Internet appendix for

"Invest Local or Remote? The Effects of COVID-19 Lockdowns on Venture Capital Investment around the World"

(not to be published)

In this Internet Appendix, we provide supplemental evidence and robustness tests to the main results presented in "Invest Local or Remote? The Effects of COVID-19 Lockdowns on Venture Capital Investment around the World."

Regarding our analyses based on global VC investments, we provide supplemental evidence in Internet Appendix Table IA1 and Figure IA1. We report the results of the robustness checks on our baseline analysis of the death of distance in VC investment in Internet Appendix Tables IA2–IA17 and Figure IA2. We address the alternative interpretations of the death of distance in Internet Appendix Tables IA18–IA29.[1] The results of the robustness checks on the heterogeneity of the death of distance are reported in Internet Appendix Tables IA34–IA37. We report the results of the robustness checks on the implications of the death of distance in Internet Appendix Tables IA38–IA42. With respect to our analyses based on VC investments in China, we provide supplemental evidence in Internet Appendix Figures IA3–IA4. We report the results of the robustness checks on our baseline analysis of the death of distance in China in Internet Appendix Tables IA30–IA33.

We also provide more elaborate discussions of the main results of the paper in the following subsections in this internet appendix. In Internet Appendix Section (IA1.1), we elaborate on the robustness checks on the death of distance in VC investment. We delineate how we address the alternative interpretations of the death of distance in Internet Appendix Section (IA1.2). We discuss more details on the institutional background of COVID-19 lockdowns in China in Internet Appendix Section (IA1.3). We provide more elaborate evidence on the digital transformation after the COVID-19 pandemic in Internet Appendix Section (IA1.4).

[1] In particular, we address the concern for supply of VC financing in Internet Appendix Tables IA18 and IA19, the concern for "pandemic-aided" sectors in Table IA20, the concern for bargaining power of startups in Table IA21, the concern for relocation of entrepreneurs in Table IA22, the concern for working from home in Table IA23, the concern for first-round investments in Table IA24, the concern for VC syndication in Table IA25, the concern for VC reputation in Table IA26, the concern for government support policies in Tables IA27 and IA28, and the concern for cross-border deals in Table IA29.

IA1.1 Death of distance: Robustness checks

In this subsection, we elaborate on the robustness checks outlined in Section (2.3).

Specific policies on mobility restrictions. We delve further into specific types of human mobility restriction policies and report the results in Internet Appendix Table IA7.[2] The empirical setup of all regressions in this table is based on equation (2) and we classify countries into high vs low mobility restriction groups by specific categories of human mobility restriction policies. In column (1) of this table, we sort the nations into high vs low mobility restriction countries based on the stringency of government restrictions on travel. Analogously, we categorize countries into high vs low mobility restriction groups by the stringency of government restraints on public transport closings in column (2), workplace closings in column (3), school closings in column (4), and government mandate on the shelter-in-place orders in column (5). The results in this table suggest that the death of distance in VC investment is more pronounced in countries with harsher government restrictions on human mobility.

Within-country variation in mobility restrictions. While our classification of high vs low mobility restriction groups is at the country level in our baseline analysis, we exploit the within-country differences in human mobility restrictions across subnational regions in each country and we classify the treatment group based on mobility restriction measure at the deal level. We report the results in Internet Appendix Table IA8. Based on the measure of mobility restrictions at the level of the subnational regions (i.e., states, provinces, etc.) in each country, we obtain the mobility restriction measure of the subnational regions of the VC firm and startup company in each deal and we compute the average value of the mobility restriction measure in each VC-startup pair.[3] Based on this deal-level mobility restriction measure, we sort the deals in each country into high vs low mobility restriction groups; the *Treat* indicator in Table IA8 equals one for deals in the high mobility restriction group and zero otherwise. The results in this table suggest that our findings are robust when our DiD analysis is based on subnational-level mobility restrictions.

Excluding the U.S. deals. One may wonder if the results could be driven by the United

[2]The information on these human mobility restriction policies is based on the OxCGRT database.

[3]Due to data availability of the OxCGRT database, we focus on countries whose government mobility restriction information is available at the subnational level in this test.

States. To address this concern, we exclude VC investments in the U.S. from the analysis and report the results in Internet Appendix Table IA9. As demonstrated by the results in this table, our findings are robust when the U.S. deals are excluded.

Focusing on VC investments in the U.S. One may wonder if the results could be driven by non-U.S. countries and our findings may not be manifested in the U.S. VC industry. One may also be concerned that the findings could be driven by country-level unobservables. To address these concerns, we focus on VC investments in the United States and we perform a DiD analysis by exploiting the variation in mobility restrictions across different states in the U.S. We report the results in Internet Appendix Table IA10. We obtain the mobility restriction measure of the states of the VC firm and startup company in each deal and we compute the average value of the mobility restriction measure in each VC-startup pair. We sort the deals into high vs low mobility restriction groups by this deal-level mobility restriction measure; the *Treat* indicator in Table IA10 equals one for deals in the high mobility restriction group, and zero otherwise. The results in this table indicate that our findings are robust when we focus on the U.S. VC industry.

Potential deals of all VC-startup pairs. While we focus on realized deals in our baseline analysis, we also follow the literature (e.g., Bottazzi et al. (2016), Gompers et al. (2016), Gu et al. (2022)) to construct a hypothetical sample of potential deals consisting of all possible VC-startup investment pairs.[4] To be specific, for every realized deal in our sample, we construct hypothetical VC-startup pairs by considering all possible startups that the VC firm could have invested in. We report the results in Internet Appendix Table IA11. The dependent variable in this table equals one if the VC firm has invested in this startup company and the startup is distant from the VC investor, and zero otherwise. In column (1), the dependent variable takes the value of one if the VC firm invests in a startup company more than 50 miles away and zero otherwise. We increase

[4] As discussed in previous studies (e.g., Gompers et al. (2016), Gu et al. (2022)), it is computationally infeasible to consider the entire universe of all possible VC-startup pairs (in light of the sheer number of VC firms and startup companies). Hence, computation burden entails prioritizing the key research focus when constructing this set of potential deals. The computation burden is particularly hefty in our research context because we incorporate global (instead of only U.S.) VC investments in our study. While our analysis covers global VC deals in each country, VC investments are not particularly active in some cities in some countries. In this test, we exclude VC firms and startup companies in cities without active VC investments. To be concrete, we exclude VC firms and startup companies in cities with fewer than 100 VC investments or the amount of VC investments is below 100 million U.S. dollars. Based on this criterion, there are about 4.8 million deals in this hypothetical sample of potential deals.

the distance threshold to 100 miles in column (2), 200 miles in column (3), and 500 miles in column (4). According to the results in this table, a VC firm is more likely to invest in a distant startup in countries with more stringent human mobility restrictions after the pandemic.

IA1.2 The death of distance: Addressing alternative interpretations

In this subsection, we provide more details about the additional tests in Section (2.4). Specifically, we address the concern for supply of VC financing in Internet Appendix Tables IA18 and IA19, the concern for "pandemic-aided" sectors in Table IA20, the concern for bargaining power of startups in Table IA21, the concern for relocation of entrepreneurs in Table IA22, the concern for working from home in Table IA23, the concern for first-round investments in Table IA24, the concern for VC syndication in Table IA25, the concern for VC reputation in Table IA26, the concern for government support policies in Tables IA27 and IA28, and the concern for cross-border deals in Table IA29.

Supply of VC financing. If VC investors are financially constrained, one may wonder if they may follow a geographic proximity-based pecking order investment pattern (i.e., proceeding from local startups to remote ventures). Under this "pecking order argument," venture capitalists may invest in more distant startups if they have increased their supply of VC financing. To the extent that the death of distance is driven by the pecking order argument, we expect to observe a more salient increase in VC-startup distance when the number of VC investments experiences a sharper rise after the pandemic. In light of this, we test the pecking order argument by the deal-level regressions reported in Internet Appendix Tables IA18 and IA19. Built on our baseline empirical setup (i.e., equation 2), we introduce the interaction terms with the post-pandemic changes in VC investment in the regressions in Table IA18. Specifically, *Change in number of deals* in this table refers to each VC firm's percentage change in the number of VC investments relative to 2019 (i.e., the year before the pandemic).[5] Since none of the interaction terms in this table is statistically significant, the phenomenon of increasing VC-startup distance is not linked to any potential changes in VC investment after the pandemic, casting doubts on the validity of the pecking order argument. Analogous to Table IA18, we conduct the same analysis based on VC fundraising in Table IA19.

[5]Since some VC firms have no investments in 2019, *Change in number of deals* becomes missing in such cases and the number of observations in Table IA18 is smaller than that in our baseline analysis.

Change in fundraising in this table refers to each VC firm's percentage change in the amount of VC fundraising relative to 2019.[6] Since none of the interaction terms in this table is statistically significant, our findings are robust when the analysis is based on VC fundraising. Hence, the pecking order argument does not seem to be a first-order-important explanation for the death of distance in VC investment.

"Pandemic-aided" sectors. The COVID-19 pandemic has paradoxically become a boon for startups in several "hot markets" and one may wonder if the death of distance could be driven by VC investment in such "pandemic-aided" sectors. In view of such concerns for "money chasing deals," we exclude startup companies in the pandemic-aided sectors and report the results in Internet Appendix Table IA20. Since the social distancing requirements have contributed to creating business opportunities in e-commerce and work-from-home technologies, we exclude the software startups in column (1) of this table and we remove all startups in the technology sector in column (2). Since the race for a COVID-19 vaccine has benefited the healthcare sector, we further exclude the healthcare startups in column (3). In addition, we exclude the startups in the sector of academic and educational services in column (4). Since the phenomenon of increasing VC-startup distance is still manifested across all regressions in this table, VC investment in pandemic-aided sectors does not seem to be a primary explanation for the death of distance in VC investment.

