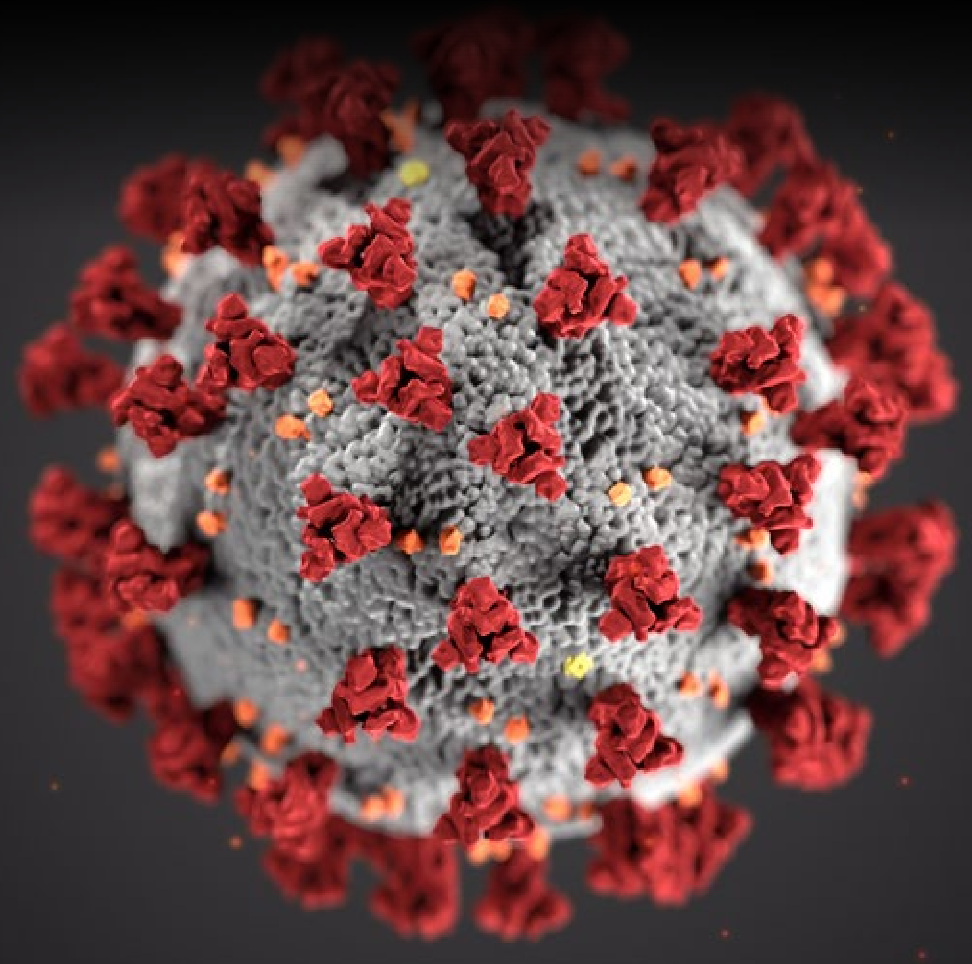
Global Corporate Venturing

April 2021

Customer-centricity in a time of covid

Consumer sector takes a pandemic hit as it transitions to digital and information gathering



Carbon capture's place in the fight against climate change

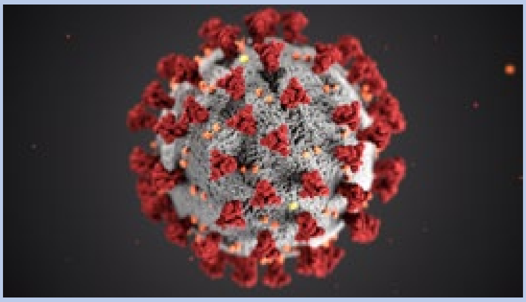
Germany's wobble

Quarterly data show record highs during covid recovery

Contents

Before the pandemic, the consumer sector revolved around digital transformation and changing customer habits and preferences. Covid-19 interrupted supply chains but its disruptive force did not stop there; it boosted e-commerce businesses and hit traditional brick-and-mortar retail hard.

But as Kaloyan Andonov's feature shows, it is too early to tell how customer behaviour will change permanently and customer-centricity remains vital.



SECTOR REPORT

"CCUS has been around for decades, but there are probably only 20 projects around the world because it is hard to scale and there have been limited policy incentives to invest in lower-carbon innovation"

Barbara Burger

Global University Venturing

430
Deals in March

1,012
Funding rounds in Q1

REGULARS

Global Impact Venturing

Editorial

Finding a common challenge

- Trust and values return to economic discussion
- Introducing social progress as a consideration
- Climate change needs to be the next mission

By James Mawson
Editor-in-chief

If you can fill the unforgiving minute

With sixty seconds' worth of distance run,

Yours is the Earth and everything that's in it

If—

by Rudyard Kipling

To place one's heart, ie to trust, is at the centre of the financial system.

The Latin *credere* – believe or trust – is the root for credit and hence much of finance.

After all, it is hard to lend money to someone if you are unsure if they will repay it.

Economist Adam Smith was talking about people's values, beliefs and preferences in the Theory of Moral Sentiments in the 18th century.

And modern economists are now returning to the subject, having spent the past 100 or so years focusing more narrowly on economic self-interest and only more recently on behavioural finance to unpick why people do or believe what they do.

As the Economist magazine notes in its review of Mark Carney and Minouche Shafik's new books, Value(s) and What We Owe Each Other, respectively: "As money becomes the primary or sole measure of value, society loses the ability to distinguish between acts of wealth creation that deserve to be heralded and those that do not."

At the other end, the inventors and entrepreneurs are grappling with similar issues. Massachusetts Institute of Technology's latest bimonthly Technology Review (TR) looks back over the two decades since its first list of its top 10 breakthrough technologies and asked: "Have these technologies made our lives not just more convenient, but better in ways we care about?"

It uses an Ipsos Social Progress Imperative survey that asked people from 13 countries which they should prioritise more, social outcomes or economic growth, to uncover the generational gap between people. For those under 50, social outcomes were the majority preference. For those aged 50 or older, it was clearly economic growth.

MIT professor Scott Stern told the TR: "Very often the decisions about innovation and technology are about its economic impact. There is nothing wrong with that. But are we directing the economic rewards to areas that will advance social progress?"

Similar to Stern's (and Harvard's Michael Porter's) Social Progress Index, University of Cambridge's Diane Coyle analysis of the wealth economy effectively asks: "What is the technology doing for people?"

Amos Barshad's excellent report, Inside Israel's lucrative – and secretive – cybersurveillance industry, for Rest of World uncovers moral uncertainty how graduates from the Israel Defense Forces' 8200 unit use their knowledge and skills to found cybersecurity companies that export their cyber weaponry worldwide (hat-tip Neeraj Kamdar).

The question is especially worth asking as the speed of innovation and funding for further research and development are increasing.

But getting the fruits of these advances into people's hands more widely will be a political and social challenge.

how the internet is changing finance. Salmon's thesis was formed in the era of zero interest rate policies (ZIRP) as "getting rich slowly became much harder after 2008 because the financial crisis effectively killed compound interest".

YOLO – you only live once – as an attitude "out of Wall Street's book, take big risks, and try to score that home run", Salmon added.

> *"[The rich] have already effectively neutralised one certainty, the requirement to pay taxes, but if the great leveller, death, also no longer applies then trust could quickly break down"*

To take one example, will everyone be able to capitalise on the longevity escape velocity that comes when advances in medical technology means a person's life expectancy increases by more than a year for each year they live? Or will only the rich benefit?

They have already effectively neutralised one certainty, the requirement to pay taxes, but if the great leveller, death, also no longer applies then trust could quickly break down. And it leads to extreme, effectively nihilistic behaviours. This is already happening.

Felix Salmon in Wealthsimple magazine picks apart some of the generational angst now it seems "value in stocks, art, precious metals, whatever", is no longer inextricably tied to "fundamentals".

Salmon's four-letter acronyms, YOLO, ZIRP, SWAG, identify

Combined it means there is a desire for SWAG – silver, wine, art, gold – that could appreciate or fall in value but generally bring no income, unlike bonds, equities or rent.

Salmon added: "SWAG of today is generally different: it is Bitcoin or non-fungible tokens (NFTs) like CryptoKitties or Hashmasks. It is Supreme skate decks or Yeezy sneakers. It is baseball or basketball cards, be they physical or virtual. It is prints from the hot Brooklyn artist Brian Donnelly, better known as KAWS, or rare bourbon or obscure vinyl."

Or it is Mike Winkelmann, a graphic designer from Charleston, South Carolina, better known as Beeple. His sale of Everydays: The First 5,000 Days for $69.3m (using the Ether cryptocurrency) as an NFT of the digital collage of Beeple's earlier art.

As Salmon noted: "The common denominator is artificial scarcity – with a lot of emphasis on the artificial since a lot of these things are easily re-producible except for their blockchain watermarks...

"If you want to understand the world we live in, look to the hypebeasts, not the Wall Street Journal."

While the SWAG winners are mainly the market manipulators, it is for the YOLO crowd, as Salmon said: "A fun game to play, and it is a community. And especially now, in the middle of a pandemic, what else are you going to do?"

effectively increase current asset prices, benefiting those who already own them. Pension locks means retirees' incomes go up with inflation.

Massive debts do little beyond provide a short term, quarter or two, boost but will increase future tax rates over the next 20-plus years, noted economist Tyler Cowen. Throw in the chances that these rich, old people might never die or continue having kids and working and nihilism seems a suitable response for millennials and generation Z.

> "Tackling global warming is effectively a mission to help shift people's mindsets from a zero-sum game – how do we grow at another's expense – to a common challenge and find and scale up the technologies to help"

Focus on rebuilding trust is one answer. The generational conflict between so-called baby boomers born in the generation after the Second World War and those under 50 who face the consequences of the trillions of dollars in wealth transfer to older people underlies the concerns about ZIRP. Zero interest rates

Apart from climate change. Boomers can look around them and see the world is less clement than in the 1960s. The latest measurement of atmospheric CO_2 (on March 17 by Scripps Institution of Oceanography) is 416.94 ppm; 60 years ago it was 315 ppm. Pre-industrialisation, about 250 years ago, it was estimated at 250 ppm (though in ice ages it might have been as low as 160 ppm).

Tackling global warming is effectively a mission to help shift people's mindsets from a zero-sum game – how do we grow at another's expense – to a common challenge and find and scale up the technologies to help. It is clear that despite the rapid growth in renewable energies, such as wind and solar, over the past few decades and the exponential drop in costs there is still too much of the global economy emitting carbon and other greenhouse gases.

To limit temperature rises to less than 2°Celsius, therefore, requires tools to remove carbon, capture and use it. Price mechanisms will help scale the innovations developed already and corporate venture capital can unlock and find new entrepreneurs to partner with.

The past year has seen the enormous progress that is possible when policymakers aligned with universities, entrepreneurs and corporations can achieve together to tackle other global challenges, such as covid-19.

Now is the time to scale up the old and new technologies.

Society does well when old people plant trees they know they will never sit under.

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News

Singular ends first raise with $265m

- BBG bags $50m for third fund
- Nextblue nets corporates for first fund
- Plaid picks five for accelerator

By James Mawson, Robert Lavine, Thierry Heles, Liwen-Edison Fu and Jordan Williams

France-based venture capital firm Singular has raised €225m ($265m) for the close of its first fund, which was backed by insurance firms Axa and MACSF, TechCrunch reported.

Axa invested in the fund through corporate venturing arm Axa Venture Partners, while its other limited partners (LPs) included pension fund manager Ontario Teachers' Pension Plan, development bank bpifrance, Mubadala Capital, Vintage Investment Partners and Sofina.

Singular was founded by Raffi Kamber and Jérémy Uzan, former partners at France-based VC firm Alven. The firm will primarily participate in series A and B rounds for European technology startups, investing as much as €20m per deal.

Corporates help Dragonfly Fund II mine $225m

US-based, cryptocurrency technology-oriented venture capital firm Dragonfly Capital Partners is raising $225m for its second fund, which has several corporates as partners.

Dragonfly Fund II secured a LP commitment from venture capital firm Sequoia Capital China and has strategic alliance agreements in place with cryptocurrency exchange platforms Bybit, Huobi and OKEx as well as bitcoin miner Bitmain.

Dragonfly Capital Partners focuses on developers of blockchain-related technology and cryptocurrency funds, protocols and applications.

BBG bags $50m for third fund

US-headquartered, female-focused venture capital firm BBG Ventures has closed its third fund at $50m with backing from telecommunications firm Verizon and department store Nordstrom, Forbes reported.

Susan Lyne and Nisha Dua run BBG ("built by girls") and it has made 76 investments in companies including feminine hygiene brand Lola, wedding planning platform developer Zola and co-working space The Wing from its first two funds.

Verizon's corporate venturing unit, Verizon Ventures was the first LP in the fund. It was joined by Nordstrom, State of Michigan Retirement Systems, George Kaiser Family Foundation, Payal Kadakia and Tracy Sun, Forbes added.

Nextblue nets corporates for first fund

Japan-based VC firm Nextblue has raised about ¥1.5bn ($13.7m) for its debut fund, from limited partners including local department store retailer Marui Group, system integrator Q'sfix and rewards platform Giftee.

The figure represents the first close of the fund, which has a ¥3bn target for its close. It will make seed-stage investments in companies focusing on the future of work, health and lifestyle, in Japan and Europe.

Wedding planner Zola is a BBG portfolio company

Nextblue was formed by Kori Yuichi, founder of Reality Accelerator, with Inou Kanako and Vincent Tan (based in Germany), who both have experience at consulting firm Boston Consulting Group and VC firm D4V.

Plaid picks five for accelerator

US-based banking software provider Plaid has selected five startups for its FinRise accelerator.

FinRise is an equity and capital-free initiative which targets under=represented founders in technology, established in January.

The startups include Global Data Consortium, an enterprise digital identity verification technology developer, and Guidefi, an online marketplace where communities of colour can access financial advisers.

OfColor, the creator of an enterprise wellness platform for employees of colour, fills out the cohort with Walnut, the developer of a point-of-sale healthcare lending platform, and Zeta, the operator of an online platform where couples can link bank accounts and split purchases

Medipal meditates on $92m corporate venturing fund

Japan-based medical supplies vendor Medipal Holdings has partnered SBI Investment, an investment subsidiary of financial services firm SBI Holdings, to form a ¥10bn ($92m) corporate venture capital (CVC) vehicle.

Medipal Innovation Fund is intended to operate for 10 years and will mainly target domestic and international startups developing technologies strategically relevant to Medipal's business lines.

Founded in 1898, Medipal runs group companies in areas including pharmaceuticals, orphan drug discovery, medical and beauty care, and animal health products.

Juroku Bank jets into corporate venturing

Japan-based financial services firm Juroku Bank has formed a venture capital unit dubbed Nobunaga Capital Village and a startup accelerator called Juroku Bank Accelerator 2021.

Nobunaga Capital Village will be launched this month with ¥4.5bn ($41.2m) of capital across two vehicles, and will target developers of financial technology and local economy revitalisation projects, focusing on the Chūbu region where the bank is headquartered.

Tōge Kiyotaka chief investigator of Juroku Bank's corporate planning department, will oversee Nobunaga Capital Village as president.

Juroku Bank Accelerator 2021 was formed in association with startup incubator studio Creww. Entrepreneurs can submit their candidacies until April 9, before finalists are selected in July to participate in proof-of-concept trials with local partner companies ahead of a demo day scheduled for October.

Zilliqa earmarks $5m for corporate venturing

Singapore-based blockchain technology developer Zilliqa has set up a CVC fund to invest a total of up to $5m in 15 companies using its platform, e27 has reported.

The capital will be deployed through ZILHive, the Zilliqa ecosystem growth subsidiary that oversees corporate venturing fund ZILHive Ventures and the earlier-stage ZILHive Incubator, providing $50,000 to $500,000 per company in equity funding, tokens or both.

ZILHive Incubator is a 14-week programme matching entrepreneurs with developers to build blockchain tools on the Zilliqa protocol, while ZILHive Ventures will invest in more mature projects that are already using the protocol.

ArcelorMittal assembles clean steel fund

Multinational steelmaker ArcelorMittal has set up a corporate venturing fund to invest up to $100m per year in startups that can help it transition to carbon-neutral steel production.

XCarb innovation fund will invest in companies "developing directly applicable, commercially scalable technologies that offer strong potential to decarbonise the steelmaking process", ArcelorMittal said in a statement.

XCarb will bring together all of ArcelorMittal's reduced, low and zero-carbon products and steelmaking activities, as well as wider initiatives and green innovation projects, into a single effort focused on achieving demonstrable progress towards carbon-neutral steel.

Night Media plans $20m debut fund

US-based multimedia talent manager Night Media is set to close a debut CVC fund at $20m, chief executive Reed Duchscher told TechCrunch.

The fund will invest up to $300,000 into startups in three categories: consumer-facing products; gaming, with a particular focus on models using user-generated content; and the creator economy.

Night Media has already backed about a dozen startups, including Backbone, the developer of a

Steel maker Arcelor Mittal has set up a corporate venturing fund

game controller for iPhones, as well as bitcoin-based rewards app developer Lolli, direct-to-consumer luxury product marketplace Italic and Pearpop, where fans can bid for shared screen time with their favourite TikTok personalities.

Tokai diversifies into CVC

Diversified Japan-based conglomerate Tokai has set up a ¥50m ($460,000) CVC vehicle to invest in local startups. The unit, Tokai Venture Capital and Incubation (TVC&I), will focus on the total life concierge concept, as part of an open innovation strategy for the creation of Tokai's new businesses.

It will aim to generate synergies with Tokai's core businesses such as energy, information and communications and housing, TVC&I will also create new lifestyle-related businesses in completely different fields.

SK Group and Geely rev up $300m fund

South Korea-headquartered diversified conglomerate SK Group and China-based carmaker Zhejiang Geely Holding Group have formed a $300m mobility investment fund, Reuters reported.

The corporates are each putting up $30m for the vehicle and intend to source the rest from external investors, with European banks and Asian pension funds expected to contribute, according to a statement by SK Holdings cited by Reuters.

The unnamed fund will target developers of technology in areas such as autonomous driving, vehicle electrification and connectivity-focused products.

Taliki Fund gets corporate support

Japan-headquartered open innovation group Taliki formed a VC vehicle of undisclosed size dubbed Taliki Fund in December 2020 with multiple corporate limited partners, it revealed last month.

Retailer Marui Group and cloud services provider SunBridge Corporation committed capital to the fund, as did financial services firm Kyoto Shinkin Bank, Incubate Fund and undisclosed investors.

Founded in 2017, Taliki owns a startup incubator in addition to conducting venture capital investments and running a business media platform, all of which concentrate on impact investing.

Miller joins NPC Ventures to lead fundraising

Canada-based biotechnology product maker Natural Products Canada plans to raise C$50m ($39.5m) for a cleantech corporate venturing fund called NPC Ventures.

The company has secured a non-binding term sheet with an undisclosed anchor investor for

Hoseoklee88/Creative Commons 3.0

SK Group's headquarters in Seoul

the vehicle, which will invest in producers of natural alternatives to synthetic products such as plastics and preservatives.

NPC Ventures aims to complete its first close in autumn 2021 and its parent has hired Kristi Miller, founder and former national managing director of business finance provider First West Capital, to run the fund as managing director.

Maciel's Volpe adds to debut fund

Andre Maciel, former managing partner at telecommunications and internet group SoftBank's $5bn Latin America-focused fund, has extended the first close of his independent venture capital firm's first fund to $80m.

Maciel, along with Gregory Reider and Milena Oliveira, set up Brazil-headquartered Volpe Capital in 2019 with SoftBank's backing. Its first fund also has investment bank BTG Pactual and digital bank Banco Inter as limited partners, according to TechCrunch.

Volpe Capital received a commitment from its management team of about 7% to 12% of the fund, Maciel said. Marcelo Claure, head of SoftBank LatAm, has also invested in the fund, as have the $5bn fund's managing partners, Paulo Passoni and Shu Nyatta.

GCxN goes to fourth cohort

Shell GameChanger Accelerator powered by NREL (GCxN), an accelerator co-run by oil and gas supplier Shell and US Department of Energy's National Renewable Energy Laboratory, has selected three participants.

US-headquartered Air Company, which is developing a technology that transforms carbon dioxide into alcohols, fragrances and other consumer products, joined Versogen, the hydroxide exchange membrane producer formerly known as W7Energy, in the scheme's fourth batch.

Ionomr Innovations, a Canada-based company working on ion-exchange membranes and polymers for electrochemical products, filled out the cohort

. Each will get up to $250,000 in non-dilutive financing and research support to develop clean technology for commercial use.

Shell's GameChanger Accelerator has selected three participants

Japanet starts $50m fund

Japan-headquartered television shopping group Japanet launched a $50m CVC fund in partnership with US-based venture capital firm Pegasus Tech Ventures.

Pegasus Tech will manage the fund, which will invest in Silicon Valley and other parts of North America, as well as in Israel, Europe and Asia. It will also seek out startups that could help Japanet build its planned Stadium City complex in Nagasaki, Japan.

Centred on a sports stadium due to open in 2024, the Stadium City project includes the development of mixed-use facilities such as business offices, retail stores, hotels and live event arenas.

B Capital ascends to early-stage investing

B Capital Group, a US-based VC firm backed by management consulting firm BCG, has raised approximately $126m for the first close of an early-stage fund, DealStreetAsia reported.

The firm is targeting more than

Astra Zeneca's Cambridge research lab

$150m for the final close of Ascent Fund II. A total of 30 limited partners committed to the vehicle within a fortnight, according to a regulatory filing.

Separately, B Capital has filed to list a special purpose acquisition company. According to another securities filing, the firm plans to raise up to $300m for its B Capital Technology Opportunities vehicle.

AstraZeneca straps in for $338m China fund

US-headquartered pharmaceutical firm AstraZeneca has launched a RMB2.2bn ($338m) healthcare investment fund with investment banking firm China International Capital Corporation's private equity vehicle, CICC Capital, DealStreetAsia reported.

Wuxi AstraZeneca CICC Investment was officially registered in January and is targeting developers of innovative therapeutics, medical devices, diagnostics technology and artificial intelligence-equipped healthcare technology.

The fund will also back the development of innovative supply chain solutions for pharmaceutical companies.

SEE Fund receives corporate backing

Yao Song, co-founder of China-based camera producer DeePhi Technology, has set up a venture capital fund with commitments from VC peers and corporations, DealStreetAsia has reported.

SEE Fund has raised RMB200m ($30.9m) from limited partners digital media company ByteDance, financial services provider Ant Group and Tsinghua Holdings, the asset management arm of Tsinghua University.

Industrial park Zhongguancun Science City Science & Technology Scientist fund of funds made up the LPs with Sequoia Capital China, Hillhouse Capital, Matrix Partners China, CPE, ZhenFund and FreesFund.

Ascension rises to $285m opportunity

Ascension Ventures, the VC firm formed by health system Ascension, closed its fifth fund last month with $285m in capital supplied by 13 healthcare providers.

Limited partners include Ascension, AdventHealth, Carle Foundation, CentraCare, Children's Medical Center of Dallas, Intermountain Healthcare, Novant Health, OhioHealth, OSF HealthCare, Luminis Health, Sentara Healthcare, Texas Health Resources and an unnamed health system.

The firm has backed approximately 80 companies in the software, services, medical device and diagnostic sectors.

Langer sets up AM Ventures fund

Germany-based custom manufacturer Langer Group has partnered asset manager KGAL to raise almost €50m ($59.5m) for an additive manufacturing fund for its VC firm, AM Ventures.

Langer Group set up AM Ventures in early 2015 and the firm has added KGAL and its management team as shareholders in its latest fund, which has a targeted close of €100m by spring 2022.

Multiple high-net-worth individuals and experienced entrepreneurs are also among the LPs.

Crypto.com creates $200m corporate venturing fund

China-headquartered cryptocurrency services provider Crypto.com has launched a $200m CVC fund called Crypto.com Capital that will invest in early-stage crypto technology developers.

Founded in 2016, Crypto.com operates an online platform where users can buy and sell a range of cryptocurrencies. It also runs a trading exchange and offers a digital currency wallet and crypto-based Visa card.

The unit will be headed by Bobby Bao, another Crypto.com co-founder who is also the company's head of corporate development.

MassMutual backs change with $50m Catalyst Fund

US-headquartered insurance firm Massachusetts Mutual Life Insurance Company has established a $50m investment vehicle called MM Catalyst Fund that will fund companies with diverse founders in its home state of Massachusetts.

The capital allocation partly consists of a $25m fund dubbed MMCF Growth that will provide equity and debt financing for Massachusetts-based businesses with black founders, owners or managers.

The other half of the funding will go to MMCF Tech, a fund which will provide equity funding for technology developers based in Massachusetts but outside state capital Boston.

Sea Group sets aside $1bn for corporate venturing

Singapore-based e-commerce and video game group Sea Group will commit $1bn to a CVC unit called Sea Capital, it revealed in its annual results.

MassMutual's Catalyst Fund will invest in Boston and beyond

Founded in 2009 as Garena, Sea offers online games through a platform also called Garena, as well as running an e-commerce marketplace called Shopee and a digital financial services offering under the Sea Money brand. It floated in an $884m initial public offering in 2017.

Sea Capital is being launched to build a broader ecosystem around the company's offering and will target developers of consumer and enterprise technology. The $1bn will be deployed over the next few years, it said.

Legend Capital unveils 10-figure renminbi fund

Legend Capital, the China-based venture capital firm formed by diversified conglomerate Legend Holdings, has launched a RMB10bn ($1.54bn) sixth renminbi-denominated fund, DealStreetAsia reported.

The firm has not revealed how much capital it has secured for Legend Capital Comprehensive Growth Fund VI, but the fund has a RMB10bn target for its close. The state-owned Xiangcheng Financial Holdings is among its limited partners so far.

The vehicle will invest in developers of technology in areas such as semiconductors and integrated circuits, consumer electronics and new energy vehicles, according to DealStreetAsia.

Corporations sail into Motion

Motion Ventures, a Singapore-based VCI firm targeting the maritime industry, has made a first close on its debut fund, with corporate limited partners including shipping network Wilhelmsen and logistics provider HHLA.

Motion Ventures will target the maritime industry

Motion is targeting S$30m ($22.8m) for the fund, which is run by Rainmaking, a venture building and investment firm that operates accelerator initiative Startupbootcamp and the Ocean Ventures Alliance, which includes more than 40 companies.

The fund will jointly invest in startups with Seeds Capital, the investment unit for government agency Enterprise Singapore that said in June 2020 it planned to invest S$50m in maritime startups.

BRI Ventures accelerates with startups

BRI Ventures, the corporate venturing unit for Indonesia state-owned financial services firm BRI, has launched an accelerator with financial technology provider Fazz Financial and local venture capital firm Prasetia Dwidharma as operating partners.

The accelerator, Sembrani Wira, has selected nine startups to join its inaugural eight-week programme: GajiGesa, Biteship, MYCL, CookLab, Gredu, Restock.id, Minapoli, Tumbasin and Brick.io.

Nicko Widjaja, CEO of BRI Ventures, said: "One of the important things on our agenda is to help founders not only to get product-market-fit but also go beyond. So, we will discuss with the founders to see what is their goal and help them to draw back on what they have to do to reach that goal."

Line drawn to Hustle Fund again

US-based venture capital firm Hustle Fund has raised $33.6m for its second fund, from LPs including messaging platform developer Line, Forbes reported.

Japan-headquartered Line reupped in Hustle Fund II through corporate venturing unit Line Ventures having committed to the firm's first fund, which closed in September 2018 at about $11m.

Hustle Fund II's other LPs include investment firms Foundry Group Next and Shanda Group. The second fund, managed by co-founders Eric Bahn, Elizabeth Yin and Koh Shiyan, is expected to invest in about 200 early-stage portfolio companies.

People

Kevin Jacques leaves Visa Ventures

- > Dor opens place at M12
- > Davey leaves Barclays Ventures for SPAC life
- > Bhansali breezes in to Scan Group

By James Mawson, Robert Lavine, Thierry Heles, Liwen-Edison Fu and Jordan Williams

Kevin Jacques, former head of US-headquartered payment services firm Visa's corporate venturing unit, Visa Ventures, has been made a partner at investment firm Cota Capital.

Jacques manages Cota's Fintech Fund, according to his LinkedIn profile. The firm has $1bn of assets under management. Visa hired Jacques in 2017 after six years in financial software provider Intuit's acquisitions and investment team.

Earlier in his career, he was a partner at Palomar Ventures and Sevin Rosen Funds, chief executive of asset tracking product developer GlobeRanger and a consultant at Boston Consulting Group.

Goldschmidt to lead Samsung Catalyst Fund

David 'Dede' Goldschmidt has been appointed head of Samsung Catalyst Fund (SCF), an evergreen vehicle for South Korea-headquartered consumer electronics manufacturer Samsung Electronics, to lead the unit's global activities.

Goldschmidt has been in the venture capital ecosystem for two decades. SCF hired him in 2015 as an Israel-based managing director to oversee investments in the country and in Europe, covering areas including 5G, artificial intelligence, automotive, cloud, healthcare, quantum and robotics technologies.

GCV Powerlist 2020 members Shankar Chandran and Francis Ho have left their SCF co-head roles after more than eight years at the unit.

Dor opens place at M12

Irad Dor has joined US-headquartered software provider Microsoft's CVC unit, M12, as an Israel-based partner.

Dor had been a venture partner at Eight Roads, a VC arm of US-based mutual fund manager Fidelity, since 2018 and had led investments in FireBlocks, Gloat and ScyllaDB.

Mony Hassid, head of M12 in Europe and Israel, said Dor will focus on early-stage investments in cloud infrastructure, cybersecurity and enterprise software in his regions. Prior to joining Eight Roads, he had been a director at telecommunications firm SingTel and its corporate venturing subsidiary, Innov8.

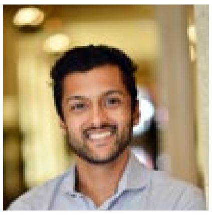
Davey leaves Barclays Ventures for SPAC life

Ben Davey, chief executive of UK-listed bank Barclays's corporate venturing unit, has become chief investment officer at EFIC1, an Amsterdam-listed special purpose acquisition company.

Alongside Martin Blessing, Nick Aperghis and Klaas Meertens, Davey is looking for EFIC1 to acquire a financial services or technology company operating or headquartered in the European region, including the UK and Israel.

As CEO of Barclays Ventures for nearly three years, Davey had been charged with finding and developing opportunities both within and outside of the bank through startup ecosystems Rise and Barclays Eagle Labs.

Bhansali breezes in to Scan Group



Binoy Bhansali, former managing director at Sandbox Industries, provider of fund management services for more than 30 Blue Cross Blue Shield health insurers, has joined US-based healthcare provider Scan Group.

Scan provides healthcare for patients on Medicare Advantage health insurance plans. As vice-president of corporate development, Bhansali will be responsible for identifying opportunities for strategic partnerships, external investments and acquisitions.

Sandbox Industries manages $1.2bn across four funds for Blue Cross Blue Shield, and Bhansali sourced more than 1,000 healthcare technology and services companies from seed to growth equity-stage, led diligence efforts for hundreds of them and completed investments in eight companies.

Halse leaves MRL Ventures for RA Capital

Reza Halse, president of US-listed pharmaceutical firm Merck & Co's MRL Ventures investment vehicle, has joined healthcare-focused investment manager RA Capital Management.

Halse has reconnected with Joshua Resnick, an inaugural managing partner at MRL Ventures, who joined RA Capital in 2018 to set up its venture funds after a few years as a partner at venture capital firm SV Life Sciences.

Halse joined Merck's MSD London Innovation Hub in 2015, also becoming a partner at MRL Ventures, which targets startups in therapeutics and complements Merck's other main corporate VC unit, Global Health Innovation fund, which is run by Bill Taranto.

Worawattananon accepts AddVentures role

Thailand-listed industrials group Siam Cement Group (SCG) has moved Prakit Worawattananon to managing director of its corporate venturing unit, AddVentures, and promoted him to director of its corporate innovation office.

Worawattananon was director of deeptech innovation at SCG and led its Zero-To-One startup studio from April 2020 after a three-year stint running supply chain strategy for SCG Packaging.

SCG launched AddVentures in 2017 under Joshua Pas, who remains in place as its other managing director. It won GCV's new entrant of the year award with a five-year plan to make early-stage investments in 25 to 35 startups and back as many as five VC funds.

Sago leaves SoftBank

Sago Katsunori, chief strategy officer for Japan-listed internet and telecommunications conglomerate SoftBank Group, has resigned, the company said.

Sago joined SoftBank in 2018 after three years as chief investment officer of Japan Post Bank, a subsidiary of postal service Japan Post. He had previously been an investment banker at Goldman Sachs in Japan.

Sago "played a crucial part in expanding [SoftBank Group's] potential as an investment company," Son said in a statement used by Reuters.

Coca-Cola's Bill Ford joins ICV

US-based investment firm ICV Partners has hired Bill Ford, an executive at drinks producer Coca-Cola Company, as a managing director (MD) in its portfolio operations group.

Ford spent more than three years as director of venturing and portfolio management at Coca-Cola. He was at food processor Treehouse Foods between 2013 to 2017, most recently as general manager of its coffee business unit.

Ford joins Mary Rachide and Everett Hill as the third MD of portfolio operations group at ICV.

Savini saves spot at Honeywell Ventures

Giancarlo Savini has left Shell Ventures, oil and gas supplier Shell's corporate venturing arm, to join Honeywell Ventures, the counterpart for industrial product and software producer Honeywell.

Savini told Global Corporate Venturing that he would be "working in a similar role" at Honeywell Ventures as he did at Shell Ventures, having joined the latter as manager of investment and partnerships in 2018 from the parent.

He focused on cleantech deals and helped Shell internally implement its portfolio companies' technologies by facilitating commercial partnerships. He joined the oil major in 2012 as senior innovation lead for capital equipment, a position he held for two years before serving as digitisation lead and contract manager for power generation technology until 2018.

M12 position remains vacant

Christopher Young, executive vice-president of business development at US-listed software provider Microsoft since November 2020, has not stepped in to run its corporate venturing unit, the company said.

This follows the departure of Nagraj Kashyap as head of M12 to become a managing partner at Japan-listed internet conglomerate SoftBank's Vision Funds in February.

Kashyap said in his LinkedIn post: "I am confident that the amazing team I am leaving behind will take M12 to new heights under Christopher Young's leadership."

Miner digs into Maryland role

Jack Miner, former managing director at Cleveland Clinic Ventures, the corporate venturing arm of US-based healthcare system Cleveland Clinic, has joined the state of Maryland's venture investment unit.

Miner is now chief investment officer at Tedco, which runs the Builder, Seed and Maryland Venture Funds backing more than 400 investments. He replaces Tedco's interim managing director, Elizabeth Good Mazhari.

At Cleveland Clinic Ventures until April 2020, Miner oversaw a team focused on its portfolio companies and led efforts to spin off new companies.

Blackburn roves to Bessemer

Jeff Blackburn, senior vice-president for business development at US-listed online retailer Amazon for nearly 17 years, has joined venture capital firm Bessemer Venture Partners as a partner.

Blackburn oversaw Amazon's corporate venturing investments and more than a hundred acquisitions. He also led Amazon's television and movie studio, music streaming service and advertising unit.

Bessemer's deals in recent years have included online streaming platform developer Twitch, which Amazon acquired for $970m in 2014.

Klau steps up for state government service

Richard Klau, formerly of corporate venture capital unit GV, is now California's chief technology innovation officer.

Klau had previously been a senior operating partner at GV, the corporate venturing arm of US-listed internet and technology group Alphabet formerly known as Google Ventures, from 2011 to 2020.

For nearly two years at GV, Klau ran its partnerships team as a business or corporate development practice "designed to connect our portfolio companies to the C-suite at Fortune 500 companies, large government agencies and non-government organisations," he said in his LinkedIn profile.

Analyses

- > Total dollar value drops in artificial intelligence
- > Digital health insurer Oscar goes public
- > E-commerce's pandemic boost
- > Tencent tends to retain stakes after exit
- > Vehicle marketplaces affected by pandemic

By James Mawson, Robert Lavine, Jordan Williams and Kaloyan Andonov

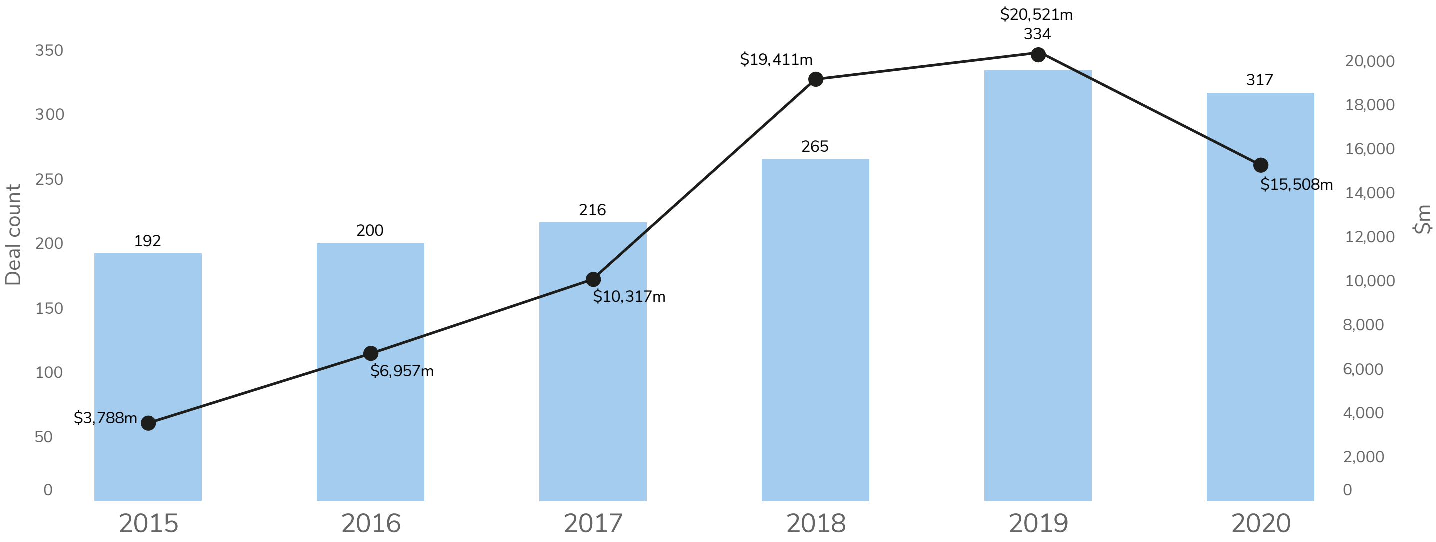
Horizon Robotics captures $350m

China-based artificial intelligence (AI) chipmaker Horizon Robotics secured $350m in a series C3 round, which featured a range of corporate investors, including optical technology producer Sunny Optical and carmakers BYD Auto, Great Wall Motors, Changjiang Automobile Electronic, Changzhou Xingyu Car Light and Dongfeng Motor. The last invested through its Dongfeng Asset subsidiary. The company has raised a total of $900m in series C funding altogether, exceeding its initial target of $700m.

Founded in 2015, Horizon Robotics develops AI computer chips designed for use in autonomous vehicles, surveillance cameras and smart devices. Horizon intends to use the series C funding to develop its technology platform for autonomous vehicles.

The company is part of the broader AI tech space, which has attracted the attention of many corporate venture investors over the past decade. The number of corporate-backed deals in this space reached its highest point in 2019 at 334 rounds, with capital invested estimated at an all-time high of $20.52bn. In 2020, the number of deals slid down only slightly to 317 but the total dollar value estimated dropped significantly to $15.51bn, which is likely to reflect not only the pandemic-induced downturn but also the subsequent rise in valuations.

Corporate-backed deals in artificial intelligence and machine learning



Source: GCV Analytics

Data as of December 31 2020

Oscar goes public

US-based digital health insurance provider Oscar Health, which counts internet conglomerate Alphabet and insurance company Ping An among its backers, went public in a $1.44bn initial public offering (IPO), which provided an exit for the two corporate backers.

