

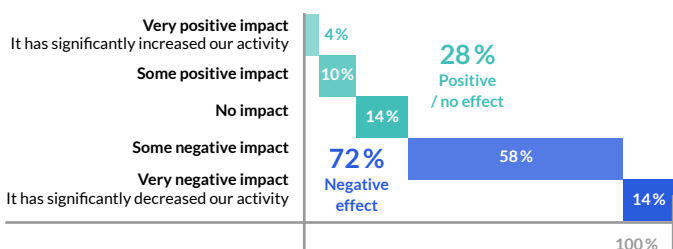
In May 2020, 125 Swiss energy and environment startups answered a survey about their experiences during the COVID-19 crisis and the impacts that it has had on their business.

This document summarizes the results to highlight the consequences of the crisis.

### Effect of the COVID-19 crisis on your startup

n=125

In general the startups positively impacted by the crisis had more demand for their product and in 13% of cases their products could be directly used for the COVID-19 crisis.



### “What positive impacts did your startup experience?”

n=17

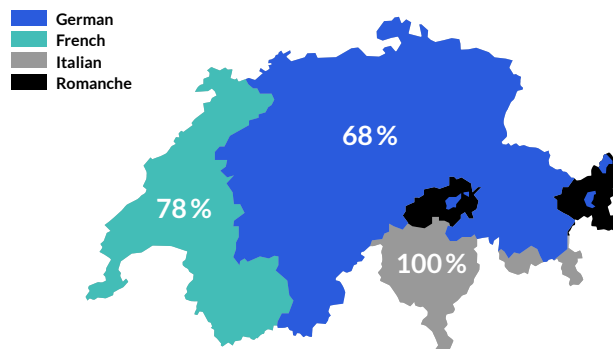


### “What challenges did your startup face?”



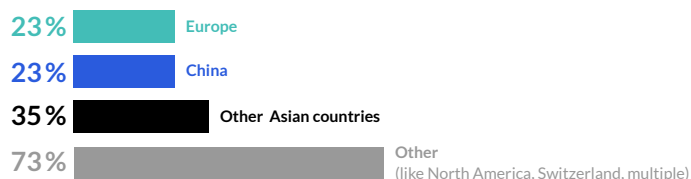
### The percentage of startups that are negatively impacted by the crisis differs by location.

n=125



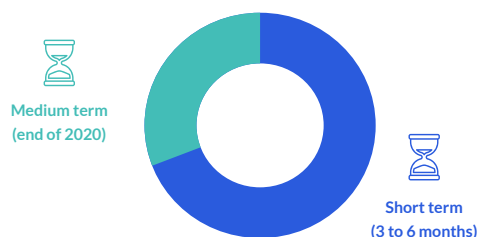
The main negative impact of the crisis was “difficulties to sell product” and the startups stated that this included delayed or cancelled transport, inability to meet customers, closed stores/ work-places, customers being far away and not accessible, and difficulties to get their attention at this time.

### “Where did you encounter supply chain issues impacting your business?”



### “How long do you think your supply chain will be impacted?”

n=26



### Reflecting on sales and the 2019 financial situation

#### More difficulties depending on target customers

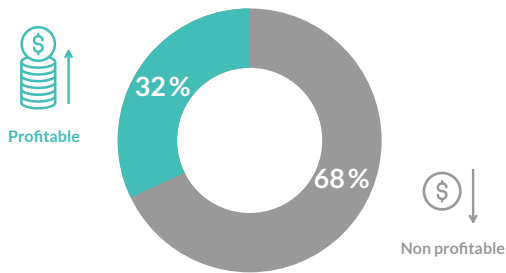
Startups that name public authorities as a customer segment (n=47) are more affected by COVID-19, compared to the ones that do not (n= 78). This may have been due to a change of focus as many regional and cantonal authorities were focused on addressing COVID-19 and other projects were put on hold.

#### Startups experiencing a negative impact separated by target customer

n=107



74 startups were not profitable in 2019 and were significantly more affected by the crisis than the 34 startups that were profitable.



