

SICTIC –
SWITZERLAND'S
LARGEST AND
MOST ACTIVE
INVESTOR CLUB

- ▶ 69% of Swiss early-stage ICT investments involved SICTIC Investors
- ▶ 254 Portfolio Startups
- ▶ 518 Investors
- ▶ 25 Exits in total (9 Exits in 2022)
- ▶ Early-stage investment outlook for 2023



Investment Report

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INTRO.



Thomas Ackermann

Managing Director
SICTIC



Dr. Thomas Dübendorfer

President
SICTIC

Dear Reader,

2022 was a challenging year in many aspects. Coming out of a pandemic, the outlook for startup investments was very optimistic in the first quarter of the year. Covid-19 restrictions were lifted, and people were ready to go back to normal life. For SICTIC, physical pitching events were possible again, offering investors the opportunity to meet founders and network with other investors face to face. However, 2022 saw a historic decline in global VC funding by 35% compared to 2021 according to Crunchbase, and the reputable US venture capital firm Sequoia published its “Crucible Moment” memo that warned startups to cut unnecessary expenses and prepare for a difficult time. Analysts attributed that decline, primarily, to a previously overheated VC market with too much “cheap money” looking for investments.

Nevertheless, 2022 turned out to be a very strong year for venture capital in Switzerland. This growth was primarily driven by later-stage funding in non-ICT sectors, with a few mega-rounds substantially bringing the total funding to a new record. The market segment relevant to SICTIC (early-stage ICT rounds) stagnated. Nonetheless, SICTIC investors contributed - once again - to nearly 70% of funding rounds in that segment, underlining the leading role of SICTIC as a matchmaking platform for early-stage startup investments. Turn to page 23 and find out how the SICTIC portfolio evolved in 2022!

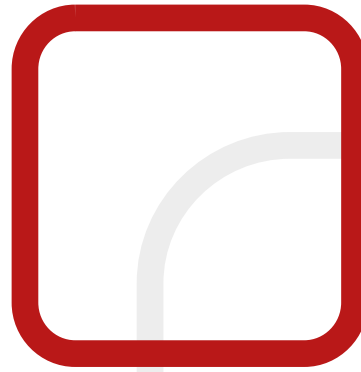
In spite of the global economic challenges, 2022 was a year of celebration for SICTIC. Not only did we celebrate our 100th investor day in September on Panta Rhei, the largest boat on the lake of Zürich, but we also counted more exits of SICTIC

portfolio companies than ever before: Animatico AG, Codecheck AG, Live Track AG, LuckaBox Logistics AG, MENU Technologies AG, sendtask.io (by SIRLOIN AG), Traverz AG, Workspace2go AG, and yes.com AG have all exited, increasing the number of total SICTIC exits in the portfolio of 254 startups to 25! Turn to page 30 to read our interview with MENU Technologies and discover the founder's journey from idea to exit - or find the full list of SICTIC exits to date on page 33!

Outlook

At the end of the year, we finalized the merger with StartupINVEST (formerly CTI Invest) welcoming reputable VCs like High Tech Gründerfonds (HTGF), VI Partners, Zühlke Ventures and Dow Venture Capital. This merger not only preserves the legacy of one of Switzerland's earliest startup investment organizations, but also paves the way for SICTIC to expand into new verticals. While SICTIC traditionally supported only ICT and fintech startups, our ambition is to make our successful and efficient matchmaking process available to startups and investors in other sectors as well. This will not only increase the opportunities for investors to diversify their portfolio, but it will also benefit the Swiss startup ecosystem in general, as more startups will be able to benefit from our matchmaking services. Turn to page 41 to learn more about the SICTIC matchmaking process and how we connect Swiss tech startups with smart money investors.