The offering consisted of approximately 37 million shares issued on the New York Stock Exchange and priced at $39 each. Approximately 650,000 were divested by Oscar's shareholders.

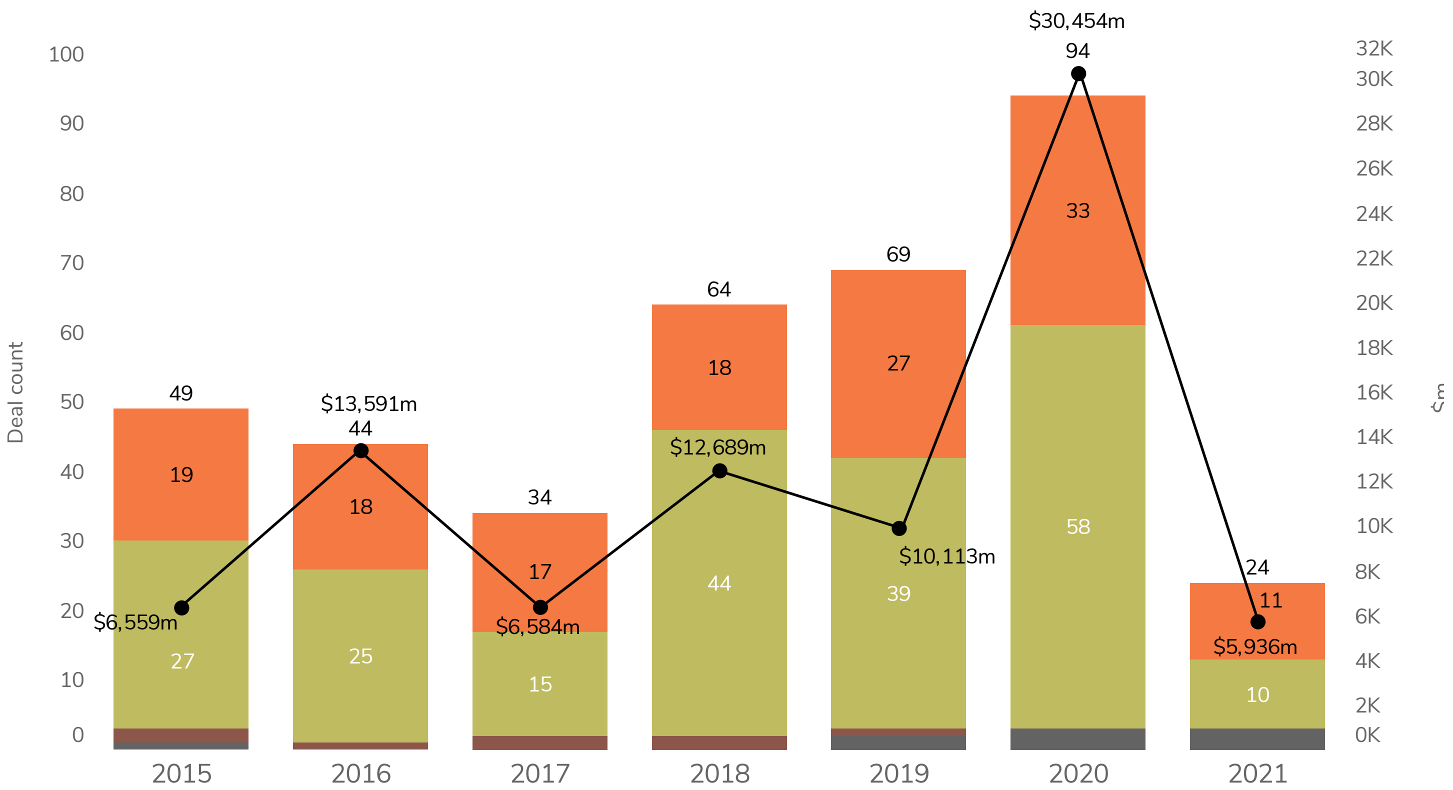
The amount of shares was increased from 31 million and the price stood above the $32 to $34m range set by the company. Alphabet owned 18.1% of the class A shares prior to the IPO. Goldman Sachs, Morgan Stanley and Allen & Company were lead managing bookrunners for the offering while Wells Fargo Securities was the managing bookrunner.

Founded in 2012, Oscar runs a health insurance platform with 529,000 members. The platform helps them to navigate the healthcare system while using data technology to help promote healthy personal habits and behaviour. The company's revenue rose more than 60% on an annual basis to $1.67bn, while Its net loss also increased from $261m to $407 in 2020.

Oscar is part of the broader health space, in which there have been plenty of exits from corporate-backed businesses over the past few years. By the end of 2020, the total number reached a peak at 94. There was also a record amount of total dollars estimated at 30.45bn.

Over the first two months of 2021, GCV had already tracked 24 exits with an estimated total at $5.94bn.

Exits from corporate-backed health sector businesses



Source: GCV Analytics

Data as of March 4

E-commerce exits

E-commerce was given enormous boost by the covid-19 pandemic and stay-at-home orders around the globe. Many observers of the sector have said the pandemic has vastly accelerated consumers' adoption of e-commerce platforms, which had already been on the rise. With these developments as a backdrop and a raging bull market, it is not surprising that promising businesses in the sector may seek to go public.

Coupang, a South Korea-headquartered online marketplace backed by telecoms and internet group SoftBank, floated on the New York Stock Exchange in an upsized $4.55bn IPO last week. The company priced 130 million shares at $35 each. It had set a price range of $32 to $34 for 120 million shares, 100 million of which were set to be issued by the company and 20 million sold by its investors. SoftBank committed $1bn in 2015 in return for a 20% stake, before providing a further $2bn three years later.

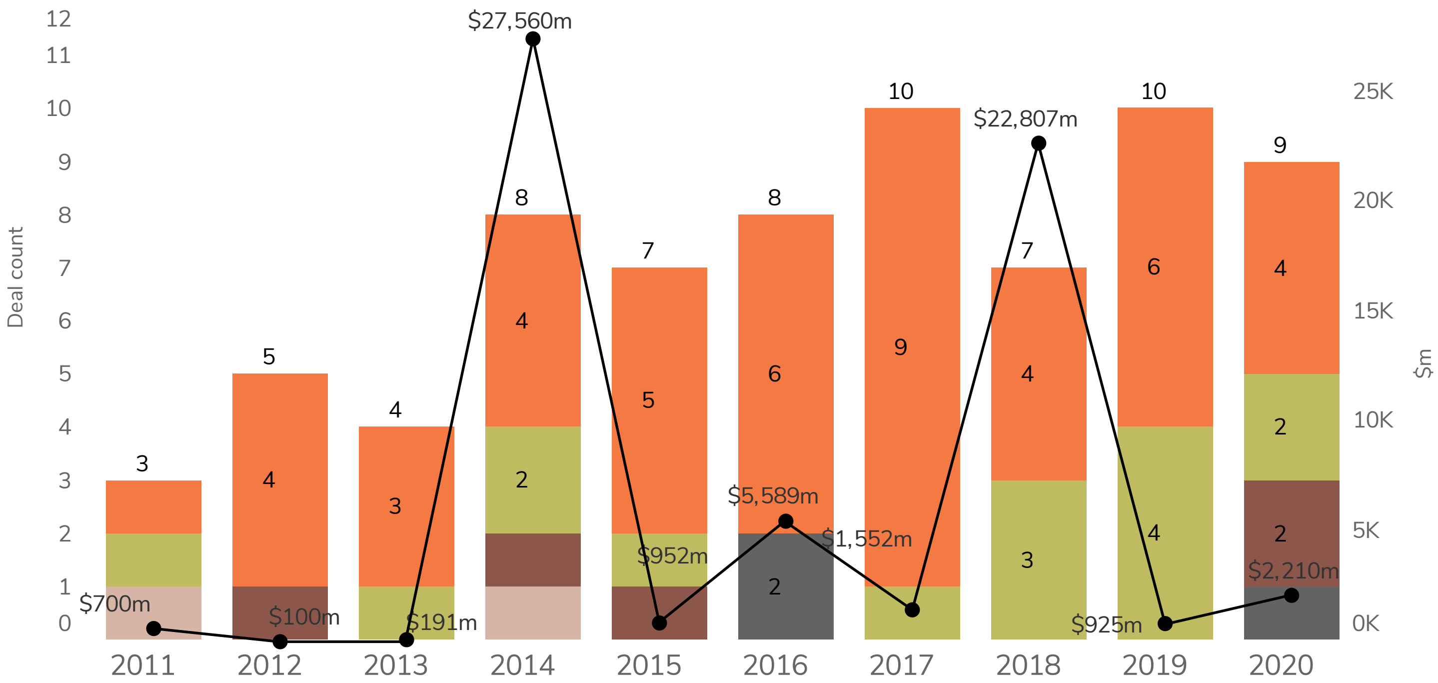
Launched in 2010, Coupang operates an e-commerce platform that offers a wide range of consumer goods through a same-day delivery service. The company increased its annual revenue 91% to almost $12bn in 2020 and reduced its net loss substantially from $699m to $475m.

It does not seem like Coupang will be the only corporate-backed e-commerce business to jump on the IPO bandwagon. Germany-based Global-E Online also filed to raise up to $100m in an IPO. The transaction would enable postal service Deutsche Post to exit.

Global-E's platform allows local merchants to sell goods to customers internationally without friction, using tools that convert prices and information into local languages plus payment options that suit the market of the buyer. Global-E managed to turn a $7.5m net loss from 2019 into a $7.9m net profit in 2020, while more than doubling its revenue to $137m.

While there have been exits from corporate-backed companies in the e-commerce space, especially in recent years, IPOs have been few and far between. This, however, may change in the short run, as e-commerce businesses have been given a substantial boost and public markets have gathered upward momentum.

Exits from corporate-backed e-commerce businesses



Source: GCV Analytics

Data as of December 31 2020

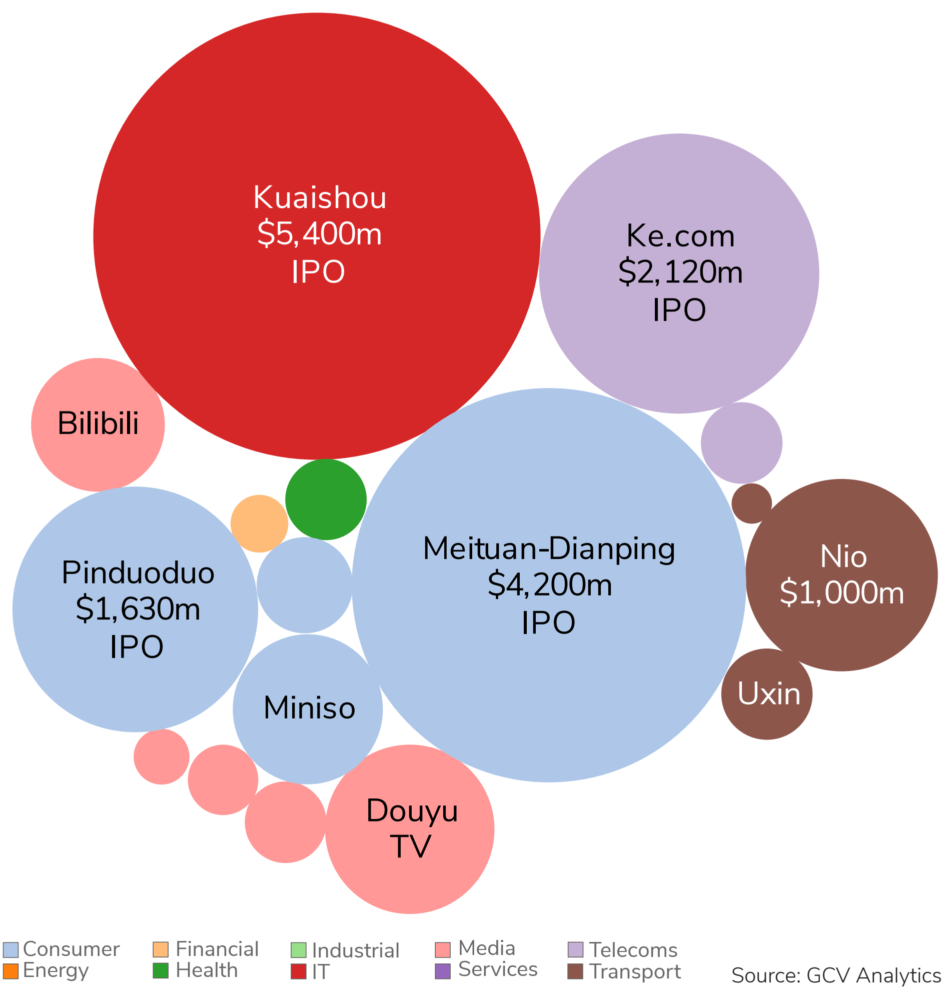
Tencent's IPOs

Around the time of Tencent's latest major regulatory filing, we looked at three of the largest initial public offerings (IPOs) from 2020 in which the China-based internet company either scored an exit or increased its stake.

China-based video streaming platform developer Kuaishou Technology raised $5.4bn in its IPO on the Hong Kong Stock Exchange that scored exits for Tencent and Baidu. The company issued about 365 million shares priced at HK$115 ($14.83) each. Its shares leapt to HK$338m but closed at HK$300, giving it a market cap of roughly $160bn. Founded in 2011, Kuaishou has built an app that enables its youthful user base to post and share images and videos. It has also crossed over into livestreaming and has more than 400 million users. The company claims more than 300 million daily active users. Its main rival, Douyin, is better known internationally as TikTok.

Tencent also scored an exit when China-headquartered lifestyle product retailer Miniso floated on the New York Stock Exchange in a $608m IPO. It consisted of 30.4 million American Depositary Shares (ADSs), each representing four common shares, priced at $20 each, above the $16.50 to $18.50 range the company had set.

Tencent's partial and complete exits and IPOs in which it has participated, January 1 2018-March 19 2021



Source: GCV Analytics

Founded in 2013, Miniso operates a chain of low-cost retail stores, specialising in a range of affordable goods including toys, accessories, snacks, cosmetics and small electronics. It boasts a network of 4,200 stores spanning some 80 countries, roughly 2,500 of which are in China. Although the company's revenue for the first six months of 2020 declined slightly year on year to $1.27bn in the midst of the pandemic, its net loss fell, to $36.8m over the same period.

KE Holdings, the China-based online estate agent also known as Beike, went public in a $2.12bn IPO in which Tencent committed $160m. The offering consisted of 106 million ADSs, each equating three ordinary shares, that were issued on the New York Stock Exchange priced at $20 each. The price is above the $17 to $19 range the company had set, valuing it at about $22.6bn. Tencent bought 8 million ADSs.

KE Holdings was formed in 2001 as real estate brokerage Lianjia before adding Beike as an online and offline platform that manages real estate transactions. The combined platform provides access to 260 real estate brokerage brands and had 39 million monthly active users. The company increased revenue 39% to approximately $3.86bn in the first six months of 2020 while almost tripling net income to more than $227m.

Notably, there are partial stakes that Tencent holds in emerging businesses that have gone public, which Tencent has acquired and maintained long after the flotation or any expected lock up period.

ACV Auctions floats in $416m IPO

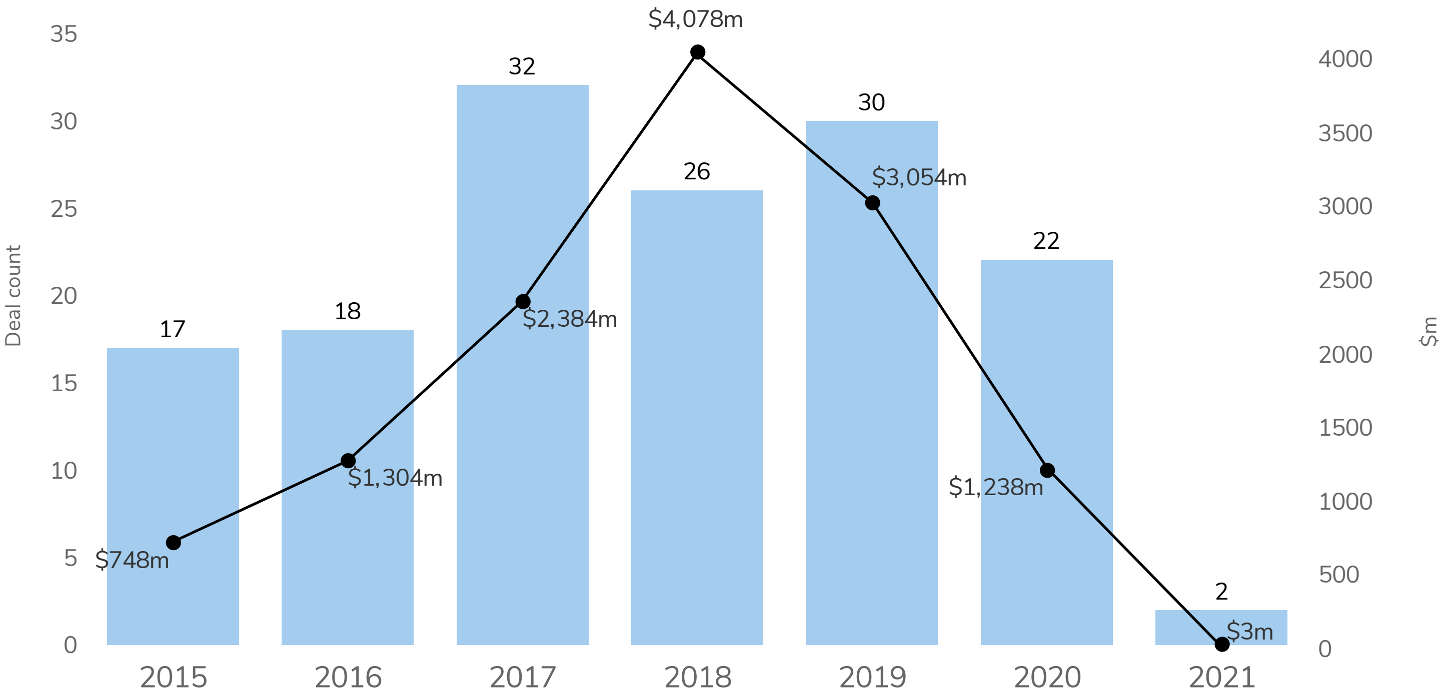
US-based online automotive marketplace ACV Auctions, which counts telecoms and internet group SoftBank among its backers, raised nearly $416m when it went public on the Nasdaq Stock Market. It priced more than 16.5 million shares at $25 each, above the $20 to $22 price range it had already lifted from $16 to $20. Shares closed at $31.25 on the first day of trading, giving it a market capitalisation of about $4.8bn.

The offering followed more than $300m in funding, $160m of which came in a series E round co-led by investment and financial services group Fidelity and investment manager Wellington Management in 2019.

Launched in 2014, ACV Auctions runs a wholesale vehicle marketplace for franchise and second-hand car dealerships to purchase and sell vehicles through an auction process taking 20 minutes. The company registered a $41m net loss and $208m in revenue during 2020.

The company is part of the wider vehicle marketplace space, which has received a lot attention from corporate venture investors. The number of deals in this area reached a top at 32 rounds in 2017, dipped slightly then recovered to almost the same number with 30 rounds in 2019. The total estimated capital in rounds registered an all-time high in 2018 at just over $4bn. In 2020, which was a challenging year for most vehicle-selling businesses due to the pandemic, we saw a drop versus previous years – with 22 rounds and total estimated capital in them at $1.28bn.

Corporate-backed deals in vehicle marketplaces and platforms



Source: GCV Analytics

Data as of March 24

Sector report

Consumer sector goes through pandemic woes

> Deal count up year-on-year but dollar value down
> Exit count and dollar value went up
> Funding initiative numbers and dollars went down

By Kaloyan Andonov
Analyst

The consumer sector has been characterised by a quest for customer-centricity and technological progress over the past decade. Before the pandemic, it revolved around digital transformation and changing consumer habits and preferences. The pandemic interrupted supply chains but its disruptive force did not stop there; it boosted e-commerce businesses and hit traditional brick-and-mortar retail hard. Now, vaccines are being rolled out and the pandemic is being tackled, we are yet to see how many of those changes in consumer behaviour will remain permanent.

Our previous reports on the sector have emphasised the importance of demand-side pressures on products' contents and packaging that have gone hand-in-hand with supply side disruption thanks to the rise of e-commerce and the digitisation of retail. These trends have deepened with the pandemic and are likely tocontinue to deepen over the short and medium term.

The GCV Analytics definition of the consumer sector encompasses e-commerce platforms, food and beverages and related services, fashion and apparel, hygiene, beauty and fitness, consumer electronics and other physical consumer products.

The outcome of digitisation is understanding and correctly interpreting consumer preferences plus increasing one-on-one connections. The massive monetary intervention of central banks in world markets seems to have stalled the possibility of a severe recession, at least for now. Spending on discretionary consumer products has, for the most part, kept pace despite the pandemic and lockdowns. And unless there is a sudden major recession, the pace is likely to be maintained.

The 2021 Consumer Products Industry Outlook report by consulting firm Deloitte points out that "four in five consumer products industry executives are confident in their organisation's ability to execute its business strategy in [2021]". The report, however, notes the recovery is "predicated on a variety of factors, including covid-19 vaccine deployment, safety restrictions, fiscal support, state and local government coffers, the persistence of virtual schooling and work, and even consumer psychology and the stickiness of new habits".

The latter has given digitisation a boost and, yet, as the Deloitte report remarks, only one out of four executives from the sector "believed that their digital capabilities are advanced relative to industry peers". It is not surprising that 80% say they are allocating resources to improving their e-commerce capabilities and direct-to-consumer channels.

Digital transformation is also being used to create internal efficiencies: "Three in five execs say they will invest further in their work-from-home platforms. More than one in three are upgrading their enterprise technology, as well as investing in robotic process automation and artificial intelligence (AI) technology. Half of executives indicate their companies will increase their 2021 investments materially in data privacy and cybersecurity." This can only mean more corporate investment in emerging businesses developing these technologies.

Bill (Zhaoyu) Qian, head of corporate strategy and investments, JD Cloud

Bill Qian heads the corporate venture capital (CVC) activities for China-based e-commerce firm JD.com's cloud technology subsidiary, JD Cloud.

When Qian joined JD in 2015 as head of crowdfunding strategy, he concentrated his efforts on equity crowdfunding as part of a year-long stint, helping the group raise more than RMB1.1bn ($162m) for 89 startups.

Qian helped found the early-stage venture capital vehicle JD Innovation Ventures – now called Qianshu Capital – a year later. He then took up the head of cross-border mergers and acquisitions role in February 2017 before making his way up to general manager of CVC later the same year.

JD.com appointed Qian head of CVC in January 2019 before adding business strategy duties in April 2020. He assumed his current role in January 2021, where he oversees investments in enterprise services, internet-of-things and consumer internet technologies.

Food and beverages is a subsector that has seen a lot of growth, a trend that was visible before the pandemic and stay-at-home orders. This was clearly captured by our GCV Analytics data. According to a recent report "Food And Beverages Global Market 2021: Covid-19 Impact and Recovery to 2030", the food and beverages global market grew to $6.196 trillion by the beginning of 2021, having registered a compound annual growth rate (CAGR) of 6.1%. The report attributes the growth to companies rearranging operations and recovering from the pandemic impact. It also forecasts the market to reach $8.16 trillion by 2025 at a CAGR of 7%.

In the context of a recovery and consumers being ever more health and environmentally conscious after the pandemic, a number of broad trends that have been shaping the industry are likely to continue to do so, including experience-based shopping, cannabis going mainstream, plant-based food, premiumisation of some categories along with of private label growth in others, added nutritional benefits to food and beverages (such as electrolytes, minerals, adaptogens, probiotics and so on), and even the comeback of tobacco-based products in different formats.

On a larger level, it is demographic trends that drive the underlying growth for the sector. According to data cited by the European Commission, the global middle class grew from 1.8 billion people in 2009 to about 3.5 billion in 2017. Well over half of the world population (5.3 billion people) is expected to reach middle class status by 2030, with some 88%

of the additional middle class population in Asia. This trend also translates into expected growth in e-commerce. According to data provider Statista, commerce is projected to grow by nearly 71% in China by 2023 versus roughly 46% in the US.

Even before the pandemic, e-commerce appeared to have had a big impact on traditional retail. Some analysts spoke of a "retail apocalypse", as we saw brands like denim producer Diesel or department stores Sears going bankrupt.

The rise of private label brands and a general "shift to value" has been a phenomenon in some mature markets, as consumers looked for ways to save money. According to report on these brands by consumer research firm Nielsen from 2018: "The largest markets for private-label products are found primarily in the more mature European retail markets. Comparatively, private label still has much room for growth, especially in North America, where penetration is still relatively low." According to data cited by the Forbes magazine, this trend deepened during lockdowns in 2020. Nielsen found that about two-thirds of consumers rank store brands as being as good in quality as traditional brands, and more than a third ranked some private label as better. Consumers were showing a higher propensity to save money before the pandemic hit, as many were already anticipating an economic reversal of some sort. It is hard to predict whether this will remain in the near future.

In the American classic, The Great Gatsby, F Scott Fitzgerald depicts the exuberance of the "roaring

Jesús García, executive director of venture capital, Arca Continental; Héctor Shibata, director of investments and portfolio, AC Ventures

Jesús García serves as the executive director of venture capital of Mexico-listed beverage distributor Arca Continental, who oversees the corporate venturing fund, AC Ventures (ACV), which is being managed by the unit's director of investments and portfolio, Héctor Shibata.

The fund invests directly in companies operating in the financial technology, retail technology, advanced analytics, logistics, distribution and supply chain vertical. It also makes limited partner commitments to VC funds.

ACV's portfolio companies include Colombia-based logistics technology startup LiftIt, India-based retail tech developer in LoveLocal (formerly m.Paani) and Sonect, a Switzerland-based company that enables businesses to act as virtual ATMs by dispensing cash to members of the platform from their registers, and Zippin, a US-based autonomous retail system provider.

Jesús García

Héctor Shibata

Comprehensive solutions for fintech, mobility, smart logistics, connectivity and cybersecurity issues created in Mexico are still scarce, according to García, who added: "We have many opportunities and if we join the corporates with innovative partners, we can create revolutionary solutions that have a real impact on the world."

twenties", among other things. That exuberance and an increase in spending were, in part, propelled by the fact that people were living a period immediately after a World War and a pandemic as well. The vagaries of collective human behaviour are hard to predict, when most are excited about a definitive reopening but concerned about the possibility of central banks raising interest rates.

Consumers' increased tendency to save money has taken a toll on consumer brands and brand equity building. This is one of the major reasons why executives from the sector obsess about customer-centricity and aim to better understand and connect with. Through interaction with consumers, their brand offering and image can be enhanced and converted into opportunities to monetise. So, the heightened interest in companies offering in-depth market research or tools to help with this is likely to remain.

Fast-moving consumer goods (FMCG) is the segment which benefited almost immediately by the pandemic and the stay-at-home orders, coupled with herd-buying behaviour. Most analysts agree a correction is inevitable. In its latest update, market research firm Kantar wrote: "FMCG growth is set to reach 10% by the end of Q1 2021.

Fashion retailers are having to make difficult decisions about investment in stores versus omnichannels

But it is unlikely we are ever going to see double-digit take-home FMCG growth again. A correction is inevitable. The scale and timing of this correction, though, depends on so many unknowns: vaccine rollout plans, recessionary impact, post-pandemic working from home, changes to restrictions and so on. This scenario slowly takes the gains made from "staying at home" away, while reintroducing older trends."

There are notable trends in the clothing and apparel sub-sector, where digitisation has already been a key disrupting factor. The textile and fashion industry, even globally is a rather concentrated one. It is estimated that the top 20 players, mostly from the luxury segment, earn more than 90% of profits of the whole industry. "The State of Fashion 2021" report by The Business of Fashion and McKinsey, noted that, after suppl-chain disruptions by the pandemic, many apparel companies are reconnecting with suppliers but also "making tough decisions – for example, about return on investment at store level", while expanding omnichannel services.

The report also points out: "Physical retail has been under historic levels of pressure. In the United States alone, some 20,000 to 25,000 stores were expected to close in 2020, more than double the number that did so in 2019. With the pandemic adding to the segment's woes, many brands have embarked on strategic reviews or have compressed multiyear transformations into just a few months. In 2020, Nike announced the acceleration of its digital strategy and investment in its highest potential areas, which it said would lead to job cuts in stores. Zara said that it plans to cut 1,200 stores over two years and invest €2.7bn in store-based digital."

The report states short-term concerns caused by covid-19 will be a driver to look for opportunities: "Strategically, there will be an imperative in 2021 to manage commercial opportunities actively and to be acute in picking winning segments, markets, and channel combinations. With tourism in the doldrums, domestic outlets will become more important than ever. We also expect to see a rise in M&A activity as companies take advantage of low valuations and grab share in fast-growing markets." Venturing activity may also be expected to continue or even rise.

Key sub-sectors

Fashion and apparel

Amy Sun, partner at VC firm Sequoia, has a nice line in The Atlantic magazine's latest issue: "The age of conformity is over." Hence the oxymoronic investment thesis behind fashion group Dolls Kill – rebellion against the mass market has mass-market appeal.

But as the Atlantic's Rachel Monroe noted: "The ultra-fast fashion brands have designed a shopping experience that makes the consumer feel as if the clothes magically appear out of nowhere, with easy purchasing and near-immediate delivery."

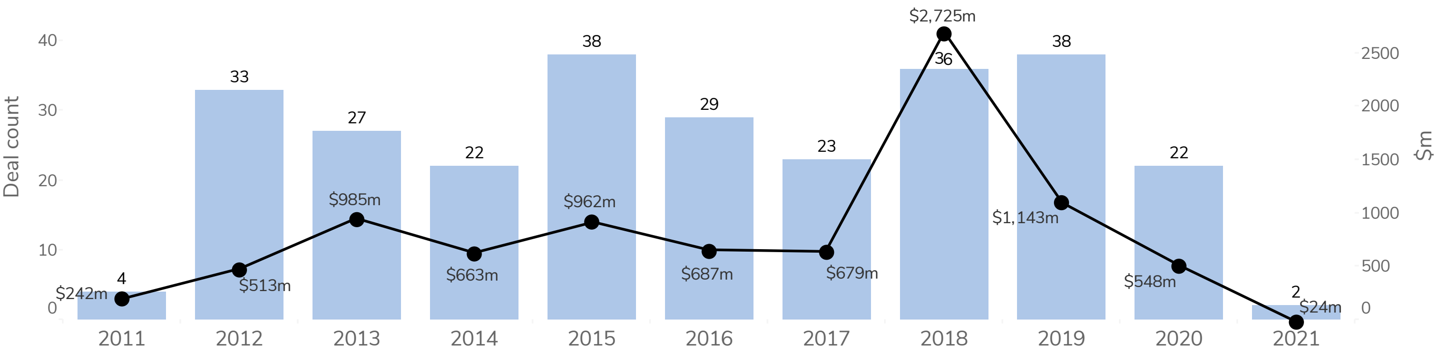
With Americans buying an item of clothing every five days and social media encouraging people to look as polished as movie stars, whether at the gym or at home, demand for fashion remains strong.

Last summer, private equity firm General Atlantic acquired a 21% stake in UK-based Gymshark for an undisclosed sum but one that valued the label at more than £1bn ($1.4bn) even when gyms were closed due to the pandemic.

But fashion's environmental costs are high, at 4% of carbon emissions and 20% of wastewater. This is why startups, such as Anne-Marie Tomchak's ShareJoy, are trying to use the circular economy and secondhand clothes retailers, such as RealReal, Vestiaire, Vinted and ThredUp, have raised hundreds of millions of dollars beyond the search for new company successes, such as Dolls Kill.

Given that global production of new clothes doubled between 2000 and 2015, with 60% disposed of each year, according to consultancy firm McKinsey, then it might be time to dust off and repurpose the old adage that where there is muck, there is brass.

Corporate-backed investments in fashion and apparel businesses



Source: GCV Analytics

Data as of February 25

Hygiene and beauty

The UK's largest initial public offering (IPO) since 2015 took place in September when The Hut Group (THG) raised £1.88bn ($2.7bn) on its stock market debut, giving it a valuation of close to £5.4bn.

The group runs more than 150 websites, such as fitness and bodybuilding supplements site My Protein and the Look Fantastic beauty products range. As a technology platform, THG leverages the supply chain to meet the demand for fashions becoming viral on social media.

Stars on these platforms, such as the Kardashian family, have reaped the rewards. Following in the footsteps of younger sister Kylie Jenner's $1.2bn deal, Kim Kardashian West last year sold a 20% stake in her cosmetics line, KKW Beauty, to beauty products group Coty for $200m.

Peter Harf, executive chairman at Coty, at the time said: "Kim is a true modern day global icon. She is a visionary, an entrepreneur, a mother, a philanthropist and through social media has an unparalleled ability to connect with people around the world. This influence, combined with Coty's leadership and deep expertise in prestige beauty will allow us to achieve the full potential of her brands."

Plenty of VCs have taken note, while corporations, such as Unilever, Henkel and Evonik, have used CVC to strike deals across the value chain.

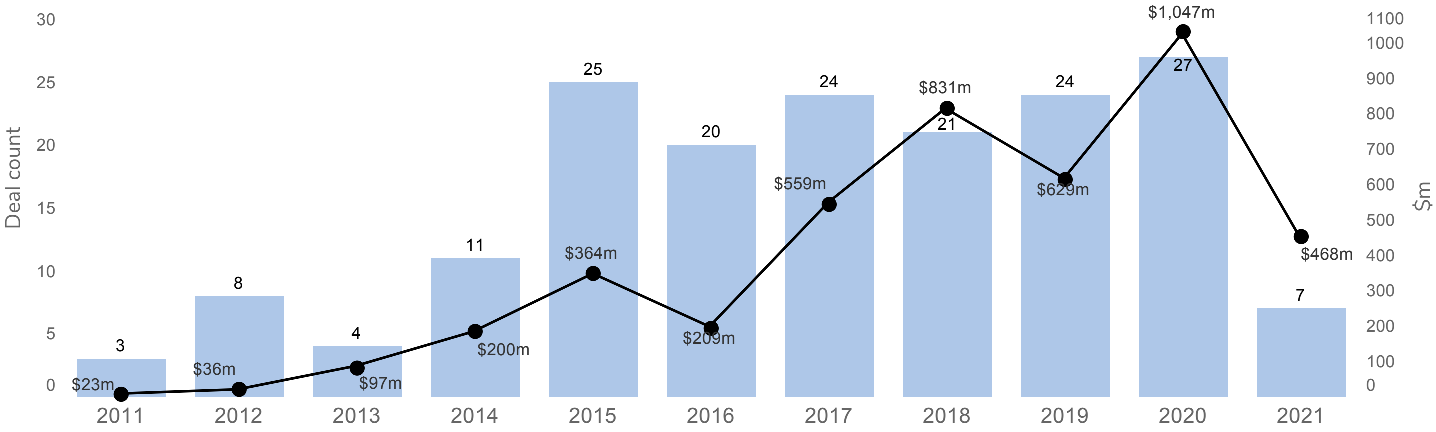
Evonik's deals, for example, cover both startups trying raw materials in beauty products, such as Biosynthetic Technologies, JeNaCell and NutraFerm, and downstream packaging and customer recommendation engines, such as Velox and MySkin.

The head of corporate venturing at Henkel Beauty Care, Gesa Geissel's deals included Youtiful and Purish in 2019. At the time she said: "Digital direct-to-consumer relationships are becoming increasingly important as they allow connecting with consumers to improve consumer experience and capture trends early."

On the cleaning products and hygiene, Reckitt Benckiser's corporate venture capital unit, RB Ventures, has backed laundry and dry-cleaning startup Oxwash, while Kärcher New Ventures' deals include Skyline Robotics for high-rise buildings.

And this focus area is leading to exits. Henkel, Robert Bosch and Rocket Internet last year exited the on-demand laundry service Laundrapp in an acquisition by Inc & Co.

Corporate-backed deals in hygiene and beauty



Source: GCV Analytics

Data as of February 25

E-commerce

#justsaynotofomo is a hashtag that has yet to take off fully but venture capitalist Michael Jackson's latest post on European startups raising $20m with no deck shows "Silicon Valley really is a state of mind now. [disbelief emoji]."

He added: "In the latest outbreak of investor FOMO [fear of missing out], Europe's VCs are falling over each other to invest in this season's startup craze: speedy grocery delivery startups."

Even the banks are getting involved. Switzerland-based bank UBS led the $5m series A round for Urb-E, a US-based last-mile urban delivery service based on bike courier.

Data provider Pitchbook highlighted a handful of others. Instacart hauled in $265m at a $39bn valuation, "a huge uptick from the $17.7bn valuation it landed just five months ago," it said.

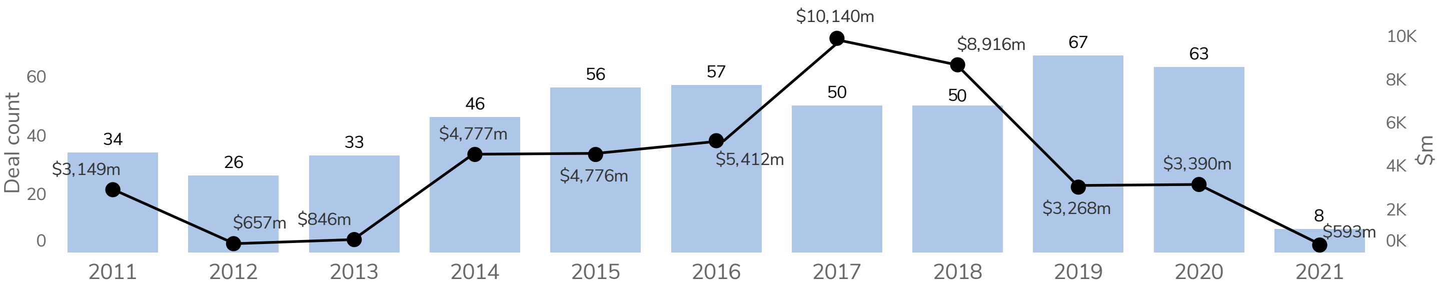
Others included the delivery robot unit of Postmates, which Uber acquired last year and renamed Serve Robotics, Brazil-based Loggi $200m at a valuation of about $2bn, Deliverr, which brought in $170m in combined debt and equity funding, the Czech Republic's Rohlik about $226m, Germany-based Flink's $52m seed round and Dutch competitor Crisp's grocery delivery service.

Perhaps the biggest player in Europe's food delivery market remains Deliveroo, a UK-based company that has previously raised well over $1bn, according to PitchBook data, and is preparing its flotation in London. It, however, faces competition from Dija, which is now offering 10-minute delivery slots, and a host of others tracked by UKTN. Add in investor concerns over its employee payments and its share price has struggled following last month's £1.5bn ($2.1bn) IPO.

South Korea-based ecommerce and delivery powerhouse Coupang is also planning its initial public offering to raise $3.4bn – almost the same amount as DoorDash's IPO proceeds in December, Pitchbook noted.

Earlier in the year, India's Zomato raised $250m at a $5.4bn valuation; Jüsto raised $65m for grocery deliveries in Mexico and Latin America; Good Eggs, a US-based grocery delivery startup, banked $100m; Wolt pulled in $530m for food delivery for Finland; and Uber agreed to pay $1.1bn for alcohol delivery startup Drizly.

Corporate-backed deals in e-commerce platforms



Source: GCV Analytics

Data as of February 28

Food and beverages

One billion people work in agriculture and, since 1961, they have delivered an increase of more than 30% in food supply per person.

But climate and non-climate stresses are impacting the four pillars of food security (availability, access, utilisation, and stability). This is particularly intense in China, which was already grappling with pressures on agricultural water and land use around the country.

Robert Montgomery

But as professor of wildlife ecology and conservation, Robert Montgomery, notes, the traditional approach to land use and population growth has been to look at the horizontal rather than potential for vertical development.

Montgomery – head of the world's first Conservation Venture Studio at University of Oxford in partnership with Global Accelerated Ventures and the university's research commercialisation arm, Oxford University Innovation – is a partner for the next GCV Symposium in London on 3-4 November.