### Raised capital

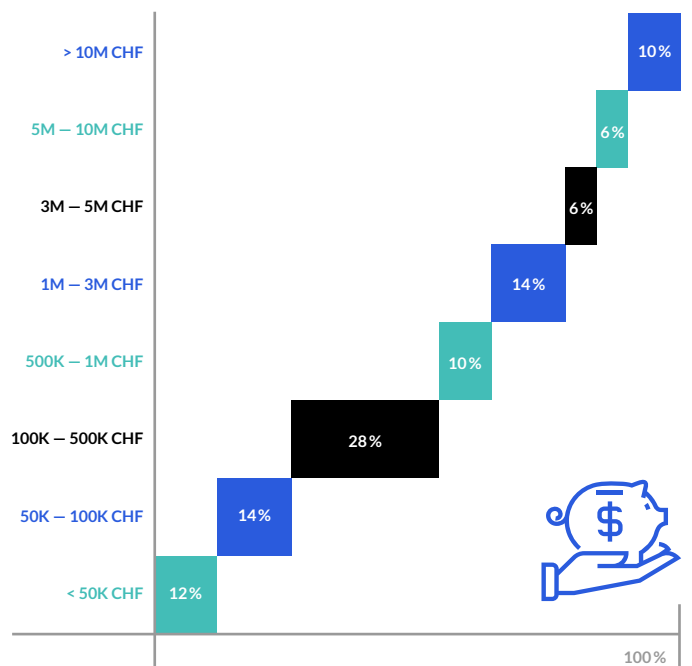
In the last three years (2017-2019), the responding startups

n=50



In the last three years (2017-2019), the startups raised

n=50



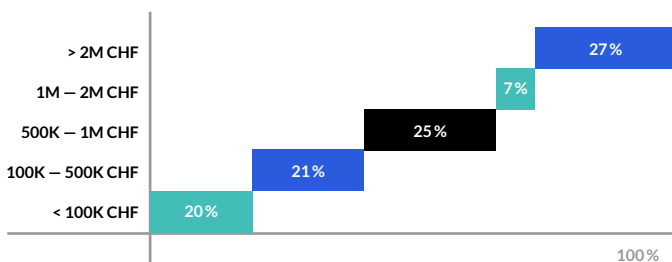
### “How much capital do you need to reach the next development stage?”

n=108

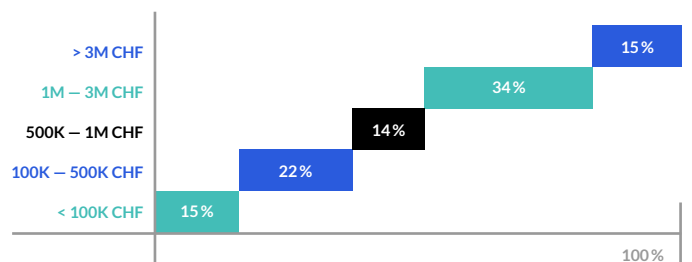
More than 100 startups are looking to raise money in the near future to reach their next development stage. More than 30% of startups need more than 1M CHF (as was similar in 2019, see right hand graph). This

could be more challenging due to the COVID-19 crisis, as large investments coming from outside of Switzerland may be less accessible due to travel restrictions.

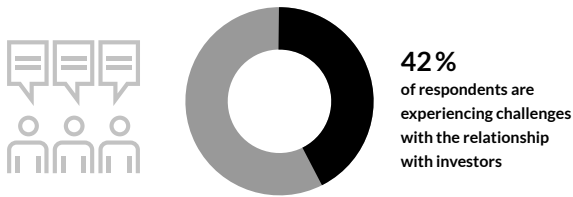
#### In 2020



#### In 2019



Impact on investor relations and startup value



Reasons why



“What did you experience with investors?”

“It is not possible to meet investors from outside of Switzerland at the moment.”

“Investors are busy with changing business models of their investments, and do not respond to new requests.”

“Long discussions that do not ultimately lead to a deal. It leads to delays in fundraising activities.”

“Investors seem worried about their past investments.”