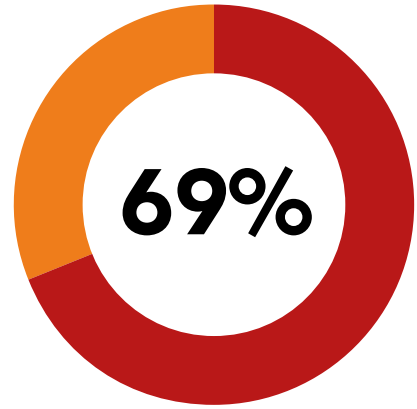
Geopolitical and economic uncertainties will likely continue to dominate the headlines well into 2023, and perhaps even beyond. However, the Swiss venture capital industry has proven to be way more resilient than many other markets. Relying on a traditionally strong innovation ecosystem, as well as political and financial stability, Swiss entrepreneurs continue to come up with novel solutions for the various challenges faced by modern society. We are therefore convinced that Swiss startups will continue to be an attractive asset class in 2023 and beyond, and we're excited to further increase our efforts to connect the best Swiss tech startups with smart money investors! ■



2022 SICTIC INVESTMENT HIGHLIGHTS.

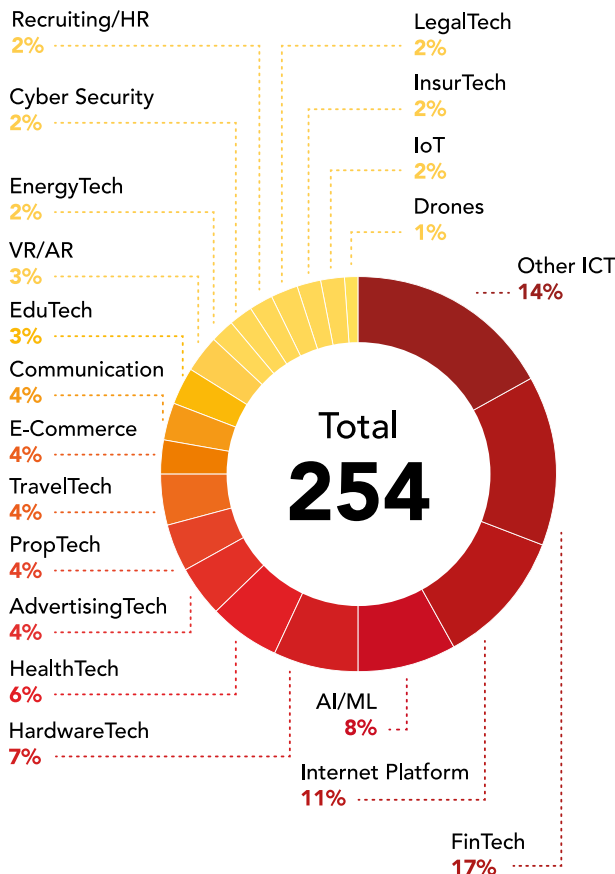
153 Total early-stage ICT rounds throughout Switzerland

106 Rounds with SICTIC Investors



69% of all early-stage ICT Investments in Switzerland involved SICTIC Investors

254 SICTIC Portfolio Startups



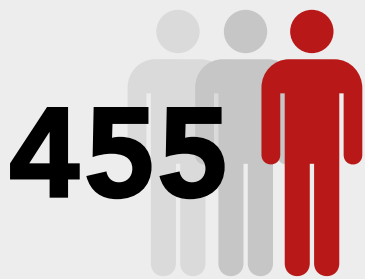
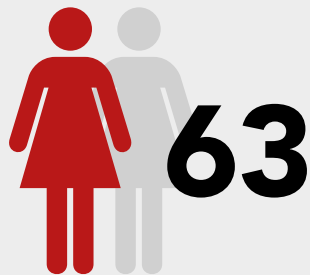
SICTIC Portfolio Exits

