



Corporate Venture Capital Investment Strategies in the COVID-19 Pandemic



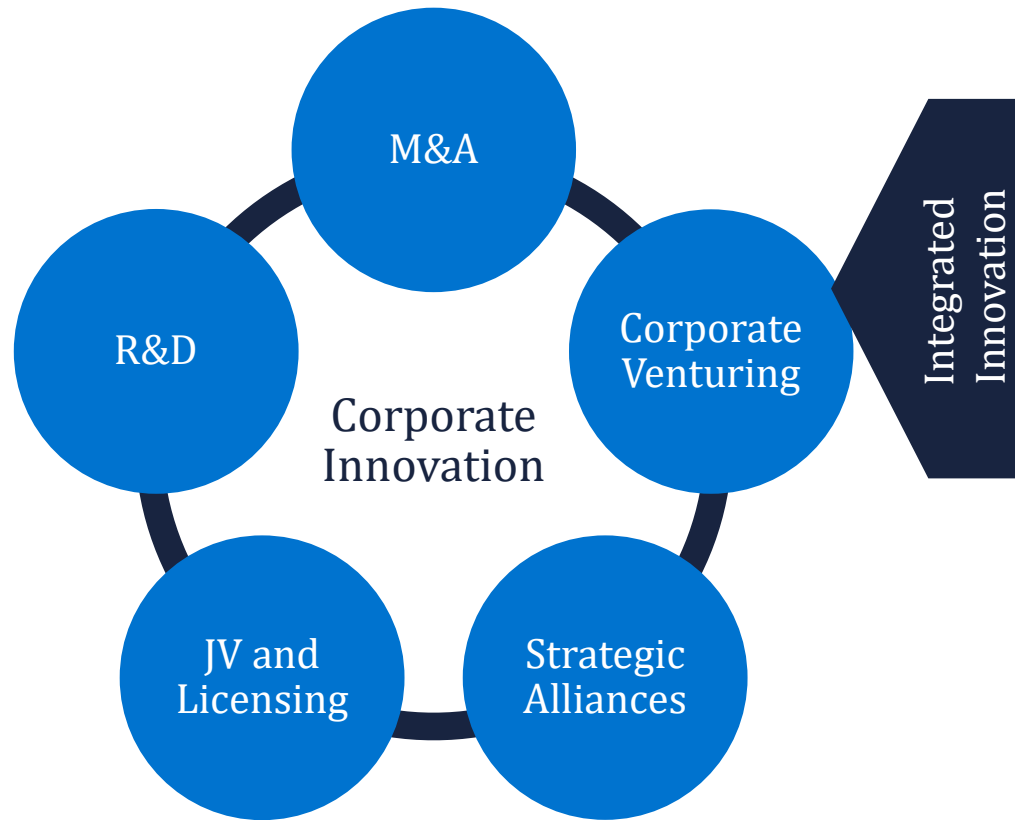
Corporate venture capital investment strategies in the COVID-19 pandemic

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Corporate Venture: One Tool in the Innovation Tool Kit

- Corporate venture capital
- Internal R&D
- Investment/engagement with accelerators and other startup programs
- Collaboration with other corporations
 - Open source software foundations: OpenStack Foundation/Linux Foundation
 - Industry collaborations
 - Joint Ventures
 - Blockchain consortia (Velocity Networks)
- Internal projects/entrepreneurship
 - Internal projects for internal use
 - Process for spinning out “on the shelf” technologies
 - Use startup methodologies such as “lean startup” (adopted by GE)
- M&A
 - Integrate new technologies more swiftly

Corporate Venture: Strategic Alliances to Serve Innovation Needs of Corporations



Innovation M&A
Corporate Venture Capital
Incubation Commercial Piloting
Innovation Center of Excellence
Innovation Partnering
Incubation, Commercial Piloting



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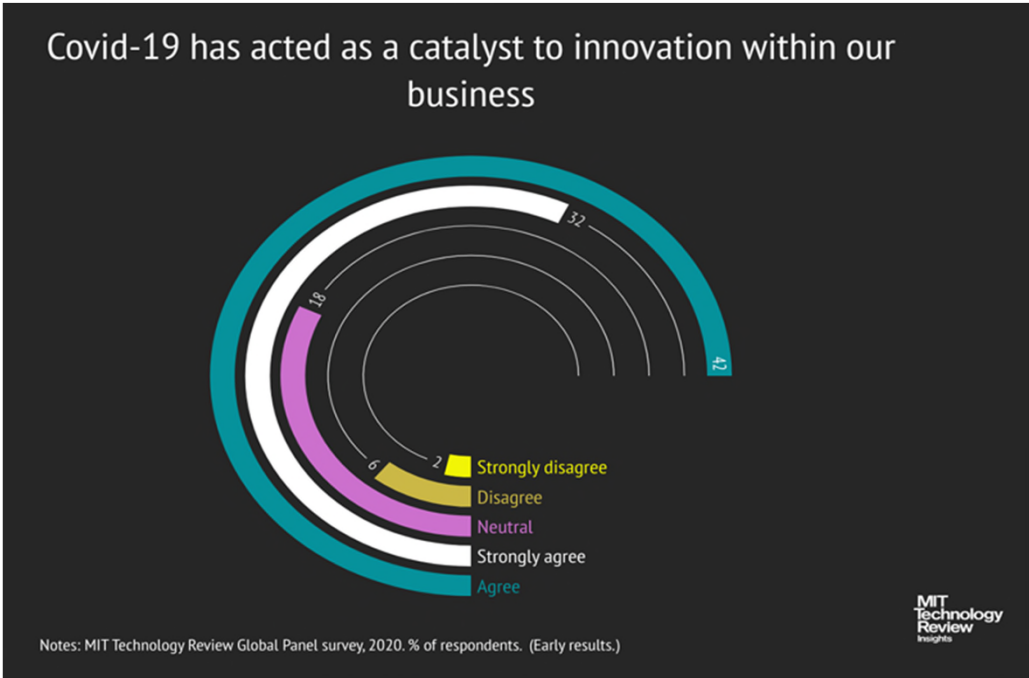


COVID19: Acceleration of Innovation

- MIT Technology Review “COVID19 is acting an accelerator to innovation within our business”
 - Agree: 42%
 - Agree strongly: 32%
- Innovation Acceleration (Pitchbook)
 - COVID-19
 - Testing
 - Sight Diagnostics/Sheba Medical Center
 - Everlywell/Carbon Health/Nurx (inhome testing)
 - Vaccines
 - Moderna/Curevac
 - Hospital management
 - Disinfection robots
 - Telemedicine
 - Digitization/Automation
 - Remote Work
 - Distributed companies: MySQL/Automattic
 - Collaboration tools (April, G Suite added 6M customers)
 - Health & Wellness
 - Peloton
 - Mirror (bought by Lululemon)

Business Innovation in the COVID19 Era (MIT Tech Rev)

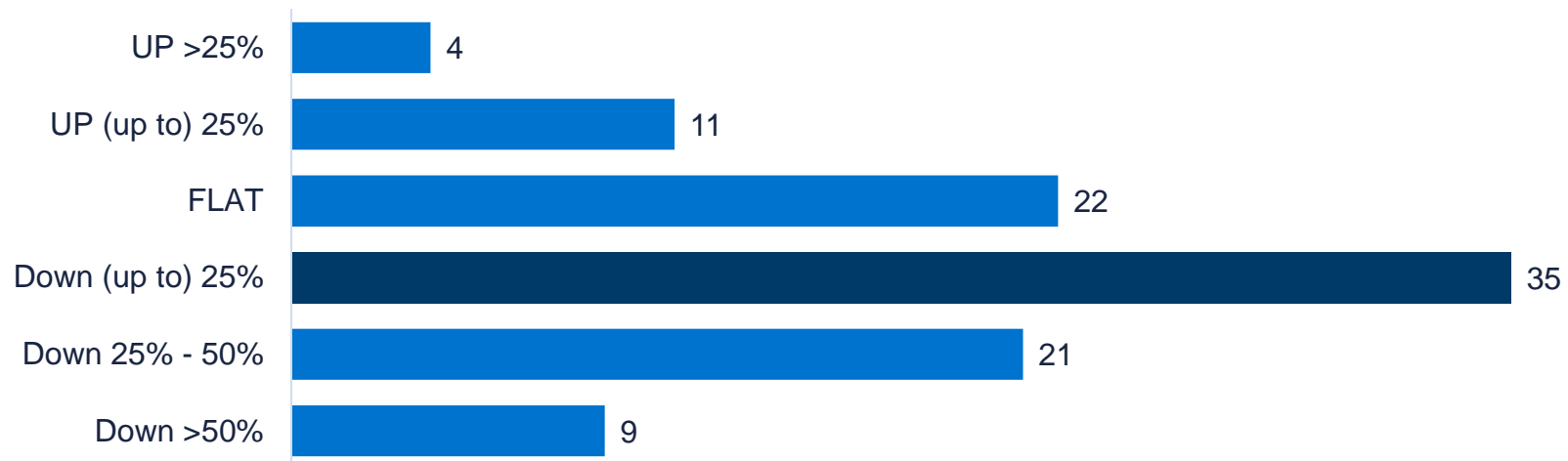
Covid-19 and the efforts to stop its spread have had a big impact on how companies innovate—in some cases for the better, early results from MIT Technology Review Insights' survey show.