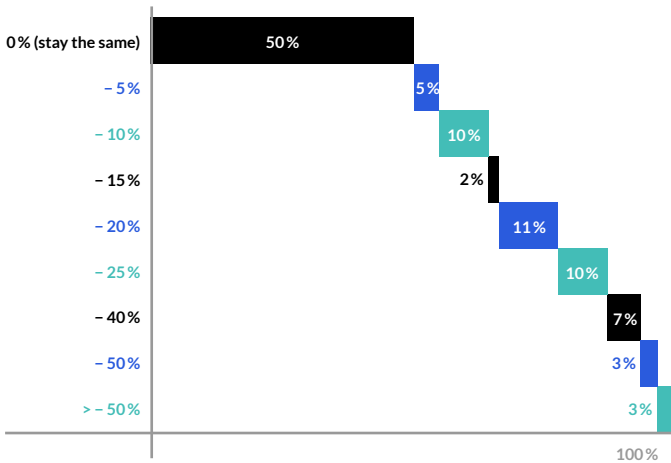


Perceptions on value of startups during the crisis

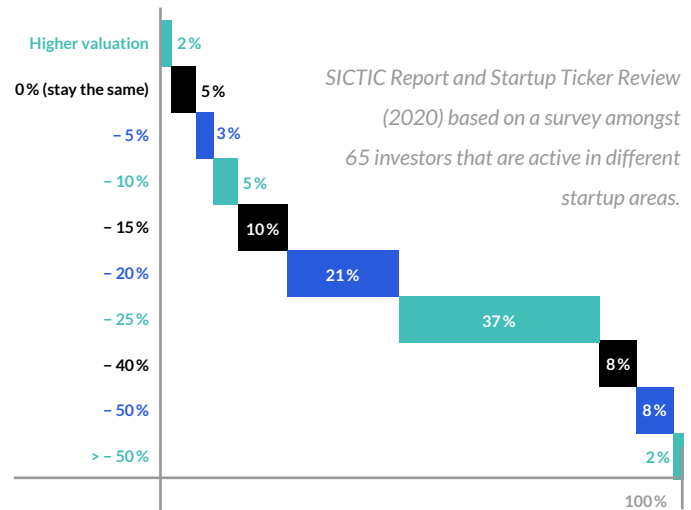


We asked startups the same questions as SICTIC asked their investors to compare the results.

How energy and environment startups perceive the change in their value due to the crisis



How investors see how startups value is going to evolve



SICTIC Report and Startup Ticker Review (2020) based on a survey amongst 65 investors that are active in different startup areas.

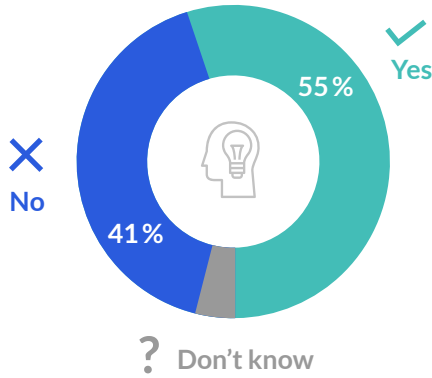
It appears that while 50% of energy and environment startups do not expect a change in valuation, others are not as pessimistic about a low valuation as compared to investor predictions. In the SICTIC study it was mentioned that investors perceive a gap between these perspectives, which is consistent with the results of the current survey.

The startups and the investors appear to have different perceptions. Is the cleantech sector more robust than others? Or are CEOs too optimistic? Do investors have less money available due the crisis and therefore take less risk and are more careful? Mismatched perceptions may lead to some challenges in future fundraising.

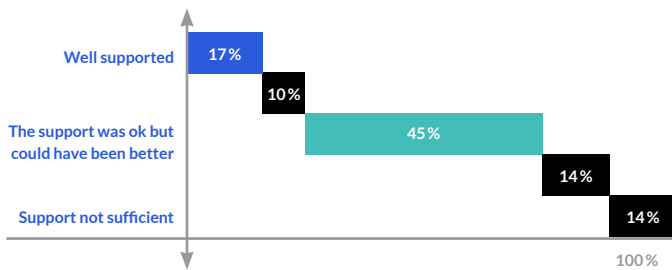
Startup adaptation and support during the crisis

The majority (55%) of responding startups needed support to help them survive the crisis, where 41% did not need to apply for support.

n=69



Of the startups that received support, they had varying opinions on whether support was sufficient. It remains to be seen over the remainder of the year how the startups continue.