9 Exits
in Year 2022

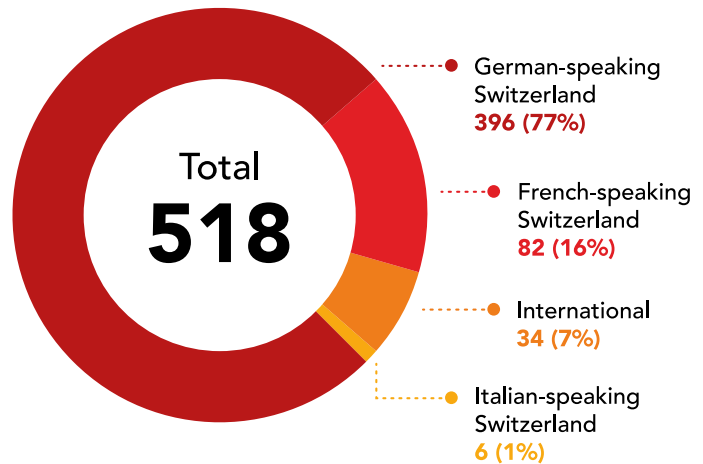
Total Exits:
25



Gender of SICTIC Investors



SICTIC Investor Community Size by Region



CHF 1.6B

Total investment received by SICTIC Portfolio startups

2022:
67 Events

Over **5.000**
jobs created to date

2022 – DRAMATIC DECLINE IN GLOBAL VENTURE CAPITAL FUNDING, WHILE VENTURE FUNDING INTO SWISS STARTUPS SOARS ■



Dr. Bolko Hohaus

Vice President
& Board Member - SICTIC

In 2022, global venture capital funding declined by more than one-third, a drop even steeper than what happened after the dot-com boom or the 2008 Great Financial Crisis. However, taking 2021 as a baseline should be seen as a distortion as the year's activity was driven by central bank liquidity pushing into markets post-pandemic. As a case in point, VC Funding in 2022 was still almost 30% up from 2020, making 2022 one of the very best years in the last decade.

Given the slowdown, 2022 was a year of two totally different halves as second half funding was down 43% from the first half, and the fourth quarter was down 60% from the same quarter a year ago. The number of unicorns born in the last quarter of 2022

dropped to 19, 85% down year over year! Interestingly, deal volume declined by only 4% in 2022, indicating that investors made more but smaller rounds.

Outlook

In contrast to the general market malaise, angel and seed stage investing held up well with 5% year-over-year growth in 2022. This part of the market now makes up 8.3% of total VC funding versus 6.1% five years ago, roughly one-third more in a quite limited period of time. Hence, one can clearly claim that **angel funding got much more popular!**

While seed funding is also likely to be taking a hit, it is typically more resilient than late-stage funding, as for those startups the exit depends more on public markets. Late-stage suffers from the IPOs' precipitous drop: In the US, IPO proceeds collapsed from USD 339 bn in 2021 to a meager USD 24 bn in 2022, barring a vital road to exit for late-stage startups.

With late-stage valuations having exploded in the pandemic bubble, many founders first have to get used to the idea that their company is worth 70%



less than one year ago. Experience tells us that this re-valuation process takes 12-18 months. While many VCs show even a rise in their company valuations for 2022, the drop in public market valuations may simply trigger a very similar decline in private markets delayed by one year.

The seed stage tends to be more anti-cyclical. Investing in a new company typically requires holding on for 5-10 years until an exit may happen. Therefore, investing in down years makes a lot of sense, as entry prices are often more attractive and competition among investors is less intense for good deals.

Brain drain benefitting startups

There is another crucial factor. We see major technology companies laying off significant parts of their workforce. Employees, who were chased one year ago as scarce talent, are suddenly fired and often start new companies. In a challenging macro environment, only the best projects are started, making it an excellent hunting ground for seed investors.

VC funds flush with cash

In the pandemic bubble, many venture capital funds used the ample liquidity in financial markets to raise money. A lot of that is still not deployed. By the end of the third quarter of 2022, that amount was USD 585 bn or more than the USD 445 bn that was invested in 2022. A key reason was that non-traditional investors, such as mutual funds or hedge funds, competed with venture capital for deals, driving prices above what the latter wanted to pay. Eventually, that money will flow back into markets, but venture capital funds will likely focus first on existing investments and stay very cautious before they burn through their cash. It will allow new funds that do not have that legacy to exploit the interesting vintage characteristics we described above. However, it is not a bad thing for funds to have more than one year of dry powder capital available to be deployed in the market.

Europe and Switzerland holding up better

Lastly, how was the development in Europe and Switzerland? Venture capital funding in Europe

was "only" down 17% in 2022, half of the decline we saw on a global basis. Contrast this with Switzerland: startup funding in 2022 was close to 30% up, a huge growth again, bringing the total amount to CHF 4 bn, or more than five times up since we started SICTIC.

Our vision that the Swiss ecosystem would develop strongly over the last years is clearly visible in these numbers, and we expect - after a likely pause in 2023 - further excellent growth given all the positive ingredients Switzerland has: top-rated universities, plenty of innovation, and capital. Comparing the CHF 4 bn Swiss startups attracted in 2022 to the global VC funding amount of USD 445 bn, you could argue that such a country should get more than 1% of global funding.

