PARTNERING FOR INNOVATION THROUGH CORPORATE VENTURE CAPITAL

Reese Schroeder, Managing Director, MOTOROLA SOLUTIONS VENTURE CAPITAL

WE HELP PEOPLE BE THEIR BEST IN THE MOMENTS THAT MATTER
BUILDING SAFER CITIES

POLICE
Keeping cities safe and communities thriving

FIRE
Protecting the safety of first responders

EMERGENCY MEDICAL SERVICES
Enabling faster response and better outcomes

NATIONAL GOVERNMENT SECURITY
Transforming information into intelligence

PUBLIC SERVICES
Improving service levels
OUR COMMITMENT TO INNOVATION CONTINUES TODAY

OUR SOLUTIONS COMBINE PRODUCTS AND SERVICES TO SOLVE AN ORGANIZATION’S GREATEST CHALLENGES

AND OUR COMPREHENSIVE NETWORK OF CHANNEL PARTNERS TAILOR THOSE SOLUTIONS TO MEET SPECIFIC NEEDS

OUR SOLUTIONS

Radio Networks & Devices
System Integration
Site Development
Multi-network Interoperability
Managed & Support Services
Public Safety LTE Networks & Devices
Smart Public Safety
Intelligent Applications
Cybersecurity
Industrial Internet of Things
<table>
<thead>
<tr>
<th>TRENDS I SEE...</th>
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<tbody>
<tr>
<td>Mobile Everywhere (the supercomputer in your pocket/purse)</td>
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<tr>
<td>Everything online (Amazon)</td>
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<tr>
<td>Rise of the Sharing Economy (Uber, AirBnB)</td>
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<tr>
<td>Digitization of Everything (Music -&gt; Books -&gt; Forms -&gt; Health Records -&gt; Citations)</td>
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<tr>
<td>Robotics &amp; Drones will cut through many aspects of our lives</td>
</tr>
<tr>
<td>IoT – Everything will be Smart and Connected</td>
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<tr>
<td>Importance of Big Data and what you do with it</td>
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<td>Ever-increasing need for Cybersecurity solutions (as everything becomes inter-connected)</td>
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<td>Virtual Reality is really happening</td>
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<td>Bots will become a big deal</td>
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<td>The financial world is digitizing (bitcoin)</td>
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<tr>
<td>And autonomous cars will be here quicker than many believe</td>
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INNOVATION – THE LIFEBLOOD OF HIGH-TECH COMPANIES

**SOURCES OF TECHNOLOGY & PRODUCT INNOVATION**

**Internal Development** – Innovation that takes place within MSI based on understanding of customer needs

**Strategic Alliances** – Alliances or joint ventures with other companies to deliver products or services

**Mergers and Acquisition** – MSI acquires other firms with cutting-edge technologies

**Corporate Venture Capital** – Enables MSI to leverage R&D, influence and nurture technology advances, gain window on disruptive innovation, evaluate strategic partners
STRATEGIC ALLIANCE

MOTOROLA SOLUTIONS TO PARTNER WITH ERICSSON ON PUBLIC SAFETY BROADBAND SOLUTIONS

GLOBAL LEADERS

MISSION CRITICAL PUBLIC SAFETY COMMUNICATIONS

LTE MOBILE BROADBAND NETWORKS

LEVERAGE RESPECTIVE STRENGTHS
DEEP INVESTMENT IN INNOVATION
GLOBAL SCALE AND MARKET REACH

Collaborating to deliver unmatched next-generation communications solutions to public safety customers around the world.
ACQUISITIONS (SINCE 2014)


9-1-1 innovation beyond next generation

Transform Data Into Safety

Delivering world-class mission-critical communications (the largest private operator of a public safety network in the world)
CONSIDER SETTING UP A CORPORATE VENTURE UNIT!
CVCs ACCOUNT FOR 21% OF ALL VC DEALS

US CVC Deal Share Of All VC Deals
Q1’13 – Q2’16

CB-Insights CVC H1 2016 Report.
CORPORATE VENTURE CAPITAL IS MATURING…

# of companies with CVC

<table>
<thead>
<tr>
<th>Year</th>
<th>Number</th>
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<tr>
<td>2009</td>
<td>698</td>
</tr>
<tr>
<td>2010</td>
<td>802</td>
</tr>
<tr>
<td>2011</td>
<td>928</td>
</tr>
<tr>
<td>2012</td>
<td>1000</td>
</tr>
<tr>
<td>2013</td>
<td>1100</td>
</tr>
<tr>
<td>2014</td>
<td>1200</td>
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</tbody>
</table>

Source: Global Corporate Venturing Report 2014 full year data analysis
WHY THE INCREASE IN CVC INVESTING?

➢ Provides “eyes and ears” to what is going on outside the corporation
   • Early warning system to new and growing technology
   • Access to adjacencies
   • Faster response to market disruptions
➢ Cheaply fill gaps in corporate technology portfolio
   • R&D budgets are being cut – “the multiplicity factor”
➢ Opportunity to realize strategic and financial benefits

Source: Global Corporate Venturing Report 2014 full year data analysis
MOTOROLA SOLUTIONS CVC

VENTURE CAPITAL INVESTING METHODOLOGY

- Founded in 1999
- 6-8 new investments annually
- 16 portfolio companies
- Four investment professionals
- North America and Israel focused
- Co-invest through investment syndicate

**Early Stage**
- $1 - $5 M initial investment
- Board observer role
- Ownership < 20%
- MSI differentiated strategic rights

**Expansion**
- Strategic Relevance
- Management Team
- Market Strength
- Technology Advantages
- Solid Financials
- Business Unit Support

**Realization**
- IPO / Sale

Create Sustainable Bottom Line Growth Through External Investments in Disruptive Technologies, Emerging Businesses and New Talent
A repeatable process is essential for success!
# MSVC PORTFOLIO

<table>
<thead>
<tr>
<th><strong>AGENT</strong></th>
<th><strong>BlueLine Grid™</strong></th>
<th><strong>seamless</strong> docs</th>
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</thead>
<tbody>
<tr>
<td>Video Analytics</td>
<td>Secure Messaging / Collaboration</td>
<td>UX Design</td>
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<tr>
<td><strong>BriefCam</strong></td>
<td><strong>NUBO</strong></td>
<td><strong>SST</strong></td>
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<tr>
<td>Video Synopsis</td>
<td>Virtual Mobile Infrastructure</td>
<td>Acoustic Sensor Technology</td>
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<td><strong>Boundless</strong></td>
<td><strong>ORION</strong></td>
<td><strong>TRX Systems</strong></td>
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<tr>
<td>Geo-Spatial Software</td>
<td>Wearable PTT</td>
<td>Indoor Location</td>
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<tr>
<td><strong>CyPhy</strong></td>
<td><strong>pellion TECHNOLOGIES</strong></td>
<td><strong>VidSys</strong></td>
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<tr>
<td>Robotics / UAS</td>
<td>Next Generation Power</td>
<td>Physical Security Management</td>
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<td><strong>SceneDoc</strong></td>
<td><strong>VOCAL2OOM</strong></td>
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<td></td>
<td>Evidence Capture</td>
<td>Noise Cancellation</td>
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TOOLS FOR ENGAGING

• Go to Silicon Valley (Innovation Field Trip)
• Have a Start-Up Day
• Spend time at nearby incubators/accelerators (E.g., 1871, TechStars, mHub)
• Talk to corporations who have venture units and learn from them
BOTTOM LINE...

PARTNERING WITH START-UPS IS A KEY PIECE OF THE CORPORATE INNOVATION MANDATE