Bargaining power of startups. To address the concern that some startup companies may wield significant bargaining power over venture capitalists, we conduct a test to exclude such powerful startups and report the results in Internet Appendix Table IA21. We exclude the unicorns (i.e., privately held startup companies with a valuation above US$ one billion) in column (1) of this table. In column 2 (3), we sort the startups by the amount of VC financing they have received and we exclude the top 10% (20%) startups in each industry each year. Such promising startups are industry leaders and the entrepreneurs may hold up the venture capitalists because of the large financial stake of the VC investors in these ventures. Our findings are robust to excluding startups with significant bargaining power.

Relocation of entrepreneurs. Some entrepreneurs may relocate after the COVID-19 pan-

[6] Since some VC firms have no fundraising in 2019, *Change in fundraising* becomes missing in such cases and the number of observations in Table IA19 is smaller than that in our baseline analysis.

demic and some VC investors might chase such entrepreneurs. Hence, one may wonder if increasing VC-startup distance could be attributed to the relocation of entrepreneurs after the pandemic. One may also wonder if the death of distance in VC investment could be driven by startup companies founded after the pandemic. To mitigate such concerns, we report the results based on startups founded before the pandemic and have not relocated in Internet Appendix Table IA22. The results in this table suggest that the phenomenon of increasing VC-startup distance is still evidenced.

Working from home. One may wonder if the results could be affected by the differences in the capability to work from home (WFH) across sectors. In light of this concern, we control for the sectorial differences in WFH capability and report the results in Internet Appendix Table IA23.[7] Following previous studies (e.g., Dingel and Neiman (2020), Papanikolaou and Schmidt (2021)), this proxy for WFH capability is the fraction of workers that can telecommute in each sector.[8] The death of distance in VC investment is still exhibited when controlling for WFH capability.

First-round investments. One may be concerned that some information about the startup companies may have already been disclosed to the VC community in their previous financing rounds. To address this concern, we focus on the first-round investments received by startup companies. We report the results in Internet Appendix Table IA24 and the pattern of increasing VC-startup distance after the pandemic is still exhibited.

VC syndication. Since lead VC investors in syndicated deals have stronger incentives to gather information about the startups (Gompers et al. (2016), Gompers et al. (2022)), one may wonder if the VC-startup distance has increased because some investors in syndicated deals could free ride on the lead investors. We focus on deals made by the lead VC investors in Internet Appendix Table IA25 and our findings on the death of distance are robust.

VC reputation. Reputation is of critical importance in the VC industry and one may wonder if increasing VC-startup distance can be primarily induced by VC investors with high reputation. To assess the sensitivity of our findings, we conduct a test by excluding the highly reputable VC

[7]Since the information on WFH capability is missing in some deals, the number of observations in this table is smaller than that in our baseline analysis.

[8]This measure of WFH capability is provided by Papanikolaou and Schmidt (2021) at four-digit NAICS and the industry dummies in this table are based on the Refinitiv business classification system. More details about this measure of WFH capability can be found in Papanikolaou and Schmidt (2021).

investors in Internet Appendix Table IA26. In column (1), we exclude the top 5% VC firms sorted by their age. In column (2), we exclude the top 5% VC firms sorted by their asset under management. In column (3), we exclude the top 5% VC firms sorted by the total number of financing rounds they have participated in. As demonstrated by the results in this table, the pattern of increasing VC-startup distance is still manifested when these highly reputable VC investors are excluded.

Government support policies. One may wonder if the death of distance in VC investment could be driven by COVID-19 government economic support policies. We control for such government economic support policies in Internet Appendix Table IA27 and public spending on COVID-19 vaccine development in Internet Appendix Table IA28. Our findings on the death of distance are robust when government intervention is controlled for.

Cross-border deals. While we focus on domestic deals in our baseline analysis, we also conduct the analysis to include cross-border deals in Internet Appendix Table IA29 and our findings on the death of distance are robust.

IA1.3 COVID-19 and lockdowns in China

We delineate China's institutional background of COVID-19 lockdowns in this subsection.

The outbreak of the COVID-19 pandemic in China was first reported from Wuhan. Starting around early February 2020, the number of COVID-19 cases and deaths surged as the pandemic spread from Wuhan to all regions of China. To contain the spread of the COVID-19 pandemic, the Chinese government started to impose lockdown mandates to restrict human mobility across regions. As the level-I government emergency response was triggered, the State Council of China centralized the decision-making power on major public policies to combat the pandemic. As the number of new COVID-19 cases started to decline, the government emergency response level was downgraded to level II. After the pandemic was largely brought under control, level-II government emergency response was gradually phased out across regions, the decision-making power was finally returned to each city, and most severe travel restrictions have ultimately been lifted. In light of this, when studying the lockdown effects based on government mandate, a province is classified to be under strict (mild) lockdown when level I (II) government emergency response is effective in that

province. Lockdown in a province is categorized to be the period when the government emergency response level is either I or II in that province. Reopening in a province refers to the period when the lockdown restrictions have been lifted (i.e., when level-II government emergency response has been phased out) in that province.

IA1.4 Digital transformation after the COVID-19 pandemic

The COVID-19 pandemic and the restrictions on human mobility have spurred the advancement and adoption of digital technologies. We discuss some of the empirical studies documenting the digital transformation after the pandemic in this subsection.

Based on data from a globally representative sample, Fu and Mishra (2022) find that the COVID-19 pandemic and the restrictions on human mobility have contributed to digital finance and fintech adoption. In the United States, Kwan et al. (2023) find that banks' ability to serve customers during the pandemic hinges on its information technology capabilities and banking services have experienced a shift from in-person to digital banking. Barrero et al. (2021) report that U.S. workers supplied half of the paid work hours from home during the pandemic and project that 20 percent of full workdays will be attributed to working from home after the pandemic. In Europe, Lamorgese et al. (2022) document that many Italian firms shifted to remote work both during and after the COVID-19 lockdowns, and such a shift to remote work has contributed to enhancing firm performance. Based on administrative universal business registration data as well as primary offline and online business surveys in China, Cong et al. (2023) find that the pandemic has accelerated the digital transformation of Chinese firms and digitization enhances firm resilience against the pandemic shock, as evidenced in mitigated demand decline, sustainable cash flow, ability to quickly reopen, and positive outlook for growth. Huang et al. (2021) provide empirical evidence that digital technologies have contributed to addressing the COVID-19 challenges in China by moving numerous economic activities online and such digital transformations can have long-lasting effects in the post-pandemic era.

FIGURE IA1: **Histogram of VC-startup distance, pre vs post pandemic**

We plot the histogram of the distance between VC firms and startup companies in this figure. This figure is based on domestic deals (i.e., the investments made from VC firms to startup companies in the same country) in each country. We compare the VC-startup distance distribution during the two years after the COVID-19 pandemic (i.e., 2020–2021) with its counterpart during the two years before the pandemic (i.e., 2018–2019).

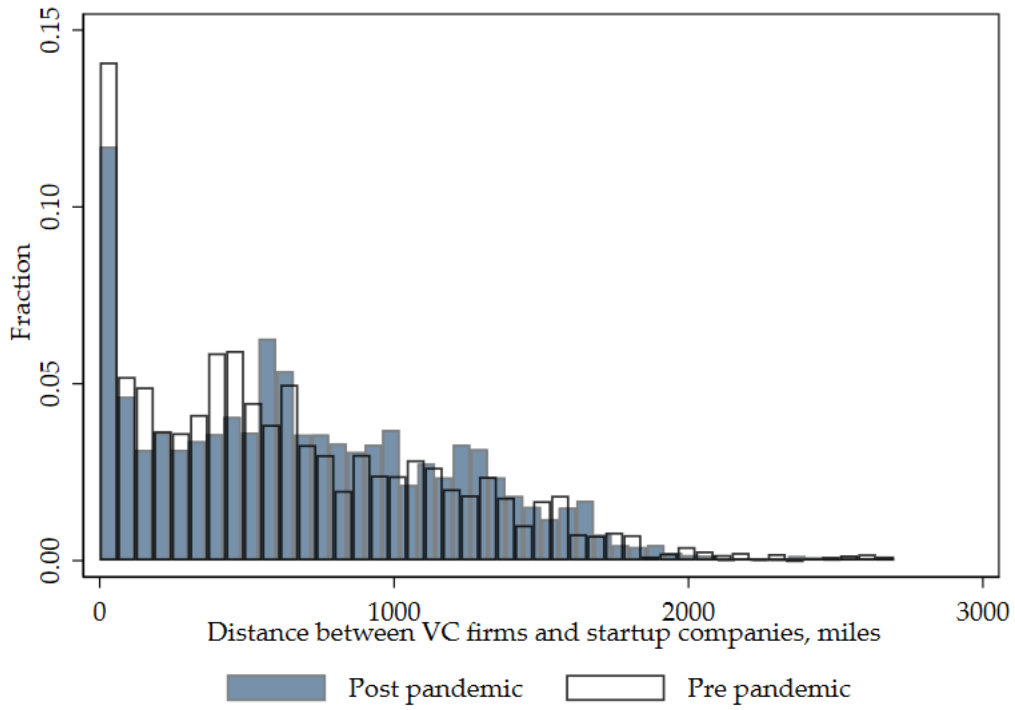

FIGURE IA2: **Mobility restrictions and death of distance, dynamic DiD analysis**

Built on the DiD analysis in Table 2, we report the results of the dynamic DiD analysis based on VC investments in the recent decade in this figure. We interact *Treat* in equation (2) with a full set of year dummies and plot the estimates of β. Event year t in this figure corresponds to the year 2020 (i.e., the start of the COVID-19 pandemic) and the omitted period is $t-1$.