This is the vision of SICTIC, helping to build a startup ecosystem that grows and thrives. ■

References:

CB Insights Venture 2022 report, Pitchbook and Swiss Venture Report

SWITZERLAND'S NEW CORPORATE LAW – WHAT STARTUPS AND INVESTORS NEED TO KNOW. ■



Marion Bähler

MLaw, LL.M., Attorney at Law

walderwyss
attorneys at law

The revision of the Swiss corporate law is finally here! - Bringing with it a host of updates and modernizations to the legal framework governing corporations. The new provisions will not substantially affect the startup community overall. There are, however, a few key changes that are certain to have a significant impact:

Share Capital in Yen and Billions of Shares?

Whereas the minimum share capital for a Swiss corporation remains CHF 100,000, a company may now denominate its share capital in a foreign currency, namely GBP, EUR, USD and Yen, if such currency is essential for its business operations. Regardless of this, it is obviously still possible for startups to conduct financing rounds where the issue price of shares is set and paid in a currency that differs from that of the share capital, provided that the nominal value of the shares is fully covered.

Going forward, the nominal value of a share must be greater than zero, but it can be below one Swiss centime. For startups, which often have complex and dynamic shareholder structures, a tiny nominal value and the corresponding vast number of shares may add an additional (unnecessary) layer of complexity when managing their cap tables, however.

Capital Band – a Game Changer or Non-Starter?

The introduction of the capital band gives companies more flexibility to adjust their capital within a specified range. This concept allows for increases in the share capital to up to 150% of the current amount and decreases down to 50% (provided that it remains above CHF 100,000) over a period of up to five years. Companies that have opted out of the requirement to conduct a limited audit, as is often done by early-stage startups, are not permitted to implement capital decreases based on a capital band. In addition, the strict creditor protection measures applicable in ordinary capital decreases will also have to be observed when decreasing the share capital within the capital band.

Under tax law, the amount of the newly created capital reserves and of the stamp duty is assessed upon the end of the capital band only (net perspective). It is thus certainly advisable to assess whether unwanted tax consequences are triggered, in particular if the capital band should also permit capital decreases. Given these drawbacks and limitations, it remains to be seen whether the capital band and its new features will be successful in practice. Chances are that it will only be used to replicate the concept of an authorized share capital as used to date.

The End to Convertible Loans as we know them?

It is common practice in the Swiss venture ecosystem to convert outstanding convertible loans into equity through an ordinary or authorized capital increase (now: capital band) with the issue price of the shares being paid through set-off. The most significant and far-reaching change introduced in this regard, is that companies have to disclose information about the set-off in their articles of association. This includes details regarding the person acquiring shares, the claim that was set off and the shares issued in exchange. This re-

quirement may be seen as a threat to the secrecy that is vital to many startups and investors in relation to investments and financing rounds. It can thus be assumed that convertible loans will be structured differently in the future to avoid such disclosure in the articles.

Shareholders' and Board Meetings in the Four Corners of the Earth?

The revision has led to a substantial simplification of shareholders' meetings and now provides for the possibility to conduct meetings virtually or abroad. While the venue can be anywhere in the world, it still needs to be objectively chosen, which in practice limits the options. The use of electronic media is subject to certain requirements that shall ensure the integrity and transparency of the electronic meeting and the voting process. If technical issues arise during a virtual meeting, the meeting must be reconvened. For this reason, it is advisable to already announce a substitute date in the original invitation. Lastly, resolutions may now also be passed in writing or electronic form if no shareholder requests oral deliberation. In order to make use of these new possibilities, the articles of association will have to be amended accordingly.

For the board of directors, virtual meetings and circular resolutions were already practice under the previous law. It has now been clarified that circular resolutions may also be taken in electronic form. This means that also resolutions by virtue of SMS, WhatsApp and e-mail are generally possible. Startups should keep in mind that resolutions should be carefully documented for evidentiary purposes and that they may need to disclose these resolutions to third parties at a later stage. The approval of the new business plan in the WhatsApp group of the company's last Christmas party may probably not leave the best impression with potential investors conducting a due diligence. In addition, resolutions that will have to be filed with the commercial register must be executed in (hand-)writing by the relevant persons, in order to comply with the Commercial Register Ordinance.