Business Innovation in the COVID19 Era (MIT Tech Rev)

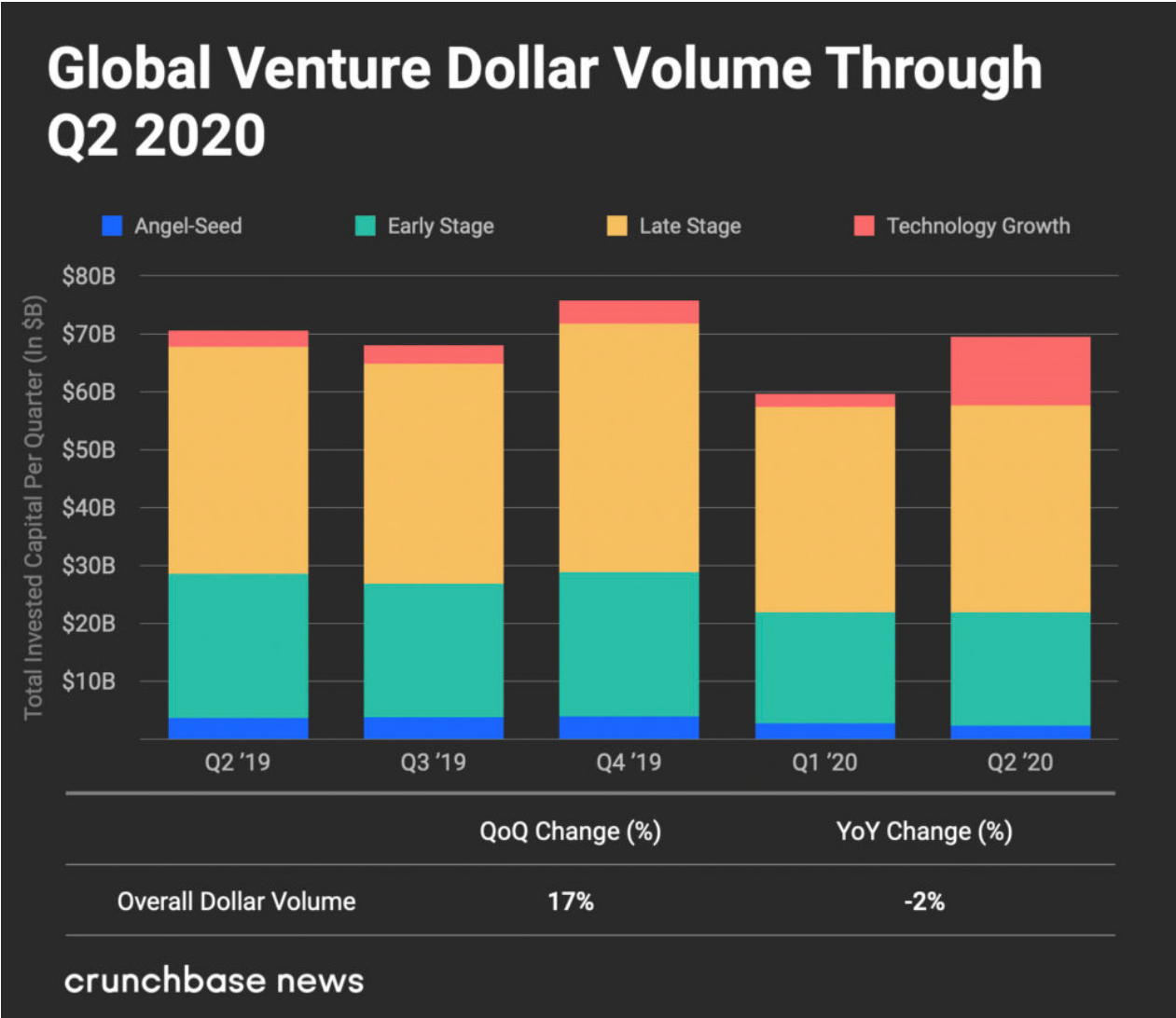
- Many organizations see a drop in revenue
- But three-quarters of them see a silver lining

What do you expect the impact of covid-19 to be on your company's revenue for 2020?

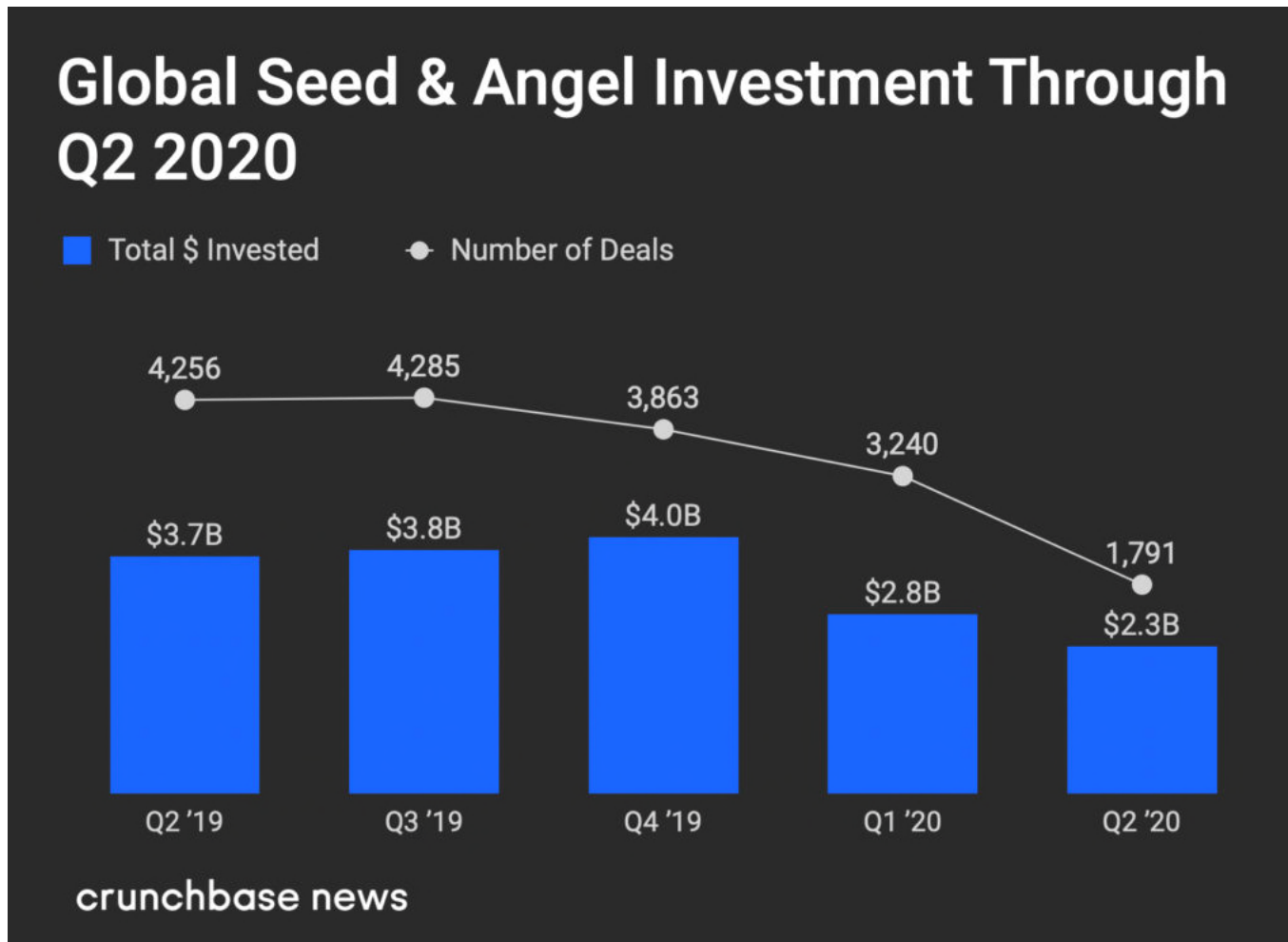


Notes: MIT Technology Review Global Panel survey, 2020. % of respondents. (Early results.)

