

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(not to be published)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.”

We report the results of the robustness checks on our baseline analysis of the death of distance in VC investment in Internet Appendix Tables [IA1–IA10](#) and Figure [IA1](#). We address the alternative interpretations of the death of distance in Internet Appendix Tables [IA11–IA22](#).¹ With respect to our analysis based on VC investments in China, we report the results of the robustness checks on our baseline analysis in Internet Appendix Tables [IA23–IA24](#).

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](#)).

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 [IA6](#).² The empirical

¹In particular, we address the concern for supply of VC financing in Internet Appendix Tables [IA11](#) and [IA12](#), the concern for “pandemic-aided” sectors in Table [IA13](#), the concern for bargaining power of startups in Table [IA14](#), the concern for relocation of entrepreneurs in Table [IA15](#), the concern for working from home in Table [IA16](#), the concern for first-round investments in Table [IA17](#), the concern for VC syndication in Table [IA18](#), the concern for VC reputation in Table [IA19](#), the concern for government support policies in Tables [IA20](#) and [IA21](#), and the concern for cross-border deals in Table [IA22](#).

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

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. Our classification of high vs low mobility restriction groups is at the country level in our baseline analysis. We also 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 IA7. 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 IA7 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 States. To address this concern, we exclude VC investments in the U.S. from the analysis and report the results in Internet Appendix Table IA8. 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

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

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 IA9. 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 IA9 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. We focus on realized deals in our baseline analysis. We have also followed 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 IA10. 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). 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.

⁴As 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. Though 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.

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 IA11 and IA12, the concern for “pandemic-aided” sectors in Table IA13, the concern for bargaining power of startups in Table IA14, the concern for relocation of entrepreneurs in Table IA15, the concern for working from home in Table IA16, the concern for first-round investments in Table IA17, the concern for VC syndication in Table IA18, the concern for VC reputation in Table IA19, the concern for government support policies in Tables IA20 and IA21, and the concern for cross-border deals in Table IA22.

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 IA11 and IA12. 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 IA11. 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 Because 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 IA11, we conduct the same analysis based on VC fundraising in Table IA12. *Change in fundraising* in this table refers to each VC firm’s percentage change in the amount of VC fundraising relative to 2019.⁶ Because 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

⁵Because 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 IA11 is smaller than that in our baseline analysis.

⁶Because some VC firms have no fundraising in 2019, *Change in fundraising* becomes missing in such cases and the number of observations in Table IA12 is smaller than that in our baseline analysis.

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 [IA13](#). Because 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). Because 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 phenomenon of increasing VC-startup distance is still manifested across all regressions in this table, and, thus, 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 [IA14](#). 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 pandemic 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 IA15. 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 IA16.⁷ 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 IA17 and the pattern of increasing VC-startup distance after the pandemic is still exhibited.

VC syndication. 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 IA18 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 investors in Internet Appendix Table IA19. 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

⁷Because 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.

⁸This 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).

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 [IA20](#) and public spending on COVID-19 vaccine development in Internet Appendix Table [IA21](#). Our findings on the death of distance are robust when government intervention is controlled for.

Cross-border deals. We focus on domestic deals in our baseline analysis. We have also conducted the analysis to include cross-border deals in Internet Appendix Table [IA22](#) 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, 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. \(2024\)](#) 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. \(2024\)](#) 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. \(2024\)](#) 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.

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FIGURE IA1: **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 $t - 1$.