Will the Fundraising be completed in time? The Clock is ticking in Case of financial Distress

Under the revised provisions governing financial distress, companies are required to act more quickly to take restructuring measures to avoid bankruptcy. In

particular, the obligations of the board of directors in relation to the monitoring and securing of the liquidity of a company are now governed more explicitly.

If the latest annual financial statements show a capital loss, they must now be reviewed by an auditor before they are approved by the shareholders' meeting. This also applies to companies which have opted out from the requirement to conduct a limited audit, in which case an ad hoc auditor must be appointed by the board of directors. If this is omitted, the shareholders' meeting may not validly approve the financial statements. Chances are, that especially companies that have not appointed auditors may not even be aware of a capital loss. Also considering that the financials of startups, due to the high burn rate and low revenues, often show a capital loss, this certainly is a potential pitfall for startups in particular.

If the company is over-indebted, the board of directors must notify the court that will either open bankruptcy proceedings or initiate proceedings for a debt restructuring moratorium. A notification of the court may be omitted, if creditors subordinate their claims in the extent of the overindebtedness. Such subordination needs to cover the amount owed plus now also explicitly the interest due during the period of overindebtedness. As the relevant provision will also apply to already existing contracts and to ensure that the relevant subordination clauses remain valid, it is strongly advisable to review, and if required, amend, existing agreements. This of course includes any contracts for subordinated convertible loans taken out by a startup.

In addition, no notification of the court must be made, for as long as there are reasonable prospects that the overindebtedness will be remedied within a reasonable period of time, which may not exceed 90 days, and that the claims of the creditors will not be further jeopardized. This was already practice under the previous law, but there was no set deadline. In practice, a period of 4-6 weeks was generally considered acceptable, but there were also advocates for (considerably) longer periods. The 90-day-period cannot be extended and will certainly create a great deal of pressure on startups to complete a possible fundraising in time.

Looking for more insights on this topic? Don't hesitate to connect with me or any other expert at Walder Wyss – we would be delighted to discuss this with you! ■



ABOUT SICTIC ■

SICTIC is by far the largest Business Angel Network in Switzerland, connecting the most innovative Swiss seed and early-stage tech startups to smart money investors.

Founded in 2014 with presence throughout Switzerland, SICTIC is a non-profit association. SICTIC's community is comprised of: Business Angels, Professional Investors (single and multi family offices), Institutional Investors, Annual Partners, Service Partners, Academic Partners and Network Partners.

On 31.12.2022, SICTIC had a portfolio of 254 startups and 518 investors.

SICTIC is overseen by pro-bono Board members, prolific industry experts, who are investing and actively involved in the ecosystem, mentoring and supporting startups and bringing their experience to help build successful companies.

SICTIC's operations team consists of experienced professionals with diversified backgrounds covering the whole spectrum of the startup life cycle from investment to exit.

SICTIC has 12 Industry expert jurors, as well as guest jurors, who systematically screen and qualify the startup applications on a monthly basis.

Our Mission

Our mission is to shape the investor and startup ecosystem in Switzerland by growing the quantity and quality of Swiss early-stage startup investments. We are committed to helping Swiss tech startups succeed, creating new jobs, and contributing to Switzerland's economic development.

We help private individuals become angel investors through our educational programs and by providing a platform to showcase high-quality tech startup deals.

In 2021, SICTIC published the first and only Swiss Angel Investor Handbook, a detailed body of work, designed to give investors a step-by-step guideline on investing in Swiss startups. The handbook covers the basic concepts and the particularities of the Swiss legal system, but also addresses advanced topics like startup valuation, employee incentive plans, vesting, taxation and exits. **"This is the handbook I would have loved to have when I invested in my first startup. It's our way of giving back and sharing our knowledge with every potential investor."** said Dr. Thomas Dübendorfer, President and Co-Founder of SICTIC. The 258-page handbook is available for free on www.angel-handbook.ch.

SICTIC is dedicated to more than just impacting the Swiss tech ecosystem, we want to shape it! Together with the support of our community, we are passionate and excited about the future.

If you want to become an angel investor or are looking for excellent Swiss startup deals, apply today at www.sictic.ch to join our investor community at SICTIC.