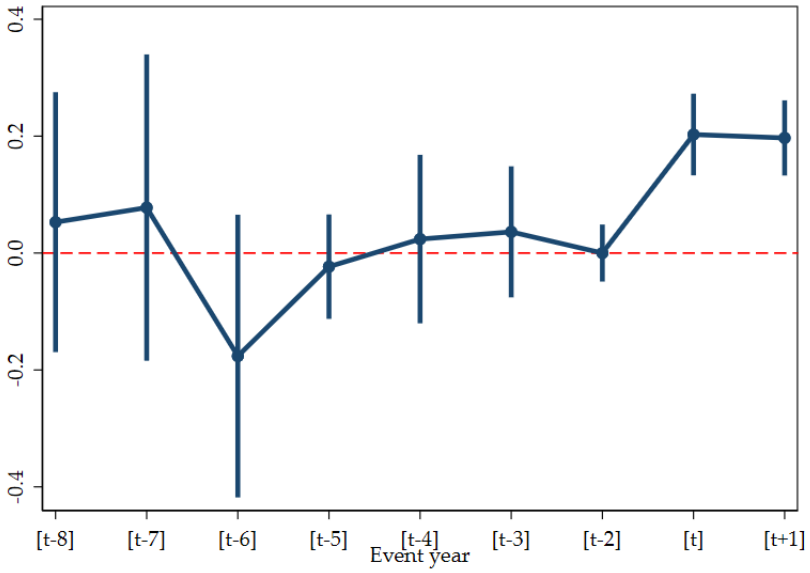

FIGURE IA3: **Lockdowns and reopening across different regions in China**

This figure visualizes the lockdown and reopening periods in each province of China. The solid lines and dashed lines represent the lockdown and reopening periods, respectively.

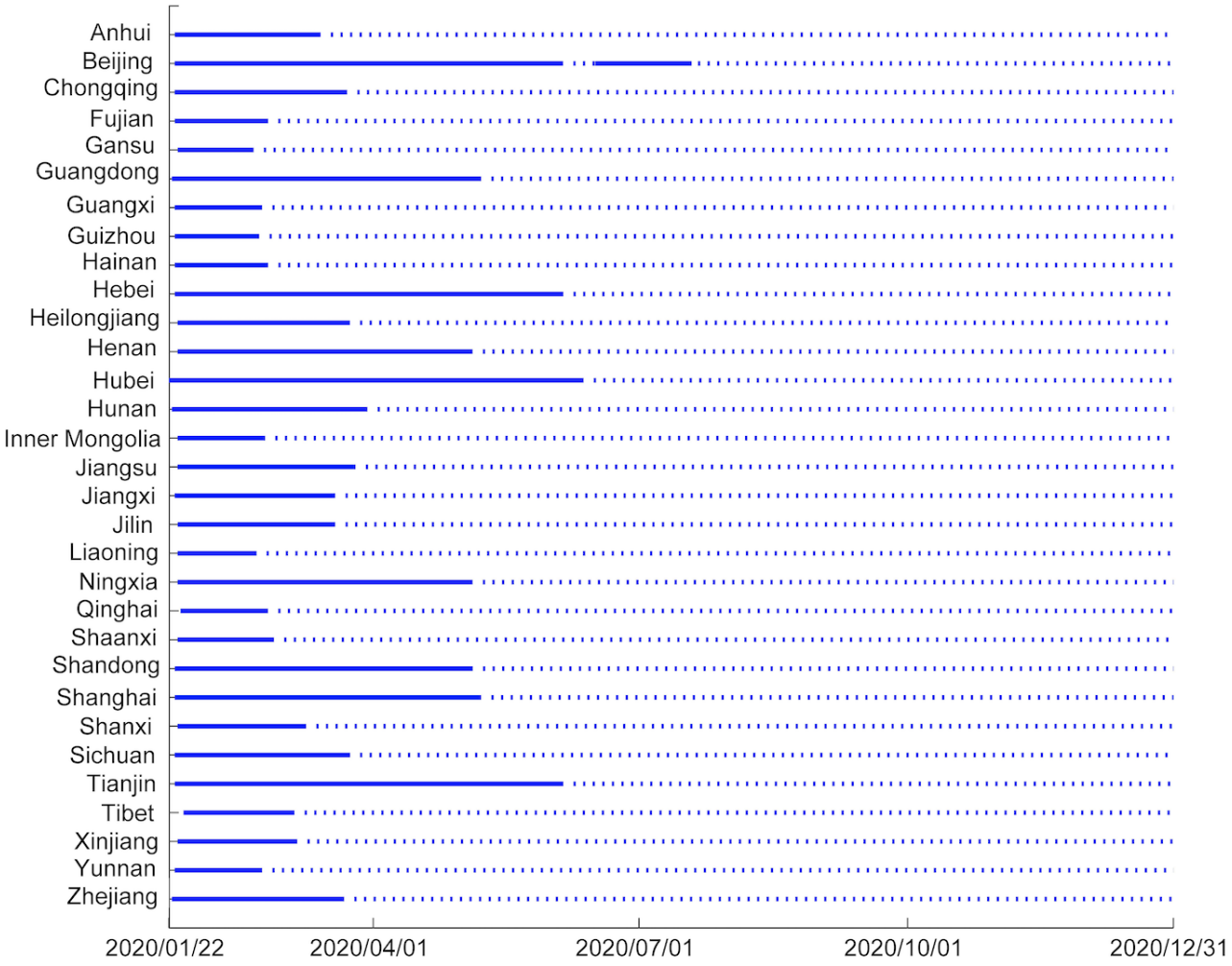

FIGURE IA4: **Share of relocating companies**

We trace how the share of relocating companies evolves in China in this figure. The vertical axis in this figure is the share of firms changing the company address in China each year.

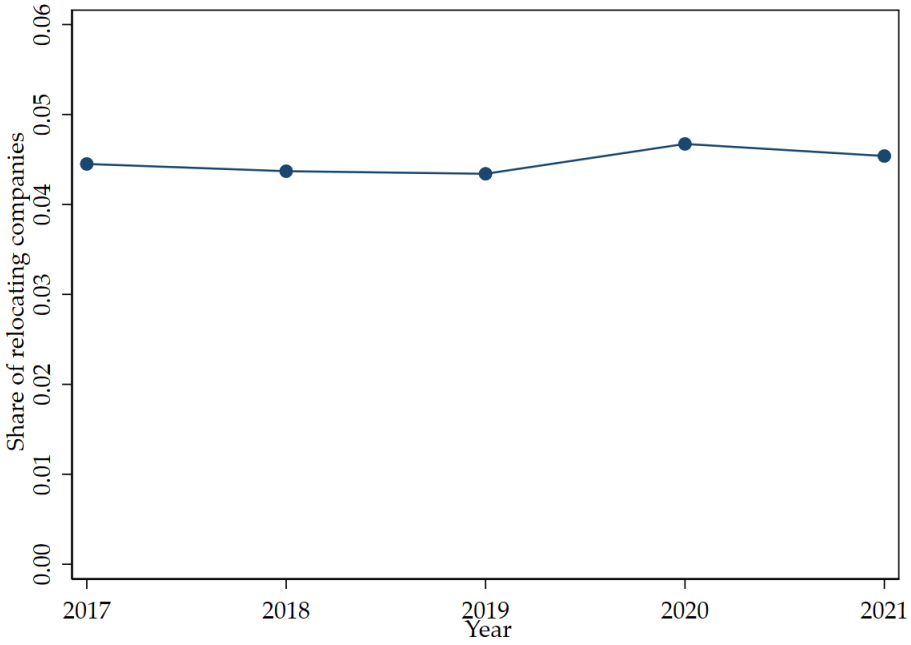

FIGURE IA5: **Death of distance in VC investment in the United States**

Built on the DiD analysis in Table IA10, we report the results of the dynamic DiD analysis based on VC investments in the United States. We interact the treatment indicator with a full set of year dummies and plot the estimates of the interaction term in this figure.

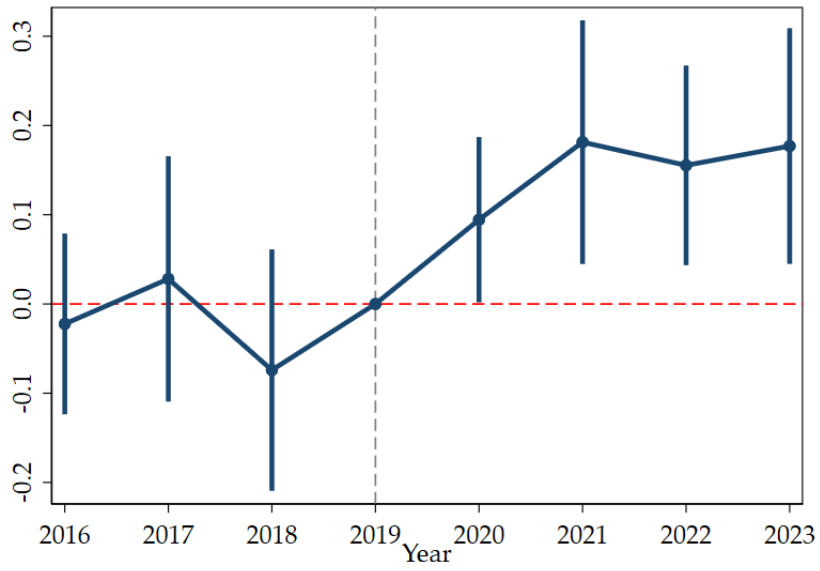

Table IA1: Geographic distribution of global VC investments

In this table, we list the countries in the sample and delineate the distributions of VC firms and VC investments across these countries. This table also reports the measure of the stringency of human mobility restriction and the indicator variable for high-restriction countries.