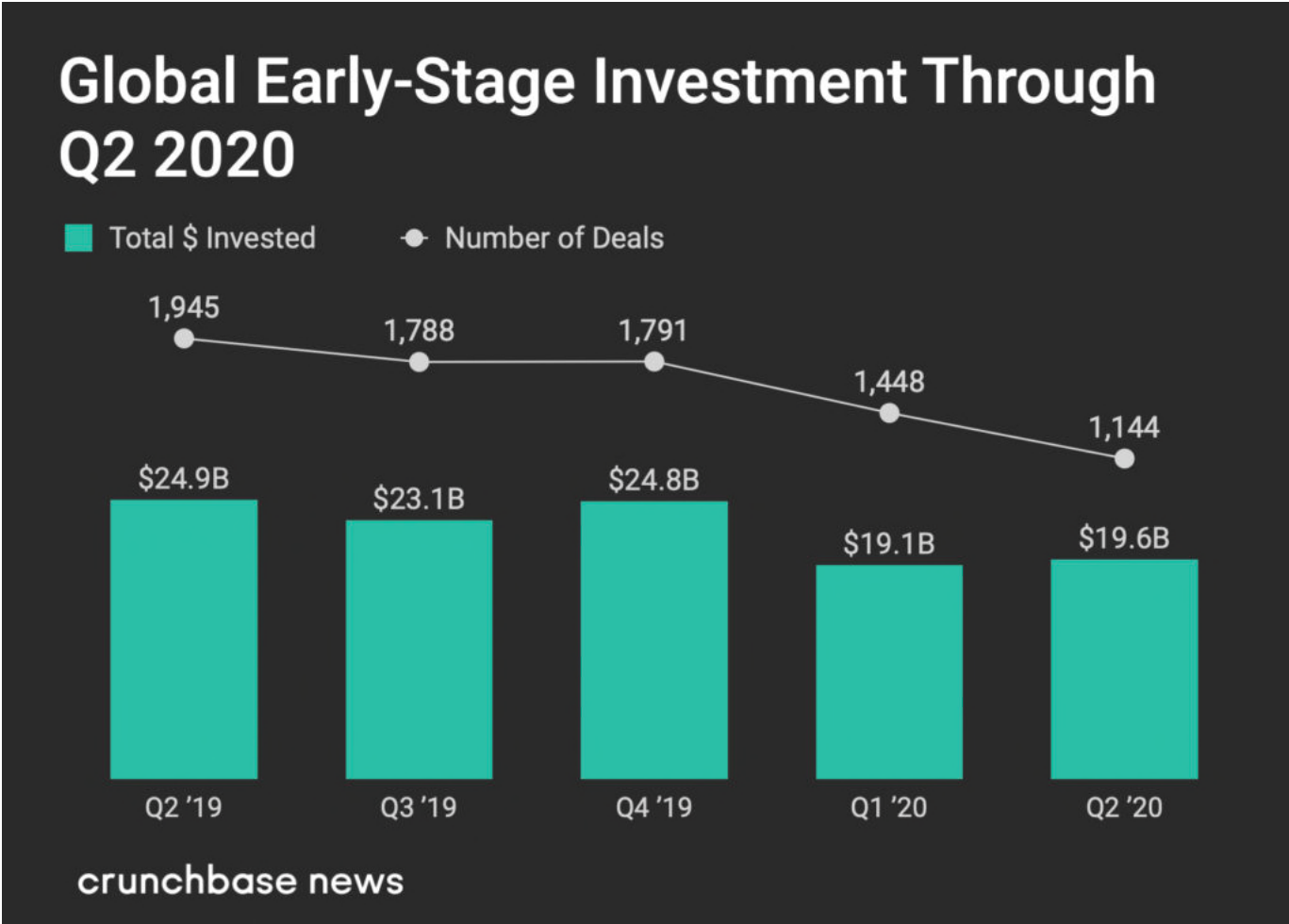
Global Venture Dollar Volume: Crunchbase



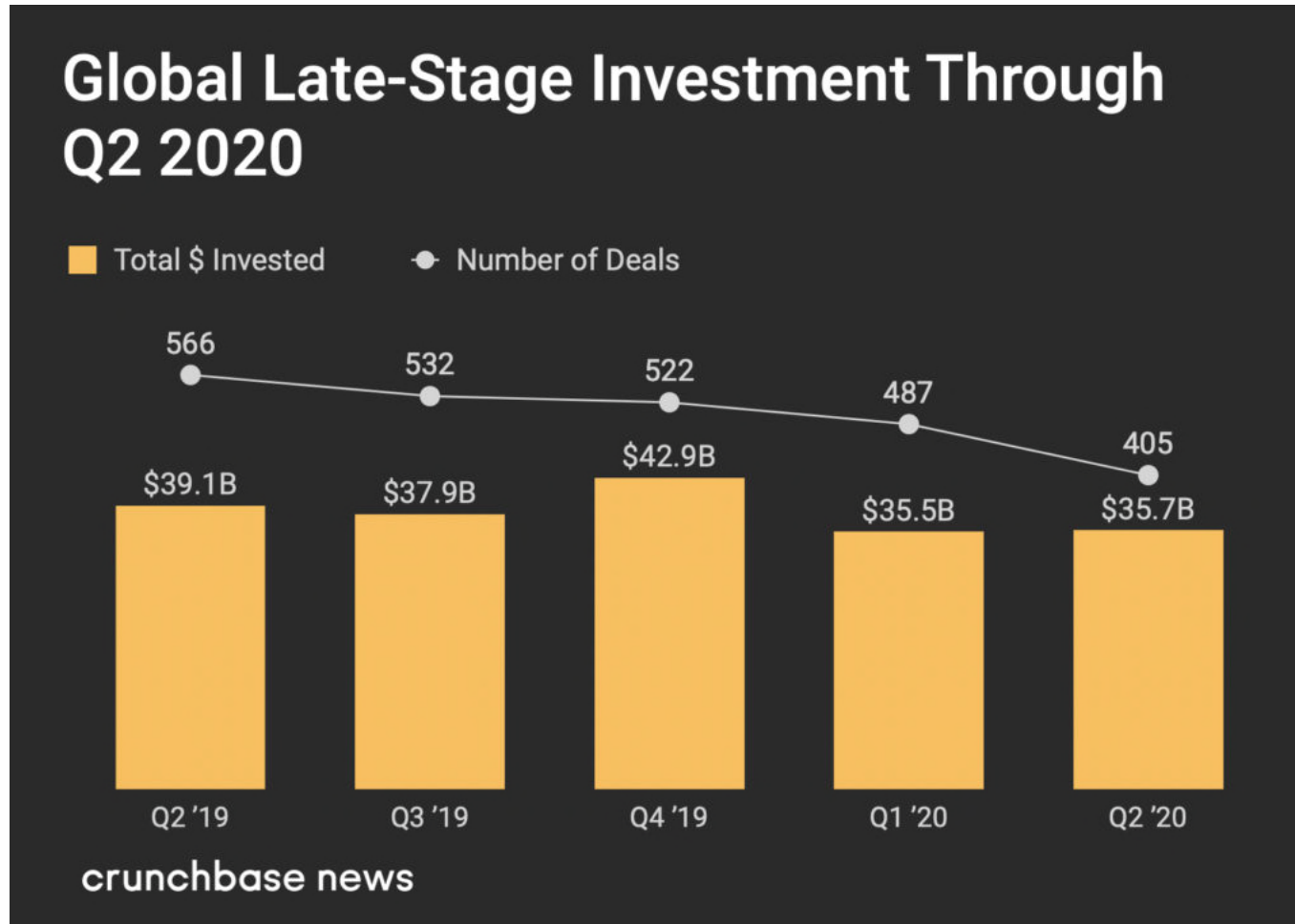
Seed/Angel Investment Numbers: Crunchbase