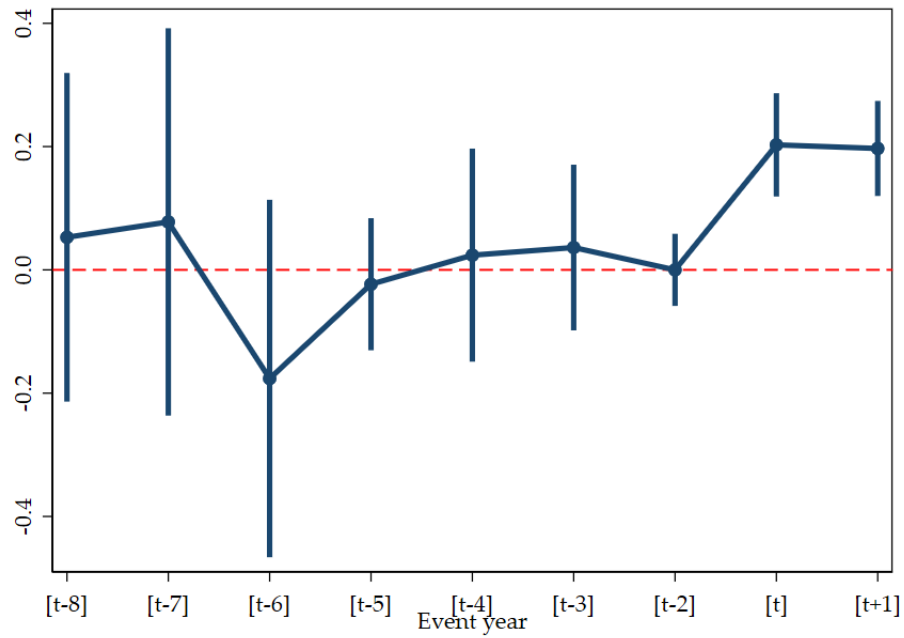


TABLE IA1: DEATH OF DISTANCE, ALTERNATIVE SAMPLE OF VC INVESTMENTS

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.

	<i>Distance</i>			
	(1)	(2)	(3)	(4)
<i>COVID2</i>	0.268*** (0.094)	0.248** (0.096)	0.251** (0.096)	0.250** (0.096)
<i>COVID1</i>	0.139** (0.061)	0.132** (0.059)	0.131** (0.060)	0.126** (0.059)
$1\{2019\}$	0.031 (0.057)	0.033 (0.056)	0.035 (0.057)	0.033 (0.058)
$1\{2018\}$	0.084 (0.052)	0.085 (0.051)	0.082 (0.051)	0.082 (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
Quarter fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

TABLE IA2: 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.

	<i>Distance</i>	
	(1)	(2)
<i>COVID2</i>	0.273*** (0.099)	0.263** (0.109)
<i>COVID1</i>	0.107* (0.053)	0.081* (0.046)
$1\{2019\}$	0.026 (0.057)	0.011 (0.064)
$1\{2018\}$	0.068 (0.054)	0.066 (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 IA3: 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.

	<i>Distance</i>			
	(1)	(2)	(3)	(4)
<i>COVID2</i>	0.289***	0.268***	0.272***	0.272***
	(0.075)	(0.076)	(0.076)	(0.076)
<i>COVID1</i>	0.120**	0.112**	0.112**	0.107**
	(0.047)	(0.047)	(0.047)	(0.046)
<i>1{2019}</i>	0.024	0.026	0.027	0.026
	(0.043)	(0.043)	(0.043)	(0.043)
<i>1{2018}</i>	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
Quarter fixed effects	No	No	No	Yes
Control	Yes	Yes	Yes	Yes

TABLE IA4: 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.

	<i>Distance</i>			
	(1)	(2)	(3)	(4)
<i>Treat</i> × <i>Post</i>	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 IA5: 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.

	<i>Distance</i>			
	(1)	(2)	(3)	(4)
<i>Restriction stringency</i> × <i>Post</i>	0.017*** (0.002)	0.015*** (0.003)	0.015*** (0.003)	0.015*** (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 IA6: 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.

	<i>Distance</i>				
	(1)	(2)	(3)	(4)	(5)
<i>Treat</i> × <i>Post</i>	0.192*** (0.041)	0.404*** (0.096)	0.171*** (0.020)	0.169*** (0.020)	0.207*** (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 IA7: 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.

	<i>Distance</i>			
	(1)	(2)	(3)	(4)
<i>Treat</i> × <i>Post</i>	0.182*** (0.024)	0.184*** (0.026)	0.180*** (0.025)	0.179*** (0.025)
<i>Treat</i>	0.428* (0.167)	0.437** (0.161)	0.440** (0.162)	0.440** (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 IA8: 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.

	<i>Distance</i>			
	(1)	(2)	(3)	(4)
<i>Treat</i> × <i>Post</i>	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 IA9: 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.

	<i>Distance</i>			
	(1)	(2)	(3)	(4)
<i>Treat</i> × <i>Post</i>	0.189**	0.196**	0.190**	0.191**
	(0.085)	(0.087)	(0.086)	(0.086)
<i>Treat</i>	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 IA10: 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.

	<i>Distance > 50 miles</i>	<i>Distance > 100 miles</i>	<i>Distance > 200 miles</i>	<i>Distance > 500 miles</i>
	(1)	(2)	(3)	(4)
<i>Treat</i> × <i>Post</i>	0.0020*** (0.0001)	0.0020*** (0.0001)	0.0021*** (0.0001)	0.0021*** (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 IA11: 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.