Country	ARE	AUS	AUT	BEL	BRA	CAN	CHE	CHL	CHN	DEU	DNK	EGY	ESP
Mobility restriction	54.17	66.67	57.41	52.78	65.28	69.91	46.53	78.24	74.54	63.66	49.08	51.86	56.48
Share of VC investments (%)	0.145	0.552	0.048	0.182	0.196	2.904	0.260	0.007	16.903	2.036	0.105	0.043	0.196
Share of VC firms (%)	0.220	0.980	0.122	0.441	0.245	2.964	0.686	0.049	16.414	2.940	0.171	0.098	0.588
High restriction	0	1	0	0	1	1	0	1	1	1	0	0	0
Country	EST	FIN	FRA	GBR	GRC	HUN	IDN	IND	IRL	ISR	ITA	JOR	
Mobility restriction	38.43	40.28	58.80	59.49	66.67	49.08	67.13	75.46	58.57	62.50	70.37	61.11	
Share of VC investments (%)	0.020	0.149	3.913	3.959	0.003	0.018	0.166	3.288	0.064	0.519	0.136	0.007	
Share of VC firms (%)	0.073	0.318	4.238	4.851	0.024	0.073	0.269	3.234	0.245	1.200	0.343	0.049	
High restriction	0	0	0	0	1	0	1	1	0	1	1	0	
Country	JPN	KEN	KOR	LTU	LUX	LVA	MEX	MYS	NGA	NLD	NOR	NZL	
Mobility restriction	41.67	63.20	51.62	40.28	46.76	53.24	58.10	66.20	52.78	60.19	47.22	22.22	
Share of VC investments (%)	2.292	0.003	0.224	0.046	0.005	0.003	0.012	0.010	0.014	0.191	0.039	0.051	
Share of VC firms (%)	2.548	0.024	0.735	0.122	0.024	0.024	0.049	0.073	0.049	0.686	0.098	0.171	
High restriction	0	1	0	0	0	0	0	1	0	0	0	0	
Country	PAK	PHL	POL	PRT	ROU	RUS	SAU	SWE	THA	USA	VNM	ZAF	
Mobility restriction	59.03	70.37	47.69	61.35	50.23	46.76	56.25	55.09	52.55	61.58	63.43	52.78	
Share of VC investments (%)	0.014	0.007	0.022	0.044	0.007	0.026	0.017	0.182	0.016	60.93	0.014	0.010	
Share of VC firms (%)	0.024	0.049	0.122	0.147	0.024	0.098	0.073	0.416	0.073	53.41	0.049	0.073	
High restriction	0	1	0	0	0	0	0	0	0	0	1	0	

TABLE IA2: DEATH OF DISTANCE, ALTERNATIVE SAMPLE OF VC INVESTMENTS

In this table, we include a VC firm in the regressions as long as it has made at least one investment during the sample period. The empirical setup of the regressions in this table is based on equation (1). The dummy variable *COVID1* takes the value of one for VC investments made in 2020 and equals zero otherwise. *COVID2* is a dummy variable for VC investments made in 2021. *1{2018}* and *1{2019}* are dummy variables for VC investments made in 2018 and 2019, respectively, and the omitted year is 2017. The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. The control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance			
	(1)	(2)	(3)	(4)
COVID2	0.268***	0.248**	0.251**	0.250**
	(0.094)	(0.096)	(0.096)	(0.096)
COVID1	0.139**	0.132**	0.131**	0.126**
	(0.061)	(0.059)	(0.060)	(0.059)
1{2019}	0.031	0.033	0.035	0.033
	(0.057)	(0.056)	(0.057)	(0.058)
1{2018}	0.084	0.085	0.082	0.082
	(0.052)	(0.051)	(0.051)	(0.051)
Observations	87,772	87,772	87,772	87,772
Adjusted R-squared	0.295	0.296	0.297	0.297
VC fixed effects	Yes	Yes	Yes	Yes
Industry fixed effects	No	Yes	Yes	Yes
Round fixed effects	No	No	Yes	Yes
Time fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

TABLE IA3: DEATH OF DISTANCE, ALTERNATIVE TIME FIXED EFFECTS

In the regressions in this table, we report the results based on month fixed effects in column (1) and day fixed effects in column (2). The empirical setup of the regressions in this table is based on equation (1). The dummy variable *COVID1* takes the value of one for VC investments made in 2020 and equals zero otherwise. *COVID2* is a dummy variable for VC investments made in 2021. *1{2018}* and *1{2019}* are dummy variables for VC investments made in 2018 and 2019, respectively, and the omitted year is 2017. The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. The control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance	
	(1)	(2)
COVID2	0.273***	0.263**
	(0.099)	(0.109)
COVID1	0.107*	0.081*
	(0.053)	(0.046)
1{2019}	0.026	0.011
	(0.057)	(0.064)
1{2018}	0.068	0.066
	(0.054)	(0.061)
Observations	76,434	76,434
Adjusted R-squared	0.288	0.290
VC, industry, and round FE	Yes	Yes
Month fixed effects	Yes	No
Day fixed effects	No	Yes
Control	Yes	Yes

TABLE IA4: DEATH OF DISTANCE, ALTERNATIVE STANDARD ERROR CLUSTERING

In the regressions in this table, we report the results based on clustering the standard errors by days. The empirical setup of the regressions in this table is based on equation (1). The dummy variable *COVID1* takes the value of one for VC investments made in 2020 and equals zero otherwise. *COVID2* is a dummy variable for VC investments made in 2021. *1{2018}* and *1{2019}* are dummy variables for VC investments made in 2018 and 2019, respectively, and the omitted year is 2017. The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. The control variables are delineated in Section (2). Standard errors are clustered by days and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance			
	(1)	(2)	(3)	(4)
COVID2	0.289***	0.268***	0.272***	0.272***
	(0.075)	(0.076)	(0.076)	(0.076)
COVID1	0.120**	0.112**	0.112**	0.107**
	(0.047)	(0.047)	(0.047)	(0.046)
1{2019}	0.024	0.026	0.027	0.026
	(0.043)	(0.043)	(0.043)	(0.043)
1{2018}	0.071	0.072	0.069	0.069
	(0.044)	(0.044)	(0.044)	(0.044)
Observations	76,434	76,434	76,434	76,434
Adjusted R-squared	0.286	0.288	0.288	0.288
VC fixed effects	Yes	Yes	Yes	Yes
Industry fixed effects	No	Yes	Yes	Yes
Round fixed effects	No	No	Yes	Yes
Time fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

TABLE IA5: MOBILITY RESTRICTIONS AND DEATH OF DISTANCE, DID ANALYSIS

In this table, we conduct a DiD analysis by exploiting cross-country variation in the stringency of human mobility restrictions. The regressions are based on VC investments in the recent decade and the empirical setup is based on equation (2). Based on the measure of the stringency of human mobility restrictions, we sort the nations into high vs low mobility restriction countries. *Treat* in this table equals one if the VC and startup are in a high-restriction country and zero otherwise. *Post* equals one if the deal is made after the pandemic. The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. The control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance			
	(1)	(2)	(3)	(4)
Treat × *Post*	0.151**	0.134**	0.130**	0.129**
	(0.061)	(0.050)	(0.050)	(0.050)
Observations	119,186	119,186	119,186	119,186
Adjusted R-squared	0.281	0.282	0.282	0.282
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Industry fixed effects	No	Yes	Yes	Yes
Round fixed effects	No	No	Yes	Yes
Quarter fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

Table IA6: DiD analysis based on the mobility restriction measure

In this table, we conduct a DiD analysis by exploiting cross-country variation in the stringency of human mobility restrictions. The empirical setup of the regressions in this table is based on equation (2). *Restriction stringency* in this table refers to a country's human mobility restriction measure, a proxy for the intensity of treatment (i.e., the stringency of human mobility restrictions). *Post* equals one if the deal is made after the pandemic and zero otherwise. The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. The control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance			
	(1)	(2)	(3)	(4)
Restriction stringency × *Post*	0.017***	0.015***	0.015***	0.015***
	(0.002)	(0.003)	(0.003)	(0.003)
Observations	76,434	76,434	76,434	76,434
Adjusted R-squared	0.287	0.288	0.288	0.288
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Industry fixed effects	No	Yes	Yes	Yes
Round fixed effects	No	No	Yes	Yes
Quarter fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

TABLE IA7: SPECIFIC MOBILITY RESTRICTION POLICIES AND DEATH OF DISTANCE

In this table, we conduct the DiD analysis while classifying countries into high vs low mobility restriction groups by specific categories of human mobility restriction policies. The empirical setup of the regressions in this table is based on equation (2). In column (1), we sort the nations in our sample into high vs low mobility restriction countries based on the stringency of government restrictions on travel. *Treat* equals one if the VC firm and startup are in a high-restriction country and zero otherwise. Analogously, we categorize countries into high vs low mobility restriction groups by the stringency of government restraints on public transport closings in column (2), workplace closings in column (3), school closings in column (4), and government mandate on the shelter-in-place orders in column (5). The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. The control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance				
	(1)	(2)	(3)	(4)	(5)
Treat × *Post*	0.192***	0.404***	0.171***	0.169***	0.207***
	(0.041)	(0.096)	(0.020)	(0.020)	(0.047)
Observations	76,434	76,434	76,434	76,434	76,434
Adjusted R-squared	0.288	0.288	0.288	0.288	0.288
Year fixed effects	Yes	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes	Yes
Industry fixed effects	Yes	Yes	Yes	Yes	Yes
Round fixed effects	Yes	Yes	Yes	Yes	Yes
Quarter fixed effects	Yes	Yes	Yes	Yes	Yes
Control	Yes	Yes	Yes	Yes	Yes