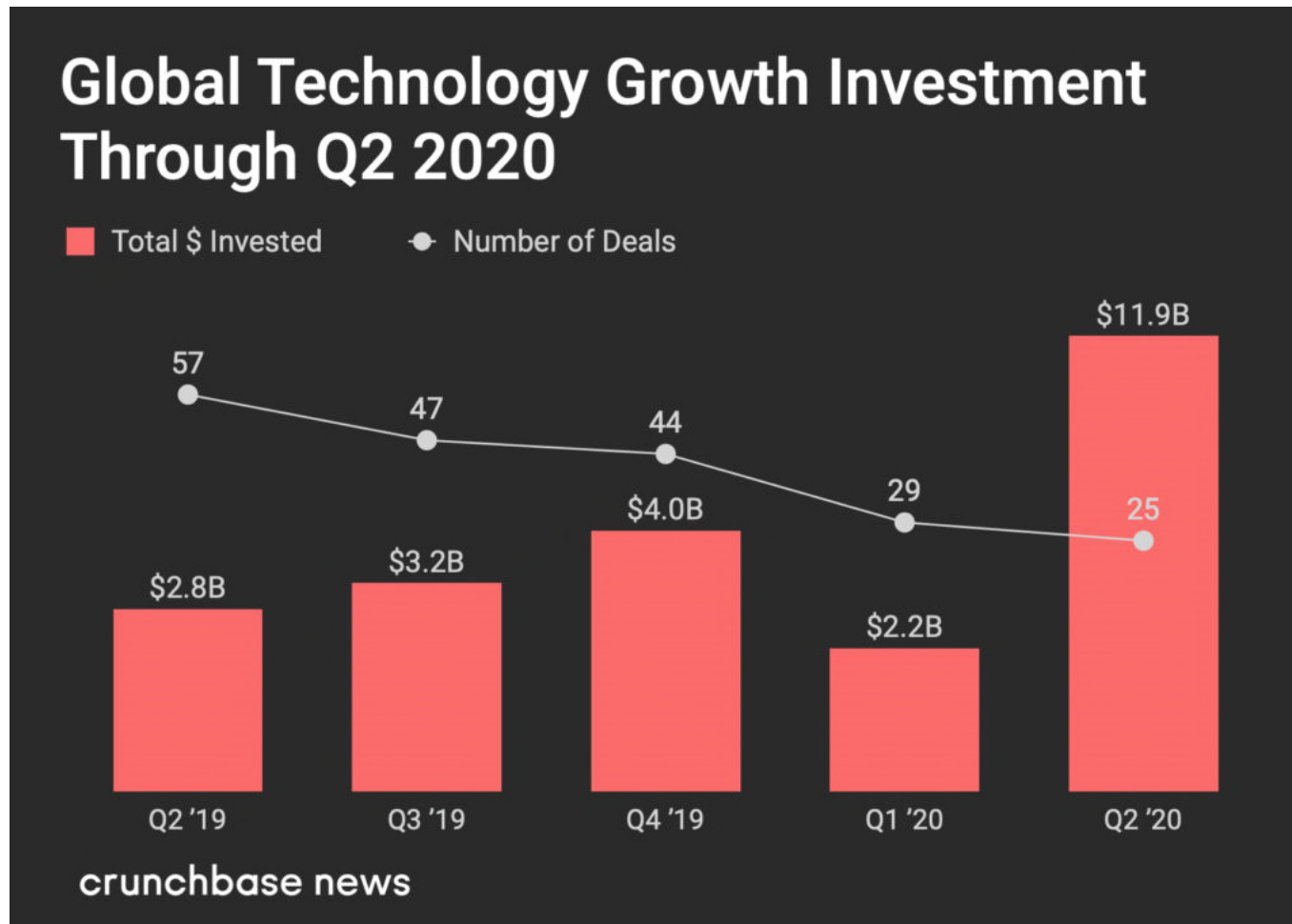
Early Stage Investment Numbers: Crunchbase



