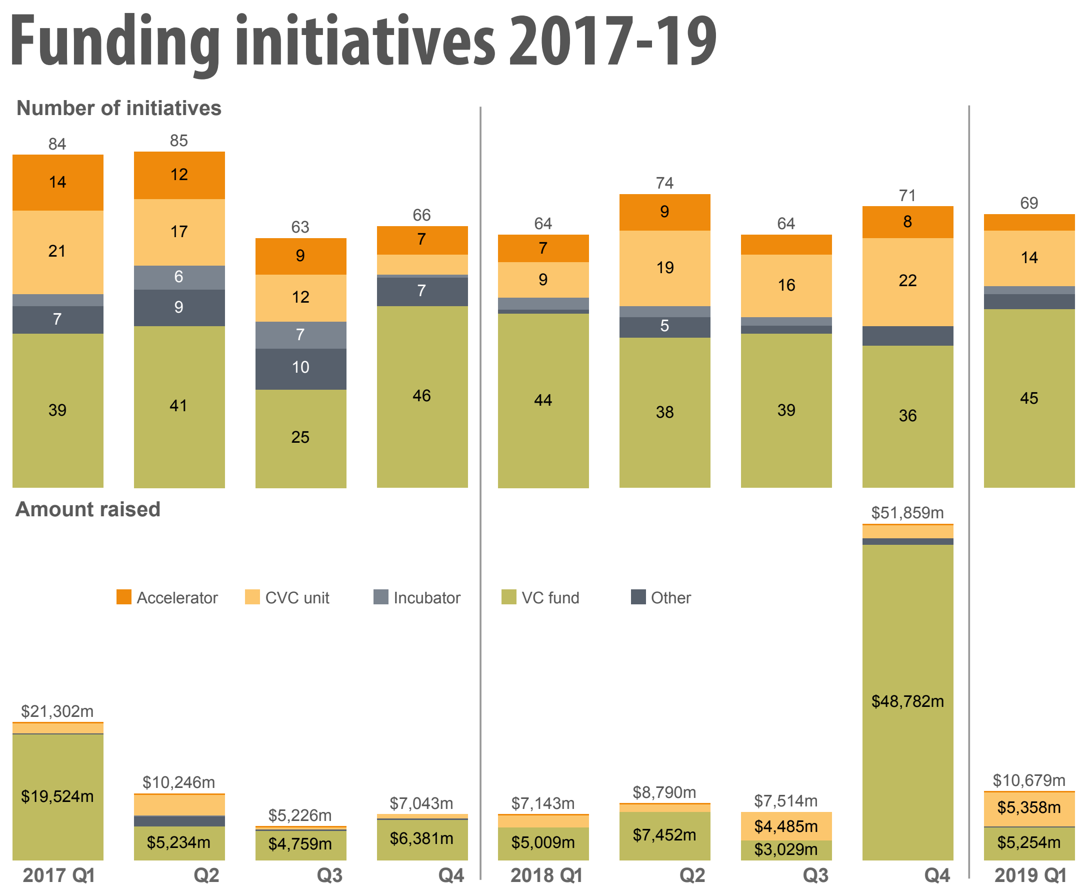

Alibaba and Tencent are both also among Didi Chuxing's investors.

Germany-based insurance and asset management group Allianz increased the capital available to Allianz X, the digital investment vehicle it formed in 2013, from €430m to €1bn ($1.13bn). Allianz X targets growth-stage companies developing digital technologies relevant to its parent's business, covering areas such as mobility, wealth management, cybersecurity, data analytics, connected property and health products. The firm said it had allocated more capital to Allianz X as a reflection of the unit's success and its importance to Allianz's digital transformation plan. Iván de la Sota, Allianz's chief business transformation officer, said: "We are very pleased with the progress Allianz X has made thus far and are committed to further invest and develop the next generation of digital growth companies related to Allianz's core business."

Verily, a US-based life sciences subsidiary of Alphabet, received a $1bn injection, and aims to expand its investment activities to include more startups. Partner Space, Verily's investment and collaboration scheme, is set to increase the number of startups it hosts from between six and eight companies to up to 15 companies. The initiative typically invests in series A or B rounds and offers portfolio companies the opportunity to work at its San Francisco campus in a move to foster collaboration. The only two startups to have disclosed their participation in Partner Space are Freenome, which combines machine learning, computer science and biology to develop disease screening and diagnostic technology, and Culture Robotics, which is creating tools to automate the fermentation process.

South Korea-based financial services firm Hana Financial Group set up a ₩1 trillion ($894m) fund of funds that will provide debt financing to venture capital firms. Seoul-based Hana Ventures plans to deploy the capital by 2021, targeting VC firms investing in biotech and information, communication and technology product developers. The company has put up ₩100bn for a fourth Industrial Revolution Fund as part of the initiative. In addition to supplying loans, Hana will also make direct investments in funds.