Table IA8: Mobility restrictions at the level of subnational regions

We exploit the within-country differences in human mobility restrictions across subnational regions in each country in this table. Based on the measure of mobility restrictions at the level of the subnational regions (i.e., states, provinces, etc.) in each country, we obtain the mobility restriction measure of the subnational regions of the VC firm and startup company in each deal and we compute the average value of the mobility restriction measure in each VC-startup pair. Based on this deal-level mobility restriction measure, we sort the deals in each country into high vs low mobility restriction groups; the *Treat* indicator equals one for deals in the high mobility restriction group, and zero otherwise. *Post* equals one if the deal is made after the pandemic and zero otherwise. The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. The control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance			
	(1)	(2)	(3)	(4)
Treat × *Post*	0.182***	0.184***	0.180***	0.179***
	(0.024)	(0.026)	(0.025)	(0.025)
Treat	0.428*	0.437**	0.440**	0.440**
	(0.167)	(0.161)	(0.162)	(0.162)
Observations	65,287	65,287	65,287	65,287
Adjusted R-squared	0.244	0.246	0.246	0.246
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Industry fixed effects	No	Yes	Yes	Yes
Round fixed effects	No	No	Yes	Yes
Quarter fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

TABLE IA9: DEATH OF DISTANCE, DID ANALYSIS EXCLUDING THE U.S. DEALS

In this table, we conduct the DiD analysis while excluding VC investments in the U.S. from the analysis. The empirical setup of the regressions in this table is based on equation (2). The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. The control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance			
	(1)	(2)	(3)	(4)
Treat × *Post*	0.336***	0.299***	0.299***	0.296***
	(0.104)	(0.092)	(0.091)	(0.090)
Observations	29,863	29,863	29,863	29,863
Adjusted R-squared	0.276	0.279	0.280	0.280
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Industry fixed effects	No	Yes	Yes	Yes
Round fixed effects	No	No	Yes	Yes
Quarter fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

TABLE IA10: DEATH OF DISTANCE, VC INVESTMENTS IN THE UNITED STATES

In this table, we focus on VC investments in the United States and we perform a DiD analysis by exploiting the variation in mobility restrictions across different states in the U.S. We obtain the mobility restriction measure of the states of the VC firm and startup company in each deal and we compute the average value of the mobility restriction measure in each VC-startup pair. We sort the deals into high vs low mobility restriction groups by this deal-level mobility restriction measure; the *Treat* indicator takes the value of one for deals in the high mobility restriction group and zero otherwise. *Post* equals one if the deal is made after the pandemic and zero otherwise. The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. The control variables are delineated in Section (2). *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance			
	(1)	(2)	(3)	(4)
Treat × *Post*	0.189**	0.196**	0.190**	0.191**
	(0.085)	(0.087)	(0.086)	(0.086)
Treat	0.545	0.550	0.554	0.554
	(1.960)	(1.955)	(1.952)	(1.951)
Observations	46,549	46,549	46,549	46,549
Adjusted R-squared	0.216	0.217	0.218	0.218
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Industry fixed effects	No	Yes	Yes	Yes
Round fixed effects	No	No	Yes	Yes
Quarter fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

Table IA11: Potential deals of all possible VC-startup pairs

In this table, we construct a hypothetical sample of potential deals consisting of all possible VC-startup pairs. For every realized deal in our sample, we construct hypothetical VC-startup pairs by considering all possible startups that the VC firm could have invested in. The dependent variable in this table equals one if the VC firm has invested in this startup company and the startup is distant from the VC investor, and zero otherwise. In column (1), the dependent variable takes the value of one if the VC firm invests in a startup company more than 50 miles away and zero otherwise. We increase the distance threshold to 100 miles in column (2), 200 miles in column (3), and 500 miles in column (4). Based on the measure of the stringency of human mobility restrictions, we sort the nations in our sample into high vs low mobility restriction countries. The *Treat* indicator equals one if the VC firm and startup are in a high-restriction country and zero otherwise. *Post* equals one if the deal is made after the pandemic and zero otherwise. The control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance > 50 miles	*Distance > 100 miles*	*Distance > 200 miles*	*Distance > 500 miles*
	(1)	(2)	(3)	(4)
Treat × *Post*	0.0020***	0.0020***	0.0021***	0.0021***
	(0.0001)	(0.0001)	(0.0001)	(0.0001)
Observations	4,823,943	4,823,943	4,823,943	4,823,943
Adjusted R-squared	0.0141	0.0143	0.0135	0.0119
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Industry fixed effects	Yes	Yes	Yes	Yes
Control	Yes	Yes	Yes	Yes

TABLE IA12: DISTANCE BASED ON POSTAL CODE INFORMATION

We conduct a DiD analysis by exploiting cross-country variation in the stringency of human mobility restrictions in this table. The empirical setup of the regressions in this table is based on equation (2). The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. We compute the distance between VC firms and startup companies based on their postal code information. Based on the measure of the stringency of human mobility restrictions, we sort the nations into high vs low mobility restriction countries. *Treat* in this table equals one if the VC and startup are in a high-restriction country and zero otherwise. *Post* equals one if the deal is made after the pandemic and zero otherwise. The control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance			
	(1)	(2)	(3)	(4)
Treat × *Post*	0.148*	0.154*	0.151*	0.151*
	(0.082)	(0.080)	(0.082)	(0.083)
Observations	60,463	60,463	60,463	60,463
Adjusted R-squared	0.299	0.300	0.301	0.301
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Industry fixed effects	No	Yes	Yes	Yes
Round fixed effects	No	No	Yes	Yes
Quarter fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

Table IA13: Nearby vs distant neighborhoods

In the VC-year level regressions in this table, we examine a VC firm's investments made in startups in nearby and distant neighborhoods. We classify each VC firm's investments into three categories: (i) VC investments made in startups in nearby neighborhoods in the same city (as the VC investors), (ii) VC investments made in startups in distant neighborhoods in the same city, (iii) VC investments made in startups in a different city. We distinguish between nearby and distant neighborhoods based on the distance between VC firms and startup companies. In this table, we categorize a deal to be an investment in nearby (distant) neighborhood if the VC investor and the startup are in the same city and they are less (greater) than 10 miles away from each other. The dependent variables in columns (1) and (2) are a VC firm's share of investments made in startups in nearby and distant neighborhoods (in the same city as the VC firm), respectively. Analogously, the dependent variable in column (3) is a VC firm's share of investments made in startups in a different city. Based on the measure of the stringency of human mobility restrictions, we sort the nations into high vs low mobility restriction countries. *Treat* in this table equals one if the VC firm is in a high-restriction country and zero otherwise. *Post* equals one if the deal is made after the pandemic and zero otherwise. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Share in nearby neighborhoods	*Share in distant neighborhoods*	*Share in different cities*
	(1)	(2)	(3)
Treat × *Post*	-0.040**	0.003	0.037**
	(0.018)	(0.004)	(0.018)
Observations	13,976	13,976	13,976
Adjusted R-squared	0.486	0.355	0.491
Year fixed effects	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes
Control	Yes	Yes	Yes

Table IA14: Nearby vs distant neighborhoods, smaller distance threshold value

In the VC-year level regressions in this table, we examine a VC firm's investments made in startups in nearby and distant neighborhoods. We classify each VC firm's investments into three categories: (i) VC investments made in startups in nearby neighborhoods in the same city (as the VC investors), (ii) VC investments made in startups in distant neighborhoods in the same city, (iii) VC investments made in startups in a different city. We distinguish between nearby and distant neighborhoods based on the distance between VC firms and startup companies. In this table, we categorize a deal to be an investment in nearby (distant) neighborhood if the VC investor and the startup are in the same city and they are less (greater) than 5 miles away from each other. The dependent variables in columns (1) and (2) are a VC firm's share of investments made in startups in nearby and distant neighborhoods (in the same city as the VC firm), respectively. Analogously, the dependent variable in column (3) is a VC firm's share of investments made in startups in a different city. Based on the measure of the stringency of human mobility restrictions, we sort the nations into high vs low mobility restriction countries. *Treat* in this table equals one if the VC firm is in a high-restriction country and zero otherwise. *Post* equals one if the deal is made after the pandemic and zero otherwise. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Share in nearby neighborhoods	*Share in distant neighborhoods*	*Share in different cities*
	(1)	(2)	(3)
Treat × *Post*	-0.042**	0.004	0.037**
	(0.018)	(0.007)	(0.018)
Observations	13,976	13,976	13,976
Adjusted R-squared	0.480	0.404	0.491
Year fixed effects	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes
Control	Yes	Yes	Yes

Table IA15: Nearby vs distant neighborhoods, larger distance threshold value

In the VC-year level regressions in this table, we examine a VC firm's investments made in startups in nearby and distant neighborhoods. We classify each VC firm's investments into three categories: (i) VC investments made in startups in nearby neighborhoods in the same city (as the VC investors), (ii) VC investments made in startups in distant neighborhoods in the same city, (iii) VC investments made in startups in a different city. We distinguish between nearby and distant neighborhoods based on the distance between VC firms and startup companies. In this table, we categorize a deal to be an investment in nearby (distant) neighborhood if the VC investor and the startup are in the same city and they are less (greater) than 20 miles away from each other. The dependent variables in columns (1) and (2) are a VC firm's share of investments made in startups in nearby and distant neighborhoods (in the same city as the VC firm), respectively. Analogously, the dependent variable in column (3) is a VC firm's share of investments made in startups in a different city. Based on the measure of the stringency of human mobility restrictions, we sort the nations into high vs low mobility restriction countries. *Treat* in this table equals one if the VC firm is in a high-restriction country and zero otherwise. *Post* equals one if the deal is made after the pandemic and zero otherwise. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Share in nearby neighborhoods	*Share in distant neighborhoods*	*Share in different cities*
	(1)	(2)	(3)
Treat × *Post*	-0.039**	0.002	0.037**
	(0.018)	(0.001)	(0.018)
Observations	13,976	13,976	13,976
Adjusted R-squared	0.490	0.503	0.491
Year fixed effects	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes
Control	Yes	Yes	Yes