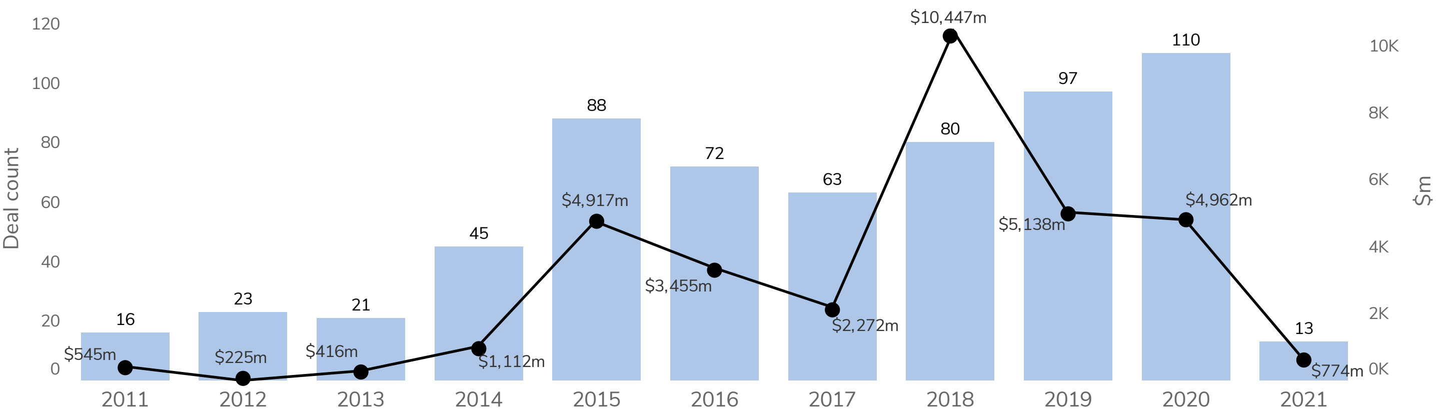
Infarm picked up $100m of debt and equity financing to develop its indoor farm systems.

Founded in 2013, Infarm uses cloud-enabled vertical farming technology to operate urban-based indoor farms that produce food more efficiently than traditional agricultural methods. It is planning to expand its production capabilities by building large scale farms expected to cover 500,000 square feet by 2025.

But asking the tough questions about how to develop and what for remains a challenge. Too often in conservation, land is ring-fenced for a specific purpose rather than finding ways to blur or blend the requirements of people and nature.

Innovation remains a potential route out.

Corporate-backed deals in food and beverage



Source: GCV Analytics

Data as of February 24

Consumer electronics and physical consumer products

People's desire to stay fit and healthy in lockdown has led to a surge of interest in connected fitness companies. It was led by Peloton's flotation and Google's purchase of listed fitness wearables maker Fitbit for $2.1bn just before the pandemic. In September, Tonal raised $110m from Amazon's Alexa Fund and VC investors, while athletics clothing brand Lululemon acquired peer Mirror for $500m in June.

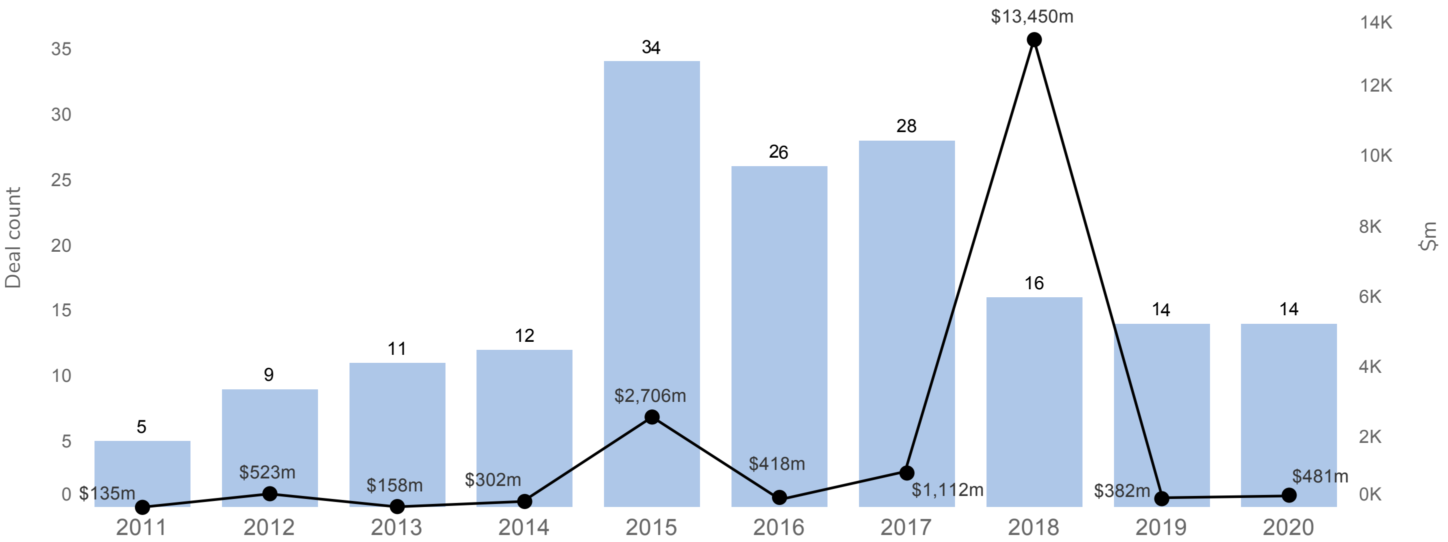
But their success has masked a decline in overall venture engagement with consumer electronics after high-profile flame-outs, such as Magic Leap, virtual reality wearables that raised over $2.6bn, and Essential, a mobile phone and device maker that raised $330m across two early stage rounds.

Crunchbase, even before covid-19, put one of the issues down to "the growing dominance of the 'Big Four" – Apple, Samsung, Google and Amazon. These corporate giants are cornering a growing number of consumer electronics categories, leaving startups hard-pressed to compete.

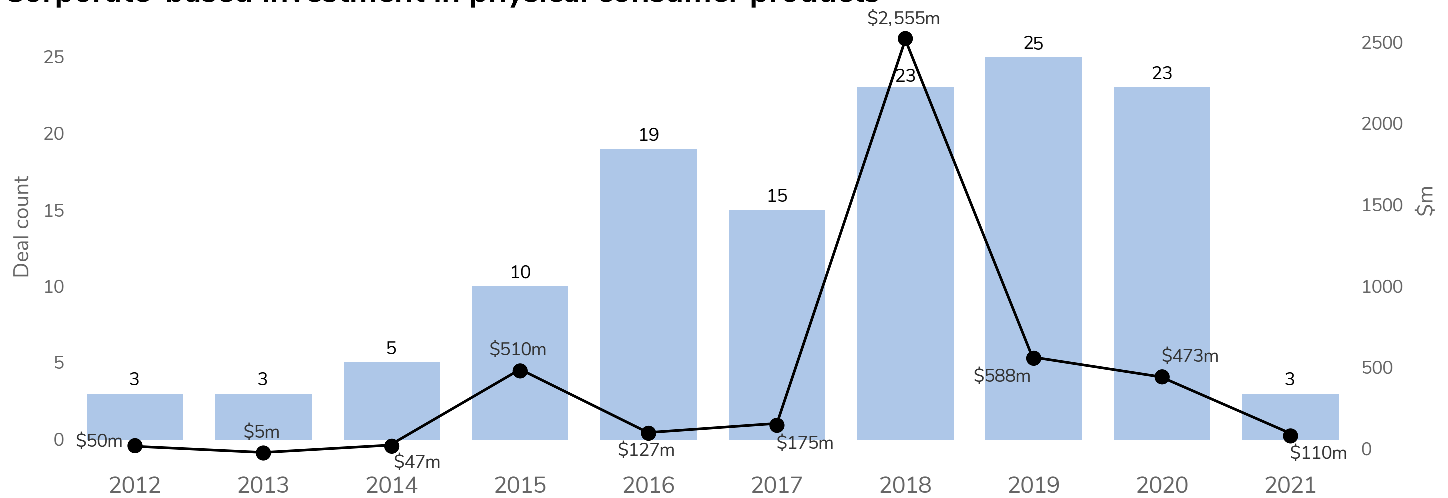
Carl Benedikt Frey, director of the future of work programme at University of Oxford, said large corporations are essential for progress, but only when they let startups roam free in MIT's Technology Review magazine. "Lately, the giants have gotten better at edging out smaller companies – a terrible omen for the future of progress."

But improvements in the speed and reliability of 5G will enable live streaming, gaming, mixed-reality and cloud or edge computing and drive interest in hardware if combined with community and immersive experiences.After all, probably the dominant consumer electronics success story of the past decade is Tesla.

Corporate-based investment in consumer electronics



Corporate-based investment in physical consumer products

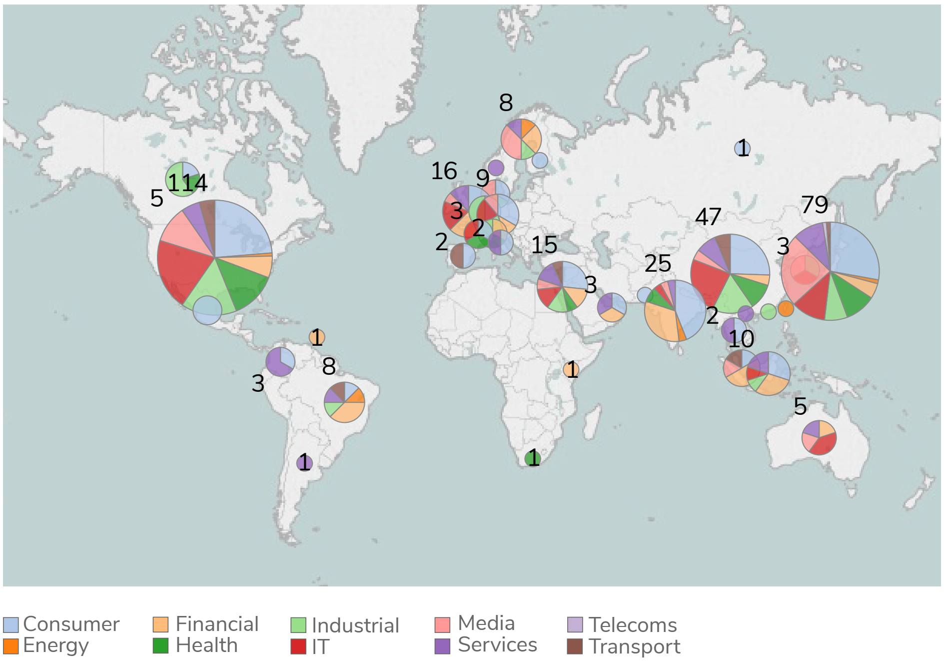


Source: GCV Analytics

Data as of February 25

The sector in charts

Global view of past year's deals



For the period between March 2020 and February 2021, we reported 389 venturing rounds involving corporate investors from the consumer sector. A considerable number of them (114) took place in the US, while 79 were hosted in Japan, 47 in China and 25 in India.

Investments of consumer sector corporates over the past year

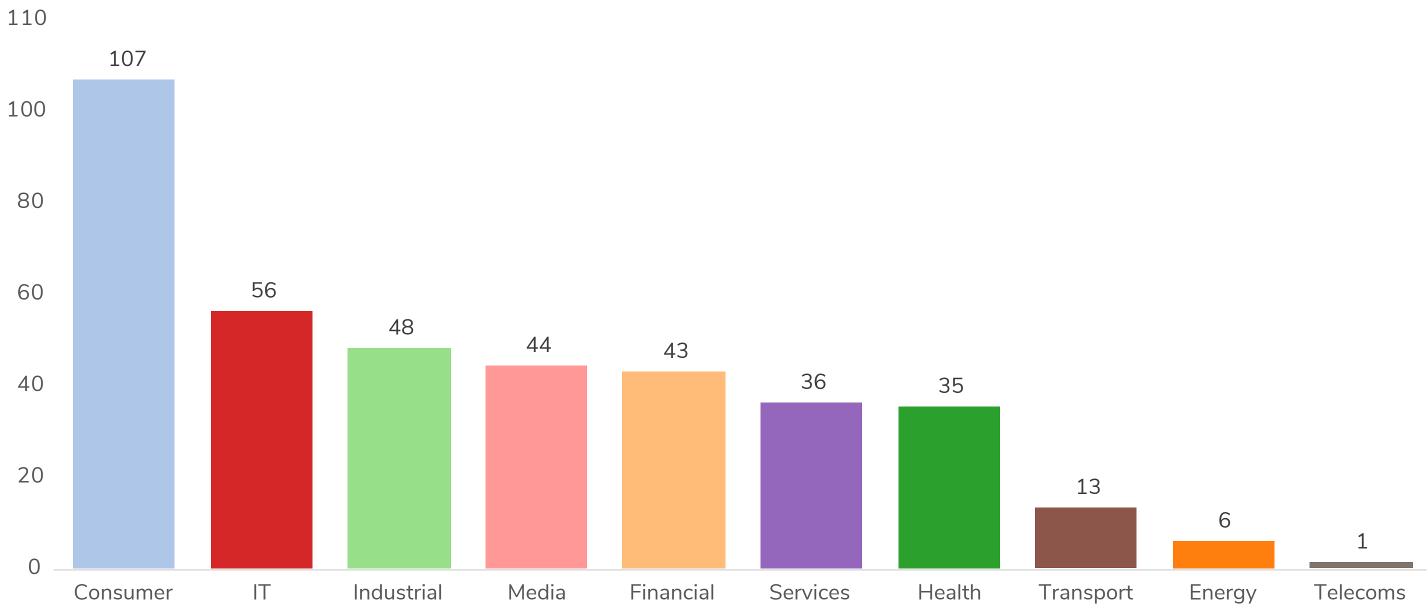
Consumer 107 (Food and beverage, e-commerce, hygiene and beauty)

IT 56 (Enterprise software, AI, semiconductors and chips)

Industrial 48 (Agtech and drones)

Media 44 (Games and gaming, digital marketing and adtech)

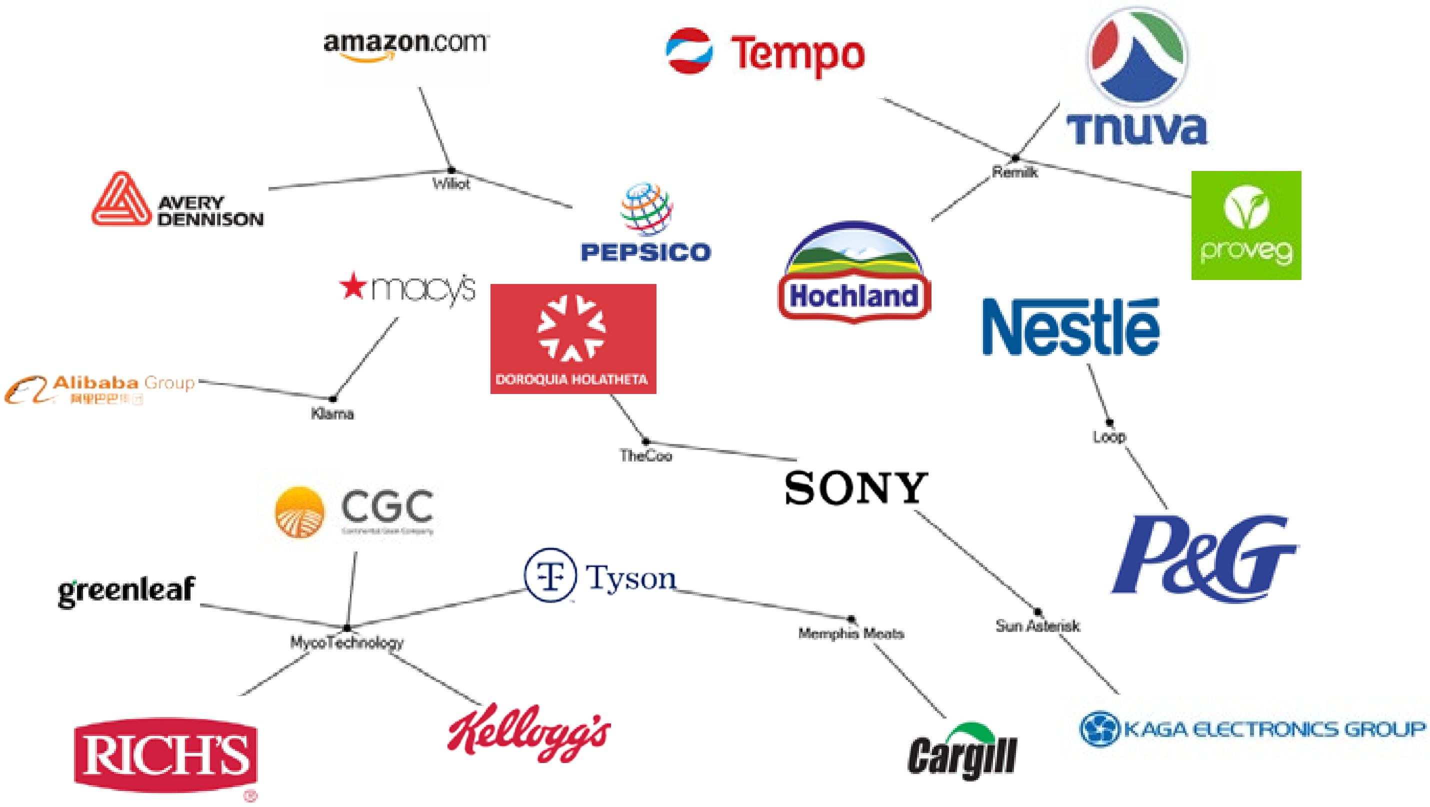
Financial 43 (Payment tech, insurtech and alternative lending)



Source: GCV Analytics

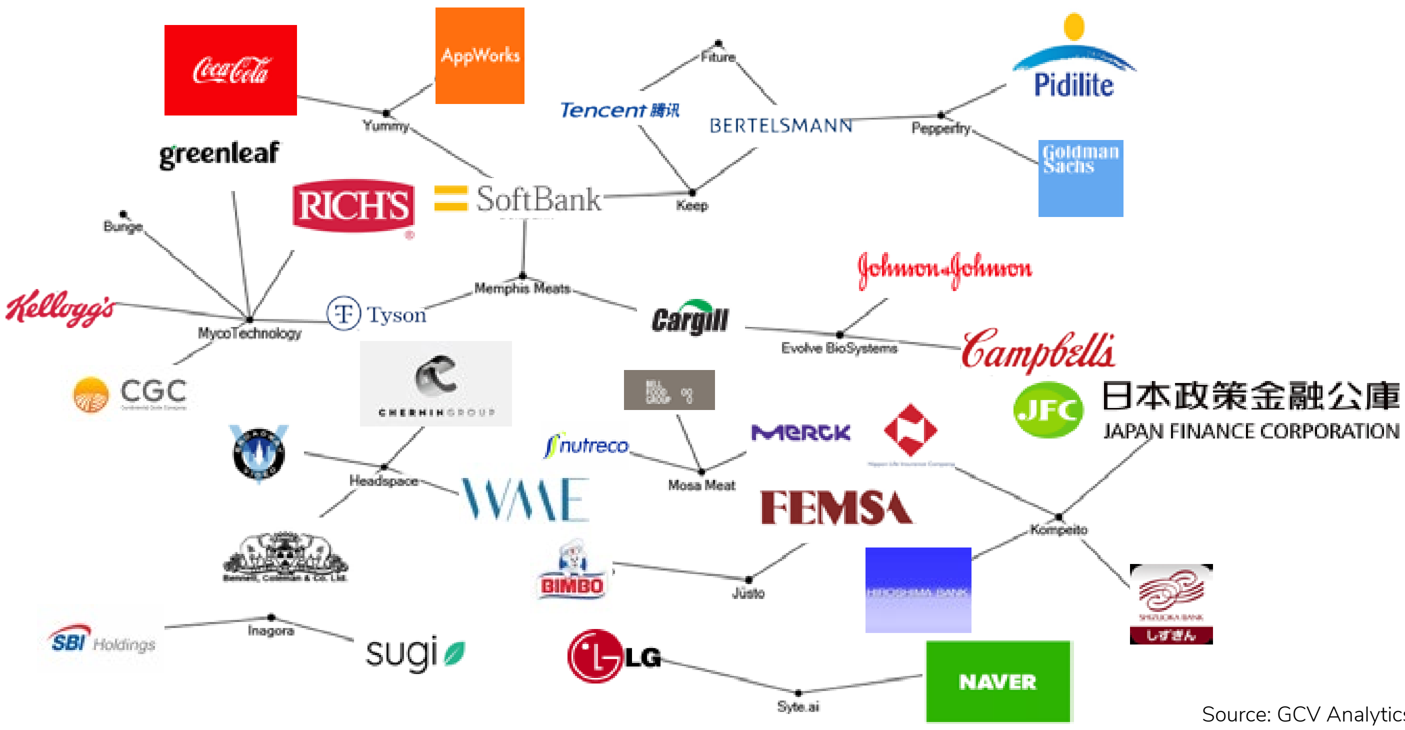
Co-investments of consumer sector corporate venturers

- IT consulting and services (Sun Asterisk)
- Semiconductors (Willot)
- Food tech and alternative proteins (Memphis Meats, Myco Technologies, Remilk)
- E-commerce (Loop)
- Online payment tech (Klarna)



Corporate co-investments in consumer sector enterprises

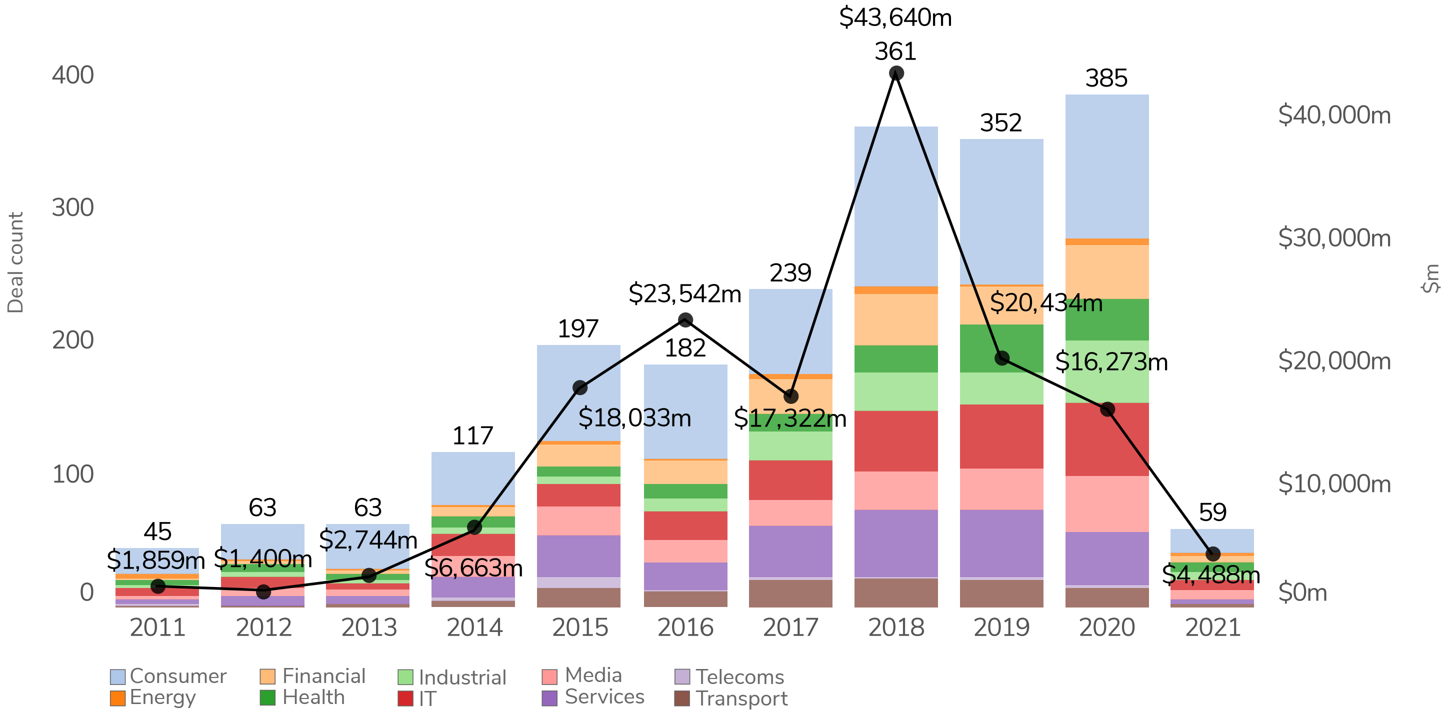
- Home fitness, wellness (Fiture, Headspace, Keep)
- Online groceries and food services (Jüsto, Kompeito, Yummy)
- Food tech, delivery and alternative proteins (Myco Technologies, Mosa Meat, Memphis Meats)
- E-commerce (Syte.ai, Inaora, Pepperfry)



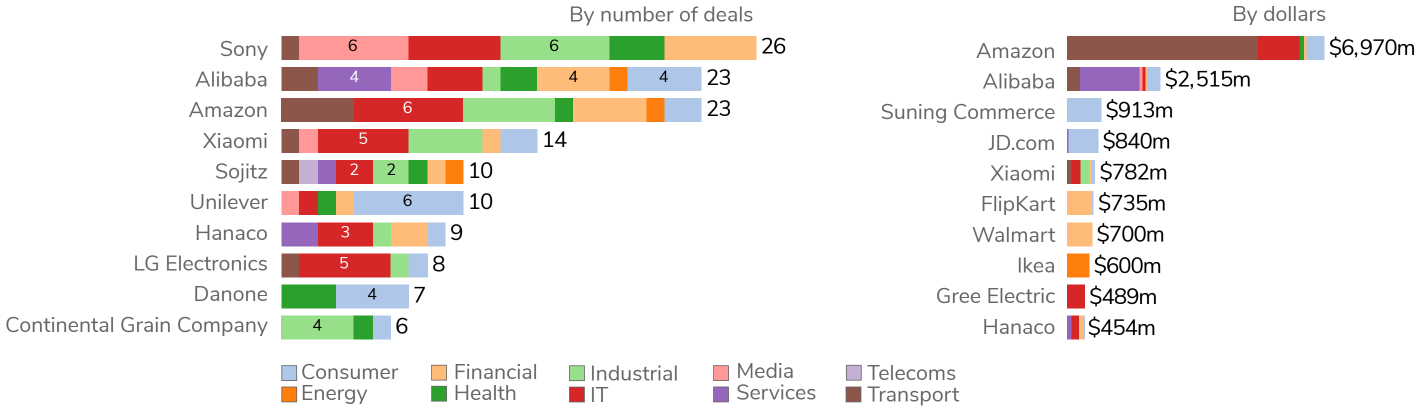
Source: GCV Analytics

Deals by consumer corporates

On a calendar year-on-year basis, total capital raised in corporate-backed rounds went down from $20.43bn in 2019 to $16.27bn in 2020, suggesting a 21% drop. The deal count, however, increased by 9% from 352 deals in 2019 up to 385 tracked by the end of last year.



Top consumer investors over the past year



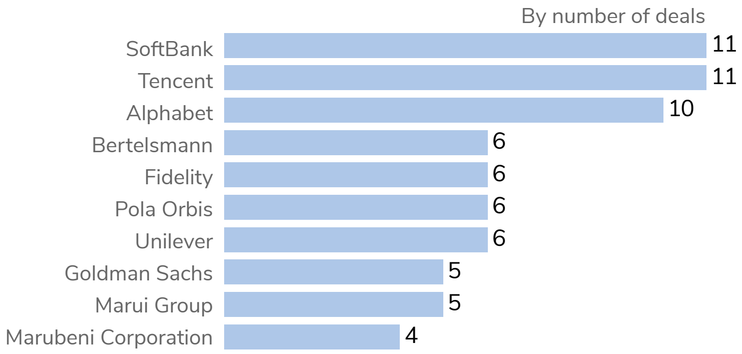
Source: GCV Analytics

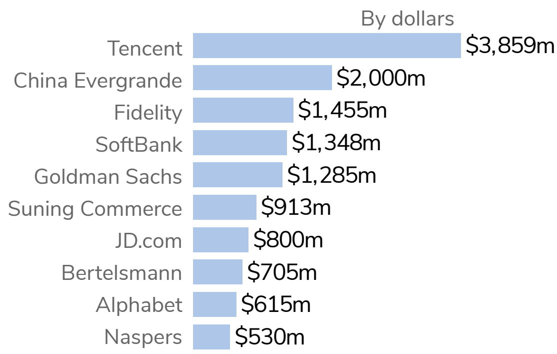
The 10 largest investments by corporate venturers from the consumer sector were not necessarily concentrated all in the same industry.

The leading corporate investors from the consumer sector in terms of largest number of deals were electronics producer Sony, e-commerce firms Alibaba and Amazon. The list of consumer corporates committing capital in the largest rounds was headed by Amazon, Alibaba and e-commerce firm Suning Commerce.

Top investors in the consumer sector over the past year

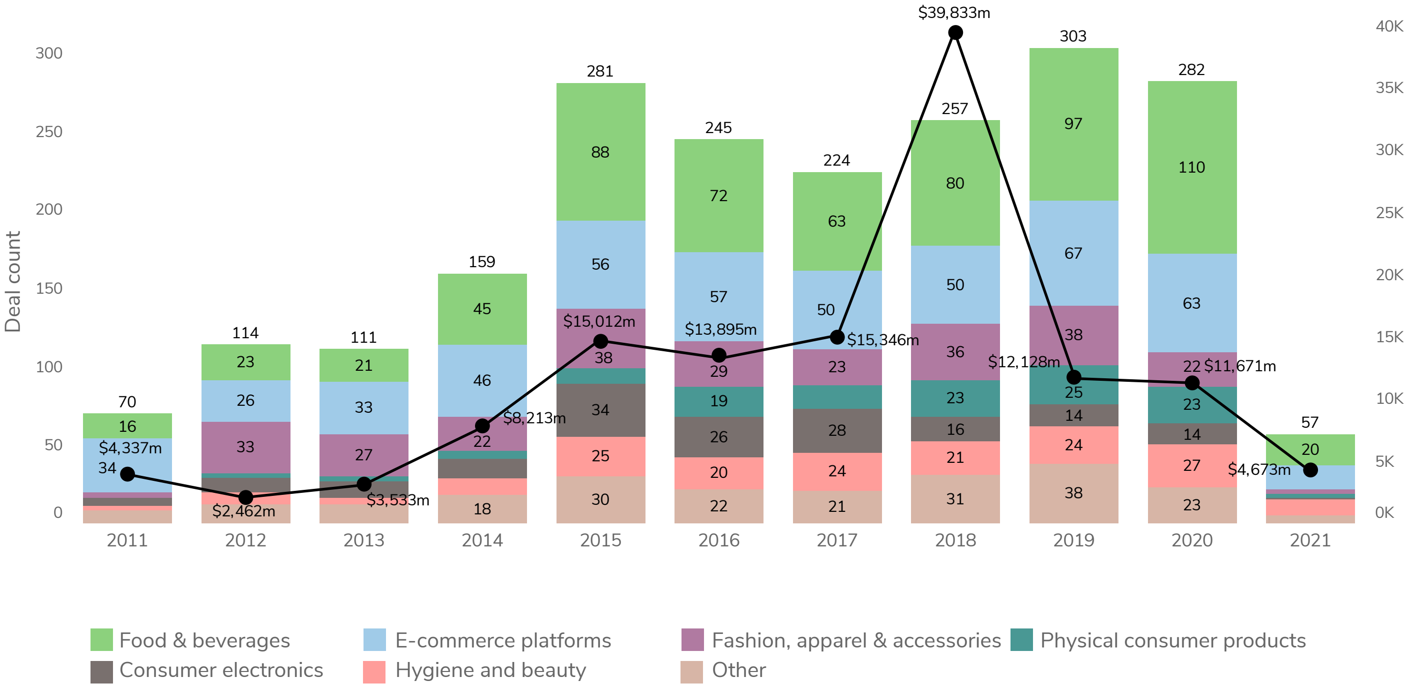
The most active corporate venture investors in the emerging consumer companies were financial telecoms and internet conglomerate SoftBank, internet company Tencent and diversified internet conglomerate Alphabet.





Corporate-backed deals in consumer enterprises

Overall, corporate investments in emerging consumer-focused enterprises went down from 303 rounds in 2019 to 282 by the end of 2020, suggesting a 7% decrease. Estimated total dollars in those rounds went down 4% from $12.13bn in 2019 down to $11.67bn by the end of last year.



Source: GCV Analytics

Deals

Top 10 deals by consumer sector corporates (March 2020-February 2021)

Portfolio Company	Location	Sector	Round	Round size	Investors List
Rivian	USA	Transport	Undisclosed	$2.65bn	Amazon | Coatue | D1 Capital Partners | Fidelity | T Rowe Price | undisclosed investors
Rivian	USA	Transport	Undisclosed	$2.5bn	Amazon | Baron | BlackRock | Coatue | Fidelity | Soros Fund Management | T Rowe Price
Zuoyebang	China	Services	E and beyond	$1.6bn	Alibaba | FountainVest Partners | Sequoia Capital | SoftBank | Tiger Global Management
Databricks	USA	IT	E and beyond	$1bn	Alkeon Capital | Alphabet | Amazon | Andreessen Horowitz | BlackRock | Canada Pension Plan | Coatue | Discovery Capital | Dragoneer Investment Group | Fidelity | Founders Circle | Franklin Templeton | Geodesic Capital | GIC | Green Bay Ventures | Greenoaks Capital | Microsoft | New Enterprise Associates | Octahedron Capital | Salesforce | T Rowe Price | Tiger Global Management | Whale Rock Capital
Yunwang Wandian	China	Consumer	Undisclosed	$913m	Central China International | Ningbo Xianshi Enterprise Management | SenseRobot Management | Shenzhen Capital Group | Suning Commerce
PhonePe	India	Financial Services	Undisclosed	$700m	FlipKart | Walmart
Furong Xingsheng	China	Consumer	Undisclosed	$700m	JD.com
Apex Microelectronics	China	IT	Undisclosed	$489m	China Integrated Circuit Industry Investment Fund | Goldstone Investment | Gree Electric | Hengqin Financial Investment | Zhuhai Gree Financial Investment Management
Zwift	USA	Consumer	Undisclosed	$450m	Amazon | Causeway Media Partners | Highland Europe | KKR | Novator Partners | Permira | Specialized Bicycle Components | True
Dmall	China	Consumer	C	$419m	China Merchants Bank | China Structural Reform Fund | Futian Guiding Fund | Hengan International | IDG Capital | Industrial Bank | Lenovo | Tencent | Tianya Capital

Source: GCV Analytics

Corporates from the consumer sector invested in large multimillion-dollar rounds, raised mostly by enterprises from other sectors.

1 US-based electric truck developer Rivian secured $2.65bn from a host of investors including e-commerce and cloud computing group Amazon's Climate Pledge Fund in January. The round was led by funds and accounts advised by T Rowe Price and also included investment and financial services groups Fidelity, Coatue, D1 Capital Partners, among other backers. It reportedly valued Rivian at $27.6bn. Founded in 2009, Rivian is working on an electric pick-up truck called the R1T which is due for release in June 2021, and an electric sports utility vehicle, R1S, out two months later.

2 Rivian completed another $2.5bn round that included Amazon in July 2020. The round was led by funds and accounts advised by T Rowe Price and featured Fidelity Management and Research, Soros Fund Management, Coatue Management, Baron Capital Group and funds managed by BlackRock.

3 China-based online tutoring platform developer Zuoyebang closed a $1.6bn series E-plus round featuring Alibaba and SoftBank's Vision Fund 1. Hedge fund manager Tiger Global Management, venture capital firm Sequoia Capital China and private equity fund FountainVest Partners also participated in the round. Reuters had reported the company was raising money at a $10bn valuation. Zuoyebang runs an online education platform with 50 million daily active users, offering live tutorials and homework assistance. The funding will support the expansion of its categories and the growth of a business offering.

4 US-based data analytics software developer Databricks secured $1bn in a series G round featuring software provider Microsoft, Amazon, Alphabet and enterprise software producer Salesforce. The last three participated through Amazon Web Services (AWS), CapitalG and Salesforce Ventures respectively, and the round reportedly valued Databricks at $28bn, up from $6.2bn in its previous round, a $400m series F in late 2019.

Databricks has created a data management platform that can handle all structured, semi-structured and unstructured data for enterprise-scale analytics. The technology is based on Apache Spark, the open-source analytics software developed at University of California, Berkeley, by some of Databricks' co-founders, including chief executive Ali Ghodsi, an adjunct professor at the university.

5 China-based retail group Suning spun off e-commerce services subsidiary Yunwang Wandian

with RMB6bn ($913m) in funding. The capital came from Shenzhen Capital Group, SenseRobot Management, Ningbo Xianshi Enterprise Management and Central China Asset Management, a subsidiary of investment bank Central China International. It valued the spinoff at about $3.8bn.

Suning operates 1,600 stores across China selling consumer electronics and home appliances. It is also an occasional corporate venturer, with a portfolio including AI technology producer SenseTime and online fresh food retailer Yiguo. Yunwang Wandian will function as Suning's e-commerce outlet, in addition to providing supply chain, last-mile delivery and after-sales services to online merchants and their product suppliers.

6 Digital payment platform PhonePe was spun off by India-based e-commerce marketplace Flipkart, raising $700m in a funding round led by retail group and Flipkart parent Walmart. The round will also feature additional Flipkart investors though the company did not disclose their identity. It valued the platform at $5.5bn post-money.. Formed within Flipkart, the online platform allows users to send and receive money through a mobile wallet, in addition to paying for goods in stores, recharging their mobile and digital television credit, paying utility bills, buying gold and making investments.

7 E-commerce group JD.com invested $700m in China-based group buying platform developer Xingsheng Preference Electronic Business. Xingsheng Youxuan and JD.com intend to collaborate on technology, logistics and supply chain services across the country's lower-tier cities. Founded in 2014 and mainly known as Xingsheng Youxuan, the company oversees an online platform that allows customers in local communities across 14 Chinese provinces to buy groceries and household items in bulk.

8 Apex Microelectronics, a semiconductor subsidiary of printing and imaging product maker Ninestar Corporation, secured RMB3.2bn ($489m) from investors including home appliance manufacturer Gree Electric Appliance. Gree Electric invested through its Zhuhai Gree Financial Investment Management unit, joining 11 others including China Integrated Circuit Industry Investment Fund II, which led the round. Formed in 2004, the company produces microcontrollers, chips for smart printers and internet-of-things systems, and secure system-on-chip technology for network communication. The company has customers in defence, aerospace, healthcare, semiconductor, cybersecurity and connected IT.

9 Zwift, the US-based social exercise platform, raised $450m from investors including Amazon's Alexa Fund and bicycle producer Specialized Bicycle Components' Zone 5 Ventures fund. Investment firm KKR led the round, which also featured private equity firm Permira, investment firms Novator Partners and True, VC Highland Europe and VC fund Causeway Media. It reportedly valued the company at more than $1bn.

Founded in 2014, Zwift lets runners and cyclists connect and race each other at home in computer-generated environments. The platform has more than 2.5 million users and organises dedicated events.

10 China-based digital retail technology provider Dmall closed a RMB2.8bn ($419m) series C round featuring Tencent, napkins and nappy producer Hengan International and electronics producer Lenovo. The round was co-led by government-owned China Structural Reform Fund and financial services firm Industrial Bank, the latter through an equity investment platform. Lenovo participated through CVC unit Lenovo Capital. Dmall runs a mobile app with 18 million monthly active users that allows customers to buy consumer items from physical stores, including 120 retail partners.