Late Stage Investment Numbers: Crunchbase

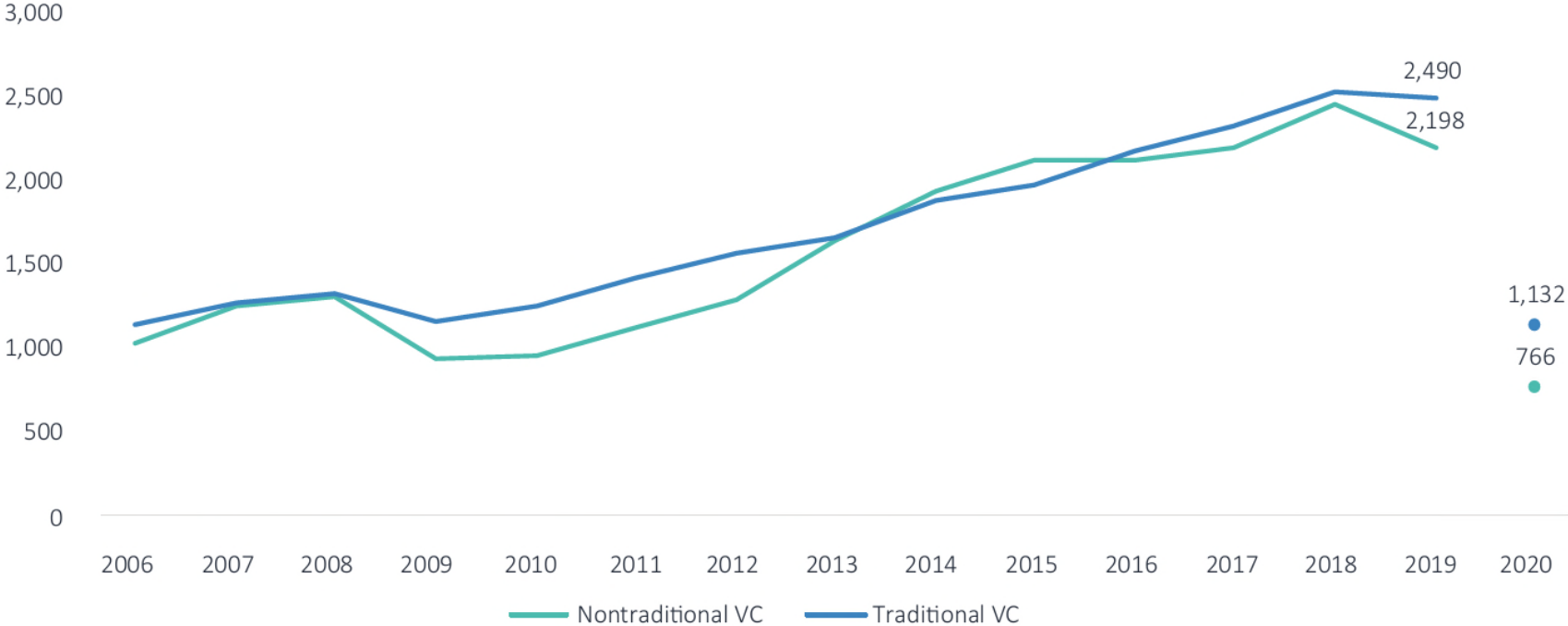


Technology Growth Investment Numbers: Crunchbase



Unique Investors by Type

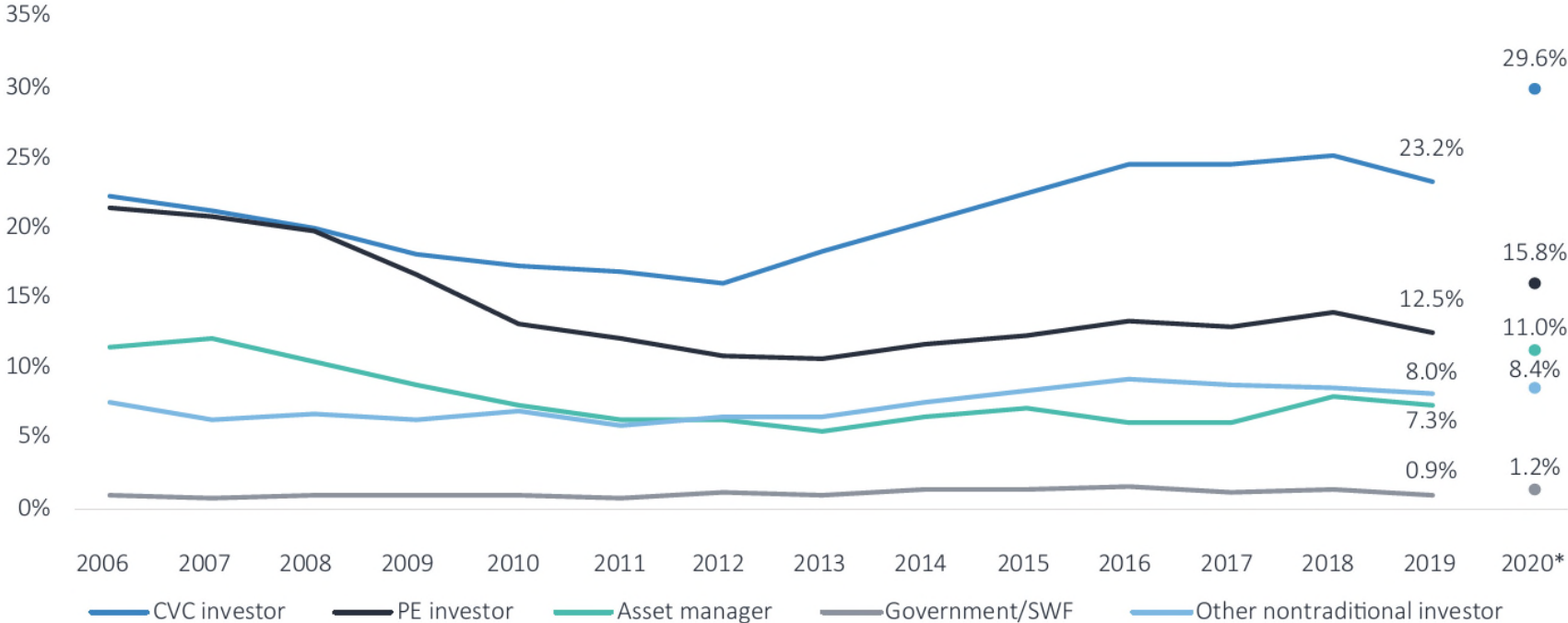
Unique investors (#) by type



Source: PitchBook | Geography: Global
*As of March 31, 2020

Nontraditional Investors (CVC, SWF, Hedge Funds)

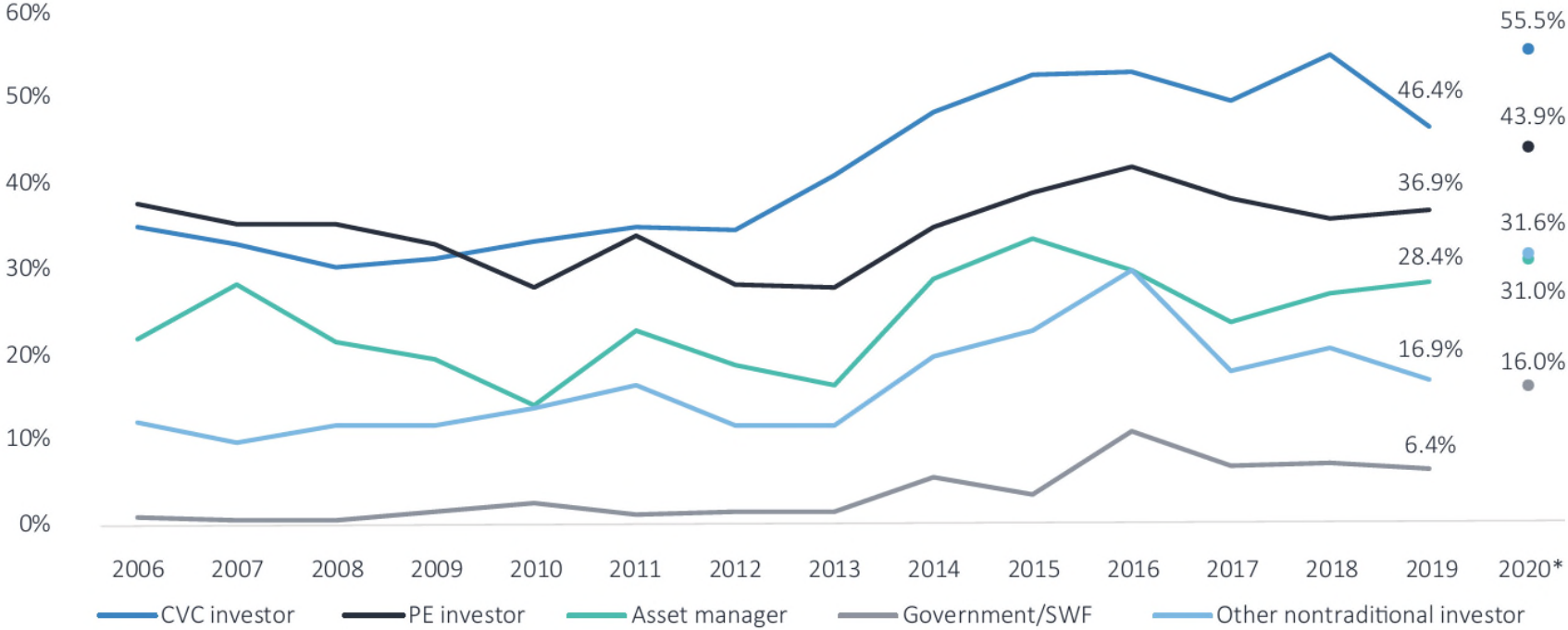
VC deals (#) with nontraditional investor participation as a proportion of all VC deals by type



Source: PitchBook | Geography: US
 *As of March 31, 2020

Non Traditional Investor by Types

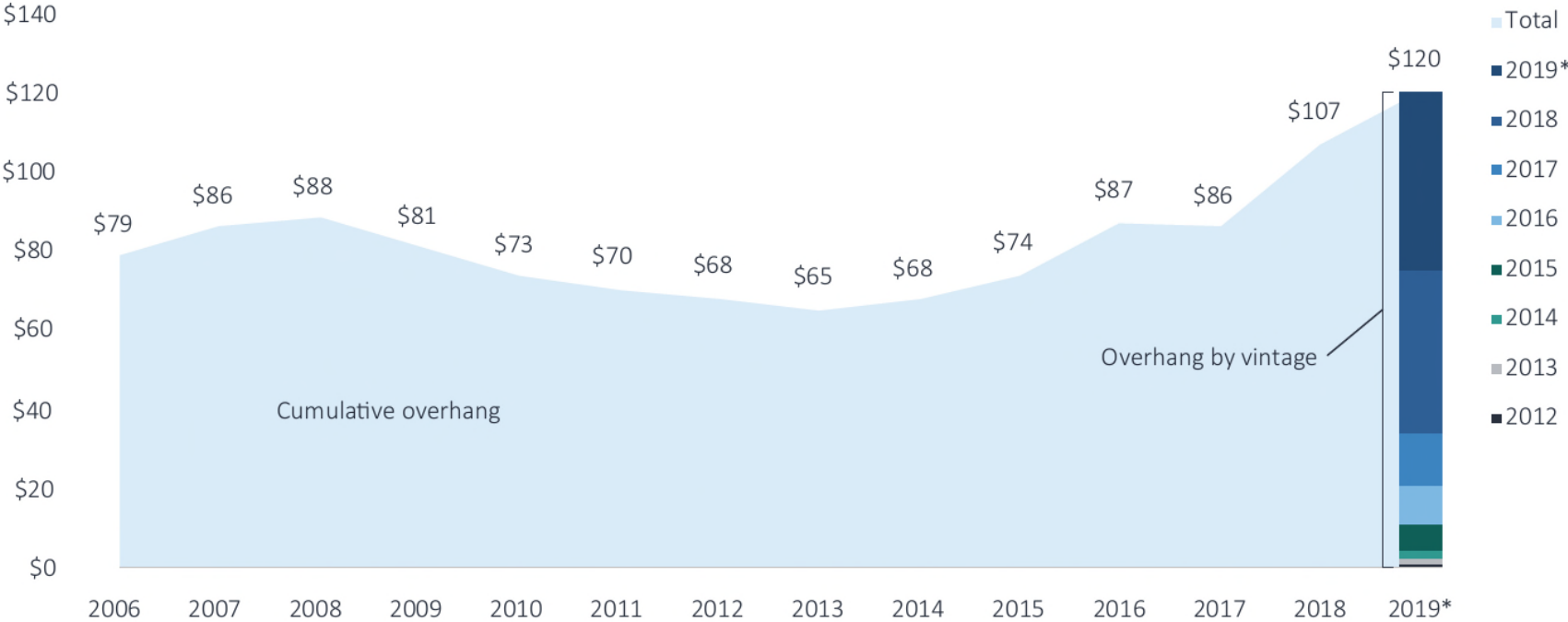
VC deals (\$) with nontraditional investor participation as a proportion of all VC deals by type