Measures used by responding startups to adapt to the crisis from most frequently mentioned to least

Develop new product/ larger offer

Reduce spending

Focus on business plan

Applying for grants

Reduce working hours and wages

Develop marketing side

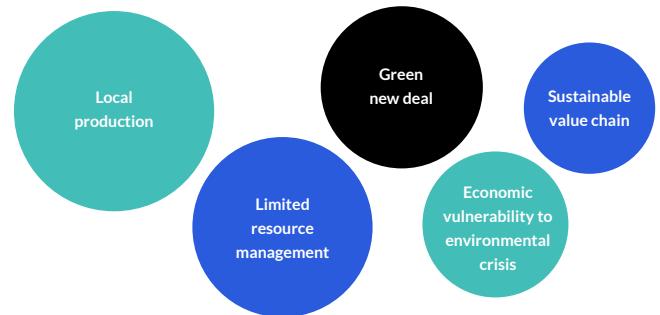
Focus on financial model

Internal reorganisation

Digitalisation of everything

Potential business & environmental impacts

Startups reported potential business and environmental positive and negative impacts arising after the crisis in the mid to long-term.



“As an energy and environment startup, what could help you in the future?”

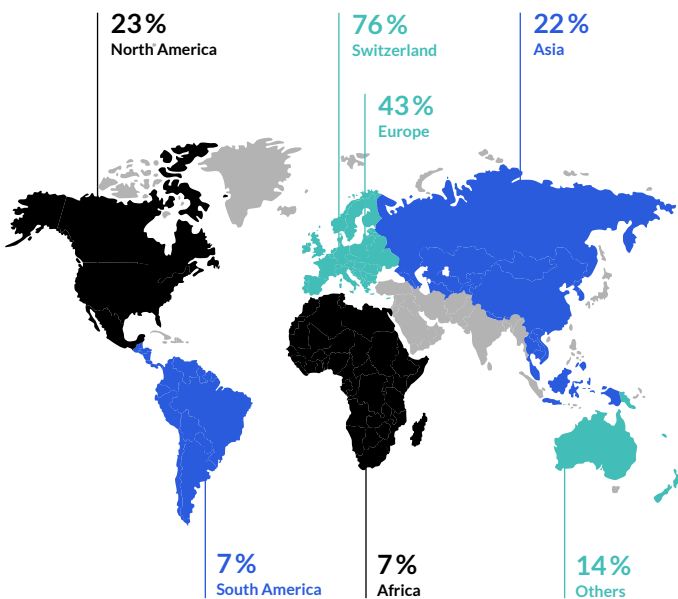
- “That local authorities buy more local products”
- “Promotion of companies who support a green, fair, sustainable economy”
- “Grants for innovation related to sustainability and energy”
- “Construction of innovative hub to bring teams together”
- “Loans with 0% interest”
- “Partial unemployment for a longer period”
- “Support with exporting products”
- “That regions help pay employees”
- “Convertible loans”

“What about international expansion of Swiss cleantech startups?”

The domestic market is extremely relevant for Swiss startups, as reflected in the fact that more than 75% of all responding startups regard Switzerland as their core target market for the upcoming three years. Notably, Europe, North America and Asia are the most desired regions for expanding.

Geographical target markets for the near future

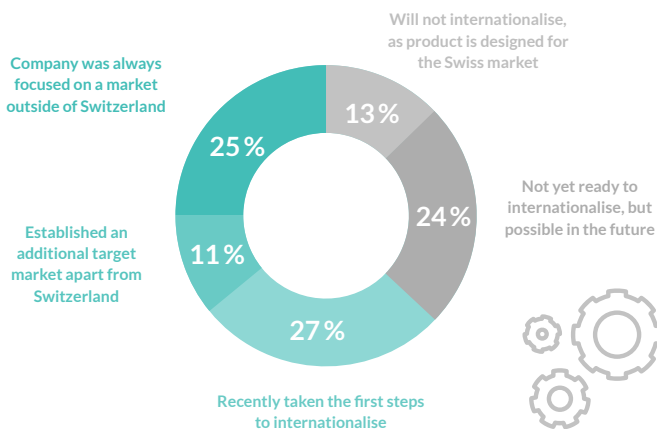
n=125



Development stage of internationalisation

Of the responding startups, more than half are already involved in international markets.