Zwift allows riders to race in computer-generated environments

Top investments in consumer sector enterprises (March 2020-February 2021)

Portfolio Company	Location	Sector	Round	Round size	Investors List
Xingsheng Youxuan	China	Consumer	Undisclosed	$2bn	China Evergrande | FountainVest Partners | KKR | Primavera Capital | Sequoia Capital | Temasek | Tencent
Yunwang Wandian	China	Consumer	Undisclosed	$913m	Central China International | Ningbo Xianshi Enterprise Management | SenseRobot Management | Shenzhen Capital Group | Suning Commerce
Furong Xingsheng	China	Consumer	Undisclosed	$700m	JD.com
Zomato	India	Consumer	E and beyond	$660m	Baillie Gifford | D1 Capital Partners | Fidelity | Kora Management | Luxor Capital | Mirae Asset Ventures | Steadview Capital | Tiger Global Management
Wolt	Finland	Consumer	Undisclosed	$530m	83North | Coatue | DST Global | EQT Ventures | Goldman Sachs | Highland Europe | Iconiq Capital | KKR | Naspers | Tiger Global Management | Vintage Investment Partners
Miss Fresh	China	Consumer	Undisclosed	$495m	Abu Dhabi Capital Group | China International Capital Corporation | Goldman Sachs | Industrial and Commercial Bank of China | Tiger Global Management
Zwift	USA	Consumer	Undisclosed	$450m	Amazon | Causeway Media Partners | Highland Europe | KKR | Novator Partners | Permira | Specialized Bicycle Components | True
Dmall	China	Consumer	C	$419m	China Merchants Bank | China Structural Reform Fund | Futian Guiding Fund | Hengan International | IDG Capital | Industrial Bank | Lenovo | Tencent | Tianya Capital
GoPuff	USA	Consumer	Undisclosed	$380m	Accel Partners | D1 Capital Partners | Luxor Capital | SoftBank
Keep	China	Consumer	E and beyond	$360m	5Y Capital | Bertelsmann | Coatue | GGV Capital | Hillhouse Capital Management | Jeneration Capital | SoftBank | Tencent

Source: GCV Analytics

There were other interesting deals in emerging consumer-focused businesses that received financial backing from corporate investors in the same and other sectors.

1 Xingsheng Youxuan secured approximately $2bn in a funding round featuring Tencent and real estate developer China Evergrande Group. Sequoia Capital China led the round, which also featured FountainVest Partners, Primavera Capital Group, KKR and Temasek. It valued Xingsheng at $6bn pre-money.

Xingsheng Youxuan runs an e-commerce business that allows local communities to purchase items in bulk. The company processes more than 8 million daily orders and covers more than 30,000 towns across China.

2 Xingsheng Youxuan also closed an $800m series C-plus round that included Tencent. Investment firm KKR is set to lead the round at a $4bn post-money valuation, with Sequoia Capital China, Capital Today, Tianyi Capital, Zhongding Capital and China Renaissance's Huaxing New Economy Fund also participating.

3 India-headquartered, corporate-backed food listings and delivery app developer Zomato secured $660m in series J funding at a $3.9bn post-money valuation. Investment and financial services group Fidelity was an investor in the round, along with Tiger Global Management, Luxor Capital, Kora Management, D1 Capital Partners, Baillie Gifford, Mirae Asset and Steadview Capital.

Zomato began life as an online listings and review platform for restaurants but has made its food ordering and delivery service the centre of its business in recent years.

4 Finland-headquartered food and consumer goods delivery service Wolt completed a $530m funding round that included Prosus, the internet company formed by media and e-commerce group Naspers. The round was led by Iconiq Growth, a vehicle for investment firm Iconiq Capital, and also featured Goldman Sachs' growth equity unit, among other investors.

Founded in 2014, Wolt runs an app that allows users in 23 countries to order food and consumer goods from restaurants, grocers and other local retailers for delivery, having expanded outwards from its core restaurant-focused business.

5 MissFresh, the China-based online supermarket backed by Tencent and Lenovo, completed a $495m financing round. China International Capital Corporation led the round, which included fellow investment bank Goldman Sachs' asset management arm, financial services firm Industrial and Commercial Bank of China,

Tiger Global Management and Abu Dhabi Capital.

MissFresh operates an e-commerce platform that delivers groceries to customers in as little as an hour, sourcing items from more than 1,500 small warehouses scattered around China. The company had more than 25 million monthly active users as of mid-2019, but that figure is sure to have risen as online grocery orders skyrocketed during lockdown.

6 US-based consumer product delivery service GoPuff secured $380m from investors including SoftBank's Vision Fund at a valuation of $3.9bn. Venture capital firm Accel and investment firm D1 Capital Partners co-led the round, which was also backed by hedge fund Luxor Capital.

GoPuff's online platform allows customers to order thousands of products from food and drink, to over-the-counter medication and home products that are available for delivery in under 30 minutes with a flat delivery fee of $1.95. Orders are be rapidly through a network of 200 micro-fulfilment centres the company runs across more than 500 cities. The funding will support the expansion of GoPuff's product range.

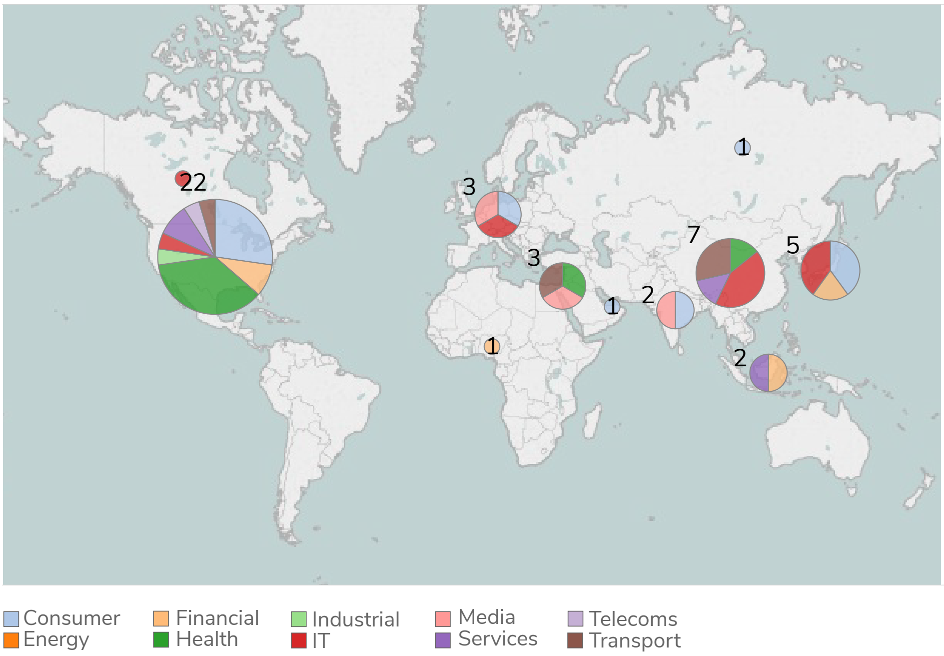
7 China-based online fitness class operator Keep recently completed a $360m series F round led by SoftBank's Vision Fund. Bertelsmann Asia Investments a vehicle for media group Bertelsmann also took part in the round, as did Tencent, Hillhouse Capital, Coatue Management, GGV Capital, 5Y Capital and Jeneration Capital. The cash was secured at a post-money valuation of about $2bn.

Keep's online platform provides livestreamed fitness class run by a network of fitness influencers, and it has expanded its registered users to 300 million during lockdown. The company has expanded into producing stationary exercise bikes and treadmills similar to the ones provided by Peloton, in addition to healthy snacks and exercise apparel. It will channel the series F proceeds into strengthening its products and services.

Miss Fresh is a Tencent and Lenovo-backed online supermarket

Exits

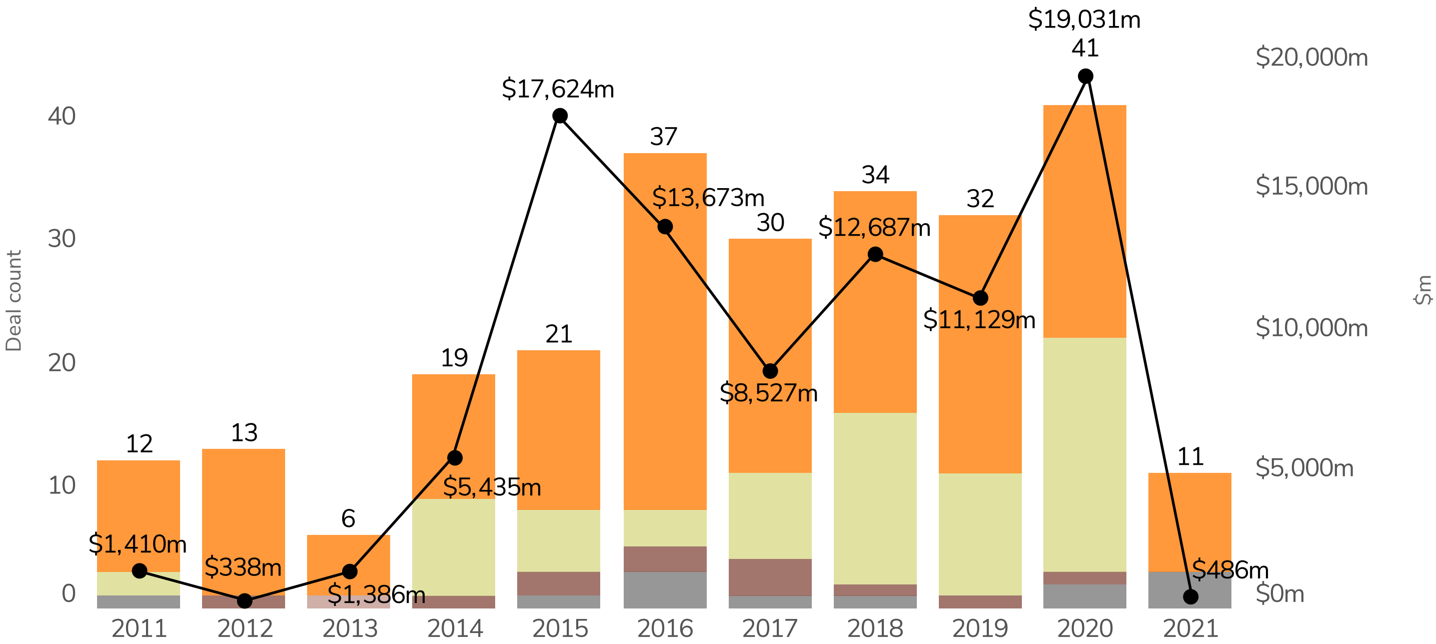
Global view of past year's exits



Corporate venturers from the consumer sector completed 48 exits between March 2020 and February 2021 – 25 acquisitions and 17 initial public offerings (IPOs), five other transactions (mostly reverse mergers) and one merger.

Exits by consumer corporates

As for year-on-year, the transaction volume and the estimated dollar value spiked significantly compared to 2019 levels – the number of exits went up 28% from 32 to 41 and the total dollars surged 71% from $11.13bn to $19.03bn.



Source: GCV Analytics

Top exits by consumer corporate investors (March 2020-February 2021)

Portfolio Company	Location	Sector	Exit Type	Acquirer	Exit size ($m)	Exiting investors
Grail	USA	Health	Acquisition	Illumina	$8bn	Ally Bridge Group | Alphabet | Amazon | Arch Venture Partners | Bezos Expeditions | Blue Pool Capital | Bristol-Myers Squibb | Canada Pension Plan | Celgene | China Merchant Securities International | CRF Investment | Decheng Capital | Hillhouse Capital Management | HuangPu River Capital | ICBC International | Illumina | Johnson & Johnson | McKesson Corporation | Memorial Sloan Kettering | Merck & Co | Milky Way Ventures | private investors | Public Sector Pension Investment Board | Sequoia Capital | Sutter Hill Ventures | Tencent | Varian Medical Systems | WuXi AppTec
Xiaopeng Motors	China	Transport	IPO		$1.5bn	Alibaba | Anatole | Aspex Management | CICC | CloudAlpha | Coatue | Duowan Entertainment | Eastern Bell Venture Capital | Everbright Zhongying Capital | GGV Capital | Hillhouse Capital Management | Hon Hai | IDG Capital | K11 Investment | Kinzon Capital | Lightspeed Venture Partners | Markarian Investments | Matrix Partners | Morningside | Mubadala | Neumann Capital | Primavera Capital | Private Investor | Qatar Investment Authority | Sequoia Capital | Shengyu Investment | Shunwei Capital | Tairen Alpha Fund | UCar | Xiaomi | Yunfeng Capital | ZWC Partners
Flaschenpost	Germany	Consumer	Acquisition	Dr Oetker	$1.16bn	Cherry Ventures | GR Capital | Saarbruecker 21 | Sociedade Francisco Manuel Dos Santos | Tiger Global Management | Vorwerk
Wish	USA	Consumer	IPO		$1.1bn	Cherubic Ventures | DST Global | Formation8 | Founders Fund | General Atlantic | GGV Capital | JD.com | Legend Holdings | private investors | Temasek | Wellington Management
Li Auto (Chehejia)	China	Transport	IPO		$1.1bn	BlueRun Ventures | Bytedance | China Merchants Wealth | China Taiping Insurance | Fancheng Capital | InTime Retail | Leo Group | Matrix Partners | Minshi Hexun Capital | Ping An Insurance | Private Investor | Shougang Group | Source Code Capital | Wang Xing
Ozon	Russia	Consumer	IPO		$990m	Alpha Associates | Baring Vostok Capital Partners | Holtzbrinck Ventures | Index Ventures | Mobile Telesystems | Princeville Global | Rakuten | Ru-Net | Sistema
Moovit	USA	Transport	Acquisition	Intel	$840m	Bernard Arnault Group | BMW | BRM Group | Gemini Israel Ventures | Hanaco | Intel | Keolis | Nokia | Satterfield Vintage Investments | Sequoia Capital | Sound Ventures | Vaizra Investments
Kingsoft Cloud	China	IT	IPO		$510m	China Industrial Asset Management | IDG Capital | Kingsoft | Xiaomi
Mirror	USA	Health	Acquisition	Lululemon	$500m	BoxGroup | Brainchild Holdings | First Round Capital | Lerer Hippeau | LionTree | Lululemon | Point72 Ventures | Primary Venture Partners | Spark Capital | undisclosed investors
Cambricon Technologies	China	IT	IPO		$368m	Alibaba | Capital Venture Investment Fund | Chinese Academy of Sciences | CICC | Citic Securities | iFlytek | Lenovo | Oriza Holdings | SDIC | TCL Group | Turing Robot | Yonghua Capital

Source: GCV Analytics

1 US-based medical diagnostics technology Grail agreed to an $8bn acquisition by genomics technology producer Illumina. Grail will receive $3.5bn in cash and another $4.5bn in stock. The pair have also signed a $315m merger termination agreement. The deal is subject to regulatory approval.

Spun off from Illumina in 2015, Grail is working on technology that combines gene sequencing with population-level clinical studies to detect cancer at an earlier stage. The company had filed for an IPO with a $100m placeholder amount. It had hired Morgan Stanley, Goldman Sachs, BofA Securities, Cowen and Evercore ISI as underwriters and planned to list on the Nasdaq Global Select Market.

2 Xpeng, the China-based electric vehicle (EV) manufacturer backed by corporates Alibaba, UCar, Xiaomi, Duowan and Foxconn, went public in an IPO sized at approximately $1.5bn.

It consisted of 99.7 million American Depositary Shares (ADSs), each equating to two common shares, issued on the New York Stock Exchange priced at $15.00 each. The company had planned to issue 85 million ADSs priced between $11 and $13 each. The IPO price will give it a market capitalisation of about $21.3bn. E-commerce firm Alibaba had expressed interest in buying $200m of shares in the offering and consumer electronics producer Xiaomi $50m, while Coatue Management and Qatar Investment Authority were considering $100m and $50m respectively. None confirmed those purchases.

Xpeng produces smart EVs that use its proprietary autonomous driving technology and in-car operating system. It has released a sports utility vehicle and sports sedan model but made a $113m net loss in the first six months of 2020 from $142m in revenue.

3 Packaged food producer Dr Oetker paid €1bn ($1.16bn) for Germany-based drink delivery service Flaschenpost in a transaction that allowed cleaning product distributor Vorwerk to exit.

Founded in 2016, Flaschenpost runs an online service that allows users to order beverages for delivery in under two hours to customers across 23 German cities. Home delivery services, and Flaschenpost's sales, experienced a significant rise in business during the coronavirus pandemic.

4 Wish, the US-based e-commerce app developer backed by e-commerce group JD.com, went public in an IPO on the Nasdaq Global Select Market sized at just over $1.1bn. The offering consisted of 46 million class A shares priced at the top of the IPO's $22 to $24 range, a price that reportedly valued the company at roughly $17bn on a fully diluted basis.

Founded in 2010, Wish operates a mobile commerce platform with more than 100 million monthly active users across more than 100 countries. It posted a $176m net loss for the first nine months of 2020, from approximately $1.75bn in revenue.

5 Li Auto, a China-based EV producer backed by mobile services portal Meituan Dianping, steel producer Shougang, digital media company Bytedance, InTime, insurance firms Taiping and Ping An as well as pump and gardening equipment maker Leo Group and priced its shares at $11.50 to raise $1.1bn in its IPO. The company issued 95 million ADSs, representing 190 million ordinary shares. Shares opened at $15.50 on the first day of trading and reached a high of $17.50, before closing at $16.46.

Mobile services portal Meituan Dianping and digital media company Bytedance also committed to purchasing $330m and $30m in a concurrent private placement. Founded as Chehejia in 2015 and also known as CHJ Automotive and Lixiang, Li Auto produces smart sports utility EVs.

6 Russia-based online marketplace Ozon went public on the Nasdaq Global Select Market in a $990m IPO that gave an exit to diversified conglomerate Sistema and e-commerce firm Rakuten. The company increased the number of American depositary shares – each representing a common share – in the offering from 30 million to 33 million and priced them at $30 each, comfortably above the $22.50 to $27.50 range it had set.

Sistema and another Ozon shareholder, private equity firm Baring Vostok, are each buying $67.5m of additional shares through a concurrent private placement. The IPO price valued it at approximately $5.57bn.

Ozon operates an e-commerce platform with 50 million monthly active users that connects buyers of a wide variety of consumer goods to a network of 18,000 merchants. It increased revenue from $39.1m to $66.6m year on year in the first nine months of

Dr Oetker bought a drink-based delivery service

2020, with its net loss narrowing slightly to $12.9m.

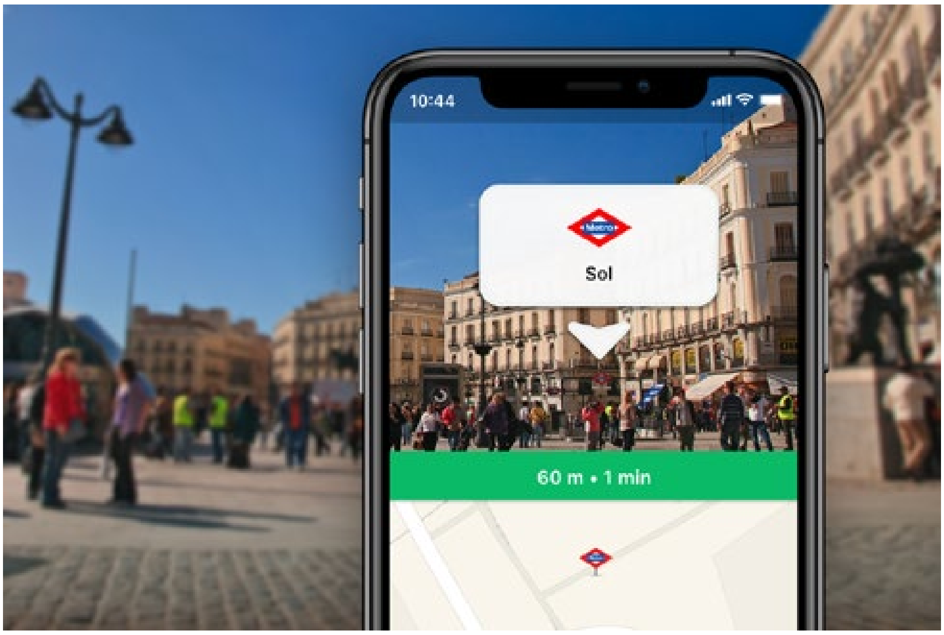
7 Israel-based urban mobility app developer Moovit confirmed an acquisition by its existing shareholder, semiconductor producer Intel, for a total consideration of $900m, allowing a host of corporate investors to exit, including consumer electronics supplier Hanaco and automotive manufacturer BMW. Intel paid $840m, net of the equity gain of its corporate venturing unit Intel Capital.

Founded in 2012, Moovit has built a real-time transit data app for users that pulls in public traffic data and user-generated updates to calculate the most efficient routes. It also offers third-party business access for clients such as municipalities or ride-sharing providers.

The service currently covers 3,100 cities in 102 countries, where it has attracted more than 800 million users – a sevenfold increase over two years. Intel will integrate Moovit's enterprise platform into its autonomous driving technology subsidiary Mobileye.

8 Kingsoft Cloud, the cloud services subsidiary of China-based enterprise software producer Kingsoft, priced its shares at $17 to raise $510m in its IPO.

The company increased its offering from 25 million ADSs – each representing 15 ordinary shares – to 30 million ADSs and had a market cap of more than $4.7bn. The company had set a price range of $16 to $18. Shares rose 27% on the first day of trading on the Nasdaq Global Select Market.



Mooivt covers 3,100 cities including Madrid

Founded in 2012, Kingsoft Cloud runs a cloud infrastructure business focused on enterprise cloud computing and artificial intelligence of things services. Kingsoft and smartphone manufacturer Xiaomi had expressed an interest in purchasing $25m and $50m in the stock offering, respectively, while Carmignac Gestion was considering the purchase of $50m worth of shares. Kingsoft Cloud did not provide an update.

9 Fitness apparel brand Lululemon agreed to pay $500m to buy one of its portfolio companies, US-based fitness video subscription service Mirror, which will gain access to additional content created by athletes who signed up to be brand ambassadors for Lululemon.

The service has developed an interactive home gym setup that consists of a wall-mounted, partially reflective viewing screen that broadcasts live and on-demand fitness classes as well as hosting one-on-one sessions. The device can also be connected to wearables such as the Apple Watch to monitor a user's heart rate.

10 China-based artificial intelligence chipmaker Cambricon Technologies priced a RMB2.58bn ($368m) initial public offering, giving achieve exits for Alibaba, Lenovo, AI technology provider iFlytek and robotics technology provider Tuling Century.

The offering consisted of 40.1 million shares issued on the Shanghai Stock Exchange's Star Market at a price of RMB64.39 each. The allocation made up about 10% of Cambricon's shares, according to the IPO prospectus.

Cambricon provides AI processors for use in mobile devices and servers. One of its largest customers had traditionally been electronics manufacturer Huawei, though the latter company began making its own AI chips in 2019. The company's revenues more than tripled to about $63.5m in 2019, though its net loss increased considerably from $6m to about $169m over the same period.

Top exits from consumer enterprises (March 2020-February 2021)

Portfolio company	Location	Sector	Exit Type	Acquirer	Exit size	Exiting investors
Flaschenpost	Germany	Consumer	Acquisition	Dr Oetker	$1.16bn	Cherry Ventures | GR Capital | Saarbruecker 21 | Sociedade Francisco Manuel Dos Santos | Tiger Global Management | Vorwerk
Wish	USA	Consumer	IPO		$1.1bn	Cherubic Ventures | DST Global | Formation8 | Founders Fund | General Atlantic | GGV Capital | JD.com | Legend Holdings | private investors | Temasek | Wellington Management
Drizly	USA	Consumer	Acquisition	Uber	$1.1bn	Abundance Partners | Atlas Venture | Avenir | Breakaway Ventures | Continental Advisors | Fairhaven Capital | First Beverage Group | Polaris Venture Partners | Reynolds & Company Venture Partners | Suffolk Equity Partners | Tiger Global Management | undisclosed investors | Vayner RSE
Ozon	Russia	Consumer	IPO		$990m	Alpha Associates | Baring Vostok Capital Partners | Holtzbrinck Ventures | Index Ventures | Mobile Telesystems | Princeville Global | Rakuten | Ru-Net | Sistema
Miniso	Japan	Consumer	IPO		$608m	Easy Land | Hillhouse Capital Management | Tencent
InstaShop	United Arab Emirates	Consumer	Acquisition	Delivery Hero	$360m	Jabbar Internet Group | Souq.com | VentureFriends
Poshmark	USA	Consumer	IPO		$277m	AngelList | Cross Creek Advisors | GGV Capital | Inventus Capital Partners | JF Shea | Mayfield Fund | Menlo Ventures | SoftTech VC | Temasek | Uncork Capital | Union Grove Venture Partners
OfferUp	USA	Consumer	Merger		$120m	Andreessen Horowitz | Naspers | Warburg Pincus
Tricot	Japan	Consumer	Acquisition	Pola Orbis	$36m	Pola Orbis | private investors | XTech Ventures
NeedHelp	France	Consumer	Acquisition	Kingfisher	$12m	MAIF Avenir | Maus Frères

Source: GCV Analytics

Global Corporate Venturing also reported several exits of emerging consumer-related enterprises that involved corporate investors from the same as well as other sectors.

1 Vayner/RSE, the venture capital firm backed by creative agency VaynerMedia, exited US-based alcohol delivery service Drizly, which agreed to be bought by ride hailing service Uber for $1.1bn. Drizly operates an e-commerce platform that offers beer wine and spirits to customers in 1,400 towns and cities through partnerships with local shops, allowing users to schedule delivery. It will operate as a subsidiary of Uber once the transaction closes. Uber already delivers food from local restaurants to customers through its Uber Eats subsidiary, and has moved into areas such as groceries and prescription medicine.

2 Tencent scored an exit when China-headquartered lifestyle product retailer Miniso floated on the New York Stock Exchange in a $608m IPO. The flotation consisted of 30.4 million ADSs, each representing four common shares, priced at $20.00 each, above the $16.50 to $18.50 range the company had set for the offering. Its shares closed at $20.88 on the first day of trading. Miniso sells a range of affordable goods including toys, accessories, snacks, cosmetics and small electronics across a network of 4,200 stores spanning some 80 countries, roughly 2,500 of which are located in China. The IPO proceeds will fund the expansion of its stores and investment in its logistics and IT capabilities.

3 Food delivery service Delivery Hero revealed it has bought InstaShop, a United Arab Emirates-based online grocery delivery platform backed by corporates internet company Jabbar Internet Group and e-commerce marketplace Souq, for about $360m. The transaction valued InstaShop at $360m and consists of $270m in cash that was provided upfront, together with additional payments dependent on the service hitting growth milestones post-acquisition.

Founded in 2015, InstaShop runs an on-demand grocery delivery service across the United Arab Emirates, Egypt, Qatar, Bahrain and Lebanon. It has partnerships in place with some 1,500 vendors and brings in goods in as little as 45 minutes. The company will operate under its existing brand as an independent subsidiary of Delivery Hero, which is now present in 44 countries.

4 US-based social fashion marketplace Poshmark floated on the Nasdaq Global Select Market in a $277m IPO that will enable homebuilder JF Shea to exit. The offering consisted of 6.6 million shares priced at $42 each, well above the $35 to $39 range Poshmark had set and valuing it just above $3bn.

Kingfisher, which owns DIY store B&Q, agreed to buy a home improvement services marketplace

Poshmark's online platform enables users to browse, buy and sell fashion items in addition to interacting with each other and sharing favourite items. It generated a $20.9m net profit in the first nine months of 2020 from sales of nearly $193m.

5 US-based mobile commerce platforms Letgo and OfferUp agreed to merge in a deal fuelled by a $120m funding round led by classified listings operator OLX Group. OLX Group, a subsidiary of e-commerce and media group Naspers' internet assets division, Prosus, is an existing investor in Letgo and will take a 40% stake in the merged business. The $120m round included existing OfferUp investors including venture capital firm Andreessen Horowitz and private equity firm Warburg Pincus.

Founded in 2015, Letgo operates an online platform that enables users to buy and sell goods to each other. The service is tailored for mobile use with large photos of each item and enhanced chat functionality.

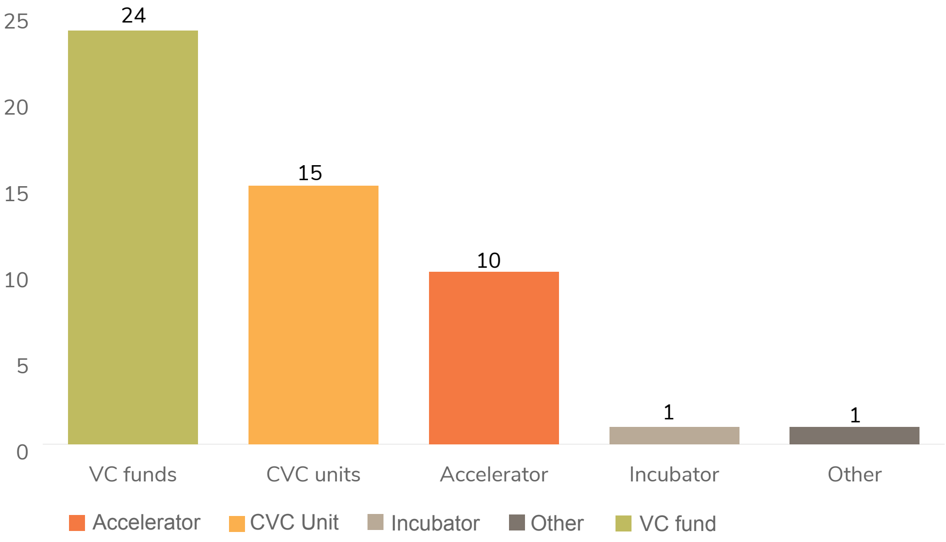
6 Cosmetics maker Pola Orbis agreed to acquire a portfolio company, Japan-based beauty supplement producer Tricot, for ¥3.8bn ($36.2m). Pola Orbis held a 10.56% stake in Tricot, and bought 59.83% from chief executive Hanabusa Kana, 20% from venture capital firm XTech Ventures and 9.61% from three unnamed individuals.

Founded in 2018, Tricot runs Fujimi, a personalised beauty care service that selects cosmetics tailored to each customer. Pola Orbis will provide its research and development expertise to help Tricot accelerate growth in a bid to strengthen synergies between the two. Tricot will also contribute its entrepreneurial experience and speed to the group.

7 Kingfisher, the retail group that owns DIY product chains B&Q and Screwfix, agreed to purchase France-based home improvement services marketplace NeedHelp for close to €10m ($12m). The deal involved Kingfisher acquiring 80% of the company. NeedHelp founder Guillaume de Kergariou has reinvested some of the proceeds of the sale into buying back a 20% share. Founded in 2014, NeedHelp provides an online portal that connects customers with professional tradespeople who provide home improvement services. It operates in France, Switzerland, Germany, Belgium, Austria and Netherlands. Needhelp will operate as a separate business but will support B&Q's home improvement customers and will work with Screwfix's trade professional customer base.

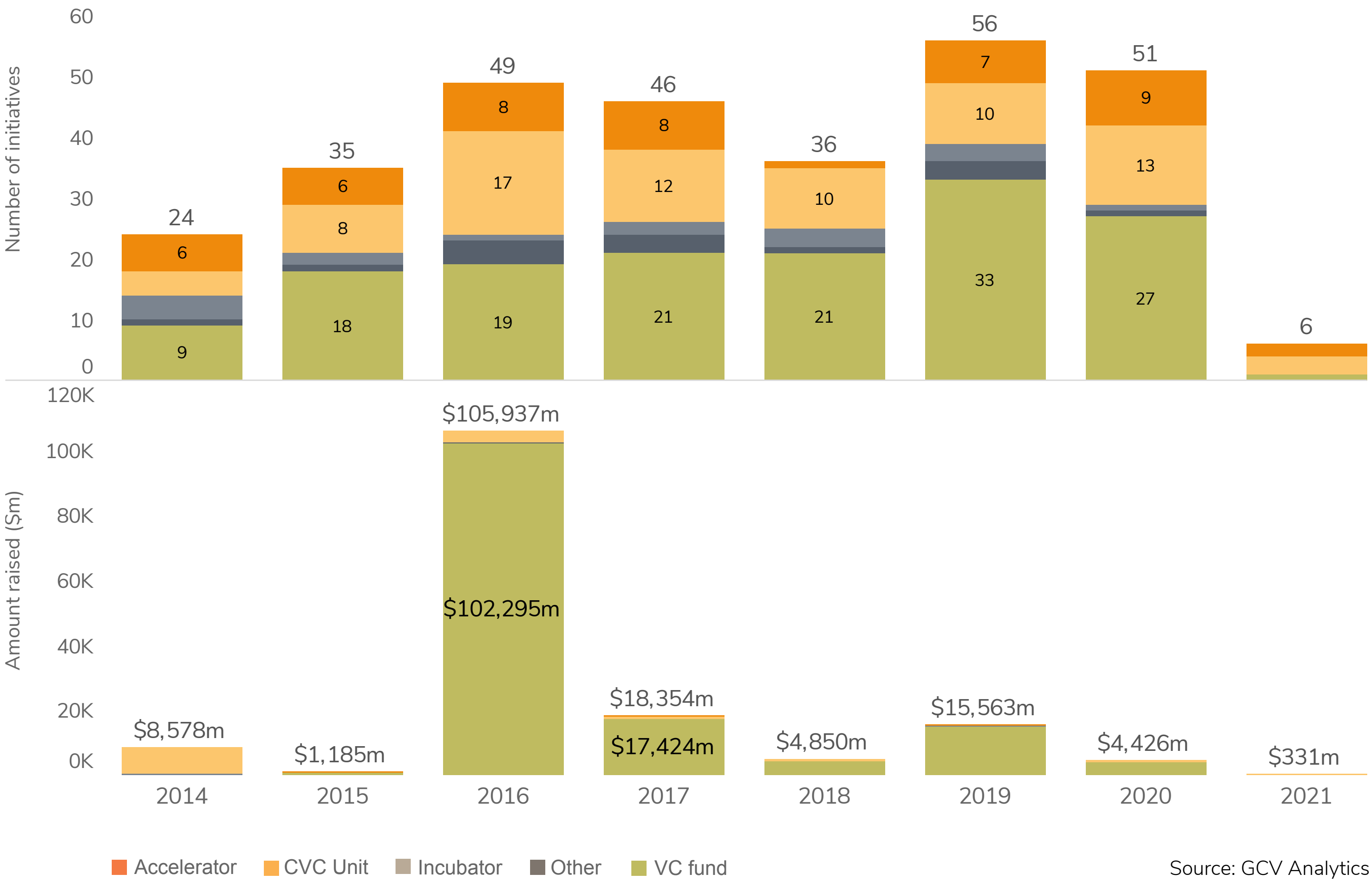
Funds

New funding initiatives



For the period between March 2020 and February 2021, corporate venturers and corporate-backed VC firms investing in the consumer sector secured $3.35bn in capital via 51 funding initiatives, which included 24 VC funds, 15 launched or refunded venturing units, 10 accelerators, one incubator and one other initiative.

Consumer sector funding initiatives



Source: GCV Analytics

On a calendar year-to-year basis, the number of funding initiatives in the consumer sector went down slightly from 56 in 2019 to 51 registered by the end of last year. Total estimated capital, however, plummeted from $15.5bn in 2019 down to $4.43bn in 2020, though the TA XIII fund from 2019 was an outlier.

Top consumer funding initiatives (March 2020-February 2021)

Fund Name	Type	Funds Raised	Location	Focus	Backers
B Capital II	VC Fund	$820m	USA	Services, IT, Financial, Health, Transport, Consumer	Boston Consulting Group (BCG)
LC Fund VIII	CVC Unit	$500m	China	Consumer, IT, Industrial, Health	Legend Holdings | undisclosed investors
Unnamed Nippon Life initiative	VC Fund	$280m	Japan	Consumer, Health, Energy	Nippon Life
Blue Horizon Ventures I	VC Fund	$220m	Switzerland	Consumer	Be8Ventures | Blue Horizon Ventures | European Investment Fund (EIF) | Givaudan | Grupo Bimbo | Korys | Wire Group's Private Markets Funds
The Active Fund	VC Fund	$180m	Philippines	Services, Consumer, Financial, Industrial	Ayala Corporation | Globe Telecom | Kickstart Ventures
BA Capital fund II	VC Fund	$147m	China	Consumer, Media	BA Capital | Undisclosed strategic investors
Marubi Jinding Cosmetics Industrial Fund Management	VC Fund	$142m	USA	Consumer	Jinding Capital | Marubi Holdings Group
Genesia Venture Fund II	VC Fund	$76m	Japan	Consumer, IT,. Media	Aizawa Securities | Canon | Dai Nippon Printing | Genesia Ventures | Gree | Hakuhodo DY Holdings | JA Mitsui Leasing | Marui Group | Mixi | Mizuho Financial | Nihon Unisys | Oriental Land Company | Tokyu Fudosan
District Ventures Capital I	VC Fund	$71m	Canada	Consumer	Business Development Bank of Canada (BDC) | District Ventures Capital | Farm Credit Canada
OMX Europe Venture Fund	VC Fund	$65m	France	Health, Consumer	Institut Mérieux | Korys

Source: GCV Analytics

1 B Capital Group, the US-based venture capital firm affiliated with consulting firm Boston Consulting Group, closed its second fund at $820m.

Founded in 2014, B Capital targets growth-stage deals and pursues a portfolio management strategy that involves connecting its companies to corporates which can help them scale, through a network provided by BCG. The firm invests between $10m and $60m per round, at series B to D stage, and its areas of interest include consumer and enterprise software as well as financial, healthcare, transportation and logistics technology.

The firm said the close brought the total amount of assets under management to $1.44bn. It closed an oversubscribed first fund at $360m in early 2018.

2 Legend Capital, the venture capital firm spun off by China-based conglomerate Legend Holdings, closed its latest fund, LC Fund VIII, at $500m. The limited partners for the vehicle included undisclosed existing LPs as well as corporate investment funds, sovereign wealth funds, family offices and private pension funds. Atlantic-Pacific Capital was placement agent for the fundraising.

Founded in 2001, Legend Capital now oversees about $8bn of assets under management from offices in Beijing, Shanghai, Shenzhen Hong Kong and Seoul. The firm focuses on growth-stage deals in areas such as consumer internet, enterprise software, advanced manufacturing healthcare and deep technology.

3 Japan-based insurance firm Nippon Life plans to invest a total of ¥30bn in companies and funds that are addressing social and environmental issues. Sectors under consideration include food, healthcare and technologies intended to mitigate climate change. The firm will begin with a commitment of roughly $19m to an impact investment fund run by private equity group TPG that is concentrating on deals for medical technology developers. It intends to begin making impact investments directly by 2023 and plans to provide more than $90m per year.

Nippon Life already operates a venture capital subsidiary, Nissay Capital. Its investments have included Raksul, a printing services provider with a market cap of about $850m, and household services marketplace Minma, which raised more than $36m in January.

4 Blue Horizon Ventures, a Switzerland-based venture capital fund targeting the food industry, closed its first fund at €183m ($220m), with limited partners (LPs) including fragrance producer Givaudan and bread maker Grupo Bimbo. Other LPs in Blue Horizon Ventures I include Korys, the family office behind retailer Colruyt Group, as well as

European Investment Fund, Wire Group's Private Markets Funds, Sigma and Be8Ventures.

Founded in 2018 by serial entrepreneurs and investors Roger Lienhard and Michael Kleindl, Blue Horizon invests across technology areas such as alternative proteins, synthetic biology, cultivated food (cellular agriculture), smart packaging and food waste. The fund's 16 deals so far include it a $135m round for vegetarian food producer Livekindly Collective in October 2020 and the $55m first tranche of cultured meat developer Mosa Meat's series B round.

5 Philippines-based diversified conglomerate Ayala closed a $180m fund with an anchor commitment from the corporate itself and contributions from its subsidiaries AC Energy, AC Industrials, AC Ventures and BPI. Telecommunications firm Globe Telecom also joined the roster of limited partners (LPs). The Active Fund originally had a target of $150m and its final size makes it the largest venture fund from the Philippines.

The Active Fund – (an acronym for Ayala Corporation Technology Innovation Venture) – is managed by Kickstart Ventures, the investment arm of Globe Telecom. It is Ayala's first investment vehicle. The fund will invest between $2m and $10m in companies internationally, targeting series A to D rounds in industries such as e-commerce, fintech, proptech and construction technology. It will also look for opportunities around urban challenges in emerging countries throughout Asia, considering startup focused on areas such as raising blue-collar workers' skillsets and improving access to scarce but vital resources such as water.