Source: PitchBook | Geography: US
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Dry Powder of VC Funds

Dry powder (\$B) in dedicated VC funds

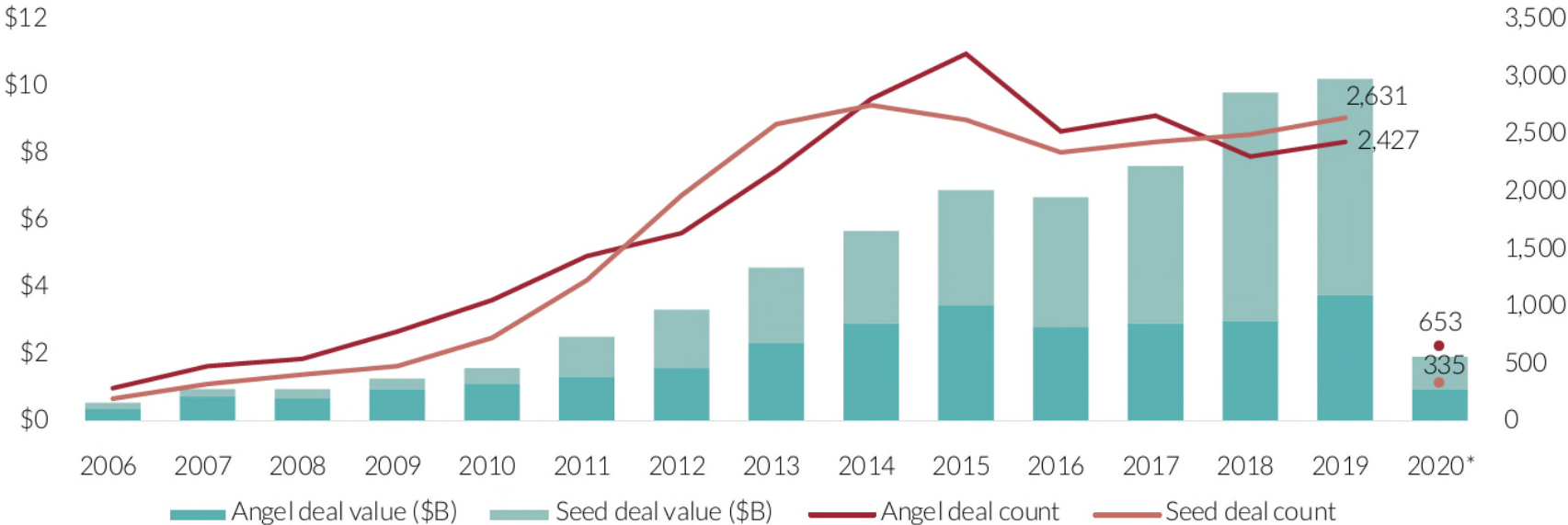


Source: PitchBook | Geography: US
 *As of September 30, 2019

Q1 2020 Angel & Seed

Crisis effects yet to hit angel & seed deal counts

US VC angel & seed deal activity

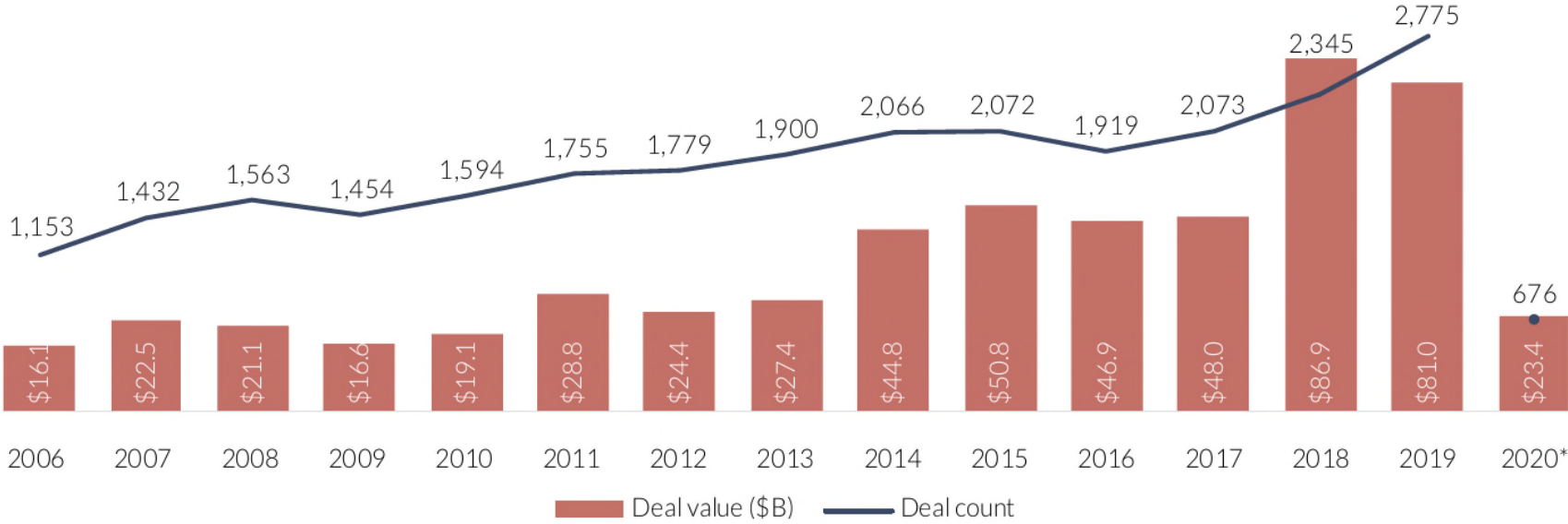


PitchBook-NVCA Venture Monitor
*As of March 31, 2020

Q1 2020 Late Stage

Late-stage activity starts off year strong

US VC late-stage deal activity

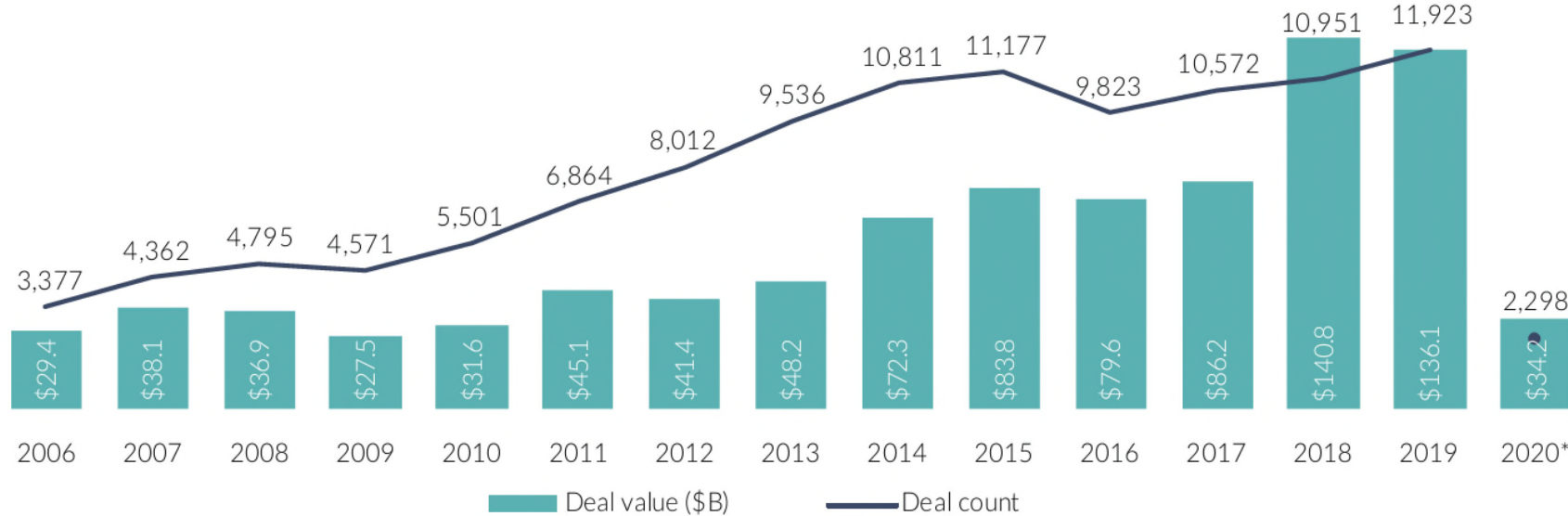


PitchBook-NVCA Venture Monitor
*As of March 31, 2020

Q1 2020 Venture Deals

After record year, momentum carries deal activity in Q1

US VC deal activity



PitchBook-NVCA Venture Monitor
*As of March 31, 2020

Mark F. Radcliffe

Mark Radcliffe is a partner in the Silicon Valley office of DLA Piper. Mark's practice focuses on representing corporations in their intellectual property and finance matters. In his thirty years practicing law in Silicon Valley, he has worked with a wide variety of companies from emerging growth companies such as Autit, Netratings, Lightbend and Magnum Semiconductor, Inc. to larger companies such as Hewlett Packard Enterprise Company, Sony Corporation, Siemens Corporation, Sun Microsystems, Inc. and Hitachi, Ltd.

Mark is the Chair of DLA's Corporate Venture Practice Group which represents many global Fortune 100 companies in their venture capital transactions. The Corporate Venture Practice Group also has developed a training program of four modules particularly designed for corporate venture capitalist and which has been presented to over fifteen corporate venture groups. Mark is a regular speaker on venture capital, particularly corporate venture capital.

In 1997, the National Law Journal cited him as one of America's 100 most influential lawyers. The San Francisco Business Times has named him among the best lawyers in the San Francisco Bay area. Leading international legal publishers consistently rank Mr. Radcliffe among the top lawyers in his profession. The respected English publishers Chambers and Partners has repeatedly named him in Chambers USA: America's Leading Lawyers for Business, and has described him as "outstanding" and "a leader in open source-related matters." Legal 500 also recognizes him, commenting: "His expertise in providing strategic IP advice, with particular specialism in open-source matters, has won him plaudits. Indeed, one client describes him as 'probably the best lawyer in his field.'" In 2009, 2010, 2011, 2012 and 2013 Intellectual Asset magazine named him among the "IAM 250 - The World's Leading IP Strategists." In 2014 and 2015 Intellectual Asset magazine named him among the "IAM 1000 - The World's Leading Patent Practitioners." In January, 2013, he was appointed by the Department of State as the Private Sector Co Chair of the US Japan Innovation and Entrepreneurship Council. He earned a B.S. in Chemistry magna cum laude from the University of Michigan and a J.D. from Harvard Law School.



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Nicolas Sauvage

Nicolas Sauvage is Managing Director and Founder of TDK Ventures, the Corporate VC arm of TDK. He is responsible for TDK Ventures portfolio investment strategy and portfolio development, and drove the first two investments in Starship and Wheels. Nicolas is an alumnus of ISEN, London Business School, INSEAD and Stanford GSB.