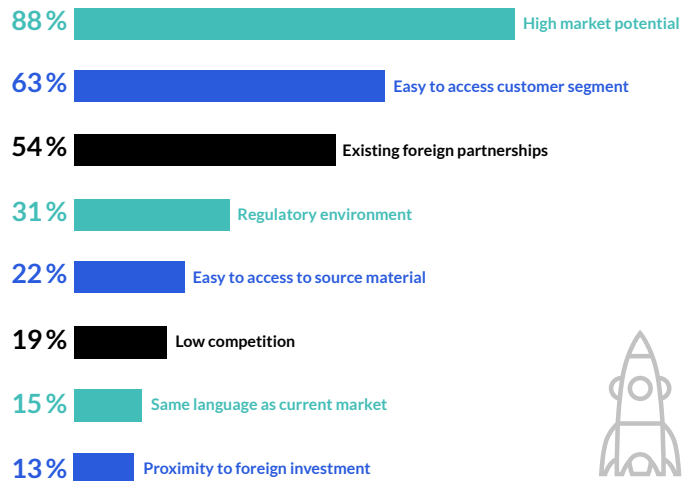
n=125



Importance of factors for choosing foreign markets

n=79

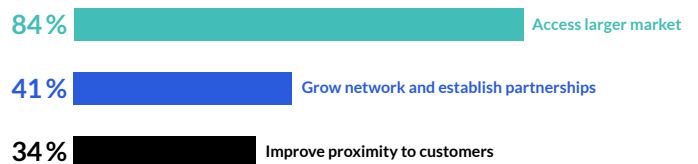
Of those startups already in international markets, the most important factor was the ease of access to better markets.



Motivations for cleantech startups to pursue internationalization strategies

n=79

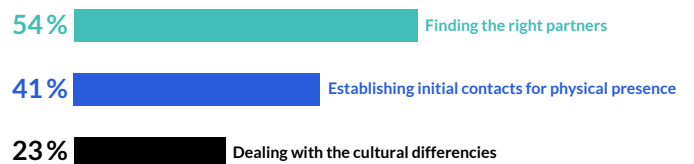
On the one hand, motivations for cleantech startups to pursue internationalization strategies can be various :



Expanding business challenges

n=79

On the other hand, expanding a business poses challenges that need to be accounted for as :



## Cleantech startups and the COVID-19 crisis, who answered the survey?

This report is based on survey results from



**125**  
energy and environment startups from across Switzerland.



**23%**  
response rate, out of



**534**  
startups in the Innovation Monitor database



**92%**  
of respondents are in a leading position (founder, CEO or executive position)

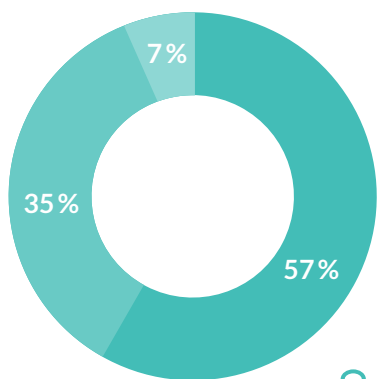
### Number of employees



Large (20-60)



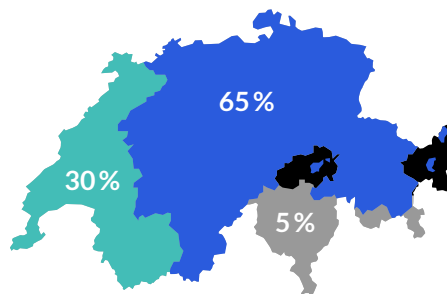
Medium (5-19)



Small (1-4)

### Origin of responding startups

German  
French  
Italian  
Romanche



### Startups growth phase



### Area of activity



45%  
of the 125 responding startups are in the energy sector



35%  
of the 534 startups in the Innovation Monitor database are in the energy sector