6 China-based VC firm BA Capital closed a second yuan-denominated fund at RMB1bn ($147m) with the help of unnamed internet and consumer products firms. 60% of the capital was provided by unnamed funds of funds.

BA Capital exclusively focuses on dealmaking in the consumer products and media sectors, having backed a total of 15 brands since making its debut in 2016. The move came weeks after BA Capital had raised a $100m dollar-dominated fund earlier in September 2020. Details of this earlier vehicle could not be confirmed. BA Capital's portfolio encompasses bubble tea bar chain Heytea, yoga products supplier Simple Love and beverage company Yuan Qi Sen Lin.

7 Cosmetics manufacturer Guangdong Marubi Biotechnology formed a RMB1bn ($142m) industrial fund with industrial investment management firm Jinding Capital. Jinding Capital is general partner

Alternative proteins are a big play for Blue Horizon

for the vehicle, Marubi Jinding Cosmetics Industrial Fund Management, while Marubi has taken a limited partner position.

Founded in 2002, Marubi markets a range of cosmetic and skincare products including facial creams and masks but is best known for its eye serums and creams. It also operates a Japan-focused business called Marubi Tokyo. The fund will invest in skincare and beauty brands as well as supply chain technology and services providers. It is expected to support Marubi's and help boost its supply chain capabilities.

8 Japan-based venture capital firm Genesia Ventures closed its second fund at roughly ¥8bn ($76.3m), with several corporates as LPs. Canal Ventures, Canon Marketing Japan, Hakuhodo DY Ventures, Mizuho Capital, Oriental Land Innovations and TFHD Open Innovation Program invested on behalf of IT services firm Nihon Unisys, imaging technology producer Canon, marketing firm Hakuhodo DY, financial services firm Mizuho Financial Group, theme park operator Oriental Land Company and property developer Tokyu Fudosan Holdings respectively. Printing services firm Dai Nippon Printing, digital media company Gree, retailer Marui Group and internet company Mixi were also among the LPs, as were brokerage Aizawa Securities, leasing services firm JA Mitsui Leasing, state-owned Development Bank of Japan and Mizuho Financial Group's Mizuho Bank and Mizuho Securities Principal Investment subsidiaries.

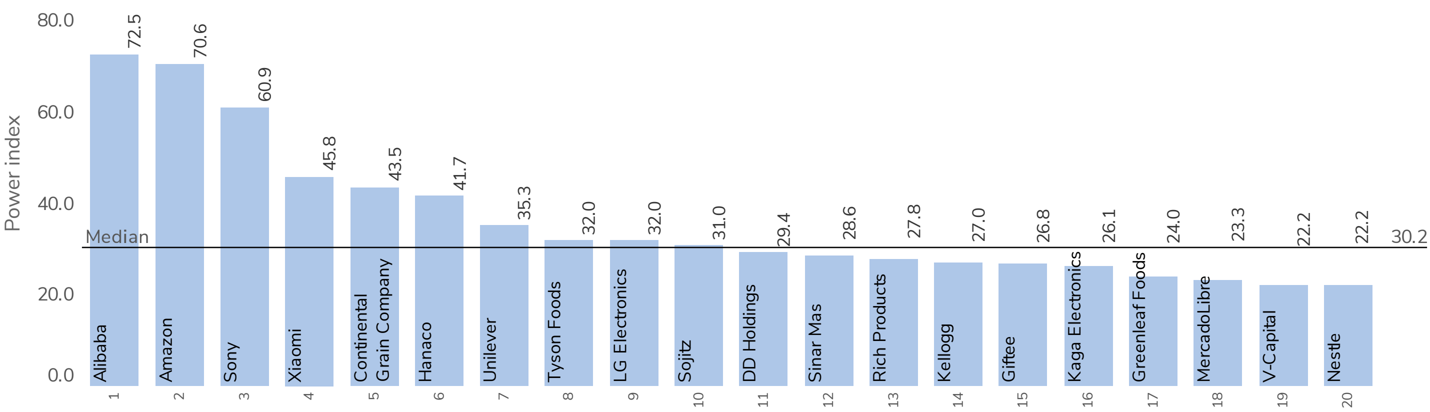
Founded in 2016, Genesia Ventures invests in and partners seed and early-stage companies that are based in Japan and Southeast Asia. The second fund will have a similar focus to its predecessor and will concentrate on e-commerce, software-as-a-service, augmented and virtual reality technologies among others.

9 Canada-based District Ventures Capital closed its first venture capital fund at C$100m ($70.8m) with $24.8m from agriculture-focused credit provider Farm Credit Canada (FCC). District Ventures Capital is targeting investments in food, beverage and wellness technology developers. It has a 27-strong portfolio including coconut-based ice cream brand NadaMoo and coffee chain Balzac's Coffee Roasters. The vehicle's limited partners also include BDC Capital, a subsidiary of the state-owned Business Development Bank of Canada.

10 Korys, the family office behind the France and Belgium-based retailer Colruyt Group, and Mérieux Equity Partners, the asset management arm of the Institut Mérieux holding company, set up joint funds targeting companies in the healthcare and nutrition sectors in Europe and North America.

OMX Europe Venture Fund raised more than €60m from the pair and third party subscribers and is targeting a final close at €90m. It will be managed by Mérieux Equity Partners in Europe, with the operational support of Korys' Life Science team as a key adviser. The US-based OMX Ventures team of Craig Asher, Nick Haft and Dan Fero, with the support of senior adviser Paul Conley, have raised more than $66m for OMX Ventures Fund I, which is targeting $100m in a final close. The US fund has a similar investment strategy to, and privileged right of co-investment with, OMX Europe. OMX refers to a field of study in biology ending in -omics, such as genomics, proteomics, metabolomics or microbiomics.

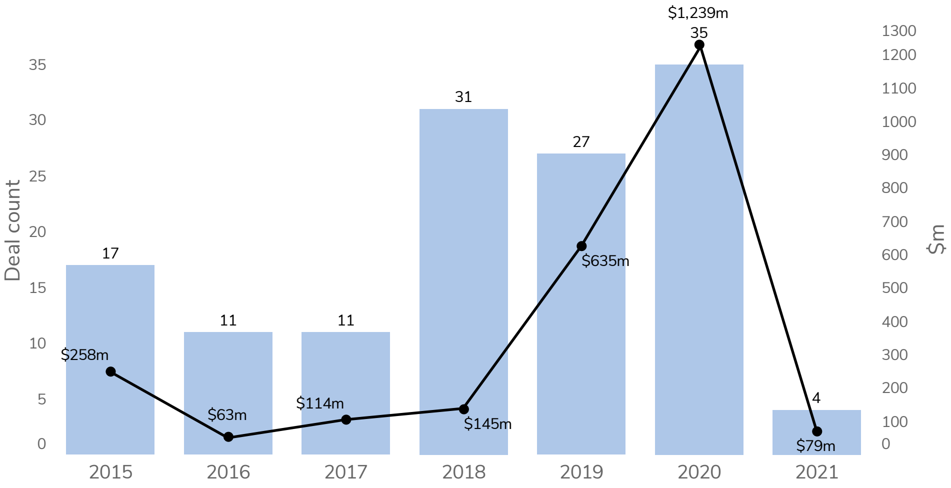
Power ranking



Source: GCV Analytics

Universities

Deals in university spinouts



Source: GCV Analytics

Data as of February 28

Over the past few years, we reported various commitments to university spinouts in the consumer sector through our sister publication, Global University Venturing. By the end of 2020, there were 35 rounds raised by university spinouts, up from the 27 and 31 registered in the previous two years. The level of estimated total capital deployed last year stood at $1.24bn, nearly double the estimated $635m in 2019.

1 Impossible Foods, a US-based meat substitute developer founded by a Stanford University researcher, completed a $200m series G round led by hedge fund Coatue Management. Singaporean government-owned investment firm Temasek, hedge fund XN and Mirae Asset Global Investments, the asset management arm of financial services group Mirae Asset Financial, also took part in the round. The round reportedly increased the company's valuation from $3.6bn to more than $4bn. Founded in 2011, Impossible Foods markets gluten-free meat substitutes bioengineered from plants. They contain no animal hormones, antibiotics or cholesterol. The technology is based on research by founder and chief executive Patrick Brown, then a professor of biochemistry at Stanford University.

2 Whoop, the US-based wearable health tracker developer spun out of Harvard University's Innovation Lab, raised $100m from investors at a $1.2bn valuation. SoftBank's Vision Fund, IVP, Two Sigma Ventures, Accomplice, Collaborative Fund, Thursday Ventures, NextView Ventures, Promus Ventures, Cavu Ventures and D20 Capital all took part in the round.

Whoop has created a lightweight and waterproof wearable strap that provides detailed data on users' fitness, sleep and physical recovery plus personalised coaching through a subscription service. The funding has been earmarked for expanding marketing efforts in countries such as France, Germany, Spain and Australia, increasing headcount and strengthening its technology.

3 Mosa Meat, a Netherlands-based artificial meat product spinout of Maastricht University, extended its series B round to $85m through a $10m third tranche of funding backed by aquafeed product producer Nutreco. Blue Horizon Ventures led the overall series B round, while Jitse Groen, CEO of food deliver marketplace Just Eat, also invested in the extension. In December 2020,

Mosa Meat increased its series B round to $75m with a $20m tranche raised from conglomerate Mitsubishi Corporation and venture capital firms Target Global, ArcTern Ventures and Rubio Impact Ventures. M Ventures, a corporate venturing unit of Germany-based pharmaceutical firm Merck, meat processor Bell Food Group and undisclosed investors participated in the $55m first tranche in September 2020.

Founded in 2016 and is developing technology to produce artificial meat products grown from the cultivated cells of cows, removing the need to slaughter livestock. Mosa Meat will use the financing to extend its pilot production facility, develop an industrial-scale production line and hire new staff.

People

South Korea-listed conglomerate Samsung shook up its two US-based corporate venturing units with Young Sohn retiring and Sean Kae coming in as acting head of Samsung Strategy and Innovation Center (SSIC) and David Lee joining as head of Samsung Next in early 2021.

Sohn retired as president and chief strategy officer (CSO) of Samsung Electronics but will continue as chairman of Harman, the autonomous driving subsidiary acquired by the company for $8bn, and strategic adviser to its largest division, Samsung Electronics, and chairman of the GCV Leadership Society's advisory board.

Kae, now executive vice-president of strategy and corporate development, joined SSIC in 2019 to help Sohn as CSO "define and expand the organisation's mission and focus areas for new innovation and investment". Kae added on his company profile page: "I am responsible for identifying and investing in Samsung's future growth engines and the creation of new businesses to sustain the Samsung Group's growth trajectory for the next decade." SSIC runs corporate venturing unit Samsung Catalyst under managing directors Francis Ho and Shankar Chandran, reporting to the company's device solutions division.

Samsung Next focuses more on the consumer electronics and mobile business side, and looks for startups with transformative software and services. Next runs a separate investment unit in Los Angeles, California, and hired venture capitalist David Lee, after the departure of Gus Warren in 2020 to set up Bindle Systems, the developer of a covid-19 health status tool.

Lee co-founded venture capital firm Refactor Capital in 2016 with former Andreessen Horowitz investor Zal Bilimoria, who is now looking to raise $50m for Refactor's third fund, according to a regulatory filing. Lee had previously been a managing partner at Ron Conway's VC firm, SV Angel.

Erin VanLanduit, former managing director of food provider Tyson's $150m corporate venturing unit, joined US-headquartered agribusiness Cargill as head of corporate ventures. Cargill made a series of strategic investments in companies such as pea protein maker Puris in the 2010s under Peter Hawthorne, having previously spun off its Black River investment unit. VanLanduit, a GCV Powerlist 2020 award winner, had spent a year at Tyson Ventures and was an observer on six of its portfolio companies. She had previously been director of business development for consumer product manufacturer SC Johnson's New Ventures unit.

Barbara Guerpillon was appointed as the inaugural global head of Dole Ventures, the strategic investment arm of Singapore-based fresh food supplier Dole, which is itself owned by conglomerate Itochu.

The appointment came after Dole Ventures established its Sunshine for All Investment Fund, a $2m unit that will target strategic deals intended to help reduce food waste and improve nutrition. Guerpillon spent five years as director of consumer products group Unilever's Foundry Asia up to October 2020. She is credited with delivering 120 collaborative projects with startups, resulting in nine product innovations for Unilever.

Natalie Hwang, formerly head of Simon Ventures, US-based Simon Property Group's corporate venturing unit, launched Apeira Capital Advisors, a growth equity and tactical opportunities fund focused on disruptive distribution technology. It was reportedly targeting $200m and, having seen the company's documents, said it would use "hedge fund principles and practices" to achieve returns from high-growth companies whose valuations have soared too high. Hwang worked at alternative asset manager Blackstone Group where she worked with hedge fund startups. and joined Simon in August 2015, helping to form the unit. She was a GCV Powerlist award winner from 2017 to 2019 and was sole managing director and head of the unit. Her board roles included Foursquare and FabFitFun, and other investments included Bird, Bustle Digital Group, Grailed, Verishop, MeUndies and Brud.

Hanns Anders, investment manager at iRobot Ventures, the corporate venturing unit of iRobot, joined Amazon's Alexa Fund. In a statement, Anders, a GCV Rising Stars award winner in 2016, said: "I am grateful to have been able to support such a talented group of founders and colleagues. I am proud of the strategic and financial value we delivered, and wish the portfolio and iRobot the best."

He had been one of the most active robotics and artificial intelligence investors while at iRobot, which he joined in 2015 after venture roles at Claremont Creek Ventures and Huron River Ventures. Anders' deals had included Synthesis AI, Hasty.ai, Jargon, Labrador Systems, Matterport, Osaro, Sense, Intuition Robotics, 6 River Systems and Escher Reality.

Jeff Blackburn, senior vice-president for business development at Amazon for nearly 17 years, joined venture capital firm Bessemer Venture Partners as a partner. Blackburn oversaw Amazon's corporate venturing investments and more than a hundred acquisitions. He also Amazon's television and movie studio, music streaming service and advertising unit. Bessemer's deals in recent years have included online streaming platform developer Twitch, which Amazon acquired for $970m in 2014.

Prosus Ventures, the CVC arm of Euronext-listed internet and e-commerce group Prosus, hired Sachin Bhanot to lead its investment activities in Southeast Asia. Spun off by South Africa-headquartered media and e-commerce group Naspers, Prosus has also taken on the portfolio of its largest investment vehicle, Naspers Ventures. Based in Singapore according to his LinkedIn profile, Bhanot was previously a principal at B Capital Group, the venture capital firm backed by consulting firm Boston Consulting Group that was set up by Facebook co-founder Eduardo Saverin, for roughly two years.

Guilherme Lima, former head of corporate venture at Brazil-based consumer electronics manufacturer Elsys, has become a partner at local VC firm Astella Investimentos. Lima had been responsible for managing and running Elsys' corporate venture programme for 10 months to April 2020. He had been recruited from accelerator ACE, where he was an investment manager behind more than 100 deals.

Sweden-based health and hygiene technology provider Essity has unveiled a strategic venture capital unit headed by Marie-Laure Mahé. Essity Ventures said: "By partnering with startups, we aim to develop new business models, digital solutions and digitally enabled products, while accelerating our journey towards circularity and sustainability."

Corigin Ventures, the VC firm sponsored by US-based real estate developer Corigin, closed its second fund at approximately $36m. The firm hired Aubrie Pagano as a partner and promoted Daniel Fetner to principal and Eric Schoenbach to associate. It targets consumer and property technology developers in the US and Canada. It invests $100,000 at pre-seed stage and provides between $500,000 and $1.25m for seed-stage deals, with additional capital reserved for follow-on investments.

US-based retail chain Central Garden and Pet set up a $20m corporate venturing unit under new hire Jon Balousek, a former executive vice-president at consumer goods producer Clorox. Under Balousek as president of corporate development, Central Ventures will target North American startups in the garden and pet industries concentrating on sustainability, health and wellness, and digitally-connected products and services. The move formalises Central's existing venture investments over the past five years, in companies such as Casco Pet, Lucy Pet and Back to the Roots.

Annual survey results

Every year, Global Corporate Venturing asks the industry questions about investment priorities, strategies and fit with the corporate. We have broken out the consumer sector answers and compared them with the overall answers.

		Overall (n=141)	Consumer (n=15)
What is your priority, financial and/or strategic returns?	A mix of both strategic and financial	67%	87%
	Strategic returns mostly	23%	13%
	Financial returns mostly	9%	
How do you invest?	From corporate balance sheet with a dedicated unit	57%	47%
	Off corporate balance sheet with a dedicated unit	26%	27%
	From corporate balance sheet without a dedicated unit	11%	20%
	Off corporate balance sheet without a dedicated unit	3%	
If you have a fund structure, what type of fund structure is it?	Not applicable	55%	67%
	Separate legal entity and fully committed capitalB but fund rem..	23%	20%
	Separate legal entity and fully committed capital with significant ..	20%	7%
What would you define as an important strategic return?	Synergies and/or revenue and P&L impact for parent corporation	18%	20%
	Entering new markets and/or creating new business lines/units	11%	
	Innovation in product/service of corporate parent or help with stra..	9%	7%
	Market intelligence, insights and expertise	9%	13%
	Commercial partnerships/ contracts/collaborations	9%	13%
	Deploying/implementing new technology internally	7%	
	Optionality and access to potentially disruptive new technol..	6%	
	Combination of the above	6%	
	Acquistion of assets/companies	4%	7%
	Testing new business models	4%	7%

	Other	3%	
	Unclear comments	3%	7%
	Sustainable/environmentally-related goals	2%	
What is your overall CVC fund size?	Under $50m	23%	27%
	$51m - $100m	18%	13%
	$101m - $200m	15%	27%
	Other	9%	13%
	$301m - $500m	11%	7%
	$501m - $1bn	8%	
	$201m - $300m	5%	
	Over $1bn	4%	
In light of the pandemic and the economic challenges it entails, what levels of capital do you expect to have at your unit's disposal going forward?	Same as before pandemic	52%	40%
	More than before the pandemic	26%	20%
	Less than before pandemic	14%	20%
	Not sure yet	7%	20%
Of the deals your unit has backed, what percentage of those deals did your unit act as the lead investor (i.e. leading or co-leading setting valuation, key investment terms and leading negotiation process)?	Less than 25%	49%	47%
	Greater than 50%	25%	20%
	Between 25% and 50%	23%	27%
Do you help your corporation's M&A team identify and buy yours or other venture-backed portfolio companies?	No	26%	47%
	Yes	63%	40%
	Not applicable/Corporate parent does not have M&A division	8%	13%
Do you negotiate in your investments for specific rights related to a sale of the portfolio company?	No	62%	47%
	Yes, a right of first negotiation	11%	7%
	Yes, a right of first refusal	11%	13%

	Yes, a right of first offer	7%	20%
	Yes, a block right on a sale transaction	2%	
How many of your portfolio companies has your parent corporation bought?	None	56%	67%
	1 to 5 companies	32%	20%
	None yet but expected to acquire at least one when portfolio matur..	6%	7%
	11 or more companies	2%	
	6 to 10 companies	1%	
What percentage of the founders/co-founders of your portfolio companies come from a diverse ethnic background (i.e. different from the predominant in the country where you are based)?	25% or fewer	48%	40%
	26% to 50%	27%	33%
	76% or more	11%	13%
	51% to 75%	11%	7%
Do you actively take LP stakes in other VC funds?	No	51%	47%
	Yes	47%	40%
How many LP stakes in funds do you hold?	None	35%	33%
	3 to 5	25%	27%
	2	12%	13%
	1	11%	13%
	6 to 10	8%	
	More than 10	6%	
What is your portfolio worth compared to original invested amount by multiple?	101% to 150%	30%	13%
	151% to 200%	21%	33%
	201% to 300%	13%	
	51% to 100%	8%	13%
	0 to 50% of invested capital	6%	7%

	301% to 500%	4%	
	501% to 1000%	1%	
	More than 1000%	1%	
What is yourB net internal rate of return (IRR) on the portfolio?	11% to 20%	21%	20%
	21% to 30%	14%	13%
	31% to 40%	11%	
	6% to 10%	9%	
	0 to 2%	5%	7%
	3% to 5%	5%	13%
	A negative IRR	4%	
	41% to 50%	3%	7%
	More than 50%	3%	
What is the loss rate of your fund (i.e. the percentage of investments that fail to return the capital invested)?	30% or lower	62%	60%
	31% - 50%	11%	7%
	51% B - 75%	1%	
	76% or higher	1%	
Which C-level executive does the head of your unit report to?	CEO	30%	33%
	CFO	17%	20%
	Chief Innovation Officer	14%	20%
	Head of R&D	1%	
	Head of corporate development	10%	7%
	Head of strategy	18%	
	Chief Technology officer	9%	
	COO	3%	

	Chief Information Officer	1%	
	Chief Marketing Officer	1%	7%
In terms of the compensation of all employees, in addition to base salary and cash bonuses, what other incentives are there in your CVC unit/investment department?	Only corporate stock	33%	33%
	None of the above	31%	33%
	Other	5%	
	Shadow/phantom carry only	6%	13%
	Only carried interest ("Carry"') shared with the team	6%	
	A combination of corporate parent's stock and carried interest	1%	
What is the male-to-female ratio in your team?	Majority male	49%	53%
	Relatively even	28%	27%
	All male	11%	
	Majority female	4%	13%
What percentage of your investment unit's employees are from a diverse ethnic background (i.e. different from the predominant in the country where you are based?	25% or fewer	49%	60%
	26% to 50%	26%	20%
	76% or more	10%	
	51% to 75%	7%	

Feature

Mission for capturing, storing and using carbon

> CO_2 is the focus but limiting emissions is hard;
> Capturing, using and storing offers opportunities; but
> Critical underinvestment in innovation

By James Mawson
Editor-in-chief

It is hard to visualise the scientific unit of measurement that counts the number of units of one substance per one million units of another (ppm).

People at education platform TED-Ed have tried a number of ways:

- One key from 11,363 pianos
- A granule of sugar from 273 cubes
- One second in 11.5 days
- One kernel from 1,250 ears of corn

Therefore, seeing the measurement of atmospheric carbon dioxide (CO_2) by Scripps Institution of Oceanography reach 416.94 ppm on March 17 compared with 315 ppm 60 years ago can seem a little insignificant for most people.

After all, pre-industrialisation rates – about 250 years ago, were estimated at 250 ppm (though in ice ages it might have been as low at 160 ppm).

But as CO_2 is a so-called greenhouse gas, along with methane, the rise in concentration leads to warmer average temperatures and often more extreme climatic conditions.

And while prevention is better than cure, capturing and fixing carbon already released to tackle the prior generations' emissions is hard. Carbon dioxide is diffuse even from an industrial flue let alone as a handful of molecules of a specific sort out of millions floating in the air. Capturing it, however, is the job in hand for those in the energy and broader industrial sectors.

Carbon focus

The Paris Accord signed in 2016 expected countries to reduce their CO_2 emissions and try to limit global temperature rises this century to less than two degrees Celsius (2 °C) and ideally below 1.5°C pre-industrialisation levels.

The follow-up COP26 summit in the UK in November will probably set further conditions, to get to net-zero carbon emissions, as countries' voluntary contributions are not likely to achieve the sub-2°C target.

A member of the Global Energy Council and head of a corporate venturing unit added: "Annually, roughly eight gigatonnes of carbon are emitted into the atmosphere through the combustion of fossil fuel. Roughly two gigatonnes are emitted through deforestation and agriculture.

"Roughly 60% of these emissions are absorbed by the oceans, the biosphere and topsoil, while the other 40% accumulates in the atmosphere, increasing CO2 concentrations with roughly 2 ppm per annum at the current rate of emission. In order to stay within the target of maximum 2 0C warming by 2021, set by the Paris climate accord, mankind has no other option but to:

> speed up the transition to more sustainable forms of energy (electrification, second-generation biofuels, hydrogen and other dense energy carriers for harder to abate sectors of industry);

> reconsider nuclear as an option for densely populated areas (where the low energy density in Watts per m2 of renewable generation remains an issue);

> take CO_2 out of the atmosphere at a massive scale.

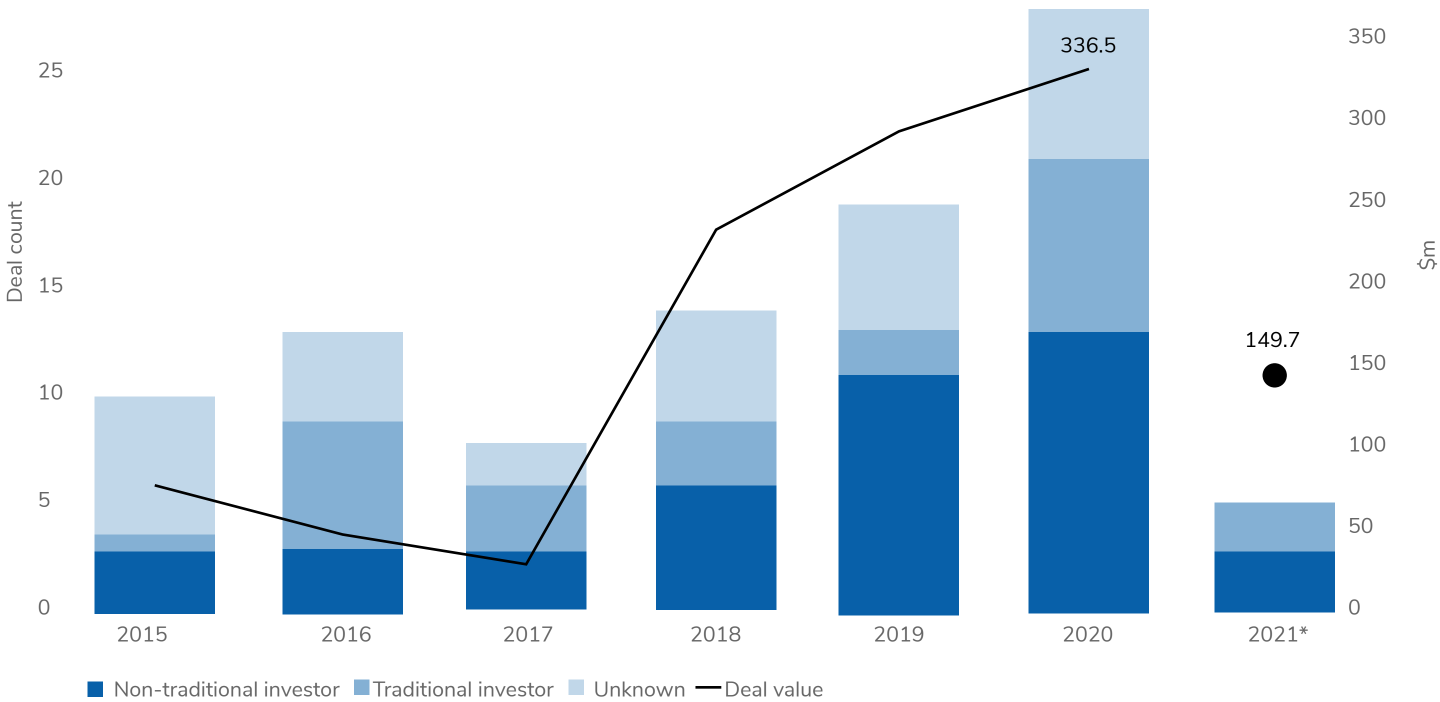
"As a Global Energy Council, let us make sure we are aligned on first principles, for example, what is the role of venturing in these domains and where does it make sense for us to collaborate to speed up the commercialisation of new technologies and business models that address these challenges?"

Even if emission-less energy technologies, such as wind, solar and nuclear, were built immediately it would still take until 2050 to retire much of the CO_2-emitting infrastructure from existing coal, oil and gas power plants.

Hence the increased focus on carbon capture, utilisation and storage (CCUS) rather than relying on reducing emissions.

But a global climate-policy simulator called En-Roads, developed by Climate Interactive, Ventana System, and MIT Sloan School of Management, found most CCUS policies and

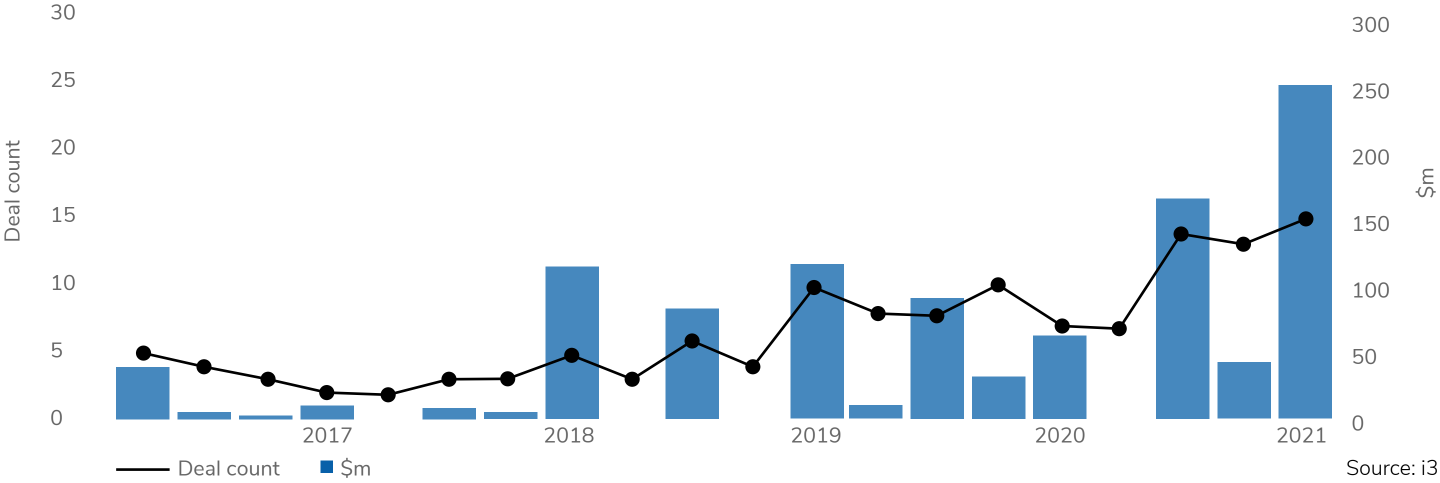
Carbon capture VC deals



Source: Pitchbook

*As of March 18

CCUS deal activity



Source: i3

technologies take too long to stop emissions now. This requires more investment. There are several other carbon-removal approaches that include capturing CO_2 directly from air, locking carbon in soils or underground, and accelerated mineral formation. Add these to the mix, and potential warming by 2100 comes down by half a degree Celsius.

This En-Roads scenario is bullish on carbon-removal technology but within limits as it requires a systems-wide overhaul of the energy industry and carbon prices.

Recent analysis from Rhodium Group said carbon capture could create 100,000 or more jobs per year and offer a $200bn-plus investment opportunity over the next 15 years.

As Ma Xin, managing director at France-listed energy group Total's corporate venturing unit, said: "Total's starting point is that while wind and solar will continued to advance and get cheaper, and coal will be significantly reduced, oil and gas will remain important parts of an energy system, including biogas and biofuel.

"Allied to lengthy conversion to say hydrogen for heavy industry, cement, chemicals, transport (aviation and heavy duty), then CCUS and natural-based solutions become vital to lower emissions. Energy storage, notably lithium, will play an important role in the energy system to ensure the incorporation of impermanency wind and solar. Also, carbon price will be critical as well as energy efficiency."

Taking action

Mevin Kistnassamy, partner at Blue Pelican Capital, a climate innovation fund, and former co-founder of the corporate venture capital arm of offshore energy services company Subsea 7, agreed a system-wide approach needed to be taken. He said: "There is too much evangelism of cleantech without a full evaluation of emissions. In China, coal plus CCS might be better than liquified natural gas plus CCS once the emissions cost of production, liquefaction and transportation are taken into account.

"This is not a sexy message to ecologists, but an important one, as in absolute terms oil and gas use is not going to change much at 100 million barrels of oil equivalent per day up to 2040 and so emissions will be as much. We need to recognise that change will not be as fast as needed and we also need to invest to mitigate continued fossil fuel use. CCS is an evolution rather than revolution, as in most cases, you need a lot of energy to reduce a little CO_2.

"Given the need for efficiency in the process, startups' niche technologies in purification of CO_2, membranes for capturing carbon and logistics to take it to pipelines can all help corporations which are good at deploying at scale."

But VCs generally dislike startups that bring a combination of regulatory, market and technology risks in a niche area. And so there has been relatively little venture investment in CCUS outside corporate venturing since the cleantech bubble in the mid-2000s burst with the global financial crisis in 2008-09.

VC-backed carbon capture startups took in $336.5m last year to set a modest record, according to Pitchbook data. Much of that investment was driven by non-traditional investors – oil companies, governments and others, which participated in about half of the near-30 deals, Pitchbook tracked. Traditional, or independent, VC firms invested in about a third.

Carbon Engineering's pilot plant in Squamish, British Columbia

The more comprehensive i3 database from Cleantech Group identified a record first quarter of deal activity in CCUS with 15 deals worth a disclosed, aggregate $251m.

But for startups to scale their technology up from pilot to industrial plants requires the main state and corporate incumbents to invest resources and money in expectation of strategic as well as potential financial returns. When asked if entrepreneurs in CCUS could help corporations given the challenges, Barbara Burger, vice-president for innovation and president of Technology Ventures at Chevron, said: "Bring it on. Decarbonising the energy system from generation to consumption is a hard problem.

"CCUS has been around for decades, but there are probably only 20 projects around the world because it is hard to scale and there have been limited policy incentives to invest in lower-carbon innovation.

"CCUS is needed in energy and other industries to help meet the global aims of the Paris agreement. Chevron supports the Paris agreement, and we and our portfolio companies in this area, such as Svante, Carbon Engineering and Carbon Clean, are working to drive innovation to overcome the challenges of scaling negative emissions technologies driving demand for them. Now we need 100 more Svantes and Carbon Engineerings."

The other main energy companies have almost all launched significant projects to catch and bury carbon, while heavy emitters, such as steelmakers and industrial, tech and transport companies, are requesting clean energy and often setting up corporate venturing funds.

Last month, ArcelorMittal launched its XCarb innovation fund to invest up to $100m per year in companies developing pioneering or breakthrough technologies that will accelerate the industry's transition to carbon neutral steelmaking.

In total, nearly 1,400 companies have promised to cut their net CO_2 emissions to zero over the coming decades particularly through carbon offsets, where the gas is removed from the atmosphere, according to the United Nations' Race to Zero campaign.

In turn, this is causing interest in how these promises can be tracked, with Plan A, a Germany-based platform for corporate carbon footprint tracking and reporting, raising $3m in seed funding from VCs Demeter and Coparion and Japan-listed conglomerate SoftBank.

Anil Achyuta, partner at TDK Ventures, the corporate venturing unit of the eponymous Japan-based advanced materials company, said: "Renewable adoption is a major driving force for TDK in order to reduce our carbon footprint by 100% by 2050 per our corporate goals. However, we believe there are a whole host of innovations in the carbon capture technologies into building materials, chemicals, and in food/nutrient production that we are very interested to deep dive and understand better."

For more on carbon capture and data on corporate venturing in the oil and gas industry, see our Global Energy Council supplement, out soon

Innovative region

Germany ecosystem wobbles

- > CVC dealmaking halves in a year
- > IT, healthtech and fintech focus
- > Corporates target series A to C rounds

By Liwen-Edison Fu
Supplements editor

"The uniqueness of Germany's innovation ecosystem comes, if at all, from cultural and historical consequences and the geographical realities," said Crispin Leick, managing director of EnBW New Ventures (ENV), Frankfurt-listed energy utility EnBW's corporate venture capital (CVC) arm.

"Germany is low on natural resources, the climate is ambient and allows for good working conditions and many of the largest German companies are direct descendants of a strong founder generation 100 to 150 years ago.

"Compared with other German-speaking European regions, there is only the size of the German market that leads to valuation differences, in my view. Comparability to Silicon Valley does not exist and all the managers travelling there in the past years can only take some ideas from it to transform it to the reality in Germany or Europe."

Corporate VC investment volume in Germany peaked in 2019 at roughly $3.6bn across 86 deals, but dropped to $1.8bn in 80 rounds the year after, probably due to covid-19-associated factors.

Corporate exits topped in 2020 logging nearly $1.4bn, up from $150m the year before; however, the 2019 figure is probably because of multiple acquisition transactions of undisclosed size. The CVC-backed portfolio companies that went public or were acquired were mostly in the IT sector, followed by healthcare, financial and consumer technology developers.

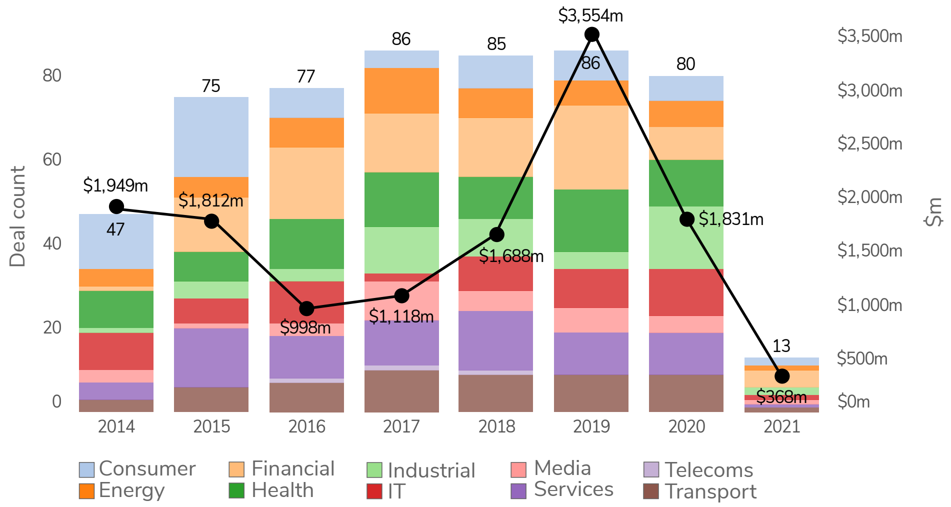
Jens Busse, an investment manager at Evonik Venture Capital (EVC), the corporate venturing unit of Essen-headquartered speciality chemicals provider Evonik Industries, added: "We see in Germany a unique ecosystem of CVC units. Even if the absolute numbers of CVC investors in the Silicon Valley (149) is higher than in Germany (99), the ratio of CVC investors to VC investors in Germany (13.4%) is significantly higher than in the Bay Area (6.9%) and Israel (5.3%).

"With this high density of CVCs, these units are working closely together, cross-industry and across the value chain, so that startups can profit from the ecosystem. These networks are actively managed by the government, for example, through the High-Tech Gründerfonds.

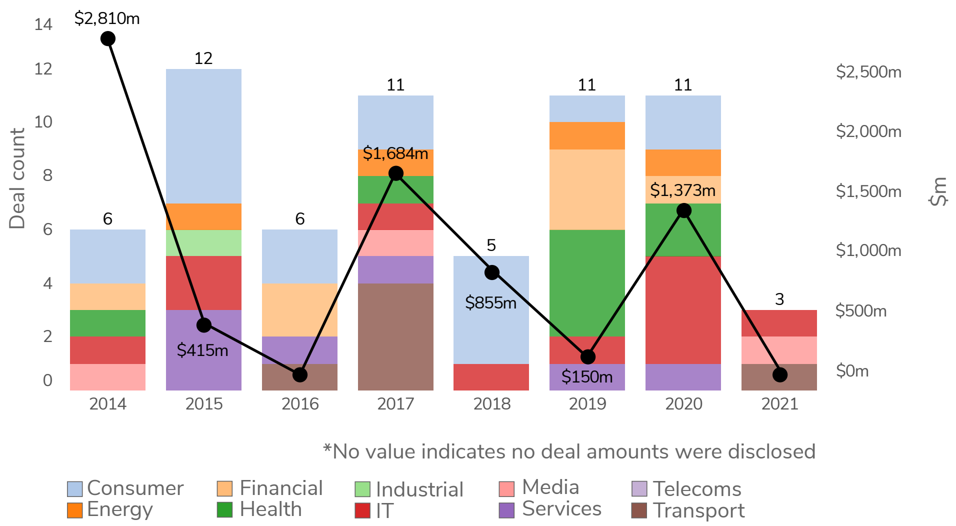
"With their global reach, the German CVC units open the global market for their portfolio companies. With a big footprint in all industry sectors such as automotive, chemistry, pharma, software, energy and finance, the diversity of investors is much higher than in other areas, as the focus in Silicon Valley is mainly on software, communication and networking, hardware and commercial services and for Israel software, communication and healthcare.