TABLE IA16: DEATH OF DISTANCE, ACCOUNTING FOR ECONOMIC DEVELOPMENT LEVEL

In this table, we assess the role of internet infrastructure while accounting for the regional differences in the level of economic development. Built on our baseline empirical setup (i.e., equation 2), we introduce the interaction terms with *Internet latency* in the regressions. To account for the regional differences in the level of economic development, the variable *Internet latency* in this table has been residualized against GDP per capita (i.e., we regress the internet latency variable in our baseline analysis against the city-level GDP per capita and the variable *Internet latency* in this table is the residual collected from such regressions). The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. The control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance			
	(1)	(2)	(3)	(4)
Treat × *Post* × *Internet latency*	-0.077**	-0.077**	-0.077***	-0.077***
	(0.015)	(0.015)	(0.012)	(0.013)
Treat × *Internet latency*	0.193	0.196	0.196	0.196
	(0.233)	(0.234)	(0.235)	(0.234)
Post × *Internet latency*	-0.001	-0.002	-0.001	-0.001
	(0.003)	(0.002)	(0.003)	(0.003)
Treat × *Post*	0.161**	0.133**	0.132**	0.130**
	(0.039)	(0.028)	(0.027)	(0.025)
Internet latency	0.314***	0.313***	0.312***	0.312***
	(0.010)	(0.012)	(0.012)	(0.011)
Observations	51,647	51,647	51,647	51,647
Adjusted R-squared	0.282	0.284	0.285	0.285
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Industry fixed effects	No	Yes	Yes	Yes
Round fixed effects	No	No	Yes	Yes
Quarter fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

Table IA17: VC investments in nonlocal deals

We examine VC investments in nonlocal deals in this table. The dependent variable in column (1) is a dummy variable that takes the value of one if the VC firm invests in a startup company more than 200 miles away and zero otherwise; analogously, the distance cutoff values are 500 miles in column (2), 1,000 miles in column (3), and 2,000 miles in column (4). *Human mobility* in this table refers to the human mobility index in Google COVID-19 Mobility Database. The control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	1{Distance > 200 miles}	*1{Distance > 500 miles}*	*1{Distance > 1000 miles}*	*1{Distance > 2000 miles}*
	(1)	(2)	(3)	(4)
Human mobility	-0.215***	-0.274***	-0.271***	-0.276***
	(0.076)	(0.079)	(0.071)	(0.072)
Observations	40,018	40,018	40,018	40,018
Adjusted R-squared	0.258	0.265	0.260	0.273
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Control	Yes	Yes	Yes	Yes

Table IA18: Changes in the number of investments

In this table, we test whether there is a more salient increase in VC-startup distance when the number of VC investments experiences a sharper rise after the pandemic. Built on our baseline empirical setup (i.e., equation 2), we introduce the interaction terms with the post-pandemic changes in VC investments in the regressions. Specifically, *Change in number of deals* in this table refers to each VC firm's percentage change in the number of VC investments relative to 2019 (i.e., the year before the pandemic). The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. The control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance			
	(1)	(2)	(3)	(4)
Treat × *Post* × *Change in number of deals*	0.077	0.076	0.078	0.079
	(0.067)	(0.064)	(0.063)	(0.063)
Treat × *Change in number of deals*	-0.059	-0.057	-0.059	-0.058
	(0.076)	(0.073)	(0.072)	(0.072)
Post × *Change in number of deals*	-0.032	-0.033	-0.033	-0.034
	(0.028)	(0.029)	(0.030)	(0.030)
Treat × *Post*	0.151***	0.130***	0.126***	0.122***
	(0.048)	(0.042)	(0.043)	(0.043)
Change in number of deals	0.036	0.036	0.035	0.035
	(0.028)	(0.029)	(0.030)	(0.029)
Observations	72,274	72,274	72,274	72,274
Adjusted R-squared	0.282	0.284	0.284	0.284
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Industry fixed effects	No	Yes	Yes	Yes
Round fixed effects	No	No	Yes	Yes
Quarter fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

Table IA19: Changes in VC fundraising

In this table, we test whether there is a more salient increase in VC-startup distance when the amount of VC fundraising experiences a sharper rise after the pandemic. Built on our baseline empirical setup (i.e., equation 2), we introduce the interaction terms with the post-pandemic changes in VC fundraising in the regressions. Specifically, *Change in fundraising* in this table refers to each VC firm's percentage change in the amount of VC fundraising relative to 2019 (i.e., the year before the pandemic). The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. The control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance			
	(1)	(2)	(3)	(4)
Treat × *Post* × *Change in fundraising*	-0.004	-0.007	-0.005	-0.005
	(0.040)	(0.039)	(0.039)	(0.038)
Post × *Change in fundraising*	-0.010	-0.010	-0.009	-0.009
	(0.038)	(0.037)	(0.037)	(0.037)
Treat × *Change in fundraising*	-0.010	-0.006	-0.008	-0.007
	(0.040)	(0.038)	(0.037)	(0.037)
Treat × *Post*	0.201***	0.179***	0.174***	0.171***
	(0.067)	(0.062)	(0.063)	(0.063)
Change in fundraising	0.016	0.015	0.014	0.014
	(0.038)	(0.037)	(0.037)	(0.037)
Observations	50,596	50,596	50,596	50,596
Adjusted R-squared	0.253	0.254	0.255	0.255
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Industry fixed effects	No	Yes	Yes	Yes
Round fixed effects	No	No	Yes	Yes
Quarter fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

TABLE IA20: EXCLUDING STARTUPS IN PANDEMIC-AIDED SECTORS

We conduct a DiD analysis in this table by exploiting cross-country variation in the stringency of human mobility restrictions. The empirical setup of the regressions in this table is based on equation (2). We exclude startup companies in the "pandemic-aided" sectors in this table. Since the social distancing requirements have contributed to creating business opportunities in e-commerce and work-from-home technologies, we exclude the software startups in column (1) of this table and we remove all startups in the technology sector in column (2). Since the race for a COVID-19 vaccine has benefited the healthcare sector, we further exclude the healthcare startups in column (3). In addition, we exclude the startups in the sector of academic and educational services in column (4). The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. The control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance			
	(1)	(2)	(3)	(4)
Treat × *Post*	0.102**	0.151**	0.177*	0.190*
	(0.048)	(0.065)	(0.091)	(0.096)
Observations	41,101	30,955	18,279	17,329
Adjusted R-squared	0.307	0.311	0.309	0.315
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Industry fixed effects	Yes	Yes	Yes	Yes
Round fixed effects	Yes	Yes	Yes	Yes
Quarter fixed effects	Yes	Yes	Yes	Yes
Control	Yes	Yes	Yes	Yes

TABLE IA21: EXCLUDING STARTUPS WITH SIGNIFICANT BARGAINING POWER

We conduct a DiD analysis in this table by exploiting cross-country variation in the stringency of human mobility restrictions. The empirical setup of the regressions in this table is based on equation (2). We exclude startups that may wield significant bargaining power over the venture capitalists in this table. We exclude the unicorns (i.e., privately held startup companies with a valuation above US$ one billion) in column (1). In column 2 (3), we sort the startups by the amount of VC financing they have received and we exclude the top 10% (20%) startups in each industry each year. Such promising startups are industry leaders and the entrepreneurs may hold up the venture capitalists because of the large financial stake of the VC investors in these ventures. The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. The control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance		
	(1)	(2)	(3)
Treat × *Post*	0.145***	0.125**	0.160**
	(0.051)	(0.055)	(0.069)
Observations	72,714	68,924	61,257
Adjusted R-squared	0.288	0.289	0.290
Year fixed effects	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes
Industry fixed effects	Yes	Yes	Yes
Round fixed effects	Yes	Yes	Yes
Quarter fixed effects	Yes	Yes	Yes
Control	Yes	Yes	Yes

TABLE IA22: DEATH OF DISTANCE, STARTUPS FOUNDED BEFORE THE PANDEMIC

We conduct a DiD analysis in this table by exploiting cross-country variation in the stringency of human mobility restrictions. The empirical setup of the regressions in this table is based on equation (2). We focus on startup companies founded before the COVID-19 pandemic in this table. The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. The control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance			
	(1)	(2)	(3)	(4)
Treat × *Post*	0.091**	0.073*	0.070*	0.067*
	(0.041)	(0.041)	(0.037)	(0.038)
Observations	55,834	55,834	55,834	55,834
Adjusted R-squared	0.294	0.296	0.296	0.296
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Industry fixed effects	No	Yes	Yes	Yes
Round fixed effects	No	No	Yes	Yes
Quarter fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

Table IA23: Death of distance, controlling for WFH capability

We conduct a DiD analysis in this table by exploiting cross-country variation in the stringency of human mobility restrictions. The empirical setup of the regressions in this table is based on equation (2). The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. We control for the differences in the capability to work from home (WFH) across sectors in this table. Other control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance			
	(1)	(2)	(3)	(4)
Treat × *Post*	0.194***	0.172***	0.166***	0.163***
	(0.064)	(0.056)	(0.057)	(0.056)
Observations	64,830	64,830	64,830	64,830
Adjusted R-squared	0.288	0.290	0.290	0.290
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Industry fixed effects	No	Yes	Yes	Yes
Round fixed effects	No	No	Yes	Yes
Quarter fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

Table IA24: Death of distance, first-round investments

We conduct a DiD analysis in this table by exploiting cross-country variation in the stringency of human mobility restrictions. The empirical setup of the regressions in this table is based on equation (2). We focus on the first-round investments received by the startups in this table. The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. The control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance		
	(1)	(2)	(3)
Treat × *Post*	0.160*	0.139*	0.133*
	(0.082)	(0.071)	(0.073)
Observations	30,045	30,045	30,045
Adjusted R-squared	0.278	0.280	0.280
Year fixed effects	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes
Industry fixed effects	No	Yes	Yes
Quarter fixed effects	No	No	Yes
Control	Yes	Yes	Yes