Nicolas drove the creation of TDK Ventures for TDK Corporation (USD 12.5 billion), a technology-focused venture fund based in San Jose, California. With a first fund of \$50m, TDK Ventures will focus its investments on technologies and solutions that embrace digital, energy & environmental transformations. We are investing globally in Seed to B-round startups that leverages fundamental material science to unlock an attractive and sustainable future for the world. Nicolas believes life is full of special moments and is deeply passionate about products and technologies that enhance these special moments.

TDK Ventures is a technology-focused venture fund, investing globally in early-stage startups that leverages fundamental material science to unlock an attractive and sustainable future for the world. TDK Ventures goal is to help every start-up we invest to achieve their full potential for positive world impact. Please reach out to us at contact@tdk-ventures.com



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Paul Holland

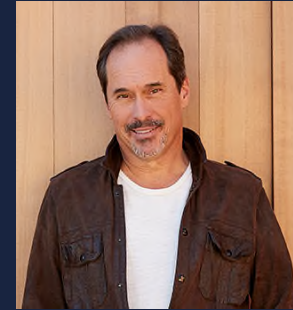
Paul Holland is Managing Director and VC-in-Residence at Mach49, where he leads the company's Corporate Venture Investing Practice.

A successful veteran of Silicon Valley as both an entrepreneur and investor, Paul works with global businesses to design, launch, and manage CVC Funds that leverage the experience, deal flow, global network, and success of his team of former top-tier Silicon Valley VCs.

Paul also supports Executive Investment Committees, bringing the discipline, portfolio mindset, metrics, and best practices needed to drive meaningful growth. He teaches clients best-in-class methods for partnering with and leveraging external startups to drive maximum value and innovation across their core businesses.

He has been a General Partner at Foundation Capital, a leading venture capital fund. Prior to Foundation, he helped Reed Hastings take Pure Software from a \$2M valuation to more than \$2B, and Mark Gainey take Kana Communications from a \$13M to \$9B valuation. His Foundation Capital investments include Chegg, MobileIron, Skycure, Coverity and others.

Paul enjoys being on the front lines — working side-by-side with entrepreneurs developing fast-growing, dynamic new ventures — experience he is also bringing to support Mach49's work helping large companies build a pipeline and portfolio of ventures.



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Jacqueline LeSage Krause

Jacqueline is the founding Managing Director and General Partner of Munich Re Ventures, a multi-fund venture capital investing platform for Munich Re Group, the world's largest reinsurance company. Under her leadership, capital under management has grown from \$50m in 2015 to more than \$500m today.

Jacqueline and the MRV team have led and participated in investment rounds for companies in insurtech, IoT, digital health, cyber, mobility and other areas, across stages from seed to Series D. Jacqueline serves on the Board of Directors of Trov and Augury, and is a Board Observer of Helium and Forge Global. She previously led the Series B round of relay, served on the board, and facilitated the acquisition of the company in 2018 by Hartford Steam Boiler, a subsidiary of Munich Re.

Among the earliest investors and operators in what became the insurtech space, Jacqueline has a unique perspective on the future of risk transfer. In 2008, she founded and led Hartford Ventures, one of the first direct corporate venture capital vehicles for an insurance company, along with an innovation studio that launched new products and offerings for The Hartford. She is an inventor on a number of patents related to new technologies and business models in insurance and is a frequent speaker at industry and academic events.