"In comparison, Germany is lagging in the absolute number of CVC

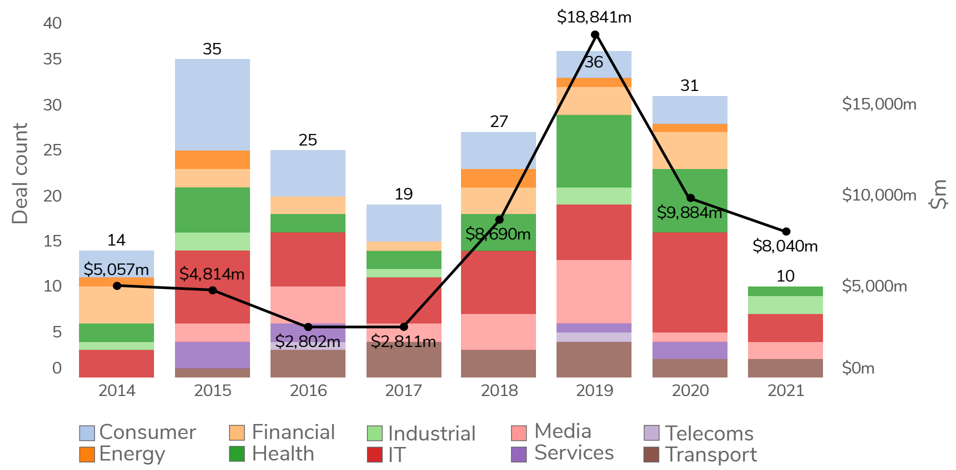
Corporate-backed deals in Germany-based enterprises



Corporate exits from Germany-based enterprises



Exits of Germany-based corporates



Source: GCV Analytics

deals (266 in the last 12 months and 278 on average over the past five years) in comparison to the CVC Silicon Valley deals (1,010 in the last 12 months and 908 on average over the last five years)."

Top corporate-backed deals in Germany from 2014 to 2021 include rounds raised by e-commerce group Rocket Internet, food delivery service Delivery Hero, automotive e-commerce platform developer Auto1 and travel services provider FlixMobility.

Travel experience provider GetYourGuide and second-hand automotive marketplace Frontier Cars Group also had notable CVC involvement, as did BioNTech, an immuno-oncology therapy company that is known for the covid-19 vaccine it co-developed with one of its former shareholders, pharmaceutical firm Pfizer.

Rocket Internet, Delivery Hero and BioNTech have all enabled their investors to exit, joining companies such as drink delivery service Flaschenpost, e-commerce marketplace Zalando, RNA therapeutics developer Rigontec and internet-of-things (IoT) technology provider Relayr.

Concerning his unit's investment practice, Ingo Ramesohl, a managing director at Robert Bosch Venture Capital (RBVC), industrial equipment producer Robert Bosch's investment subsidiary,


Ingo Ramesohl

said: "Since its foundation in 2007, RBVC always had a strong international focus, as we see innovation by startups happening all over the world.

"Our offices in Sunnyvale, California; Shanghai, China; Tel Aviv, Israel; and Stuttgart and Frankfurt, Germany underline this. We focus primarily on the team, the technology and the growth potential in fields that are relevant to Bosch. The location is less decisive."

Regarding the pandemic, ENV's Leick observed: "Germany is realising how slow and non-digital government is acting in the crisis, so this will give opportunities for the startups to help out."

He added: "Germany's innovation ecosystem has strongly developed – and continues to grow – in terms of the number of investors, invested amounts and types of investors. Today, it is possible

Top corporate-backed deals in Germany-based businesses 2014-21

Portfolio company	Sector	Round	Round size ($)	Co-participant list
Rocket Internet	Consumer	Stake purchase	580	United Internet
Delivery Hero	Consumer	Stake purchase	568	Rocket Internet
AUTO1 Group	Transport	Undisclosed	565	SoftBank
FlixMobility	Services	E and beyond	561	General Atlantic | Georg von Holtzbrinck | Permira | Silver Lake | TCV
GetYourGuide	Services	E and beyond	484	Korelya Capital | Lakestar | SoftBank | Temasek | Zürcher Kantonal Bank
Rocket Internet	Consumer	Stake purchase	446	Philippine Long Distance Telephone (PLDT)
Frontier Cars Group	Transport	Undisclosed	400	OLX Group
Delivery Hero	Consumer	E and beyond	350	Insight Venture Partners | Kite Ventures | Tengelmann | Vostok New Ventures
BioNTech	Health	B	325	BVCF | Fidelity | Invus | Jebsen Asset Management | Mirae Asset Ventures | Platinum Asset Management | Redmile Group | Steam Athena Capital | Strüngmann | undisclosed investors
Tier Mobility	Transport	C	250	Goodwater Capital | London Technology Club | Mubadala | Northzone | Novator Partners | RTP Global | SoftBank | White Star Capital
Lilium Aviation	Transport	Undisclosed	240	Atomico | Freigeist Capital | LGT Group | Tencent
Curevac	Health	Undisclosed	176	GSK
Auxmoney	Financial Services	C	170	Transamerica
N26	Financial Services	D	170	Allianz | Earlybird | GIC | Greyhound Capital | Insight Venture Partners | Tencent | Valar Ventures
Sennder	Services	D	160	Accel Partners | HV Capital | Lakestar | Project A Ventures | Scania

Source: GCV Analytics

Top corporate-backed exits from Germany-based businesses 2014-21

Portfolio Company	Sector	Round	Round size ($)	Co-participant list
Rocket Internet	Consumer	IPO	1,800	Access Industries | Georg von Holtzbrinck | Global Founders Capital | Kinnevik | Philippine Long Distance Telephone (PLDT) | United Internet
Flaschenpost	Consumer	Acquisition	1,160	Cherry Ventures | GR Capital | Saarbruecker 21 | Sociedade Francisco Manuel Dos Santos | Tiger Global Management | Vorwerk
Delivery Hero	Consumer	IPO	1,130	Global Online Takeaway Group | Naspers | Rocket Internet
Zalando	Consumer	IPO	664	Anders Holch Povlsen | DST System | Georg von Holtzbrinck | Global Founders Capital | Kinnevik | Tengelmann
Rigontec	Health	Acquisition	554	Boehringer Ingelheim | Forbion Capital Partners | High-Tech Gruenderfonds | MP Healthcare Venture Management | NRW Bank | Sunstone Capital | Wellington Partners
Relayr	IT	Acquisition	300	Bridge 37 Ventures | Deutsche Telekom | Kleiner Perkins | Munich Re Ventures | Munich Venture Partners | Purple Arch Ventures | undisclosed investors
Delivery Hero	Consumer	Acquisition	242	Rocket Internet
Quandoo	Consumer	Acquisition	220	CRES Columbus Internet Group | DN Capital | Georg von Holtzbrinck | Piton Capital | Recruit Holdings
Curevac	Health	IPO	213	Eli Lilly | Genmab | GSK | KFW | Qatar Investment Authority
Fyber	Media	Acquisition	190	Hasso Plattner Ventures Africa | Investitionsbank Berlin | Kite Ventures | Nokia | Point Nine Capital | RNTS Media | Team Europe Ventures
Home24	Consumer	IPO	174	Baillie Gifford | Kinnevik | Rocket Internet | Vanguard
BioNTech	Health	IPO	150	BVCF | Eli Lilly | Fidelity | Invus | Janus Henderson Investors | Jebsen Asset Management | MIG Fonds | Mirae Asset Ventures | Pfizer | Platinum Asset Management | Redmile Group | Sanofi | Steam Athena Capital | Strüngmann
Foodpanda	Consumer	Acquisition	140	Just Eat | Rocket Internet
Westwing	Consumer	IPO	139	Access Industries | Fidelity | Kinnevik | Odey Asset Management | Rocket Internet | Summit Partners | Tengelmann | undisclosed investors
Industry of the Future Fund	Financial Services	Other	100	Siemens

Source: GCV Analytics

to build consortiums that truly make a startup stronger by taking on different parts of the needs, for example, internationalisation versus industrial sector insights.

"We, therefore, spend more time in setting up the right mix and balance in a consortium than 10 years ago. The CVC community, especially, has grown; today, we only work with CVC setups that follow the same basic beliefs as ours.

"Huge governmental facility is also in the works, which is being managed by [German government-owned development bank] KfW, not only to support early-stage VCs but also to close the gap on growth equity.

"In addition, diversity is a strong discussion topic in Germany as the country lags by far other economies on this."

Philipp Rose

Philipp Rose, another managing director at RBVC, pointed out that his fund is currently focusing on areas including artificial intelligence (AI) and deep learning as well as general explainable and validation of AI; 5G, edge computing and IoT; all kinds of software and hardware that enable Bosch in relevant verticals; process automation; quantum computing and next-generation computing; and autonomous systems.

EVC takes advantage of ecosystem collaboration, according to Busse, who said: "The number of CVCs has increased significantly in recent years – especially in 2015 and 2016 – which leads to good networking between CVCs and startups, and they are now also complemented by upcoming incubators and accelerators at the universities. The positive effect of collaboration between startup – speed – and corporates – the ability to scale – is currently perfectly shown with the fast development in the collaboration of BioNTech and Pfizer.

"This has no impact on our investment approach as we invest on a global scale, but overall, the willingness in the business units to work with startups has increased."

Leick believes Germany's tech companies will help the public sector transition towards digitisation. He said: "Germany will make a big infrastructure and digitisation push for years to come because the government has finally realised that Germany is years behind other countries when it comes to digital public service, digital education and digital infrastructure."

Busse added: "Germany is strong in many industry sectors such as automotive, chemistry, pharma, software, energy and finance but some new trends are emerging. As well as strong activities in Berlin, Munich, Frankfurt, Hamburg and Stuttgart, we see a new ecosystem in North-Rhine Westphalia with a focus on cybersecurity, biotech and life sciences."

German corporates have focused on series A, B and C rounds historically, targeting startups working on IT, healthtech, fintech, consumer and energy, among others.

On RBVC's ecosystem collaboration, Ramesohl explained: "As RBVC, we are set up like an institutional VC that has one LP – Bosch. This entails that we invest in strategically relevant topics, but with the freedom and incentives of an institutional VC, well-aligned with startup interests.

"We can take the lead, co-lead or follow in a given financing round, however, we always team up with co-investors and invest alongside other reputable and strong VCs and CVCs. A good financial foundation enables the startups to focus on the essential part: driving the business forward.

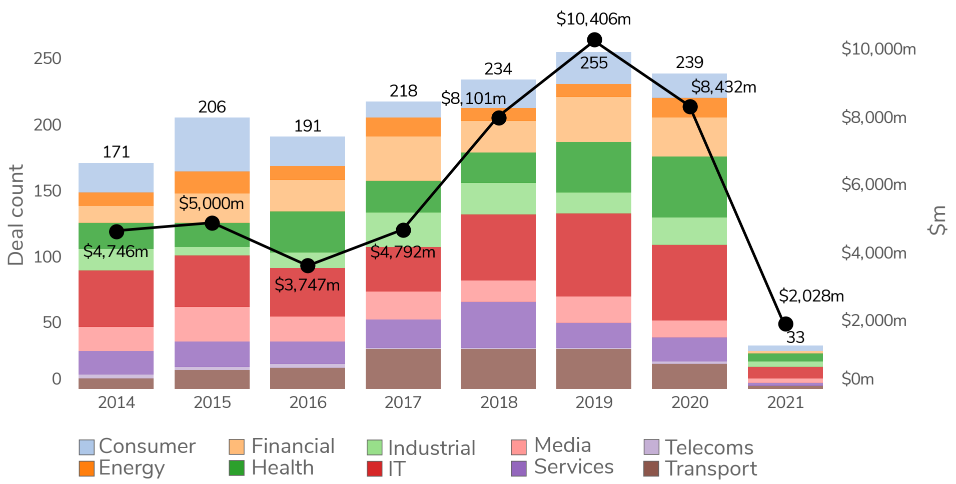
Rose added: "RBVC is a very active investor. We support the strategic and operational development of the startups primarily through active membership in the board of directors, enabling access to sales channels, suppliers and markets.

"Incubators and accelerators, as well as universities, are good contributors to our dealflow of more than 2,000 startups per year. On top of our investment activities, we are utilising our dealflow to actively enable collaboration with the Bosch Group. We have institutionalised this effort through our 'Open Bosch' team.

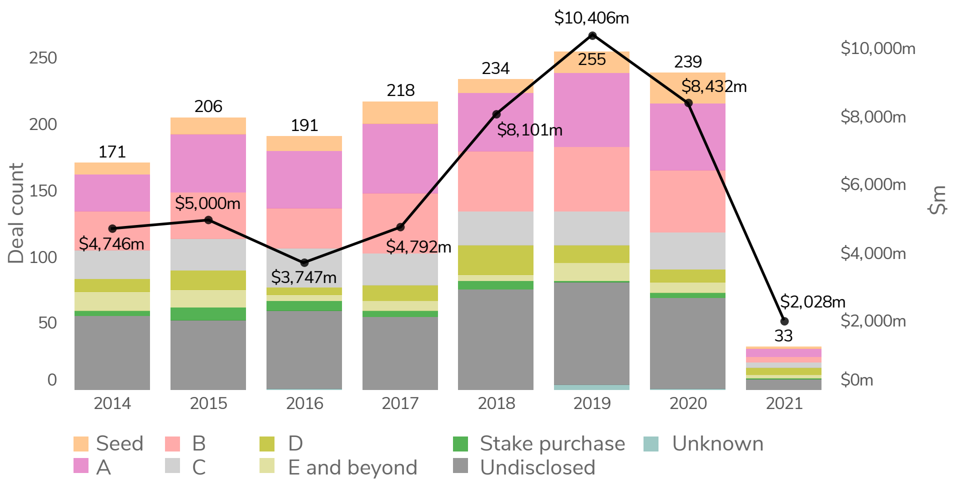
"The colleagues are facilitating cooperation and partnerships in building bridges between startups and the respective Bosch business units worldwide. Open Bosch uses the so-called venture client model as a central multiplier function for this purpose."

ENV does not work directly with the government but it does work with early-stage investors that receive government money, said Leick, who added: "We have some links with universities based on personal relationships and try to engage from time to time to convince students to join the VC industry.

Deals by Germany-based corporates by sector



Deals by Germany-based corporates by region



Source: GCV Analytics

"When it comes to CVCs and VCs, we know the ones that are active in the smart infrastructure space and exchange regularly with them to discuss investment trends or common interests in order to prepare to invite them into deals based on such knowledge.

"It is great to work with players that are in the field for 20 years but we also enjoy working with fresh minds, that manage their first fund. After all, it is most exciting to discuss, how to support the entrepreneurs to build a successful and sustainable company with products that bring our three core targets together: people, planet and profit."

Busse said open innovation is key for Evonik, so its research, development and innovation unit works closely with these organisations. "EVC is in close contact with our peer CVC partners but we also try to build investment consortia across the value chain. EVC supports incubators and accelerators by taking an active role in their education or it acts as an industry expert and first contact for the startups.

"Institutions such as the High-Tech Gründerfonds, European Innovation Council, European Investment Bank, the Federal Ministry of Education and Research and the Federal Ministry for Economic Affairs and Energy have made a significant contribution to the development of the ecosystem, therefore EVC is working closely together with them and give for example participants in the EIC programme the opportunity to pitch in front of the Evonik business lines to get valuable industry insights for their development, and maybe find a first customer in Evonik."

Traditional hubs such as Frankfurt are now being joined by North-Rhine Westphalia

Global University Venturing

Platform technologies: going deep to go wide

> VC is like rocket fuel for tech transfer to the real world
> But proving traction to VCs is essential
> Show you can make a difference as soon as possible

By Simon Goldman
Investment director, UCL Technology Fund

Biomedical platform technologies are appealing because they can create impact (and therefore revenues) in multiple markets or indications, with less investment needed to get there. The commonalities between products arising from a platform, such as a shared manufacturing process, result in scalability. Venture capitalists adore this because it increases the chances of realising a much bigger return for a given investment – the same process produces multiple revenue streams. But they are only going to value the platform in all its glory when it is actually demonstrated its potential, as we have seen for gene therapy platforms in the last year or so. So that is why it is crucial for developers of platform technologies to run as hard and fast as they can to show that it actually works in one first, real-world application – even if tempted to invest effort in showing just how broadly it could be applied. I call this the difference between going “deep” and going “wide”.

University researchers developing cool new platform technologies often have a wide range of funding options available to them. But there are important differences between VC funding and other sources, whether grants from governments or charities, industry collaborations, or other sources of early stage private investment. These funding sources vary not only in terms of how competitive or fast or slow they are to secure, but also in terms of their risk and return requirements, time horizon and each funder's own incentives and reasons for providing support. And while they are often necessary, they may not be sufficient to ensure that the technology can be developed all the way through to actual impact. At one extreme are government-funded research and development grants, which are often non-dilutive and can be perfect for very early stage R&D because they generally do not seek any financial return. Public funders' incentives are tuned to the advancement of science and social impact, though it is worth noting that many do increasingly take revenue shares to potentially support future grant funding. In general, these grants are very competitive and can take a while to secure, and if funding is received it is often hard to change the work program or gain certainty of follow-on support.

Venture capital funding, at the other extreme, is like rocket fuel for translation to real-world impact. VC funds, such as our own UCL Technology Fund, are happy to take big risks in order to progress technology development fast – but they also explicitly require an appropriate return based on that risk profile. This is because they recognise that most of the investments that they make are going to fail, particularly for very early stage investments – and so each investment proposition has to have the potential to generate many multiples of the original amount put in; 10 times cash-on-cash returns is an oft-cited benchmark.

Simon Goldman

So: the most important things a VC investor wants to understand about a technology are:

What is the unmet need that the technology can solve? And therefore how big is (are) the addressable market(s)?

How much money and time is needed get from where the programme is today through to point of demonstrating evidence of traction that then enables the VC to exit their investment to a buyer?

The idea of traction here is critical – and this means definitive data to show that the technology truly meets the unmet need, such that users are willing to pay for it (profitably). For a software product, this might mean demonstrating that customers have both adopted the product and are increasing their paid-for usage over time. For a therapeutic, traction is typically only first evidenced by phase 2 clinical trial success, that is, where a drug is demonstrated to be both safe and efficacious in providing relief (or even better, cure) from disease. Therefore, what you are actually going to do with a VC's money is a critical consideration for anyone seeking this form of funding to accelerate innovation to impact.

And it is in this context that developers of platform technologies need to very seriously consider going "deep" rather than "wide" in demonstrating the value of their innovation. Put yourself in their shoes: the VC is going to get a certain percentage of equity in the programme in return for their funding, and they want to know from the start whether that money provides enough runway to achieve traction and enable an exit commensurate with the risk.

Let us take an example of a snazzy new gene therapy platform that has the potential to treat a number of diseases that current technologies cannot address. The academic founders have some great data in an animal model demonstrating that the new approach shows signs of efficacy and is apparently safe. The founders have an opportunity to take some VC investment; for simplicity assume it is £5m in return for which the investor will get 50% of the equity. If the investor is seeking at least a 10x return on their investment (£50m), this implies that an exit will need to be in excess of £100m.

So what to do with the money? One option could be to develop a slew of new constructs and run a bunch more experiments in different diseases to demonstrate the platform's value in a relatively cheap way; another could be to use the money to complete a preclinical translation package for the disease already tested in the model, then get some vector made and treat a small number of patients who do not have any other options.

The latter has the better chance of achieving the VC's desired exit because it provides for a situation in which the gene therapy might show safety and perhaps even signs of efficacy in man – that is, traction. It also highlights the critical interaction between points one and two that I listed above – is the market for that first indication big enough to justify the £100m exit on the basis of the data that has been generated in the £5m funding round, even if the tech never gets used in any other indications? But it also means that further investors (or indeed buyers) may well actually value the broader opportunities of the platform demonstrated by its first application in the real world.

The problem with going wide too early is that although it can demonstrate the maximum extent of the market for a platform, it may take far longer or require substantially more investment to get to the point of showing traction than going deep. This might disincentivise VC funding. And given that our goal is to revolutionise people's lives, why not go deep from the start and not only enhance the value of the platform, but show that you can make a real difference as soon as possible?

This article was first published on the blog of UCL Technology Fund.

Global Impact Venturing

Conservation Venture Studio tackles climate change

> Oxford-GAV vehicle will target conservation startups
> The studio has $25m to fund 13-20 companies
> There is no management fee but it will take 'carry'

By James Mawson
Editor-in-chief

Oxford University Innovation, the tech transfer arm of University of Oxford, has partnered venture capital firm Global Accelerated Ventures to set up a $25m special purpose investment vehicle targeting conservation startups.

The Oxford GAV Conservation Venture Studio will support and bring prototypes to market without charging a 2% management fee on assets under management, though it keeps the 20% performance fees – called carried interest.

The venture studio will aim to launch between 13 and 20 companies tackling climate change challenges over the next two years, with areas of interest including solutions to biodiversity loss, the energy crisis, human food security and landscape change.

Robert Montgomery, a professor of conservation science at Michigan State University and a senior research fellow at Oxford's Lady Margaret Hall, has been named managing director of the studio.

Professor David Macdonald, founder and director at the university's Wildlife Conservation Research Unit, said: "What more potent than to combine the greatest problem on earth with the greatest source of solutions, for the shared well-being of nature and people?"

Data

Corporate venturing hits record highs

- Deal numbers and dollar terms hit new levels
- Record number of exits
- Funding initiatives up in number and dollar value

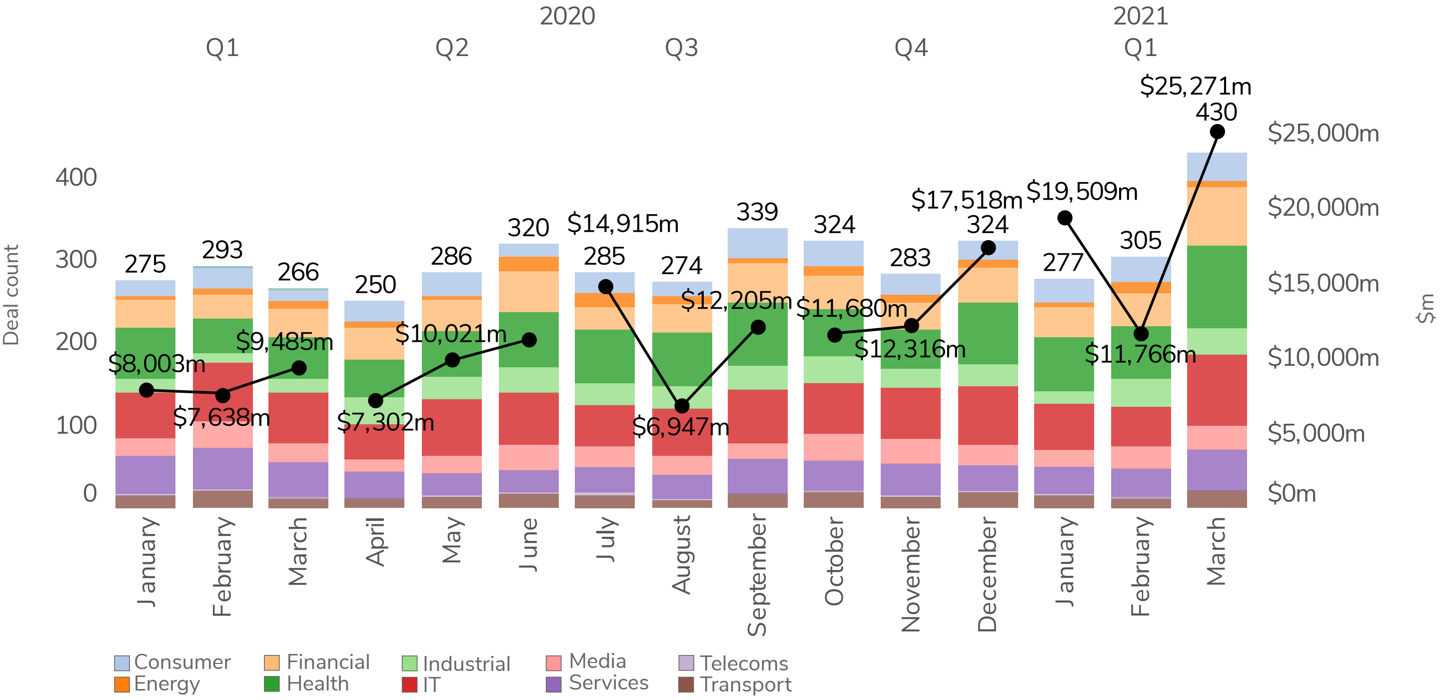
By Kaloyan Andonov
Analyst

The world started the new year with hopes of fighting off the covid-19 pandemic. The enthusiasm stemming from vaccine rollout has permeated the investment world and investing is in full swing. So much so that March registered record highs, which few would have expected a year ago when the pandemic broke out.

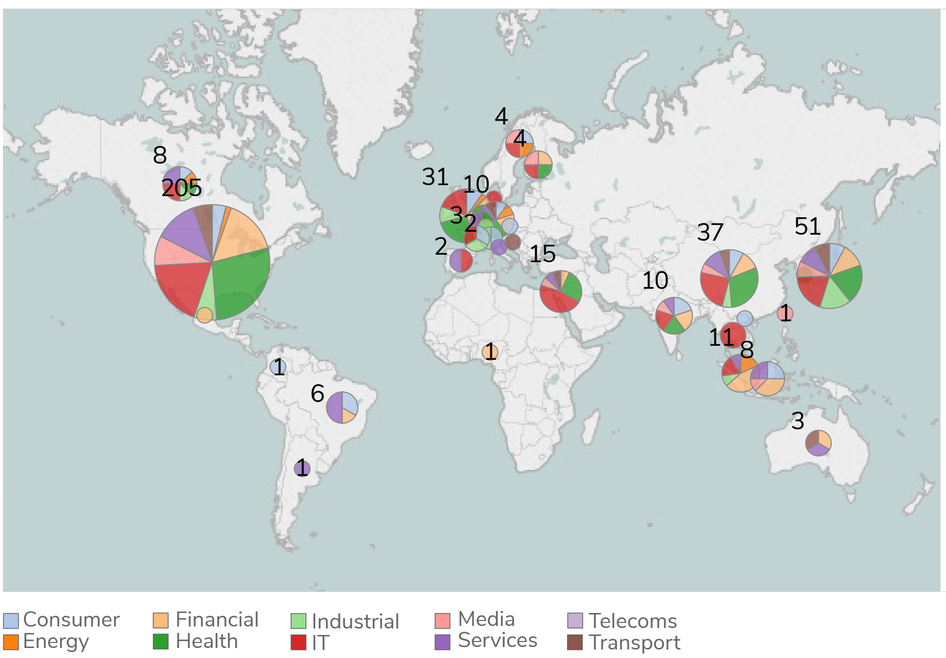
Deals	Exits	Funding initatives
430	58	33

Deals by month

According to GCV Analytics, the number of corporate-backed deals from around the world was 430 in March, nearly 62% higher than the 226 rounds from the same month last year and considerably higher than any month from the past year. Investment value stood at nearly $25.27bn in total estimated capital – more than 2.5 times the $9.49bn in March 2020.



Global view of deals

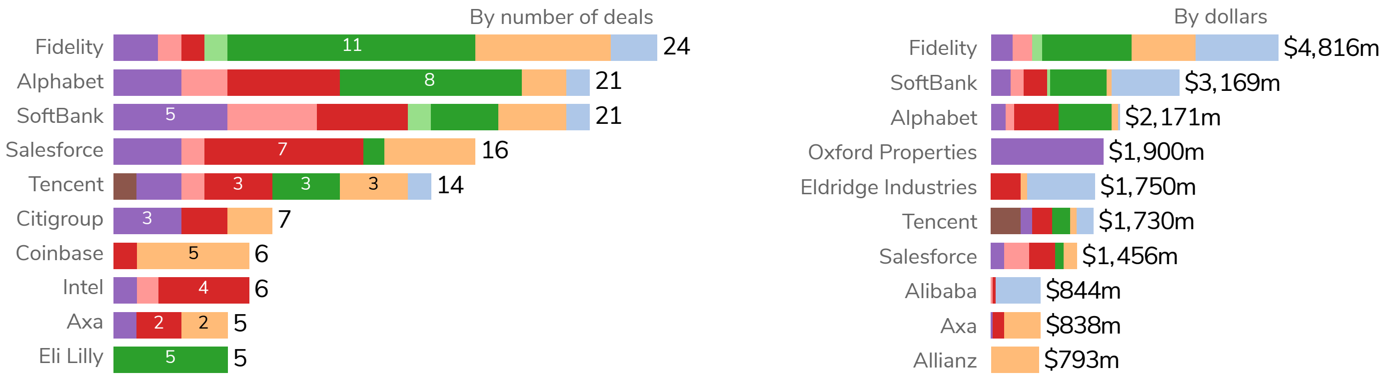


The US came first in the number of corporate-backed deals, hosting 205 rounds, while Japan was second with 51 and China – third with 37.

Source: GCV Analytics

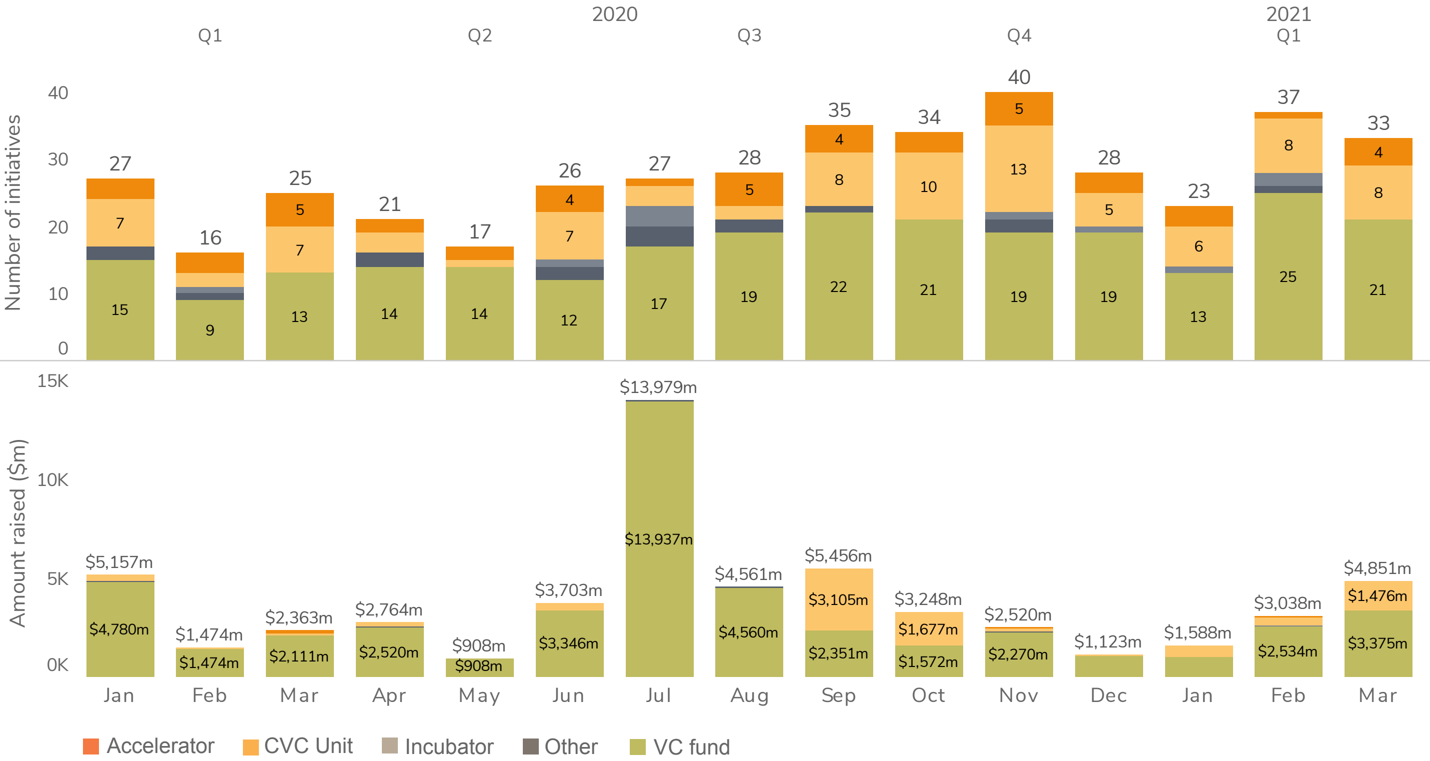
Top investors

The leading corporate investors by number of deals were investment and financial services group Fidelity, diversified internet conglomerate Alphabet and telecoms and internet conglomerate SoftBank. In terms of involvement in the largest, Fidelity, SoftBank and Alphabet were on the top of the list as well.



Funding initiatives

GCV Analytics reported 33 corporate-backed funding initiatives in March, including VC funds, new venturing units, incubators, accelerators and other. This figure is higher than the one from March 2020, which registered 25 initiatives. The estimated capital raised in those initiatives amounted to $4.85bn, slightly more than double the $2.36bn raised during the same month last year.

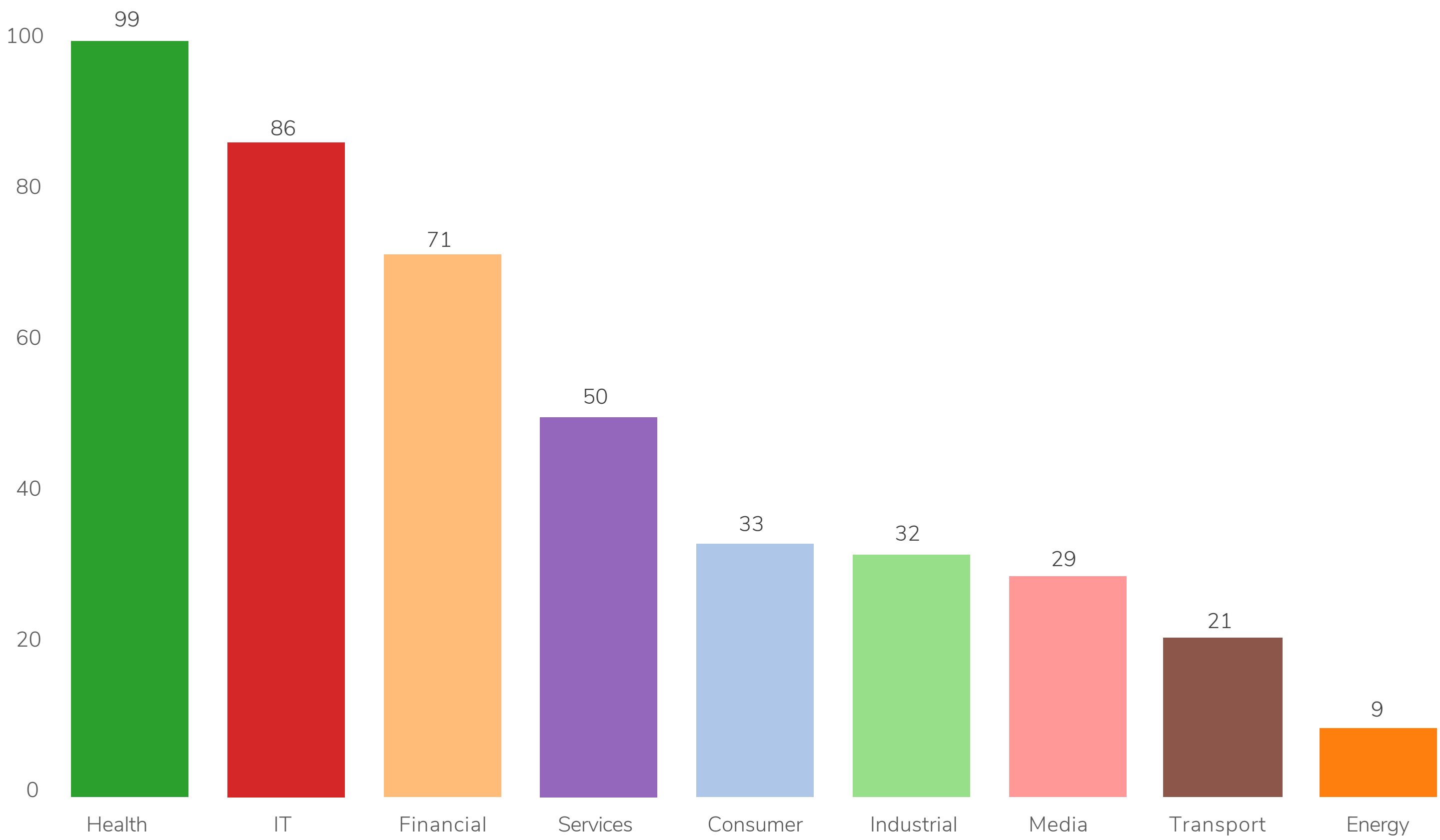


Source: GCV Analytics

Deals

By sector

Emerging businesses from the health, IT, financial, services and consumer sectors led in raising the largest number of rounds in March 2021. The most active corporate venturers came from the financial, IT, health, media and consumer sectors.



Heatmap

	Financial	IT	Health	Media	Consumer	Industrial	Telecoms	Services	Transport	Energy
North America	87	45	38	26	17	19	15	9	10	11
Asia	49	28	11	17	16	14	12	13	11	6
Europe	26	8	8	6	5	6	8	2	3	3
Middle East	4	7	1	1	2	2	3		1	
South America	2	3			2		2	2		
Australia/NZ	1	1			1			1		
Africa		1								

Source: GCV Analytics

Top 10 deals

Portfolio company	Location	Sector	Round	Round size ($m)	Co-Participant List
Lineage Logistics	USA	Services	Undisclosed	$1.9bn	BentallGreenOak | CenterSquare Investment Management | Cohen & Steers | D1 Capital Partners | Morgan Stanley | OP Trust | Oxford Properties
GoPuff	USA	Consumer	Undisclosed	$1.15bn	Baillie Gifford | D1 Capital Partners | Eldridge Industries | Fidelity | Luxor Capital | ReInvent VC | SoftBank
Nice Tuan	China	Consumer	D	$750m	Alibaba | Anatole | CDH Investments | Cygnus Equity | DE Shaw | Dragoneer Investment Group | DST Global | Franchise Capital | GGV Capital | Jeneration Capital | Kunlun Capital
Stripe	USA	Financial Services	E and beyond	$600m	Allianz | Axa | Baillie Gifford | Fidelity | Ireland National Treasury Management Agency (NTMA) | Sequoia Capital
ElevateBio	USA	Health	C	$525m	EcoR1 Capital | EDBI | Emerson Collective | F2 Ventures | Fidelity | Invus | Itochu | Matrix Capital | MPM Capital | Redmile Group | Samsara BioCapital | SoftBank | Surveyor Capital | undisclosed investors | Vertex Ventures
Momenta	China	Transport	C	$500m	Bosch | Cathay Capital | GGV Capital | Mercedes-Benz | SAIC Motor Limited | Shunwei Capital | Temasek | Tencent | Toyota | Yunfeng Capital
Dataminr	USA	IT	Undisclosed	$475m	ArrowMark Partners | Eden Global | Eldridge Industries | Institutional Venture Partners (IVP) | MSD Capital | Reinvent Capital | Valor Equity Partners
Insitro	USA	Health	C	$400m	Alexandria Real Estate Equities | Alphabet | Andreessen Horowitz | Arch Venture Partners | BlackRock | Canada Pension Plan | Casdin Capital | Foresite Capital | Hof Capital | SoftBank | T Rowe Price | Temasek | Third Rock Ventures | Two Sigma Investments | undisclosed investors
Hopin	USA	Media	C	$400m	Andreessen Horowitz | Coatue | DFJ Growth | General Catalyst | Institutional Venture Partners (IVP) | Northzone | Salesforce | Tiger Global Management
Starling Bank	UK	Financial Services	D	$377m	Fidelity | Millennium Management | Qatar Investment Authority | UK Railways Pension Scheme (RPMI Railpen)

Source: GCV Analytics

1 US-headquartered cold chain services provider Lineage Logistics secured $1.9bn in equity funding from investors including real estate developer Oxford Properties and investment bank Morgan Stanley's MS Tactical Value and Conversant Capital vehicle.