Table IA25: Death of distance, lead VC investors

We conduct a DiD analysis in this table by exploiting cross-country variation in the stringency of human mobility restrictions. The empirical setup of the regressions in this table is based on equation (2). We focus on deals made by the lead VC investors in this table. The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. The control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance			
	(1)	(2)	(3)	(4)
Treat × *Post*	0.254***	0.232***	0.226***	0.226***
	(0.072)	(0.069)	(0.070)	(0.069)
Observations	17,477	17,477	17,477	17,477
Adjusted R-squared	0.249	0.251	0.250	0.250
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Industry fixed effects	No	Yes	Yes	Yes
Round fixed effects	No	No	Yes	Yes
Quarter fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

Table IA26: Death of distance, excluding reputable VC investors

We conduct a DiD analysis in this table by exploiting cross-country variation in the stringency of human mobility restrictions. The empirical setup of the regressions in this table is based on equation (2). We exclude highly reputable VC investors in this table. In column (1), we exclude the top 5% VC firms sorted by their age. In column (2), we exclude the top 5% VC firms sorted by their asset under management. In column (3), we exclude the top 5% VC firms sorted by the total number of financing rounds they have participated in. The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. The control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance		
	(1)	(2)	(3)
Treat × *Post*	0.156***	0.138**	0.132***
	(0.048)	(0.061)	(0.041)
Observations	70,653	62,980	57,560
Adjusted R-squared	0.287	0.305	0.313
Year fixed effects	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes
Industry fixed effects	Yes	Yes	Yes
Round fixed effects	Yes	Yes	Yes
Quarter fixed effects	Yes	Yes	Yes
Control	Yes	Yes	Yes

TABLE IA27: DEATH OF DISTANCE, ACCOUNTING FOR GOVERNMENT SUPPORT POLICIES

We conduct a DiD analysis in this table by exploiting cross-country variation in the stringency of human mobility restrictions. The empirical setup of the regressions in this table is based on equation (2). The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. We control for the OxCGRT COVID-19 government economic support index of each country in this table. This OxCGRT index is based on COVID-19-related government economic support policies, such as income support (e.g., covering salaries or providing direct cash payments to unemployed citizens) and debt relief for households (e.g., suspending loan repayments and restricting evictions). Other control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance			
	(1)	(2)	(3)	(4)
Treat × *Post*	0.183***	0.164**	0.160**	0.156**
	(0.068)	(0.062)	(0.063)	(0.062)
Observations	76,434	76,434	76,434	76,434
Adjusted R-squared	0.286	0.288	0.288	0.288
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Industry fixed effects	No	Yes	Yes	Yes
Round fixed effects	No	No	Yes	Yes
Quarter fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

TABLE IA28: DEATH OF DISTANCE, ACCOUNTING FOR SPENDING ON COVID-19 VACCINES

We conduct a DiD analysis in this table by exploiting cross-country variation in the stringency of human mobility restrictions. The empirical setup of the regressions in this table is based on equation (2). The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. We control for the public spending on COVID-19 vaccine development in each country in this table. Other control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance			
	(1)	(2)	(3)	(4)
Treat × *Post*	0.181***	0.159***	0.156***	0.153***
	(0.046)	(0.039)	(0.040)	(0.039)
Observations	76,434	76,434	76,434	76,434
Adjusted R-squared	0.287	0.288	0.288	0.288
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Industry fixed effects	No	Yes	Yes	Yes
Round fixed effects	No	No	Yes	Yes
Quarter fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

TABLE IA29: DEATH OF DISTANCE, INCLUDING CROSS-BORDER DEALS

We conduct a DiD analysis in this table by exploiting cross-country variation in the stringency of human mobility restrictions. The empirical setup of the regressions in this table is based on equation (2). We conduct the analysis to include cross-border deals in the regressions in this table. The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. The control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance			
	(1)	(2)	(3)	(4)
Treat × *Post*	1.231**	1.224**	1.221**	1.219**
	(0.534)	(0.538)	(0.539)	(0.539)
Observations	101,200	101,200	101,200	101,200
Adjusted R-squared	0.284	0.284	0.285	0.285
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Industry fixed effects	No	Yes	Yes	Yes
Round fixed effects	No	No	Yes	Yes
Quarter fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

Table IA30: Alternative time lag of VC investments

The empirical setup of the regressions in this table is the same as that in Table 3, except that the time lag of VC investments is taken to be 100 days. The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. The control variables are delineated in Section (3). Standard errors are two-way clustered at the level of the provinces of VC firms and startup companies and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance			
	(1)	(2)	(3)	(4)
COVID × *Before*	-0.148	0.242	0.237	0.228
	(0.509)	(0.337)	(0.393)	(0.368)
COVID × *Lockdown*	0.458**	0.499**	0.479**	0.464**
	(0.190)	(0.217)	(0.226)	(0.216)
COVID × *Reopen*	0.663***	0.519**	0.506**	0.495**
	(0.176)	(0.216)	(0.221)	(0.220)
Observations	10,622	10,622	10,622	10,622
Adjusted R-squared	0.079	0.300	0.300	0.301
Time fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	No	Yes	Yes	Yes
Industry fixed effects	No	No	Yes	Yes
Round fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

TABLE IA31: ALTERNATIVE STANDARD ERROR CLUSTERING STRATEGIES

The empirical setup of the regressions in this table is the same as that in Table 3, except that the standard errors are clustered by days. The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. The control variables are delineated in Section (3). Standard errors are clustered by days and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance			
	(1)	(2)	(3)	(4)
COVID × *Before*	0.194	0.298	0.282	0.300
	(0.241)	(0.244)	(0.240)	(0.239)
COVID × *Lockdown*	0.425***	0.519***	0.507***	0.494***
	(0.152)	(0.132)	(0.132)	(0.132)
COVID × *Reopen*	0.620***	0.541***	0.526***	0.519***
	(0.120)	(0.118)	(0.119)	(0.119)
Observations	10,622	10,622	10,622	10,622
Adjusted R-squared	0.083	0.301	0.301	0.302
Time fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	No	Yes	Yes	Yes
Industry fixed effects	No	No	Yes	Yes
Round fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

Table IA32: Strict vs mild lockdowns

The empirical setup of the regressions in this table is the same as that in Table 3, except that we distinguish between strict and mild lockdowns. The strict lockdown indicator in this table takes the value of one when both the VC firm and the startup are confronted with a strict lockdown, and zero otherwise. The reopen indicator in this table is equal to one when the lockdown restrictions (including both strict and mild lockdowns) have been lifted for both the VC firm and the startup, and zero otherwise. Other scenarios are captured by the mild lockdown indicator in this table. The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. The control variables are delineated in Section (3). Standard errors are two-way clustered at the level of the provinces of VC firms and startup companies and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance			
	(1)	(2)	(3)	(4)
COVID × *Before*	0.127	0.284	0.273	0.288
	(0.232)	(0.199)	(0.192)	(0.194)
COVID × *Stict lockdown*	0.175	0.410*	0.395*	0.371*
	(0.340)	(0.218)	(0.213)	(0.209)
COVID × *Mild lockdown*	0.463*	0.500**	0.488**	0.485**
	(0.253)	(0.199)	(0.200)	(0.202)
COVID × *Reopen*	0.561***	0.509***	0.492***	0.488***
	(0.173)	(0.139)	(0.140)	(0.143)
Observations	10,622	10,622	10,622	10,622
Adjusted R-squared	0.111	0.315	0.315	0.316
Time fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	No	Yes	Yes	Yes
Industry fixed effects	No	No	Yes	Yes
Round fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

Table IA33: Early vs late reopening

The empirical setup of the regressions in this table is the same as that in Table 4, except that the reopening process is divided into two phases (i.e., early-stage vs late-stage reopening). To be concrete, we define the "half-recovery date" of a city to be the date when the human mobility level in this city in 2020 has restored at least one-half of its previous level in 2019. "Early-stage reopening" of a city refers to the period between the half-recovery date and the date when the human mobility level of this city in 2020 has fully recovered. "Late-stage reopening" of a city refers to the period after the human mobility level of this city in 2020 has fully recovered (i.e., above the 2019 human mobility level of this city). The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. The control variables are delineated in Section (3). *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance			
	(1)	(2)	(3)	(4)
COVID × *Before*	0.088	0.191	0.179	0.208
	(0.246)	(0.236)	(0.236)	(0.237)
COVID × *Lockdown*	0.078	0.447**	0.422*	0.375*
	(0.229)	(0.216)	(0.217)	(0.218)
COVID × *Early Reopen*	0.487***	0.520***	0.510***	0.517***
	(0.136)	(0.138)	(0.139)	(0.140)
COVID × *Late Reopen*	0.602***	0.570***	0.554***	0.561***
	(0.114)	(0.108)	(0.108)	(0.109)
Observations	10,020	10,020	10,020	10,020
Adjusted R-squared	0.094	0.303	0.304	0.305
Time fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	No	Yes	Yes	Yes
Industry fixed effects	No	No	Yes	Yes
Round fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

Table IA34: Death of distance in VC investment, Country size

We examine the role of a country's land area in this table. Built on our baseline empirical setup (i.e., equation 2), we introduce the interaction terms with *Large country* in the regressions. Specifically, we sort the nations into large versus small groups by a country's land area; the *Large country* indicator takes the value of one if the VC firm and startup company in a deal are in the group of large countries and zero otherwise. The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. The control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1% level, ** at the 5% level, and * at the 10% level.