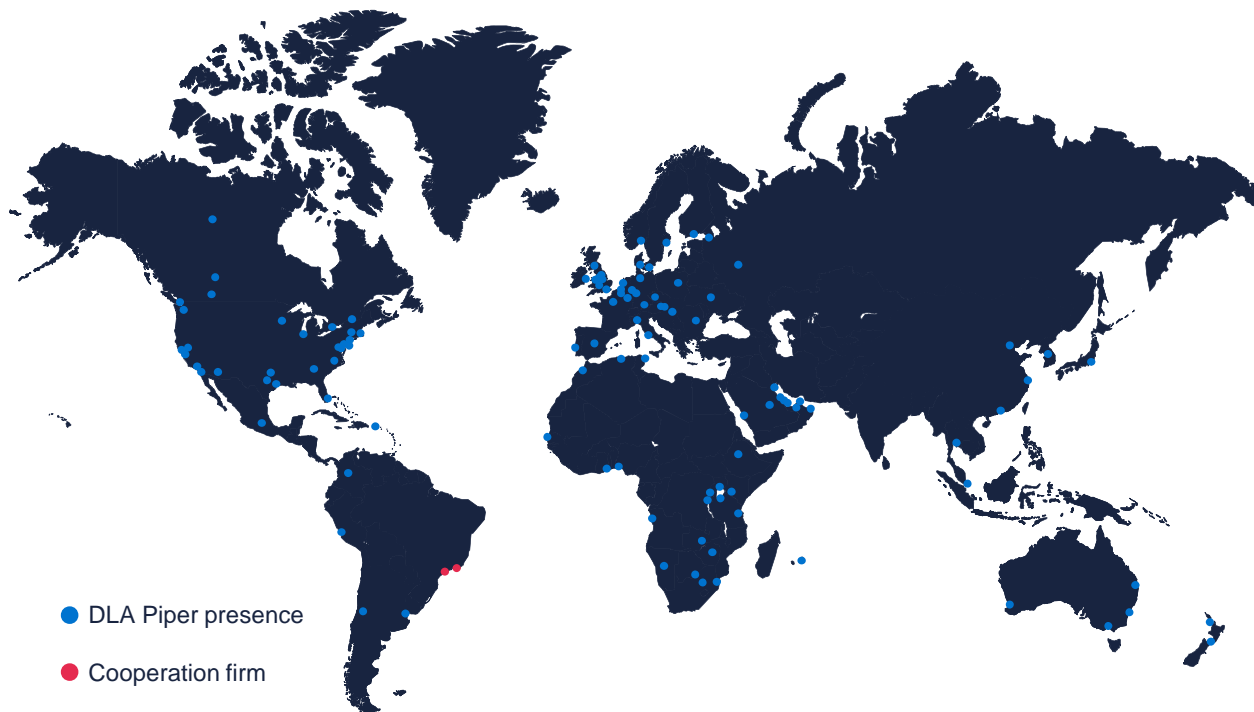
Jacqueline has 20+ years of experience creating the future in companies large and small, as a start-up founder, venture capital investor, corporate innovation leader, and management consultant. She has a particular interest in innovation at the intersection of technology, risk transfer, and infrastructure stemming from work early in her career on transportation infrastructure and project finance in the US and China. She lives in San Francisco and holds an MBA from the University of Chicago and a BS Economics from the Wharton School.



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Global Reach



- National and international coverage to meet the demands of a fast-evolving, increasingly global environment and to reduce coordination risks
- With lawyers located throughout the globe—including the U.S., Canada, Latin America, the Middle East, Africa, and Asia Pacific, DLA Piper is positioned to provide clients with guidance from anywhere in the world
- Ranked by Law360 as the #1 Global Law Firm based on global breadth and complexity of the firm's cross-border work
- 4,300+ lawyers in more than 90 offices in over 40 countries
- Coverage in 20+ additional countries through DLA Piper Relationship and Focus firms

Working with DLA Piper at a glance

- Working with DLA Piper's Corporate Venture specialists brings several benefits to our clients:
 - **Capacity:** Corporate venture capital deals frequently involve short deadlines – due to the large number of partners and associates who routinely work on transactions, we can ensure that the necessary resources are available for our clients
 - **Integrated Approach with full scope of legal disciplines to support transactions:** Our success in supporting clients in corporate venture capital transactions is underpinned by market leading tax, intellectual property and technology, labor and employment, data privacy and security, and regulatory specialists who are deployed when their expertise is required
 - **Large international network:** DLA Piper is one of the few international legal service providers with access to a large international network of corporate venture capital legal advisors and the support of 4,300+ lawyers in more than 90 offices in over 40 countries
 - **Local contacts:** Instead of coordinating with different legal advisors, our clients will have a bi-coastal team of US-based corporate venture capital partners as responsible contacts who will coordinate a transaction project on a national or international level which saves time and brings efficiency to the process
 - **Expertise:** Our lawyers have extensive know how executing complex corporate venture capital transactions and can bring the experience of many projects and transactions with them
 - DLA has the leading corporate venture practice, Global Corporate Venturing
 - DLA ranked #1 Global M&A deal volume in 2019 for the tenth consecutive year, *Mergermarket*

Corporate Venture

- In the past three years, completed over 2100 deals, totaling over US\$31 billion
- We advise investors and companies on 800+ venture and debt financings annually and have **deep experience** working with corporate venture funds on **investments, commercial agreements, acquisitions and disposals**
- We are active in global markets on behalf of our clients every day and **routinely execute a large volume of complex venture transactions**, allowing us to provide clients with:
 - **Efficient, cost-effective service** regardless of the size of the deal
 - A **highly integrated and skilled team**, from senior partners to experienced associates, who are **conversant in a variety of legal disciplines**
 - **Thought leadership and training** on structures, trends and best practices in corporate venture
 - **Relationships and insight** by leveraging the collective knowledge and contacts of DLA Piper's lawyers in offices throughout the world

Recognition

- Twice named the "Legal Firm of the Year" (*Global Corporate Venturing*)
- The only law firm to rank in the top five for M&A, Private Equity and Venture Capital in the *PitchBook* 2018 global league tables report
- #1 law firm advisor to investors (*PitchBook* 2018)
- Recognized – Nationwide: Startups & Emerging Companies (*Chambers USA* 2019)
- Recognized as the 2nd global elite law firm brand in the *Acritas US Law Firm Brand Index* 2020

Representative Corporate Venture Clients



Corporate Venture: Training Programs

- 1. Term Sheets for Corporate Investors.** This presentation is designed to assist corporate investors to understand how venture capital term sheets operate with particular emphasis on special issues for corporate investors. The presentation is based on model Series A and Series B term sheets.
Time: 60 minutes
- 2. Best Practices for Board Observers and Board Members for a Private Technology Company.** This presentation is designed to train individuals to serve as observers or members of the board of private technology companies and is available in person. The presentation can be of value both for the experienced corporate investor and the new corporate investor. It focuses on the legal and practical aspects of service as a board observer and board member. The presentation uses a PowerPoint presentation and provides substantial materials: six memorandums (Basic Fiduciary Duties, Duties upon a Merger, Duties in a Spinout, Duties upon Insolvency, Intellectual Property, Critical Issues and Patent Prosecution Strategy) and a Summary of Best Practices.
Time: 240 minutes
- 3. Understanding Financings: Spreadsheet.** This presentation is designed to train investors about the interaction of changes in share prices, amount raised, size of option plan, antilution and warrants on a financing. The presentation uses a spreadsheet based on simultaneous equations to calculate these effects. It is based on several “downround” scenarios to understand how these different issues interact. The spreadsheet will be provided in electronic form for use by the client.
Time: 90 minutes
- 4. Developing and Managing Intellectual Property Strategy for Portfolio Companies.** This presentation is designed to train investors to assist in the development and management of intellectual property strategy for their portfolio companies which matches their business strategy. Intellectual property has become critical to protecting a company’s business and building value for a merger. The sale of the Friendster patents for \$40 million and the purchase of Motorola Mobility for \$12.5 billion have emphasized the importance of intellectual property. The presentation will describe basic forms of intellectual property, common mistakes made by startups and successful strategies of companies and startups. And the presentation will address the concerns of acquiring companies and the strategies to ensure the highest possible value for a startup in an acquisition.
Time: 90 minutes

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As your company grows and expands in established markets and developing regions, our Mergers & Acquisitions practice group is committed to being your partner for all your acquisition and divestiture initiatives.

Unmatched Experience

You will benefit from the collective experience of counsel who does more M&A deals than anyone else.

Business-minded Advice

You will receive pragmatic, practical and actionable legal advice that is aligned with your business goals and objectives.

Integrated, Multidisciplinary Teams

You will benefit from knowledge-sharing and efficiencies that come from the integration of our tax, employment, IP, and other teams. From diligence to integration, we deliver the resources you need to implement your strategy.

Global Platform, Local Knowledge

You will be able to leverage our unique blend of global perspective and in-depth local knowledge to get informed local guidance wherever your expansion goals take you.

325+

Corporate
Lawyers
in the US

1,000+

Corporate
Lawyers Around
the World

747

M&A Deals
Worldwide in
2019

5,100+

M&A Deals in the
Last 10 Years

#1

Global M&A for a
decade
Mergermarket
2019

Global
Europe
UK
France
Nordics
Middle East
Africa

Mergers & Acquisitions

Our mission is to help our clients succeed, and we differentiate ourselves through our innovative take on the legal market. The result is that more clients have used us for their M&A than any other firm – for TEN years.



We Can Help You Like No Other

We are sophisticated practitioners with concentrated experience in your industry and incomparable M&A experience. From initial diligence to post-merger integration, we deliver the resources you need to develop and implement your expansion goals.



We Are Where You Are

Our global footprint and qualified specialists in nearly every jurisdiction will allow us to provide you better, more cohesive service. Wherever you expand, we will be there too.

#1

GLOBAL M&A FOR A DECADE

We've done
more deals than
any other law
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Thank you

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