The funding was raised alongside a $2.8bn revolving credit facility and term loan, and will support the construction of new facilities and the expansion of the company's existing warehouses. Real estate investment firms CenterSquare Investment Management, BentallGreenOak and Cohen & Steers, hedge fund manager D1 Capital Partners and pension fund manager OP Trust also participated in the round.

Founded in 2008, Lineage provides chilled transportation for food and temperature-controlled storage through a network of 340 warehouses across five continents, using technology to make its activities more efficient.

2 GoPuff, the US-based operator of a personal services app, received $1.15bn from investors including telecoms and internet group SoftBank's Vision Fund I at an $8.9bn valuation. Fidelity Management and Research also took part in the round, among other investors.

Founded in 2013, GoPuff runs an online platform that allows users to order products such as food and drink, cleaning, baby and pet products, over-the-counter medications and, in some places, alcohol, for delivery.

The company operates from a network of fulfilment centres and charges a flat $1.95 fee per delivery. It will use the funding to expand geographically, extend its product range, grow its team and bolster its technology.

3 E-commerce firm Alibaba and investment firm DST Global co-led a $750m series D round for China-based grocery platform Nice Tuan. Anatole Investment, CDH Investments, Cygnus Equity and DE Shaw took part in the round, as did Dragoneer, Franchise Capital, GGV Capital, Jeneration Capital and Kunlun Capital.

Founded in 2018 and also known as Shihuituan in Chinese, Nice Tuan runs an online community marketplace that helps users bulk-buy grocery items such as fruit and vegetables, meat and packaged goods at discount rates. The cash will go towards improving its shipping operations and expanding its fresh produce business.

4 US-based digital payment technology producer Stripe received $600m from investors including insurers Axa and Allianz – the latter through its Allianz X vehicle – at a $95bn

valuation. Fidelity Management & Research also participated in the round, as did investment management firm Baillie Gifford, venture capital firm Sequoia Capital and Ireland's National Treasury Management Agency. Stripe provides digital payment processing and business management software. The funding will support European growth, as well as the expansion of its software, services and Global Payments and Treasury Network, which helps customers grow internationally.

5 US-based gene therapy developer ElevateBio secured $525m in a series C round that included SoftBank's Vision Fund 2 and diversified trading firm Itochu. The round was led by investment manager Matrix Capital Management and also featured Fidelity Management & Research Company in addition to a large undisclosed insurance firm. Launched in 2019, ElevateBio is working on cell, gene and regenerative therapies which are being developed by its research and development and manufacturing unit, ElevateBio BaseCamp, for a wide range of potential illnesses.

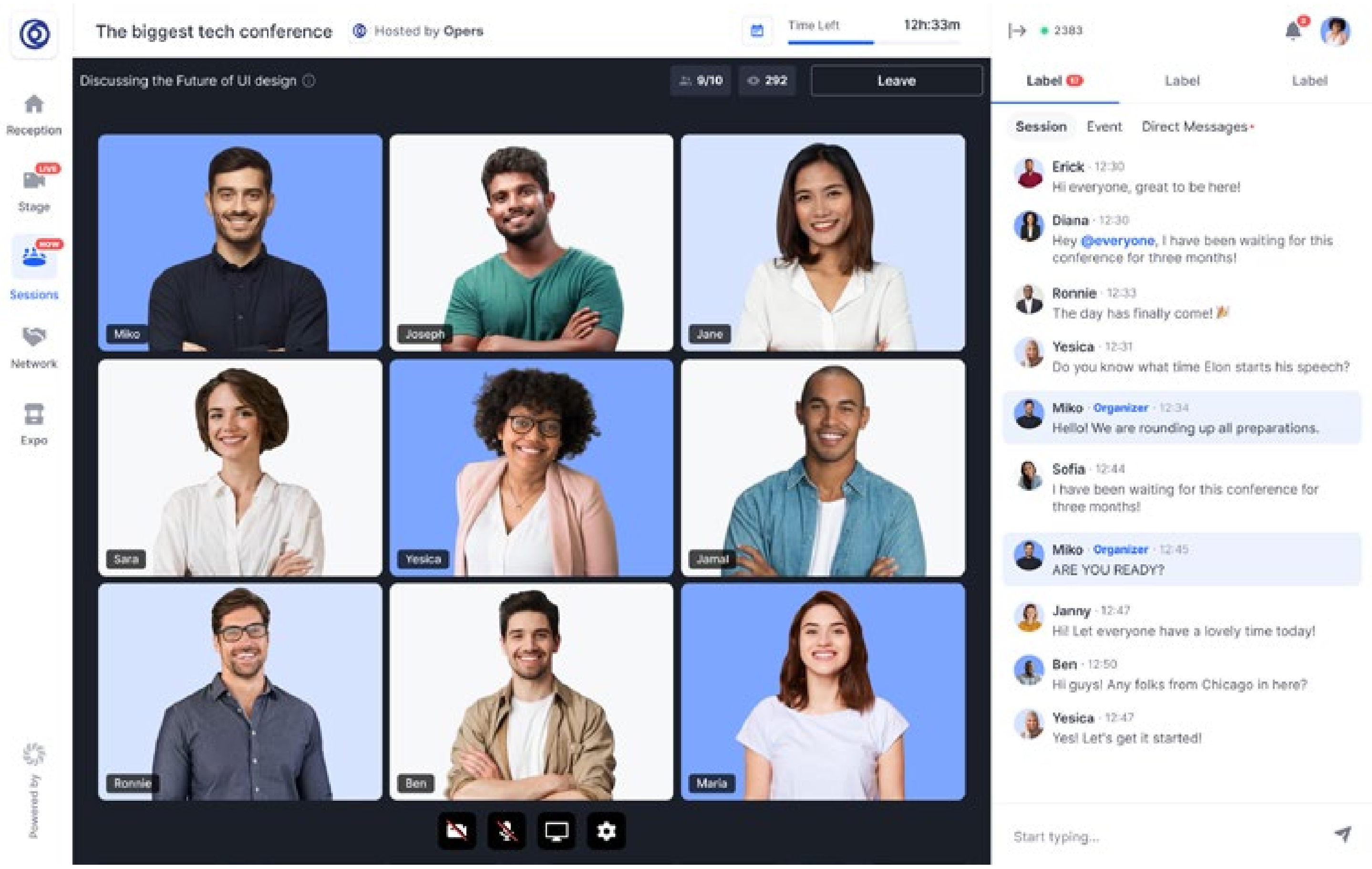
6 China-based autonomous driving technology developer Momenta.ai raised $500m in a series C round co-led by industrial technology and appliance producer Bosch and automotive manufacturers SAIC Motor and Toyota. Singaporean government-backed Temasek and Yunfeng Capital, a private equity firm formed by e-commerce group Alibaba co-founder Jack Ma, also co-led the round, which included carmaker Mercedes-Benz, internet group Tencent, Cathay Capital, GGV Capital and Shunwei Capital. Founded in 2016, Momenta is developing a data analytics and deep learning-equipped software tool designed to help driverless cars achieve full autonomy through automatic route planning and prediction technology.

7 Dataminr, the information discovery software provider backed by financial services firm Credit Suisse, completed a $475m financing round valuing it at $4.1bn. Diversified conglomerate Eldridge, Valor Equity Partners, MSD Capital, Reinvent Capital, ArrowMark Partners, IVP and Eden Global provided the funding along with investment funds managed by investment banking firm Morgan Stanley's Tactical Value subsidiary.

Founded in 2009, Dataminr has built a software platform that analyses public data from sources including social media, blogs, web forums, the deep and dark web, internet-of-things sensors, audio and radio transmissions in real time in order to detect patterns and unearth information.

8 US-headquartered drug discovery technology provider Insitro received $400m in a series C round

Stripe (conference room pictured) received $600m from investors



Hopin has developed a virtual events platform

featuring GV and Softbank Investment Advisers, on behalf of Alphabet and SoftBank. Canada Pension Plan Investment Board (CPP Investments) led the round, which included Alexandria Venture Investments, the VC arm of life sciences real estate investment trust Alexandria Real Estate Equities, as well as an unnamed healthcare provider and undisclosed investment group.

Insitro uses machine learning technology to support drug development through enhanced medicine design, the creation of predictive cell-based disease models and the deployment of statistical genetics in locating druggable targets.

9 Hopin, the US-based developer of a virtual events platform, hiked its valuation to $5.65bn in a $400m series C round featuring enterprise software provider Salesforce's corporate venturing subsidiary, Salesforce Ventures.

VC firms IVP, Andreessen Horowitz and General Catalyst co-led the round, which included Coatue, DFJ Growth, Northzone and Tiger Global Management. Sriram Krishnan, general partner at Andreessen Horowitz, is joining the company's board of directors.

Founded in June 2019, Hopin has built a software platform that enables users to create immersive virtual live events using live video technology and interactive tools.

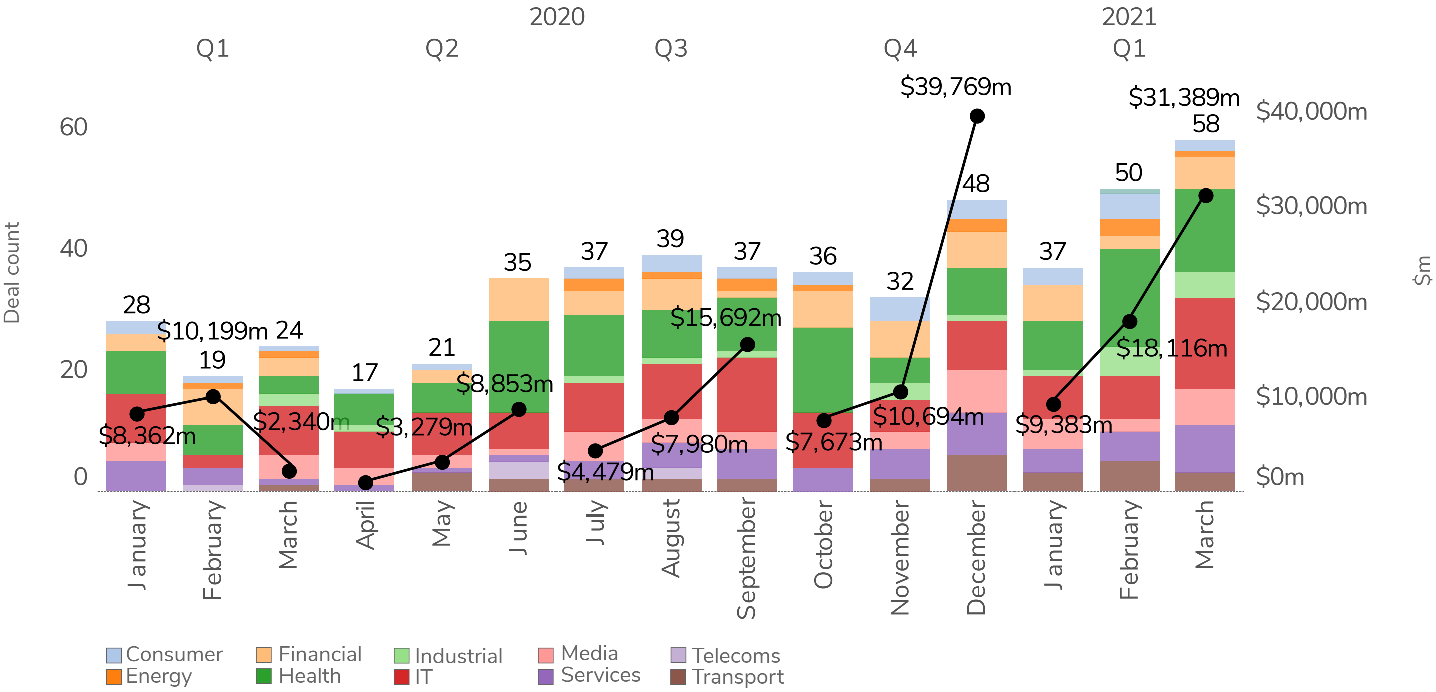
10 Starling Bank, the UK-based digital bank backed by financial, real estate and consulting services provider JTC Group, received £272m ($377m) in series D funding. The round was led by Fidelity and included RPMI Railpen, the investment manager of the UK Railways Pension Scheme, as well as sovereign wealth fund Qatar Investment Authority and investment firm Millennium Management. The round valued Starling at $1.53bn pre-money according to the company.

Founded in 2014, Starling offers personal, business and joint accounts through a mobile app. In addition to British pounds, users can open euro and US dollar-denominated checking accounts, and the company also offers a range of loans. The app includes a marketplace allowing users to connect to third-party financial offerings such as pension funds and insurance products to their bank account. Starling also operates a business-to-business service, marketing its technology platform to financial services firms.

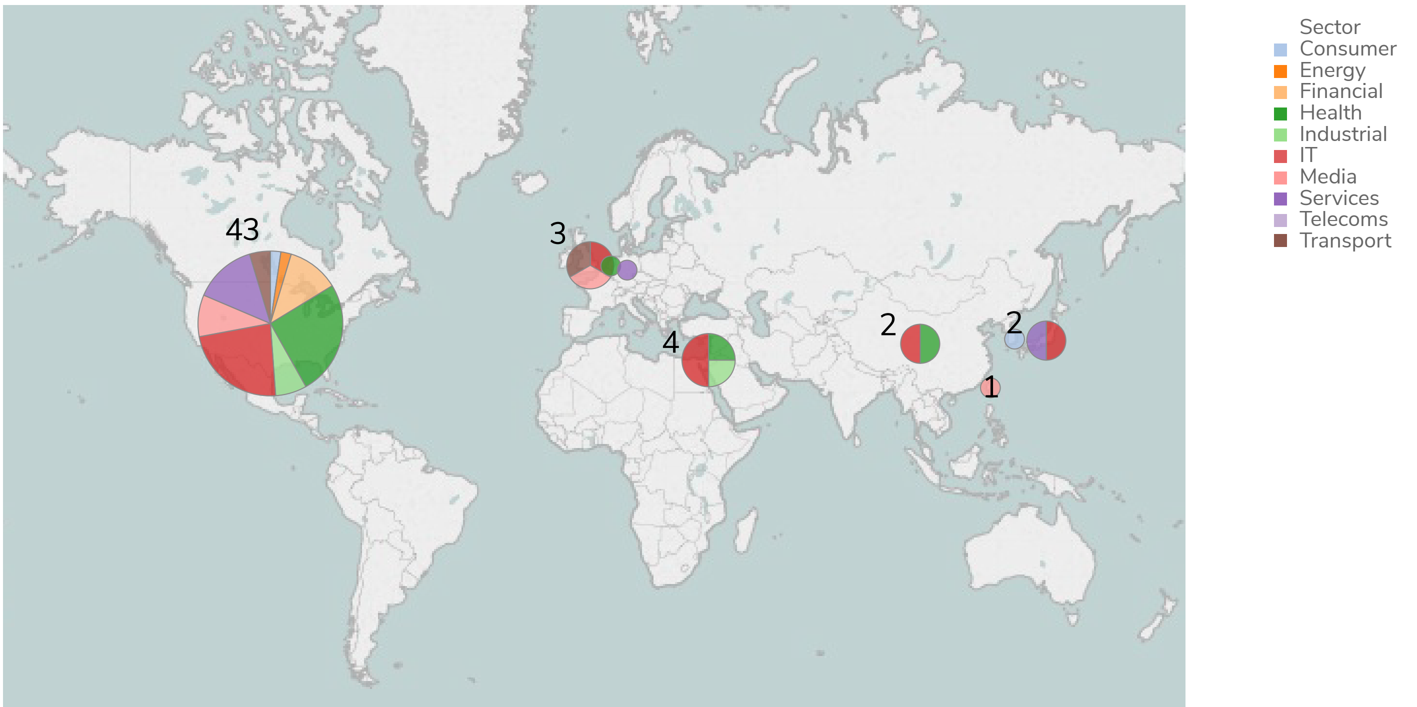
Exits

Record highs were also registered in exits. GCV Analytics tracked 58 exits involving corporate venturers as either acquirers or exiting investors in March. The transactions included 28 acquisitions, 15 initial public offerings (IPOs), 13 other transactions (mostly reverse mergers with SPACs), one merger and one stake sale.

The exit count figure was more than double that from March 2020 (24). The total estimated exited capital stood at $31.39bn, nearly 14 times more than the $2.34bn recorded in same month last year and nearly double the estimated $18.11bn in February this year.



Global view of exits



Source: GCV Analytics

Top 10 exits

Portfolio company	Location	Sector	Exit type	Acquirer	Exit size ($m)	Co-participant list
Auth0	USA	IT	Acquisition	Okta	$6.5bn	Bessemer Venture Partners | Deutsche Telekom | K9 Ventures | Meritech Capital Partners | NTT Docomo | NXTP Corp Partners | Portland Seed Fund | Salesforce | Sapphire Ventures | Silicon Valley Bank | Telstra | Trinity Ventures | World Innovation Lab
Coupang	South Korea	Consumer	IPO		$4.55bn	BlackRock | Greenoaks Capital | LaunchTime | Rose Park Advisors | Sequoia Capital | SoftBank | Wellington Management
IronSource	Israel	IT	Reverse merger		$2.2bn	Access Industries | Baupost Group | Fidelity | Hedosophia | Morgan Stanley | Nuveen Real Estate | Thoma Bravo Advantage | Tiger Global Management | Wellington Management
Deliveroo	USA	Consumer	IPO		$2.07bn	Accel Partners | Amazon | Bridgepoint | DST Global | Durable Capital Partners | Fidelity | General Catalyst | Greenoaks Capital | Hummingbird Ventures | Index Ventures | NGP Capital | T Rowe Price
Cazoo	UK	Transport	Reverse merger		$1.55bn	Ajax I | Altimeter | BlackRock | Daily Mail & General Trust (DMGT) | Fidelity | Marcho Partners | Morgan Stanley | Mubadala Ventures | Pelham Capital Investments | Senator Investment Group | Spruce House Partnership
Oscar Health Insurance	USA	Financial Services	IPO		$1.44bn	8VC | Alphabet | Baillie Gifford | Coatue | Dragoneer Investment Group | Fidelity | Founders Fund | Goldman Sachs | Horizon Ventures | Khosla Ventures | Lakestar | Ping An Insurance | Relnvent VC | Thrive Capital | Tiger Global Management | undisclosed investors | Wellington Management
WeWork	USA	Services	Reverse merger		$1.22bn	BlackRock | BowX Acquisition Corp | Centaurus Capital | Fidelity | SoftBank | Starwood Capital Group
Hippo	USA	Financial Services	Reverse merger		$1.2bn	Comcast | Dragoneer Investment Group | Lennar | MS&AD Ventures | Munich Re Ventures | Reinvent Technology Partners Z | Ribbit Capital | Standard Industries
Rodeo Therapeutics	USA	Health	Acquisition	Amgen	$721m	AbbVie | Accelerator Corporation | Alexandria Real Estate Equities | Arch Venture Partners | Eli Lilly | Johnson & Johnson | Watson Fund | WRF Capital | WuXi AppTec
IonQ	USA	IT	Reverse merger		$625m	Airbus SAS | Alphabet | Amazon | Breakthrough Energy Ventures | dMY Technology Group | Hewlett Packard Enterprises | Hyundai | KIA Motors | MSD Partners | Mubadala Ventures | New Enterprise Associates | Samsung | Silver Lake | Time Ventures

Source: GCV Analytics

1 Authentication technology provider Okta agreed to purchase US-based identity verification platform developer Auth0 in a $6.5bn deal enabling corporates telecoms firms NTT Docomo, Telstra and Deutsche Telekom as well as cloud enterprise software provider Salesforce to exit.

Salesforce Ventures, a subsidiary of enterprise software producer Salesforce, led a $120m series F round in July 2020 valuing Auth0 at $1.92bn that included DTCP and Telstra Ventures, which represented Deutsche Telekom and Telstra.

Founded in 2013, Auth0's software platform enables app development teams to secure and authorise access for users, mobile devices and other applications. The acquisition is an all-share deal and is expected to close by the end of 2021.

2 Coupang, the South Korea-based online marketplace backed by SoftBank, floated on the New York Stock Exchange in an upsized $4.55bn IPO. The company priced 130 million shares at $35 each. It had set a price range of $32 to $34 for 120 million shares, 100 million of which were set to be issued by the company and 20 million sold by its investors.

Founded in 2010, Coupang runs an e-commerce platform that offers a wide range of consumer goods through a same-day delivery service. It increased revenue 91% year on year to almost $12bn in 2020 and cut its net loss from $699m to $475m.

3 IronSource, the Israel-based app monetisation software provider backed by conglomerate Access Industries, agreed a reverse merger with a special purpose acquisition company at an $11.1bn pro forma equity valuation. The company joined forces with Thoma Bravo Advantage, which is sponsored by private equity firm Thoma Bravo, and obtained the listing on the New York Stock Exchange, from which the latter received in a $900m IPO in January 2021.

A Thoma Bravo affiliate also led a $1.3bn private investment in public equity (PIPE) deal supporting the transaction, investing with Morgan Stanley's Counterpoint Global unit, Tiger Global Management, Nuveen, Hedosophia, Wellington

Management, Baupost Group and funds managed by investors including Fidelity Investments Canada. IronSource provides software tools that help app developers – particularly mobile game developers – monetise their products and engage more effectively with their users, by adding specific touchpoints where relevant content can be delivered.

4 UK-based online food delivery service Deliveroo floated on the London Stock Exchange in a £1.5bn ($2.07bn) IPO, scoring an exit for e-commerce group Amazon. The company issued about 256 million shares while its shareholders sold a further 128 million. They were priced at £3.90 each – at the foot of the IPO's £3.90 to £4.60 range but had fallen by the end of the day, adjusting its market capitalisation to less than $5.6 bn.

Deliveroo runs an app-based online platform that allows users to order food from nearby restaurants and eateries that is delivered by its riders. It has added a subscription service called Deliveroo Plus to its offering, its own kitchens under the Editions brand and delivery software platform Signature.

5 Cazoo, the UK-based online automotive marketplace that counts media group Daily Mail and General Trust (DMGT) as an investor, agreed a reverse merger with special purpose acquisition company Ajax I. The combined company took the New York Stock Exchange listing obtained by Ajax through its $750m blank cheque IPO in October 2020. The deal was boosted by $800m in PIPE financing at a $7bn valuation. Ajax's sponsors and D1 Capital Partners anchored the PIPE,

Cazoo agreed a reverse merger

which includes Fidelity, Morgan Stanley's Counterpoint Global unit, Altimeter, Marcho Partners, Mubadala Capital, Pelham Capital, Senator Investment Group, Spruce House Partnership and funds and accounts managed by BlackRock.

Cazoo operates an e-commerce platform where customers in the UK, Germany, France and Portugal can buy and sell vehicles. The company has also built a monthly car subscription business with the purchases of Drover and Cluno in the past four months, and said it expects to book near to $1bn in revenue this year.

6 US-based digital health insurance provider Oscar Health went public in a $1.44bn IPO that scored an exit for Alphabet and insurer Ping An. The offering consisted of approximately 37 million shares issued on the New York Stock Exchange priced at $39 each, approximately 650,000 of which were divested by Oscar's shareholders. The amount of shares was increased from 31 million and the price was above the $32 to $34m range set by the company.

Founded in 2012, Oscar operates a health insurance platform with 529,000 members that helps its customers navigate the healthcare system while using data technology to help promote healthy personal behaviour. Its net loss increased from $261m to $407 in 2020, though its revenue rose more than 60% year on year to $1.67bn.

7 WeWork, the US-headquartered workspace provider which counts SoftBank as its largest investor, agreed a reverse takeover with special purpose acquisition company BowX Acquisition Corp. The deal granted WeWork an initial enterprise value of about $9bn and a stock exchange listing secured by BowX through a $420m initial public offering on the Nasdaq Capital Market in August 2020.

Fidelity Management & Research joined Insight Partners, funds managed by Starwood Capital Group, Centaurus Capital and funds and accounts managed by BlackRock in an $800m private placement supporting the transaction.

Founded in 2010, WeWork runs a network of co-working spaces spanning 118 cities across the world. It failed in an attempt to go public in 2019 and required an extensive bailout from SoftBank to remain operational but has since restructured and divested non-core holdings. The company has a $4bn sales pipeline and $1.5bn in committed revenue for 2021 despite the covid-19 pandemic, which it said has increased demand for flexible workspaces. SoftBank has provided a $550m senior secured notes facility.

8 Hippo Enterprises, a US-based online home insurance provider backed by media company Comcast, construction company Lennar, insurers MS&AD, Munich Re and home maintenance services provider Standard Industries, agreed to a reverse merger with special purpose acquisition company Reinvent Technology Partners Z.

Homebuilder Lennar joined fellow existing backers Dragoneer and Ribbit Capital to co-lead a $550m PIPE together with Reinvent Capital and unnamed mutual funds. Hippo will have access to approximately $1.2bn in cash once the transaction closes, also including some $230m held in Reinvent's trust account. The merger is expected to close in mid-2021, subject to customary closing conditions, and Hippo will then trade on the New York Stock Exchange. The business is expected to be valued at $5bn.

Founded in 2015, Hippo uses real-time data and smart home technology to provide an end-to-end home protection and insurance platform. It has built an underwriting engine that relies on artificial intelligence to prefill applications and to assess and price risk in under a minute. Hippo's offering is currently available in 32 US states – the equivalent of 72% of the country's population – and the company hopes to be available to 95% of the population by the end of this year.

9 US-listed drugs group Amgen agreed to acquire Rodeo Therapeutics, a US-based small-molecule therapy developer for tissue, for up to $721m. Amgen will pay an initial $55m and up to $666m in cash subject to milestones. Rodeo's previous corporate backers include pharmaceutical firms AbbVie, Eli Lilly, Johnson & Johnson and WuXi AppTec as well as real estate investment trust Alexandria Real Estate Equities. Rodeo is developing small-molecule therapies, including its lead 15-prostaglandin dehydrogenase (15-PGDH) modulators, that will help regenerate and repair various types of tissue, for use in dealing with conditions such as ulcerative colitis and, for recovery after bone marrow transplants.

IonQ senior physicist Kai Hudek in a clean room

10 IonQ, a US-based quantum computing technology developer backed by electronics manufacturers Samsung, Hewlett Packard Enterprise, aircraft maker Airbus, Alphabet and Amazon, agreed to list through a reverse takeover. It will merge with dMY Technology Group, a special purpose acquisition company that floated on the New York Stock Exchange in a $275m initial public offering in November 2020.

The combined business will have a pro forma implied valuation of $2bn. The transaction will be supported by $350m in private investment in public equity (PIPE) financing from investors including carmaker Hyundai Motor Company, its Kia subsidiary and GV, a corporate venturing subsidiary of Alphabet.

IonQ has created a 32-qubit quantum computer it claims is the world's most powerful quantum system, based on research at the University of Maryland and Duke University. It had disclosed a total of $77m in funding as of a $55m round co-led by consumer electronics producer Samsung's Catalyst Fund in late 2019.

Note: *Monthly data can fluctuate as additional data are reported after each issue of GCV magazine goes to press.*

Quarterly data

CVC throws off covid gloom in Q1

> Deals and dollar amounts rise year-on-year
> Record number of exits year-on-year
> Healthy growth in funding initiatives

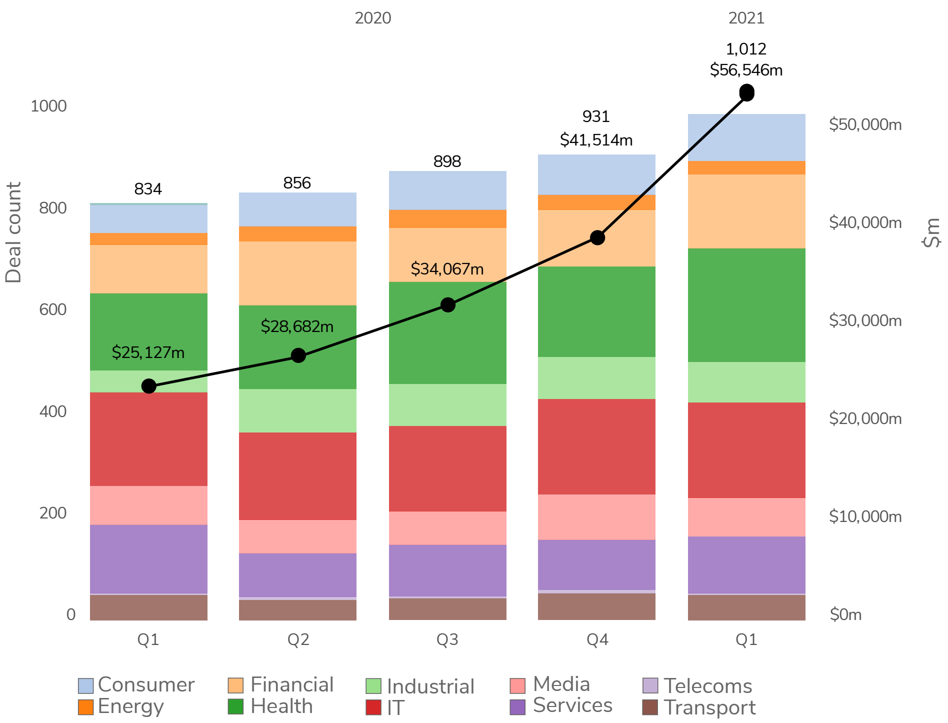
By Kaloyan Andonov
Analyst

After the shock of the covid-19 pandemic and an almost universal lockdown in 2020, the world has cautiously started to open up and is looking forward to a complete reopening in the eventual post-pandemic world. Fiscal and monetary policy measures in developed economies have not only staved off more profound social turmoil because of the covid-induced economic crisis but largely put the economy back on track.

Both public and private markets have reacted with a huge amount of verve and enthusiasm, bordering on irrational exuberance, according to some.

Our data for the first quarter of 2021 show corporate venture capital is largely in line with this broader theme of optimism, at least in terms of investment activity levels.

Deals over time

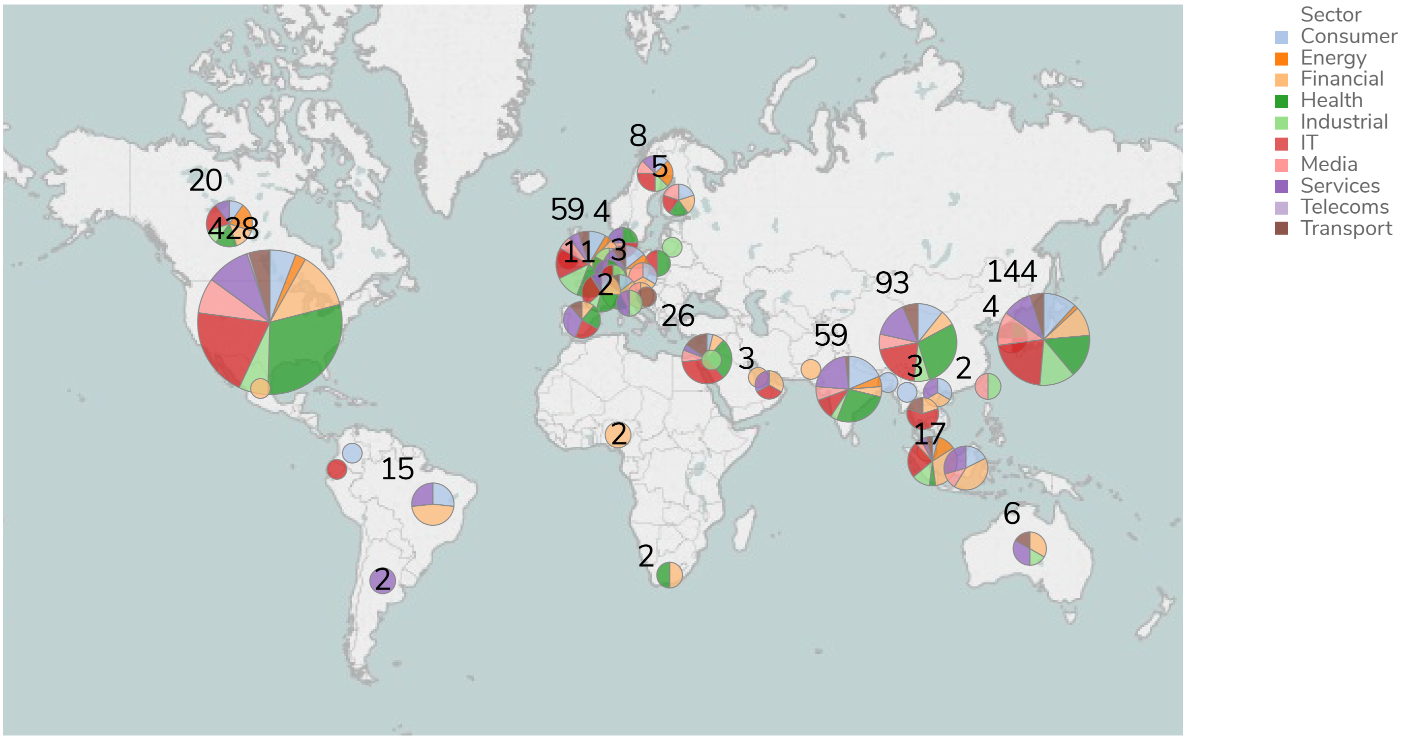


Source: GCV Analytics

GCV Analytics tracked a record 1,012 funding rounds involving corporate venturers, a 21% increase over the 834 rounds recorded in Q1 last year. The estimated total investment dollars stood at $56.55bn, up 121% from the $25.13bn recorded during the same period of 2020.

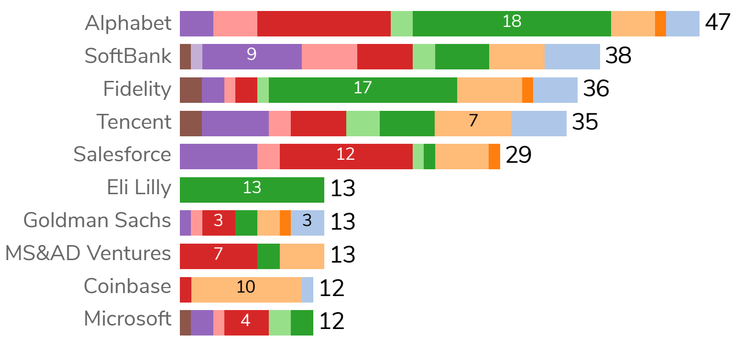
When comparing Q1 2021 with the previous quarter, there was a nearly 10% increase in the deal count, going up from 931. Estimated total investment went up by 36% from $41.51bn.

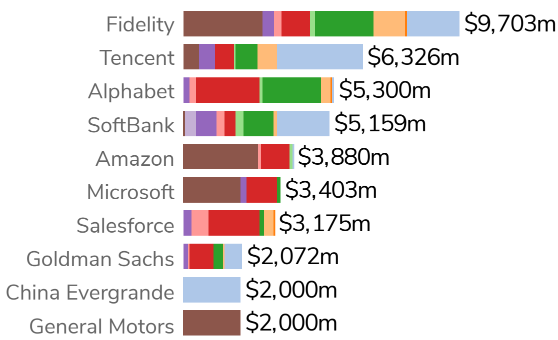
Global view of deals



The US hosted the largest number of funding rounds (428), while Japan came in second with 144 deals, and China third with 93 deals.

Top investors



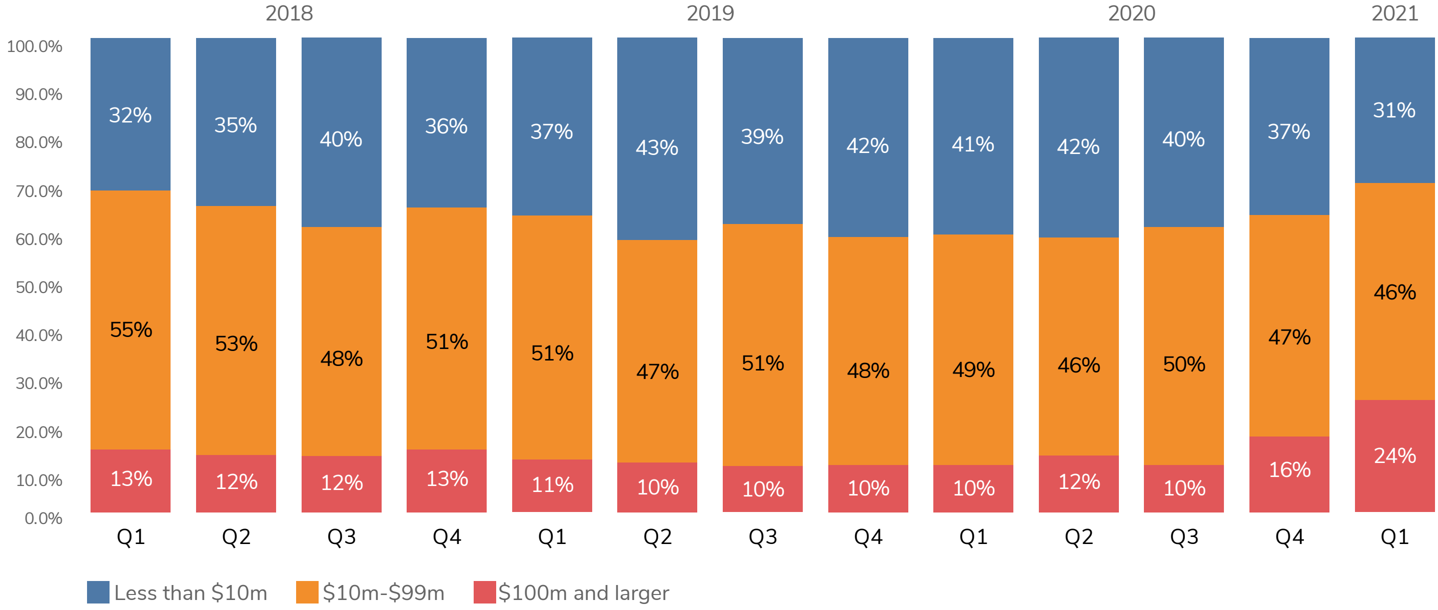


Source: GCV Analytics

The most active corporate investors came from the financial services, IT, health and media sectors.