	Distance			
	(1)	(2)	(3)	(4)
Treat × *Post* × *Large country*	0.230*	0.188*	0.193*	0.195*
	(0.116)	(0.107)	(0.106)	(0.106)
Post × *Large country*	0.030	0.041	0.035	0.033
	(0.072)	(0.070)	(0.068)	(0.069)
Treat × *Post*	-0.052	-0.033	-0.041	-0.046
	(0.101)	(0.095)	(0.094)	(0.094)
Observations	76,434	76,434	76,434	76,434
Adjusted R-squared	0.286	0.288	0.288	0.288
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Industry fixed effects	No	Yes	Yes	Yes
Round fixed effects	No	No	Yes	Yes
Quarter fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

Table IA35: Death of distance in VC investment, Country space

We examine the role of the longest distance between cities in a country in this table. Built on our baseline empirical setup (i.e., equation 2), we introduce the interaction terms with *Large country* in the regressions. Specifically, we sort the nations into large versus small groups by the longest distance between cities in a country; the *Large country* indicator takes the value of one if the VC firm and startup company in a deal are in the group of large countries and zero otherwise. The dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. The control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1% level, ** at the 5% level, and * at the 10% level.

	Distance			
	(1)	(2)	(3)	(4)
Treat × *Post* × *Large country*	0.354**	0.342**	0.340**	0.342**
	(0.154)	(0.156)	(0.153)	(0.154)
Post × *Large country*	-0.023	-0.030	-0.033	-0.034
	(0.150)	(0.152)	(0.150)	(0.150)
Treat × *Post*	-0.142	-0.154	-0.156	-0.160
	(0.148)	(0.150)	(0.148)	(0.148)
Observations	76,434	76,434	76,434	76,434
Adjusted R-squared	0.287	0.288	0.288	0.288
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Industry fixed effects	No	Yes	Yes	Yes
Round fixed effects	No	No	Yes	Yes
Quarter fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

Table IA36: Death of distance in VC investment, Internet infrastructure

We examine the role of the internet infrastructure of the startups and the VC investors in this table. Built on our baseline empirical setup (i.e., equation 2), we introduce the interaction terms with *Internet latency* in the regressions. Specifically, *Internet latency* in panel A (B) of this table is the city-level internet latency of the startup (VC investor) in each deal. The dependent variable is the natural logarithm of one plus the distance between the VC investors and startup companies. The control variables are delineated in Section (2). Due to space limit, we focus on reporting the coefficient estimate of the triple interaction term (and refrain from reporting the coefficient estimates of other interaction terms and control variables) in this table. Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

Panel A. Internet infrastructure of startups

	Distance			
	(1)	(2)	(3)	(4)
Treat × *Post* × *Internet latency*	-0.071***	-0.070***	-0.071***	-0.071***
	(0.011)	(0.011)	(0.012)	(0.012)
Observations	55,043	55,043	55,043	55,043
Adjusted R-squared	0.322	0.323	0.323	0.323
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Industry fixed effects	No	Yes	Yes	Yes
Round fixed effects	No	No	Yes	Yes
Quarter fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

Panel B. Internet infrastructure of VC investors

	Distance			
	(1)	(2)	(3)	(4)
Treat × *Post* × *Internet latency*	-0.029	-0.027	-0.026	-0.026
	(0.032)	(0.031)	(0.031)	(0.031)
Observations	55,043	55,043	55,043	55,043
Adjusted R-squared	0.257	0.258	0.259	0.259
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Industry fixed effects	No	Yes	Yes	Yes
Round fixed effects	No	No	Yes	Yes
Quarter fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

Table IA37: Death of distance in VC investment by industries

We perform the estimation by industries and we report the estimation results in each industry in this table. The empirical setup of the regressions in this table is based on equation (2). Across all regressions in this table, the dependent variable is the natural logarithm of one plus the distance between VC firms and startup companies. The control variables are delineated in Section (2). The industry information in the regressions of this table is based on the North American Industry Classification System. Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Distance			
	Manufacturing	Wholesale trade	Retail trade	Transportation and warehousing
	(1)	(2)	(3)	(4)
Treat × *Post*	0.232*	0.482	0.659***	0.388
	(0.123)	(0.639)	(0.200)	(0.908)
Observations	12,096	753	2,363	522
Adjusted R-squared	0.312	0.524	0.384	0.660
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Round fixed effects	Yes	Yes	Yes	Yes
Quarter fixed effects	Yes	Yes	Yes	Yes
Control	Yes	Yes	Yes	Yes
	Distance			
	Information	Finance and insurance	Real estate rental and leasing	Professional, scientific, and technical services
	(1)	(2)	(3)	(4)
Treat × *Post*	0.095*	-0.099	-0.486	0.161***
	(0.053)	(0.144)	(0.377)	(0.059)
Observations	39,735	2,823	884	11,292
Adjusted R-squared	0.304	0.467	0.650	0.361
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Round fixed effects	Yes	Yes	Yes	Yes
Quarter fixed effects	Yes	Yes	Yes	Yes
Control	Yes	Yes	Yes	Yes

Table IA38: Aggregate VC competition

We study the aggregate-level Herfindahl-Hirschman index (HHI) of VC investments in country-year level regressions in this table. The dependent variables in this table is the national HHI based on the number of VC investments in each country each year. The control variables are delineated in Section (5.2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	HHI	
	(1)	(2)
Treat × *Post*	0.007	0.013
	(0.036)	(0.033)
Observations	145	145
Adjusted R-squared	0.726	0.723
Year fixed effects	Yes	Yes
Country fixed effects	Yes	Yes
Control	No	Yes

Table IA39: Relocation of companies

We examine the company relocation patterns in China in company-year level regressions in this table. The dependent variable in this table is a dummy variable for company relocation (i.e., it takes the value of one if a company changes its address in a year and zero otherwise). We compare company relocation patterns after the pandemic (i.e., 2020–2021) with the situation before the pandemic (i.e., 2017–2019). The dummy variable *COVID1* takes the value of one for VC investments made in 2020 and equals zero otherwise. *COVID2* is a dummy variable for VC investments made in 2021. *1{2018}* and *1{2019}* are dummy variables for VC investments made in 2018 and 2019, respectively. The year 2017 is incorporated as the omitted group in the regressions. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Relocated	
	(1)	(2)
COVID2	-0.0008	-0.0008
	(0.0026)	(0.0026)
COVID1	0.0011	0.0008
	(0.0020)	(0.0020)
1{2019}	-0.0018	-0.0021
	(0.0016)	(0.0016)
1{2018}	-0.0011	-0.0013
	(0.0012)	(0.0012)
Observations	19,594,409	19,594,409
Adjusted R-squared	0.0120	0.0142
City fixed effects	Yes	Yes
Industry fixed effects	Yes	Yes
Control	No	Yes

Table IA40: VC exit outcomes

In this table, we examine whether the VC investors have successfully exited from a deal within two years after the investment is made. The empirical setup of the regressions in this table is based on equation (2). In Panel A of this table, the dependent variable takes the value of one if the startup goes public within two years after the VC investment is made, and zero otherwise. In Panel B, the successful exit events include both initial public offerings (IPOs) and mergers and acquisitions (M&A). The control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

Panel A. Exit by IPO				
	(1)	(2)	(3)	(4)
Treat × *Post*	0.017***	0.014***	0.013***	0.013***
	(0.005)	(0.003)	(0.003)	(0.003)
Observations	76,434	76,434	76,434	76,434
Adjusted R-squared	0.177	0.186	0.191	0.192
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Industry fixed effects	No	Yes	Yes	Yes
Round fixed effects	No	No	Yes	Yes
Quarter fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes
Panel B. Exit by IPO or M&A				
	(1)	(2)	(3)	(4)
Treat × *Post*	0.025***	0.023***	0.022***	0.022***
	(0.006)	(0.005)	(0.005)	(0.005)
Observations	76,434	76,434	76,434	76,434
Adjusted R-squared	0.121	0.124	0.127	0.128
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Industry fixed effects	No	Yes	Yes	Yes
Round fixed effects	No	No	Yes	Yes
Quarter fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

Table IA41: VC investments in late-stage deals

We examine VC investments in late-stage deals in this table. We conduct a DiD analysis by exploiting cross-country variation in the stringency of human mobility restrictions. The empirical setup of the regressions in this table is based on equation (2). Based on the measure of the stringency of human mobility restrictions, we sort the nations into high vs low mobility restriction countries. *Treat* in this table equals one if the VC and startup are in a high-restriction country and zero otherwise. *Post* equals one if the deal is made after the pandemic and zero otherwise. The dependent variable in this table is a dummy variable for late-stage VC investments (i.e., it takes the value of one for late-stage investments and zero otherwise). The control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	Late stage			
	(1)	(2)	(3)	(4)
Treat × *Post*	0.009	0.007	0.007	0.006
	(0.014)	(0.013)	(0.011)	(0.010)
Observations	76,434	76,434	76,434	76,434
Adjusted R-squared	0.216	0.218	0.282	0.283
Year fixed effects	Yes	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes	Yes
Industry fixed effects	No	Yes	Yes	Yes
Round fixed effects	No	No	Yes	Yes
Quarter fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

Table IA42: VC investment rounds

We examine the round number of VC investments in this table. We conduct a DiD analysis by exploiting cross-country variation in the stringency of human mobility restrictions. The empirical setup of the regressions in this table is based on equation (2). Based on the measure of the stringency of human mobility restrictions, we sort the nations into high vs low mobility restriction countries. *Treat* in this table equals one if the VC and startup are in a high-restriction country and zero otherwise. *Post* equals one if the deal is made after the pandemic and zero otherwise. The dependent variable in this table is the round number (a continuous variable) of the VC investments. The control variables are delineated in Section (2). Standard errors are clustered at the country level and reported in parentheses. *** denotes significance at the 1 percent level, ** at the 5 percent level, and * at the 10 percent level.

	VC investment round number		
	(1)	(2)	(3)
Treat × *Post*	0.027	0.031	0.017
	(0.045)	(0.047)	(0.043)
Observations	76,434	76,434	76,434
Adjusted R-squared	0.653	0.655	0.658
Year fixed effects	Yes	Yes	Yes
VC fixed effects	Yes	Yes	Yes
Industry fixed effects	No	Yes	Yes
Quarter fixed effects	No	No	Yes
Control	Yes	Yes	Yes