	<i>Distance</i>			
	(1)	(2)	(3)	(4)
<i>Treat × Post × Change in number of deals</i>	0.077 (0.067)	0.076 (0.064)	0.078 (0.063)	0.079 (0.063)
<i>Treat × Change in number of deals</i>	-0.059 (0.076)	-0.057 (0.073)	-0.059 (0.072)	-0.058 (0.072)
<i>Post × Change in number of deals</i>	-0.032 (0.028)	-0.033 (0.029)	-0.033 (0.030)	-0.034 (0.030)
<i>Treat × Post</i>	0.151*** (0.048)	0.130*** (0.042)	0.126*** (0.043)	0.122*** (0.043)
<i>Change in number of deals</i>	0.036 (0.028)	0.036 (0.029)	0.035 (0.030)	0.035 (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 IA12: 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.

	<i>Distance</i>			
	(1)	(2)	(3)	(4)
<i>Treat × Post × Change in fundraising</i>	-0.004 (0.040)	-0.007 (0.039)	-0.005 (0.039)	-0.005 (0.038)
<i>Post × Change in fundraising</i>	-0.010 (0.038)	-0.010 (0.037)	-0.009 (0.037)	-0.009 (0.037)
<i>Treat × Change in fundraising</i>	-0.010 (0.040)	-0.006 (0.038)	-0.008 (0.037)	-0.007 (0.037)
<i>Treat × Post</i>	0.201*** (0.067)	0.179*** (0.062)	0.174*** (0.063)	0.171*** (0.063)
<i>Change in fundraising</i>	0.016 (0.038)	0.015 (0.037)	0.014 (0.037)	0.014 (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 IA13: 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. Because 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). Because 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.

	<i>Distance</i>			
	(1)	(2)	(3)	(4)
<i>Treat</i> × <i>Post</i>	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 IA14: 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.

	<i>Distance</i>		
	(1)	(2)	(3)
<i>Treat</i> × <i>Post</i>	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 IA15: 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.

	<i>Distance</i>			
	(1)	(2)	(3)	(4)
<i>Treat</i> × <i>Post</i>	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 IA16: 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.

	<i>Distance</i>			
	(1)	(2)	(3)	(4)
<i>Treat</i> × <i>Post</i>	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 IA17: 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.

	<i>Distance</i>		
	(1)	(2)	(3)
<i>Treat</i> × <i>Post</i>	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 IA18: 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.

	<i>Distance</i>			
	(1)	(2)	(3)	(4)
<i>Treat</i> × <i>Post</i>	0.254*** (0.072)	0.232*** (0.069)	0.226*** (0.070)	0.226*** (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 IA19: 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.

	<i>Distance</i>		
	(1)	(2)	(3)
<i>Treat × Post</i>	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 IA20: 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.

	<i>Distance</i>			
	(1)	(2)	(3)	(4)
<i>Treat</i> × <i>Post</i>	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 IA21: 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.

	<i>Distance</i>			
	(1)	(2)	(3)	(4)
<i>Treat</i> × <i>Post</i>	0.181*** (0.046)	0.159*** (0.039)	0.156*** (0.040)	0.153*** (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 IA22: 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.

	<i>Distance</i>			
	(1)	(2)	(3)	(4)
<i>Treat</i> × <i>Post</i>	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 IA23: 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.

	<i>Distance</i>			
	(1)	(2)	(3)	(4)
<i>COVID</i> × <i>Before</i>	-0.148 (0.509)	0.242 (0.337)	0.237 (0.393)	0.228 (0.368)
<i>COVID</i> × <i>Lockdown</i>	0.458** (0.190)	0.499** (0.217)	0.479** (0.226)	0.464** (0.216)
<i>COVID</i> × <i>Reopen</i>	0.663*** (0.176)	0.519** (0.216)	0.506** (0.221)	0.495** (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 IA24: 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.

	<i>Distance</i>			
	(1)	(2)	(3)	(4)
<i>COVID</i> × <i>Before</i>	0.194 (0.241)	0.298 (0.244)	0.282 (0.240)	0.300 (0.239)
<i>COVID</i> × <i>Lockdown</i>	0.425*** (0.152)	0.519*** (0.132)	0.507*** (0.132)	0.494*** (0.132)
<i>COVID</i> × <i>Reopen</i>	0.620*** (0.120)	0.541*** (0.118)	0.526*** (0.119)	0.519*** (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 IA25: 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.

<i>Panel A. Exit by IPO</i>				
	(1)	(2)	(3)	(4)
<i>Treat</i> × <i>Post</i>	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
<i>Panel B. Exit by IPO or M&A</i>				
	(1)	(2)	(3)	(4)
<i>Treat</i> × <i>Post</i>	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