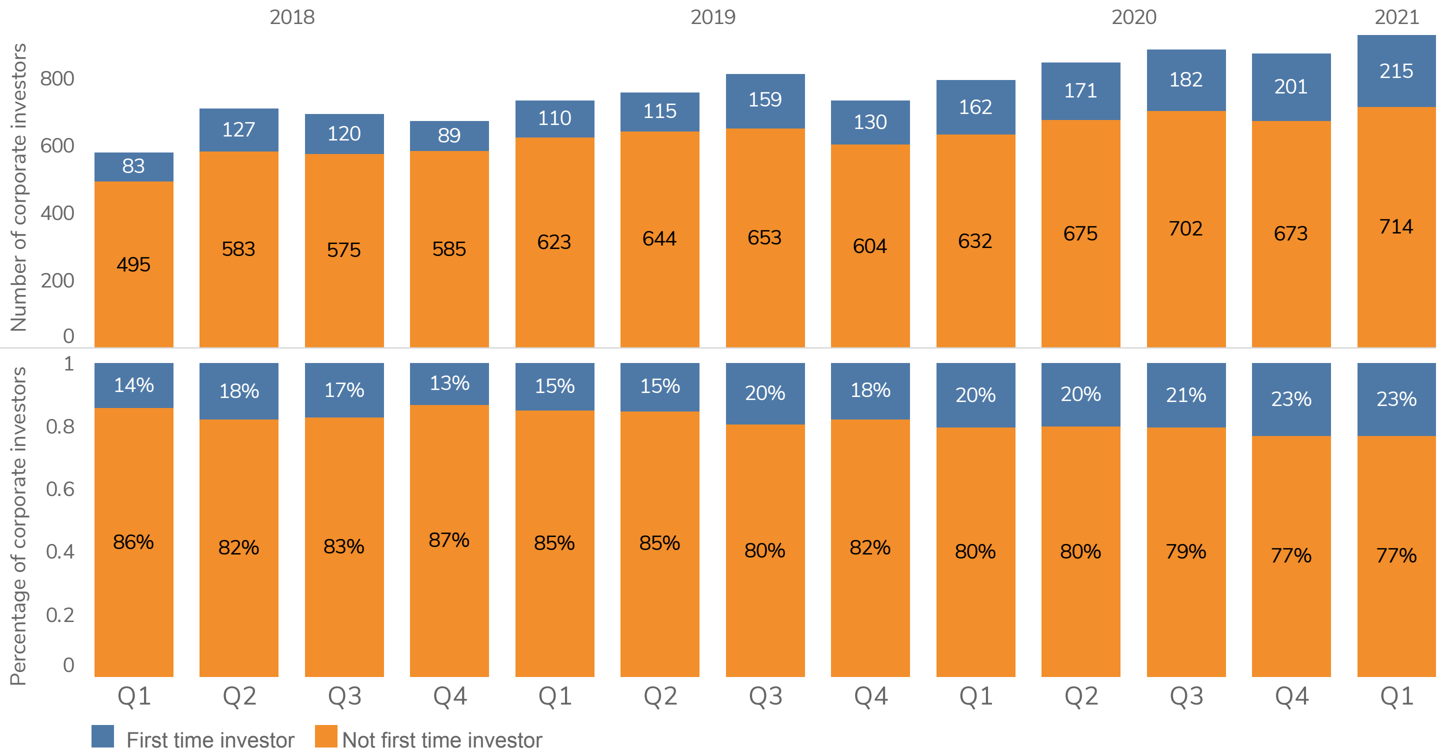
The leading investors by number of deals were diversified internet conglomerate Alphabet, telecoms firm SoftBank, investment and financial services firm Fidelity and internet company Tencent. The list of corporate venturers involved in the largest deals by size was headed also by Fidelity, Tencent, Alphabet and SoftBank.

Corporate-backed deals by size



An indicator we look at on quarterly basis is the relative proportion of deals that are less than $10m, $11m–$99m and more than $100m. In Q1 the relative share of large deals continued to rise to 24% of the total of deals with disclosed size. This number increased significantly for the first time in Q4 2020. It has historically made up 10%-12% of total corporate dealflow but with current market exuberance it has effectively doubled. In Q1, we tracked 133 funding rounds larger than $100, with 118 of them between $100m and $500m and 15 above $500m.

First-time vs repeating investors

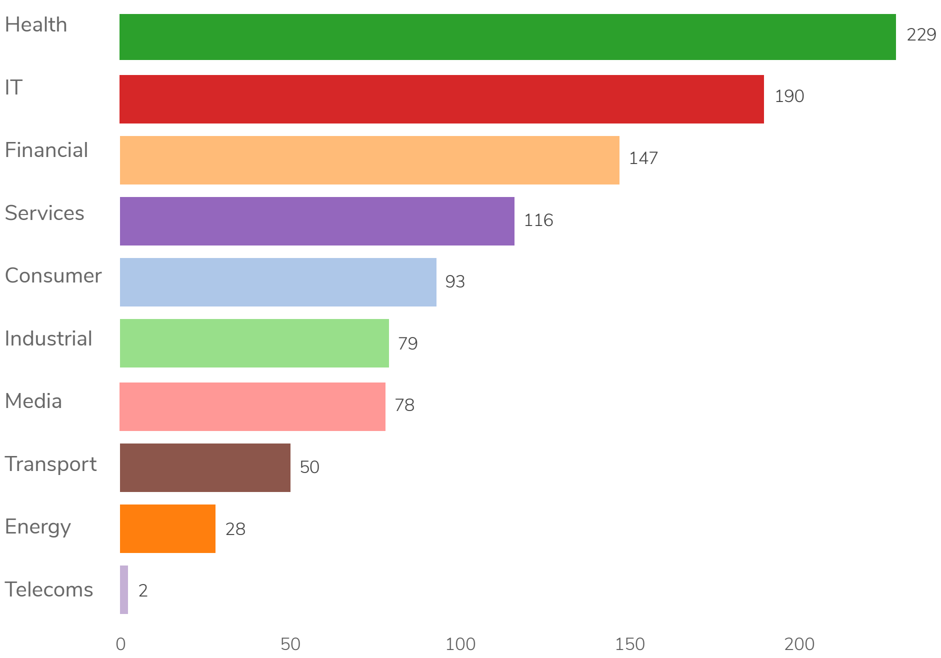


Source: GCV Analytics

Most of the corporate investors taking minority stakes during the first quarter were investors that had done at least one deal before (77%). However, nearly one out of every four (23%) corporates was disclosing its first minority stake deal. Newcomers to venturing – whether with a specific unit or not – appear to comprise roughly a fifth to a fourth of all corporate investors every quarter. This tendency has remained stable from 2018 onwards.

Deals

By sector



Emerging enterprises from the health, IT, fintech, services and consumer sectors proved the most attractive for corporate venturers, accounting for more than 93 deals each. The top funding rounds by size, however, were raised mostly by companies from the transport and consumer sector.

Heatmap

Most of the funding from the biggest rounds reported in the first quarter went to emerging enterprises from the transport, financial services and life sciences sectors. Six of the top 10 rounds stood above $1bn.

	Financial Services	IT	Health	Media	Consumer	Telecoms	Industrial	Services	Energy	Transport
North America	175	100	86	46	42	37	33	31	25	17
Asia	141	78	29	47	39	28	33	41	13	20
Europe	54	19	15	15	12	14	17	6	11	8
Middle East	7	8	4	2	7	5	7	1		2
South America	7	4	1		3	6		2		1
Australia/NZ	2	2			1	1		2		
Africa	1	2			1					1

Source: GCV Analytics

Top deals

Company Name	Location	Sector	Round	Round size	Investors List
Rivian	USA	Transport	Undisclosed	$2.65bn	Amazon | Coatue | D1 Capital Partners | Fidelity | T Rowe Price | undisclosed investors
GM Cruise	USA	Transport	Undisclosed	$2bn	General Motors | Honda | Microsoft | undisclosed investors
Xingsheng Youxuan	China	Consumer	Undisclosed	$2bn	China Evergrande | FountainVest Partners | KKR | Primavera Capital | Sequoia Capital | Temasek | Tencent
Lineage Logistics	USA	Services	Undisclosed	$1.9bn	BentallGreenOak | CenterSquare Investment Management | Cohen & Steers | D1 Capital Partners | Morgan Stanley | OP Trust | Oxford Properties
GoPuff	USA	Consumer	Undisclosed	$1.15bn	Baillie Gifford | D1 Capital Partners | Eldridge Industries | Fidelity | Luxor Capital | ReInvent VC | SoftBank
Databricks	USA	IT	E and beyond	$1bn	Alkeon Capital | Alphabet | Amazon | Andreessen Horowitz | BlackRock | Canada Pension Plan | Coatue | Discovery Capital | Dragoneer Investment Group | Fidelity | Founders Circle | Franklin Templeton | Geodesic Capital | GIC | Green Bay Ventures | Greenoaks Capital | Microsoft | New Enterprise Associates | Octahedron Capital | Salesforce | T Rowe Price | Tiger Global Management | Whale Rock Capital
Nice Tuan	China	Consumer	D	$750m	Alibaba | Anatole | CDH Investments | Cygnus Equity | DE Shaw | Dragoneer Investment Group | DST Global | Franchise Capital | GGV Capital | Jeneration Capital | Kunlun Capital
UiPath	USA	IT	E and beyond	$750m	Alkeon Capital | Altimeter Capital Management | Coatue | Dragoneer Investment Group | Institutional Venture Partners (IVP) | Sequoia Capital | T Rowe Price | Tiger Global Management
4Paradigm	China	IT	D	$700m	Boyu Capital | China Development Bank | CPE Capital | CSC Financial | FountainVest Partners | Goldman Sachs | Haitong Securities | Hopu Investments | JIC | JinYi Capital | joint fund for Qingdao Minxin Qiyuan Investment and China Reform Holdings | National Manufacturing Transformation and Upgrading Fund | Primavera Capital | Sequoia Capital | Xicheng Jinrui
Leapmotor	China	Transport	B	$665m	City of Hefei | Hangzhou Jiuzhi Investment Management | SDIC | Yonghua Capital
Stripe	USA	Financial Services	E and beyond	$600m	Allianz | Axa | Baillie Gifford | Fidelity | Ireland National Treasury Management Agency (NTMA) | Sequoia Capital
Wolt	Finland	Consumer	Undisclosed	$530m	83North | Coatue | DST Global | EQT Ventures | Goldman Sachs | Highland Europe | Iconiq Capital | KKR | Naspers | Tiger Global Management | Vintage Investment Partners
ElevateBio	USA	Health	C	$525m	EcoR1 Capital | EDBI | Emerson Collective | F2 Ventures | Fidelity | Invus | Itochu | Matrix Capital | MPM Capital | Redmile Group | Samsara BioCapital | SoftBank | Surveyor Capital | undisclosed investors | Vertex Ventures
Lacework	USA	IT	Undisclosed	$525m	Altimeter Capital Management | Coatue | D1 Capital Partners | Dragoneer Investment Group | Liberty Global | Snowflake Computing | Sutter Hill Ventures | Tiger Global Management
Roblox	USA	Media	E and beyond	$520m	Altimeter Capital Management | Dragoneer Investment Group | Investment Group of Santa Barbara | Warner Music Group (WMG)

Source: GCV Analytics

1 Electric truck developer Rivian raised $2.65bn from investors including Amazon's Climate Pledge Fund. The round was led by funds and accounts advised by T Rowe Price and also featured Fidelity, Coatue, D1 Capital Partners and undisclosed new and existing investors.

The funding was reportedly secured at a $27.6bn valuation. Founded in 2009, the US-based company is developing an electric pick-up truck dubbed the R1T which is slated for commercial release in June 2021, and an electric sports utility vehicle called the R1S that is due for release two months later.

2 US-headquartered autonomous driving technology developer Cruise raised more than $2bn from investors including Microsoft and automotive manufacturers General Motors and Honda.

Microsoft invested through a strategic partnership that will involve it partnering its ecosystem with Cruise's to bolster the commercialisation of the latter's technology. The corporates were joined in the round by undisclosed institutional investors, and the cash was provided at a $30bn post-money valuation.

Founded in 2013, Cruise is developing autonomous driving software that will be used in all-electric vehicles forming the basis for shared taxi services, in addition to hardware such as sensors, robotics and telematics systems.

3 China-headquartered community buying platform developer Xingsheng Youxuan secured approximately $2bn in a funding

round featuring Tencent and real estate developer China Evergrande Group.

Sequoia Capital China led the round, which also featured FountainVest Partners, Primavera Capital Group, KKR and Temasek. It valued Xingsheng at $6bn pre-money.

Xingsheng Youxuan runs an e-commerce business that allows local communities to club together to purchase items in bulk. The company processes more than 8 million daily orders and covers more than 30,000 towns across the country.

4 US-headquartered cold chain services provider Lineage Logistics secured $1.9bn in equity funding from investors that included Canadian real estate developer Oxford Properties and investment bank Morgan Stanley's MS Tactical Value and Conversant Capital vehicle.

Founded in 2008, Lineage provides chilled transportation for food in addition to temperature-controlled storage through a network of 340 warehouses across five continents, using technology to make its activities more efficient.

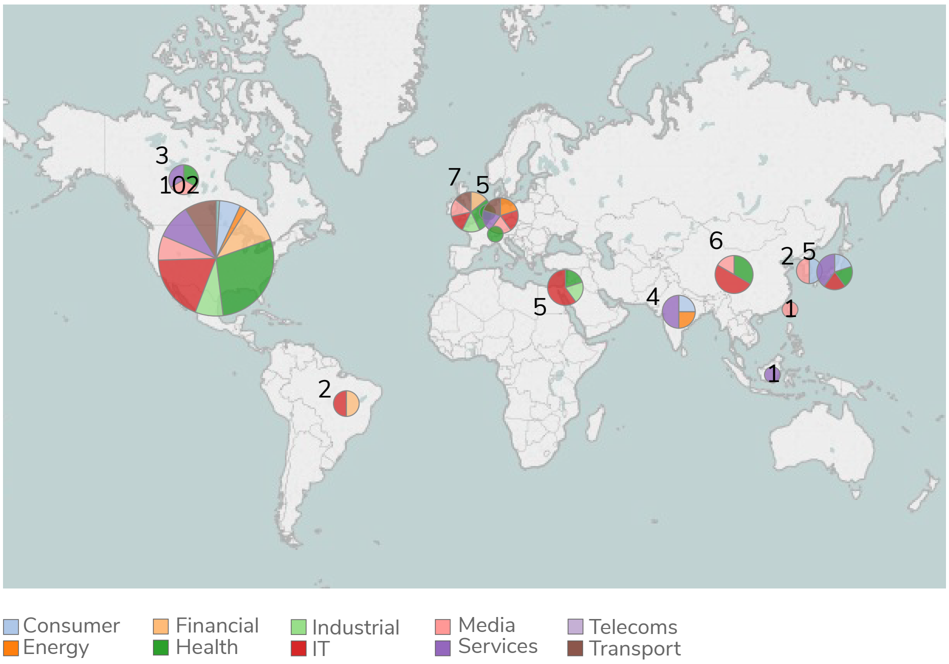
5 GoPuff, the US-based operator of a personal services app, received $1.15bn from investors including SoftBank's Vision Fund I at an $8.9bn valuation. Fidelity Management and Research also took part in the round.

Founded in 2013, GoPuff runs an online platform that allows users to order products such as food and drink, cleaning, baby and pet products, over-the-counter medications and, in some places, alcohol, for delivery. The company operates from a network of fulfilment centres and charges a flat $1.95 fee per delivery.

Lineage provides chilled transportation for food

Exits

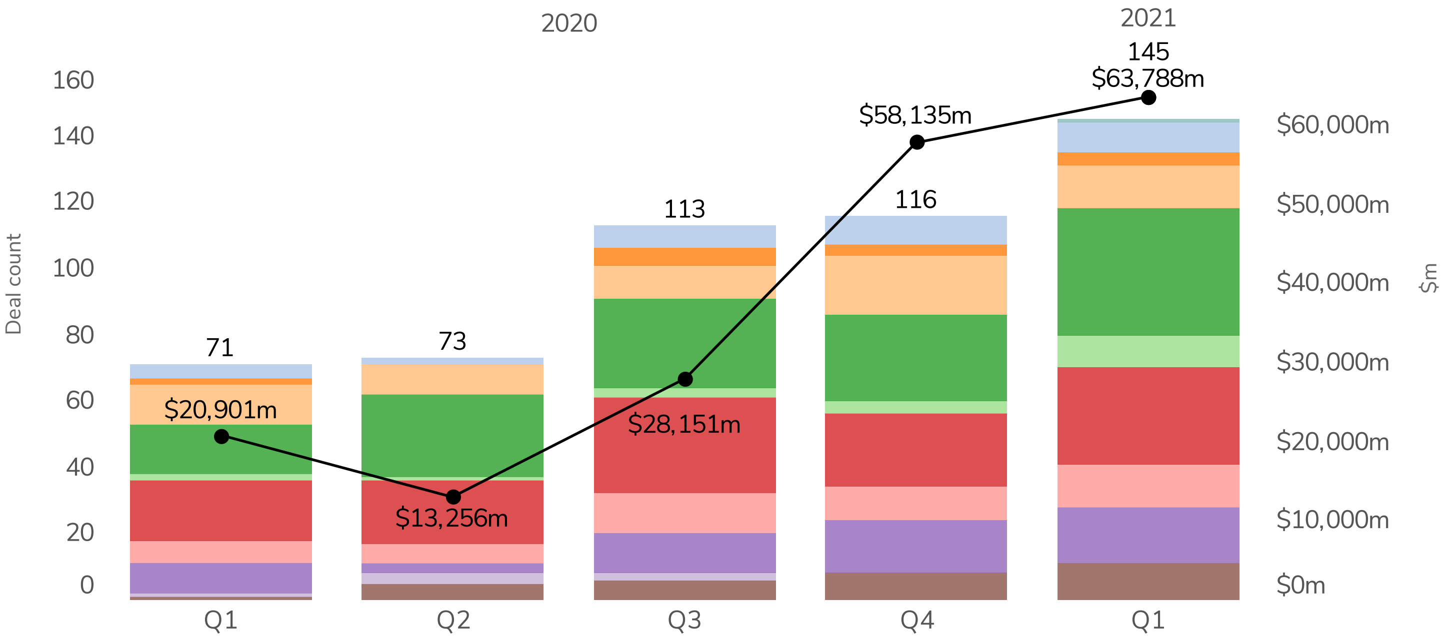
Global view of exits



GCV Analytics tracked 145 corporate-related exits during the first quarter of 2021, including 80 acquisitions, 33 reverse mergers, 29 initial public offerings (IPOs) and three mergers. Top exiting corporates this quarter included Fidelity, Alphabet and SoftBank.

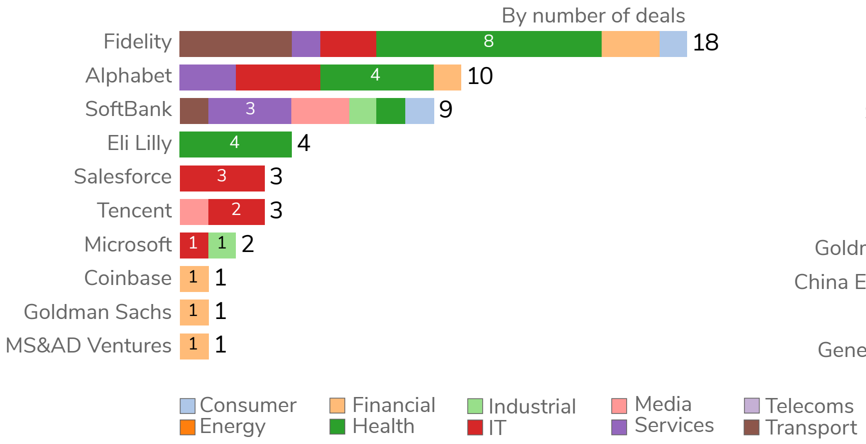
Quarterly view of exits

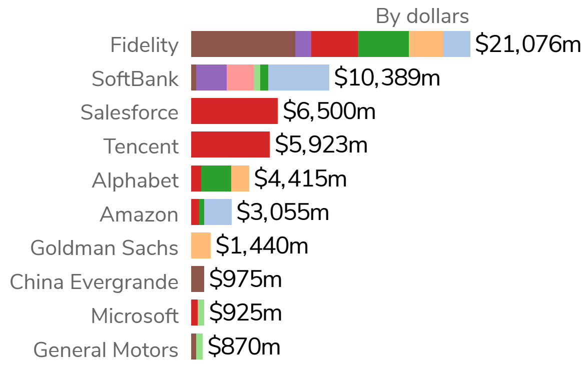
The total estimated amount of exited capital in Q1 2021 stood at $63.79bn, three times the $20.90bn in Q1 of the previous year and roughly comparable with the figure from the last quarter of 2020 ($58.14bn). All of the top 15 exits stood all above $1bn mark. The surge in exits can be attributed to the boom of reverse mergers. Reverse mergers – involving fewer regulatory hurdles than traditional IPOs – appear to be preferred by many venture investors to score an exit and take advantage of somewhat frothy public markets.



Source: GCV Analytics

Top exiting investors





Top exits

Company	Location	Sector	Exit type	Acquirer	Exit Size	Exiting investors
Auth0	USA	IT	Acquisition	Okta	$6.5bn	Bessemer Venture Partners | Deutsche Telekom | K9 Ventures | Meritech Capital Partners | NTT Docomo | NXTP Corp Partners | Portland Seed Fund | Salesforce | Sapphire Ventures | Silicon Valley Bank | Telstra | Trinity Ventures | World Innovation Lab
Kuaishou	China	IT	IPO		$5.4bn	Boyu Capital | Sequoia Capital | Temasek | Tencent | Yunfeng Capital
Coupang	South Korea	Consumer	IPO		$4.55bn	BlackRock | Greenoaks Capital | LaunchTime | Rose Park Advisors | Sequoia Capital | SoftBank | Wellington Management
Lucid Motors	USA	Transport	Reverse merger		$4.3bn	BlackRock | Churchill Capital Corp IV | Fidelity | Franklin Templeton | Mitsui | Neuberger Berman Private Equity Funds | Public Investment Fund (PIF) | Wellington Management | Winslow Capital Management
IronSource	Israel	IT	Reverse merger		$2.2bn	Access Industries | Baupost Group | Fidelity | Hedosophia | Morgan Stanley | Nuveen Real Estate | Thoma Bravo Advantage | Tiger Global Management | Wellington Management
Deliveroo	USA	Consumer	IPO		$2.07bn	Accel Partners | Amazon | Bridgepoint | DST Global | Durable Capital Partners | Fidelity | General Catalyst | Greenoaks Capital | Hummingbird Ventures | Index Ventures | NGP Capital | T Rowe Price
Hyperconnect	South Korea	Media	Acquisition	Match Group	$1.73bn	Altos Ventures | SoftBank
Joby Aviation	USA	Transport	Reverse merger		$1.6bn	Baillie Gifford | BlackRock | Fidelity | Intel | JetBlue | Reinvent Technology Partners | Toyota | Uber
Cazoo	UK	Transport	Reverse merger		$1.5bn	Ajax I | Altimeter | BlackRock | Daily Mail & General Trust (DMGT) | Fidelity | Marcho Partners | Morgan Stanley | Mubadala Ventures | Pelham Capital Investments | Senator Investment Group | Spruce House Partnership
Kymab	UK	Health	Acquisition	Sanofi	$1.45bn	Bill & Melinda Gates Foundation | Malin Corporation | ORI Capital | Shenzhen Hepalink Pharmaceutical | Wellcome Trust | Woodford Equity Income Fund | Woodford Patient Capital
Oscar Health Insurance	USA	Financial Services	IPO		$1.44bn	8VC | Alphabet | Baillie Gifford | Coatue | Dragoneer Investment Group | Fidelity | Founders Fund | Goldman Sachs | Horizon Ventures | Khosla Ventures | Lakestar | Ping An Insurance | ReInvent VC | Thrive Capital | Tiger Global Management | undisclosed investors | Wellington Management
Nuvia	USA	IT	Acquisition	Qualcomm	$1.4bn	Atlantic Bridge | BlackRock | Capricorn Investment Group | Dell | Fidelity | Mayfield Fund | Mithril Capital Management | Nepenthe | private investors | Redline Capital Management | Temasek | WRVI Capital
WeWork	USA	Services	Reverse merger		$1.22bn	BlackRock | BowX Acquisition Corp | Centaurus Capital | Fidelity | SoftBank | Starwood Capital Group
ReNew Power	India	Energy	Reverse merger		$1.2bn	BlackRock | BNP Paribas | Chubu Electric Power | private investors | RMG Acquisition Corporation II | Sylebra Capital | Tokyo Electric Power (TEPCO) | TT Environmental Solutions Fund | TT International Asset Management | Zimmer Partners
Hippo	USA	Financial Services	Reverse merger		$1.2bn	Comcast | Dragoneer Investment Group | Lennar | MS&AD Ventures | Munich Re Ventures | Reinvent Technology Partners Z | Ribbit Capital | Standard Industries

Source: GCV Analytics

1 Identity authentication technology provider Okta agreed to acquire US-based identity verification platform developer Auth0 for a total of $6.5bn, giving an exit to telecoms firms NTT Docomo, Telstra, Deutsche Telekom and cloud enterprise software provider Salesforce.

Founded in 2013, Auth0's software platform enables app development teams to secure and authorise access for users, mobile devices and other applications. The acquisition is an all-share deal and is expected to close by the end of 2021.

2 China-based video streaming platform developer Kuaishou Technology raised $5.4bn in an IPO on the Hong Kong Stock Exchange that scored exits for internet groups Tencent and Baidu. The company issued about 365 million shares priced at HK$115 ($14.83) each. They closed at HK$300 on the first day of trading, giving it a market cap of roughly $160bn.

Kuaishou has built a short-form social video app with more than 300 million daily active users. Its chief rival, Douyin, is better known internationally as TikTok.

3 Coupang, a South Korea-based online marketplace backed by SoftBank, floated on the New York Stock Exchange in an upsized $4.55bn IPO. The company priced 130 million shares at $35.00 each, above the price range of $32 to $34 it had set.

Founded in 2010, Coupang runs an e-commerce platform that offers a wide range of consumer goods through a same-day delivery service. It increased its annual revenue 91% to almost $12bn in 2020 and cut its net loss from $699m to $475m.

4 Lucid Motors, a US-based luxury electric vehicle provider backed by diversified conglomerate Mitsui, agreed to execute a reverse merger with special purpose acquisition company Churchill Capital Corp IV, giving it a listing on the New York Stock Exchange, following Churchill's flotation in a $1.8bn IPO in July 2020.

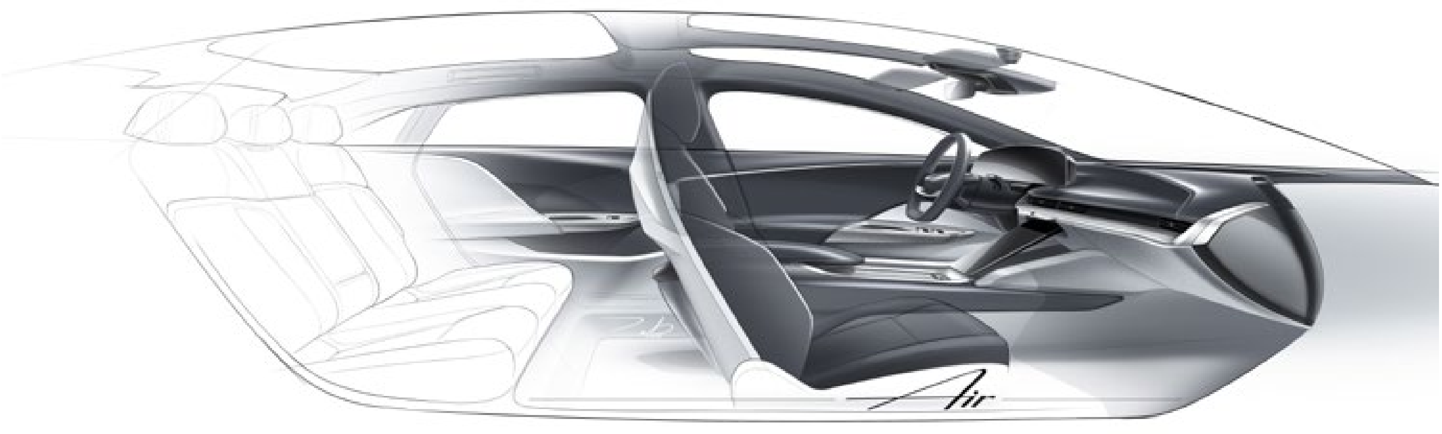
Saudi Arabia's Public Investment Fund anchored a $2.5bn private investment in public equity financing for the company at an initial pro-forma equity valuation of approximately $24bn.

Lucid has been developing a luxury sedan dubbed the Lucid Air that is slated for later this year. It also expects to launch a luxury sports utility vehicle dubbed Gravity in 2023. In addition to its own vehicles, it plans to offer its technology to third parties.

5 IronSource, the Israel-based app monetisation software provider backed by conglomerate Access Industries, agreed a reverse merger with a special purpose acquisition company at an $11.1bn pro forma equity valuation.

The company joined forces with Thoma Bravo Advantage, which is sponsored by private equity firm Thoma Bravo, and obtained the listing on the New York Stock Exchange, where the latter raised in a $900m IPO in January 2021.

A Thoma Bravo affiliate also led a $1.3bn PIPE deal supporting the transaction. IronSource provides software tools that help app developers – particularly mobile game developers – monetise their products and engage more effectively with their users, by adding specific touchpoints where relevant content can be delivered.



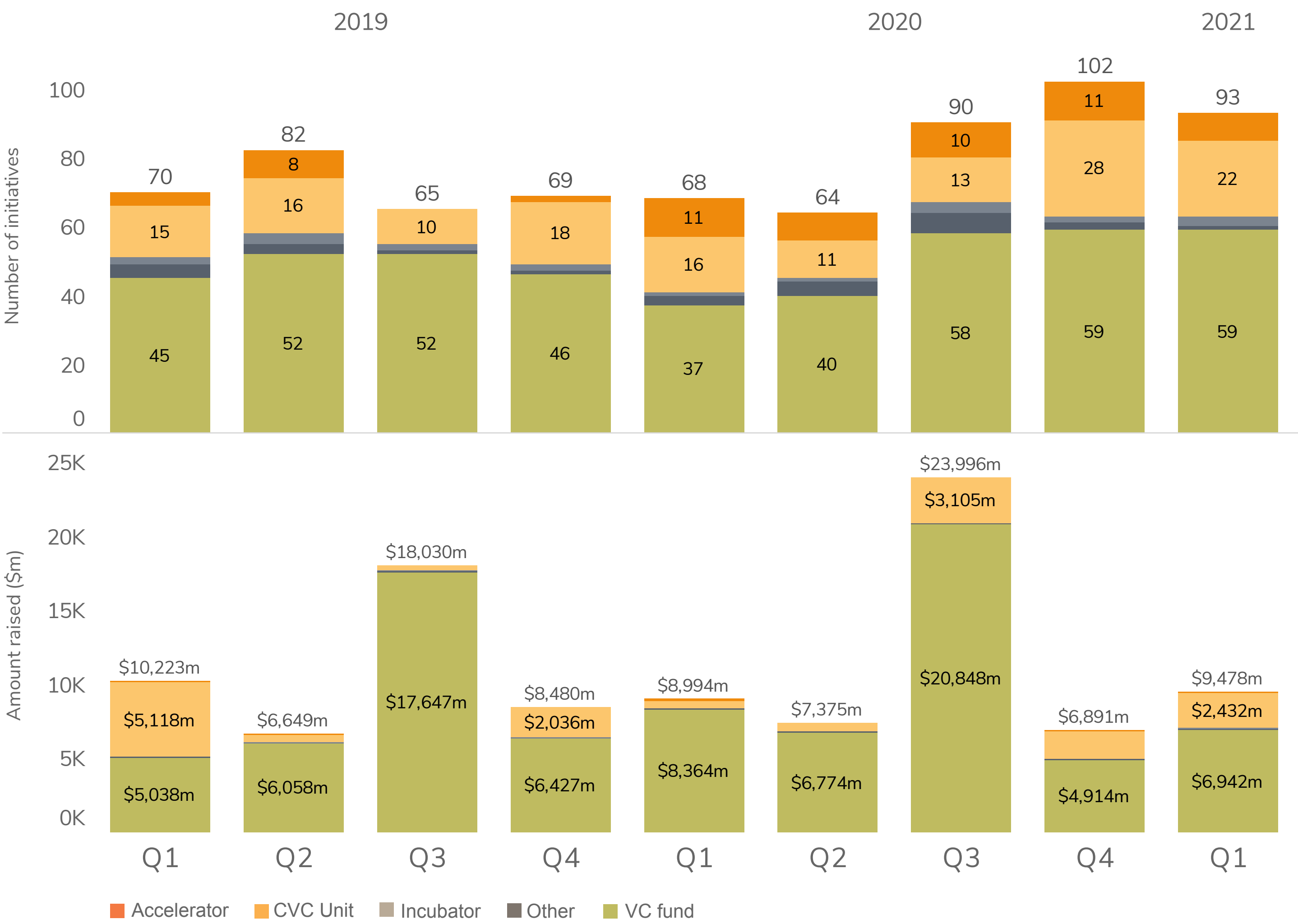
Lucid's luxury sedan is called the 'Air'

Funding initiatives

LP funding initiatives by volume and value

Corporate venturers supported a total of 93 fundraising initiatives in the first quarter of this year, up 37% from 68 initiatives reported during the same period in 2020 and also more than the 70 reported in Q1 2019. The estimated total capital raised, $9.48bn, was roughly 5% higher than last year's Q1 figure of $8.99bn.

The initiatives included 59 announced, open and closed VC funds with corporate limited partners (LPs), 22 new corporate venturing units, eight accelerators, three incubators and one other initiative.



Source: GCV Analytics

Top funding initiatives

Name	Type	Capital Raised ($m)	Location	Targeted sector(s)	Backers
Legend Capital Comprehensive Growth Fund VI	VC Fund	$1.54bn	China	Consumer, Energy	Legend Holdings | Xiangcheng Financial Holdings
Sea Capital	CVC Unit	$1bn	Singapore	Consumer	Sea Group
Qiming Venture Partners RMB Fund VI	VC Fund	$441m	China	IT, Telecoms, Media, Health	Qiming Venture Partners | Xiamen C&D
Orange Ventures	CVC Unit	$426m	France	IT, Telecommunications, Health, Financial	Orange
Wuxi AstraZeneca CICC Investment	VC Fund	$338m	China	Health	AstraZeneca | CICC Capital
Heritage Healthcare Innovation Fund III	VC Fund	$317m	USA	Health	AdventHealth Central Florida | Amedisys | Blue Cross Blue Shield of Tennessee | Cardinal Health | Cerner | Community Health Systems | Health Care Service Corporation (HCSC) | Heritage Group | Horizon Blue Cross Blue Shield of New Jersey | Intermountain Healthcare | LifePoint Health | Memorial Hermann Healthcare System | Sutter Health | Tenet Health | Trinity Health | UnityPoint Health
Adjuvant Capital Unnamed Fund	VC Fund	$300m	USA	Health	Adjuvant Capital | Anthos Capital | Beacon Pointe Advisors | Bill & Melinda Gates Foundation | CDC Group | Children's Investment Fund Foundation | Dalio Philanthropies | Elma Investments | Ford Foundation | International Finance Corporation (IFC) | John D and Catherine T MacArthur Foundation | KFW | Laerdal Million Lives Fund | Merck & Co | Novartis | Rock Creek Advisors | Sonanz and Sorenson Impact Foundation
Future Energy Fund II	VC Fund	$300m	USA	Energy	Chevron
Ascension Ventures V	VC Fund	$285m	USA	Health	AdventHealth Central Florida | Ascension Health | Carle Foundation | CentraCare Health | Children's Medical Center of Dallas | Intermountain Healthcare | Luminis Health | Novant Health | OhioHealth | OSF Healthcare | Sentara Healthcare | Texas Health Resources
Singular Fund I	VC Fund	$265m	France	Unspecified/Sector-agnostic	Axa | MACSF | Singular

1 Legend Capital, the China-based venture capital firm formed by diversified conglomerate Legend Holdings, launched a RMB10bn ($1.54bn) sixth renminbi-denominated fund. Formed in 2001 with a $35m commitment from Legend Holdings, Legend Capital operates as an independent VC firm but retains the backing of its former parent.

The firm has not revealed how much capital it has secured for Legend Capital Comprehensive Growth Fund VI, but the fund has a RMB10bn target for its close. The state-owned Xiangcheng Financial Holdings is among its limited partners. The vehicle will invest in developers of technology in areas such as semiconductors and integrated circuits, consumer electronics and new energy vehicles.

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

The unit will be overseen by chief investment officer David Ma, founder and head of Composite Capital Management, an investment management firm recently acquired by Sea. He will report to Sea chairman and chief executive Forrest Li.

3 China-based VC firm Qiming Venture Partners raised RMB 2.9bn ($441m) for the final close of its RMB Fund VI, with backing from state-backed conglomerate Xiamen C&D. Existing LPs for the firm's previous

Manufacturing of bulk biopharmaceuticals in a Merck protein production laboratory in Corsier-sur-Vevey

funds also made commitments to RMB Fund VI, including China-headquartered insurance companies, fund-of-funds manager Oriza FOFs Investment Management and science and technology-focused fund of funds. Founded in 2006, Qiming manages nine US dollar funds and six renminbi-denominated funds, and has $5.9bn of assets under management. The firm typically targets early and growth-stage companies in the technology, telecommunications, media and healthcare sectors.

4 France-based mobile network operator Orange has spun off its corporate venturing arm, Orange Ventures, and hired Mathieu de La Rochefoucauld as managing partner of the now independent firm. Orange has committed an additional €350m ($426m) to Orange Ventures, which since September 2019 has been run by president and managing partner Jérôme Berger

It invests in connectivity, cybersecurity, digital enterprise, financial services and e-health technology, as well as in new territories the group is exploring, such as Africa. Its portfolio companies include Monzo, Actility, Raisin and WeaveWorks.

5 US-headquartered pharmaceutical firm AstraZeneca launched a RMB2.2bn ($338m) healthcare investment fund with investment banking firm China International Capital Corporation's private equity vehicle, CICC Capital. Wuxi AstraZeneca CICC Investment was officially registered in January 2021 and is targeting developers of innovative therapeutics, medical devices, diagnostics technology and artificial intelligence-equipped healthcare technology. The fund will also back the development of innovative supply chain solutions for pharmaceutical companies. AstraZeneca had previously partnered China International Capital Corporation to establish a vehicle called Healthcare Industrial Fund in late 2019 with $1bn in capital.

6 Heritage Group, a US-based venture capital firm backed by 15 strategic LPs in healthcare, has raised $317m for its third fund. Heritage Healthcare Innovation Fund III has about 50 investors and the firm referenced

AdventHealth, Amedisys, Blue Cross Blue Shield of Tennessee, CardinalHealth, Cerner, Community Health Systems, Health Care Service Corporation, Horizon Blue Cross Blue Shield of New Jersey, Intermountain Healthcare, LifePoint Health, Memorial Hermann, Sutter Health, Tenet Health, Trinity Health and UnityPoint Health as strategic partners.

Heritage raised $220m for its second fund in 2016 and has invested in companies including Medical Solutions, Sharecare, HealthChannels, Abode Healthcare, MDLive, Lumere and Spero Health.

7 US-based life sciences investment firm Adjuvant Capital raised $300m for an oversubscribed fund from investors including pharmaceutical firms Merck and Novartis.

Limited partners also include Bill and Melinda Gates Foundation and Dalio Philanthropies, among many other investors. Launched in 2019, Adjuvant Capital's fund focuses on medical technologies aimed at public health issues that have traditionally struggled to attract VC funding.

Areas of interest include malaria, tuberculosis and Lassa fever. The fund has already backed 14 companies, such as US-based herpes vaccine developer X-Vax Technology, Austria-based vaccine developer Themis Bioscience and Denmark-based vaccine developer MinervaX.

8 Chevron Technology Ventures, the strategic investment arm of US-headquartered oil and gas provider Chevron, launched a $300m vehicle called Future Energy Fund II to fund developers of clean energy technology. Future Energy Fund II will provide funding for developers of technology that can help reduce carbon emissions, covering areas such as industrial decarbonisation, mobility technology, the decentralisation of the energy structure and circular carbon technology. The fund is the eighth to be formed by the unit since it was launched in 1999 and it is the successor to the first Future Energy Fund, which was formed in 2018 with $100m in capital.

9 Ascension Ventures (AV), the VC firm formed by health system Ascension, closed its fifth fund with $285m in capital supplied by 13 healthcare providers. Limited partners included Ascension, as well as AdventHealth, Carle Foundation, CentraCare, Children's Medical Center of Dallas, Intermountain Healthcare, Novant Health, OhioHealth, OSF HealthCare, Luminis Health, Sentara Healthcare and Texas Health Resources. One unnamed health system has also joined the roster of investors.

Ascension Ventures was launched in 2001 and now has more than $1bn under management. The firm has backed approximately 80 companies in the software, services, medical device and diagnostic sectors. It operates as a stage-agnostic investor with a strategic focus on the needs of its LPs.

10 France-based venture capital firm Singular raised €225m ($265m) for the close of its first fund, which was backed by insurance firms Axa and MACSF.

Axa invested in the fund through corporate venturing arm Axa Venture Partners, while its other LPs included pension fund manager Ontario Teachers' Pension Plan, development bank BPIfrance, Mubadala Capital, Vintage Investment Partners and Sofina. The vehicle also secured commitments from unspecified pension funds, funds-of-funds, sovereign funds and family offices. The firm began the fundraising process in late 2019.

Singular was founded by Raffi Kamber and Jérémy Uzan, former partners at France-based VC firm Alven. The firm will primarily participate in series A and B rounds for European technology startups, investing up to €20m per deal.

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