SoftBank rebranded its SoftBank Ventures Korea unit as SoftBank Ventures Asia to reflect a wider geographical focus. Founded in 2000, SoftBank Ventures Korea initially formed part of a network of corporate venturing vehicles that included SoftBank China Venture Capital, the New York-based SoftBank Capital – since spun out as SBNY – and Softbank UK Ventures. The unit initially focused on investment in South Korea but expanded its remit in 2011 to take in deals elsewhere in Asia. It has now backed some 250 companies. The rebranded SoftBank Ventures Asia will also make early-stage investments in the US and Europe. It is currently operating from offices in China, Israel and the US as well as South Korea, and is hiring staff for a second Chinese office and a branch it plans to open in Singapore.

QUARTERLY ANALYSIS

Top 10 funding initiatives Q1 2019					
Fund	**Country**	**Size**	**Type**	**Sector**	**Investors**
SoftBank Innovation Fund	VC fund	$2bn	Japan	Consumer, health, financial	SoftBank
Unnamed ride-hailing fund	CVC unit	$1.46bn	China	Transport	Alibaba | Chongqing Changan Automobile | Dongfeng Motor Group | FAW Group | Suning Commerce | Tencent
Allianz X	CVC unit	$1.13bn	Germany	Financial, IT, transport, services, health	Allianz
Verily	CVC unit	$1bn	US	Health	Alphabet | Ontario Teachers' Pension Plan Board | Silver Lake
Hana Ventures	CVC unit	$894m	South Korea	Health, IT, telecoms	Hana Financial Group
SoftBank Ventures Asia	CVC unit	$500m	South Korea	Unspecified/ sector-agnostic	SoftBank
Health for Life Capital II	VC fund	$225m	France	Health	Danone | Groupe Bel | Lesaffre | Novartis | Seventure Partners | Unicéréales | Wright Medical
Gilde Healthcare Services III	VC fund	$225m	Netherlands	Health	Gilde Healthcare | Rabobank
Unnamed ATM Capital fund	VC fund	$200m	China	Transport, services, media, financial	58.com | ATM Capital | Electronic World Trade Platform | private investors
Mubadala Europe Fund	VC fund	$200m	United Arab Emirates	Unspecified/ Sector-agnostic	Mubadala | SoftBank

France-based venture capital firm Seventure Partners reached the first close of a €200m healthcare-focused fund with commitments from corporate limited partners including cheese producer Bel and food provider Danone. Pharmaceutical firm Novartis, yeast manufacturer Lesaffre, medical device producer Wright Medical and Unigrains, the investment arm of agricultural products supplier Unicéréales, have also backed the fund. Health for Life Capital II also signed up an unnamed US-based food ingredient provider, undisclosed financial services firms and assorted individual investors. The fund will invest globally, focusing on technologies centred on the human microbiome, but will also conduct opportunistic investments in areas such as digital therapeutics, digital health, digital nutritional advice, personalised diets, precision medicine and food technologies.

Netherlands-based investment firm Gilde Healthcare closed a €200m private equity fund ywith a contribution from financial services firm Rabobank's Rabo Corporate Investments unit. Pension fund PGGM/Pensioenfonds Zorg en Welzijn has also backed the fund, as have a range of unnamed Netherlands-based institutional investors and international funds of funds. The fund, Gilde Healthcare Services III, closed at its hard cap. It will target healthcare and service providers as well as medical product suppliers, focusing on profitable businesses with earnings before interest, tax, depreciation and amortisation of $2.2m to $16.8m. The vehicle will particularly seek opportunities in Belgium, the Netherlands, Luxembourg, Germany, Austria and Switzerland. Apart from capital, it will offer portfolio companies access to its international network and support with growth strategies.

Alibaba's Electronic World Trade Platform and online listings platform 58.com co-anchored a $200m first close for a fund launched by China-based venture capital firm ATM Capital. The corporates were joined by private investors including Xiaochuan Wang, chief executive of search engine provider Sogou. The firm did not disclose its final target or when it expects to reach a final close. ATM Capital will focus on early and growth-stage investments in logistics, retail, media and financial technology developers operating in Southeast Asia. The firm's founding partners are Tony Qu, an associate director at Alibaba unit Alibaba Capital Partners for five years up to 2012 who went on to CDH Investments before founding Bat Capital, and Jeeves Jiang, former CEO of smartphone producer Coolpad Indonesia.

SoftBank provided $200m of a $400m fund raised by Abu Dhabi-owned investment vehicle Mubadala. The fund will invest in Europe-based startups, and SoftBank's involvement comes after Mubadala provided $15bn for the SoftBank Vision Fund, which is just short of $100bn, in 2017. The Abu Dhabi fund will invest between $5m and $30m in European startups. ◆