

IBM Launches \$500 Million Enterprise AI Venture Fund

Fund will fuel innovation, strategic partnerships and generate returns by investing in enterprise AI-focused startups

Fund demonstrates IBM's continued commitment to the effective and responsible deployment of AI



ARMONK, N.Y., Nov. 7, 2023 /PRNewswire/ -- IBM (NYSE: [IBM](#)) today announced that it is launching a \$500 million venture fund to invest in a range of [AI](#) companies - from early-stage to hyper-growth startups - focused on accelerating [generative AI](#) technology and research for the enterprise.

With a differentiated model and strategy consisting of domain expertise from across IBM and a dedicated portfolio development team, the IBM Enterprise AI Venture Fund will invest in current and future AI leaders that are helping businesses around the world realize the potential of AI for business. Led by a dedicated team at IBM with decades of combined experience as highly successful investors and enterprise AI experts, the fund will provide each startup with opportunities to develop meaningful partnerships with IBM, while gaining operational expertise on product and engineering and go-to-market strategies.

IBM has a long history of bringing proven enterprise AI technology and capabilities to organizations around the world and is capitalizing on the latest wave of AI innovation in generative AI with [watsonx](#), the company's AI and data platform. With the IBM Enterprise AI Venture Fund, the company will grow its ecosystem of AI partnerships - including working with companies leveraging and building on watsonx - and create long-term value for AI leaders as well as new and existing clients.

"AI is slated to unlock nearly \$16 trillion in productivity by 2030. With the launch of the IBM Enterprise AI Venture Fund, we're opening another channel to harness the enormous potential of the AI revolution into tangible, positive outcomes for IBM and the companies we invest in," said Rob Thomas, Senior Vice President, Software and Chief Commercial Officer, IBM. "This fund is yet another way we're doubling down on our commitment to responsible AI innovation through watsonx and helping organizations put this transformational technology to work."

A Differentiated Approach to AI Investing

IBM has demonstrated its commitment to promoting AI for business through its recent investments in AI technology and companies. For example, IBM [announced](#) in August that it is participating in the \$235M Series D funding round of Hugging Face, the leading open-source collaboration platform for the machine learning community building the future of AI. IBM has contributed hundreds of open models and datasets on Hugging Face, including the recent release of the [Geospatial Foundation Model](#) in partnership with NASA. It is the largest geospatial foundation model on Hugging Face and the first-ever open-source AI foundation model built in collaboration with NASA.

Hugging Face co-founder and CEO, Clem Delangue said: "We've been thrilled to collaborate with IBM in democratizing AI. With hundreds of open models on the Hugging Face hub, they are significantly boosting the open-source ecosystem. This is the reason why we wanted to have them join our series D round. I am convinced that they'll be able to accelerate their impact on AI with the IBM Enterprise AI Venture Fund."

IBM also [recently participated](#) in HiddenLayer's Series A funding to expand its talent base, increase go-to-market efforts, and further invest in its award-winning Machine Learning Security (MLSec) Platform. HiddenLayer is the leading security provider for AI models and assets, and this funding round marks the largest Series A funding raised by a cybersecurity company focused on protecting AI this year.

Chris Sestito, CEO and Co-founder of HiddenLayer said: "IBM's commitment to progressing secure and responsible AI, access to global clients, and the scale of one of the most innovative companies in the world has made them the perfect partner to support us in driving the next stage of our business growth. Our partnership will help us bring our AI threat detection capabilities to the most cutting-edge companies in the world."

Today's news builds on the momentum and market adoption of IBM's watsonx and furthers the company's strategy of leveraging both third-party and its own AI models to accelerate open innovation in AI. In September, IBM [announced](#) the general availability of the first models in the watsonx Granite model series — a collection of generative AI models to advance the infusion of generative AI into business applications and workflows. IBM also confirmed that the standard contractual intellectual property protections for IBM products will apply to IBM-developed watsonx AI models. Earlier this year, IBM also [announced plans](#) to host Meta's Llama 2-chat 70 billion parameter model within watsonx, furthering the company's strategy of leveraging both third-party and its own AI models to maintain open innovation.

IBM is the sole investor of the Enterprise AI Venture Fund. Visit <https://www.ibm.com/ventures> for more information.

About IBM

IBM is a leading provider of global hybrid cloud and AI, and consulting expertise. We help clients in more than 175 countries capitalize on insights from their data, streamline business processes, reduce costs, and gain the competitive edge in their industries. Thousands of government and corporate entities in critical infrastructure areas such as financial services, telecommunications and healthcare rely on IBM's hybrid cloud platform and Red Hat OpenShift to affect their digital transformations quickly, efficiently, and securely. IBM's breakthrough innovations in AI, quantum computing, industry-specific cloud solutions and consulting deliver open and flexible options to our clients. All of this is backed by IBM's long-standing commitment to trust, transparency,

responsibility, inclusivity, and service.

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