SICTIC Annual Partners

Our strong Annual Partners support SICTIC to foster innovation in Switzerland.

As a non-profit organization, SICTIC is thankful for the support of our Annual Partners. Together we are shaping the Swiss tech-ecosystem and providing opportunities for young tech companies to flourish and prosper.

Aktionariat

Aktionariat

The most passionate employees, strategic and financial independence or a loyal community — each of these aspects represents a distinct advantage when it comes to standing out from your competition. Aktionariat offers a solution to achieve not only one, but all four of these priceless aspirations. Thanks to tokenized equity, a personal dashboard and Aktionariat's Brokerbot®, you can easily set up an employee stock ownership plan, continuously raise funds, and transform your stakeholders into brand ambassadors in no time.



The Foundation for Technological Innovation (FIT)

FIT provides financial support to innovative and technological projects, in the Western part of Switzerland, at different development stages. FIT supports projects in energy & environment, information & digital technologies, life sciences & health, precision industries, and nutrition & agri-food.

HASLERSTIFTUNG

Hasler Stiftung

The purpose of the Hasler Foundation is to promote information and communications technology (ICT) for the well-being and benefit of Switzerland as an intellectual and industrial centre. The Foundation aims to play an active role in ensuring that Switzerland continues to take a leading position in science and technology in the future.

INNOVAUD

Innovaud

Innovaud is the innovation agency for the canton of Vaud. Innovaud helps tech-oriented companies (startups, scale-ups, SMEs and corporates) develop their businesses and carry out innovation projects.



RENTSCH PARTNER AG

RENTSCH PARTNER's lawyers and patent attorneys advise in all matters relating to intellectual property and information technology. They support their clients in the definition and implementation of their IP strategy and develop legally and technically sustainable solutions to complex legal issues.



Office for Economic
Affairs and Innovation
(SPEI)



The Office for Economic Affairs and Innovation (SPEI)

The Office for Economic Affairs and Innovation (SPEI) supports and advises companies and entrepreneurs based in the canton of Vaud.

TREUFiN Reuter AG

TREUFiN Reuter AG is a Swiss trust company with over 15 years of experience, working with both International and Swiss-based clients. Offering a wide range of services such as company formation, accounting, tax and legal consulting as well as many other related services. Whether you are a small startup looking to set up your business for the first time or a large enterprise that needs to structure a division or branch in Switzerland, we have packages to fit every business model.



VAUD

The canton of Vaud is a major center of innovation located at the heart of Europe and is one of the most prosperous regions in the world. Science and industry work hand-in-hand, courtesy of the presence of universities, research institutes and globally reputed businesses, as well as an ecosystem that is favorable to the development of innovation.



Vaudoise

The Vaudoise Insurance Group was founded in Lausanne in 1895 and is one of the ten most important private insurance companies in Switzerland. Vaudoise offers insurance and pension solutions on the Swiss market in around one hundred general and local agencies. The majority of the share capital of Vaudoise Versicherungen Holding AG is held by Mutuelle Vaudoise, Société Coopérative. Since the group is not dependent on investors, it can develop in the long term in the interests of its customers and partners.



VISCHER

VISCHER is one of the leading Swiss business law firms with offices in Zürich, Basel and Geneva. They provide best-in-class legal advice to founders, entrepreneurs, startups and investors. Their clients benefit from their long-standing experience in working with startups at all stages from first business idea to exit. VISCHER makes it easy to deal with their team, with a one-stop-shop approach that includes legal experts from all fields, available to advise you and your team on all of your legal matters.



Walder Wyss

Walder Wyss is one of the most successful Swiss commercial law firms with offices in Zürich, Geneva, Bern, Basel, Lausanne and Lugano. Our experienced start-up desk makes our industry experience, knowledge and expertise available to founders, entrepreneurs, start-ups and investors and supports them through all phases from the sparking idea to the exit.

SICTIC Institutional Investors

In 2018, SICTIC introduced a new membership category called "Preferred Co-Investor", now referred to as "SICTIC Institutional Investor", aimed at attracting Venture Capital (VC) funds and Corporate Venture Capital (CVC) to the club and facilitating their investment alongside SICTIC angel investors.

This investor category allows SICTIC to facilitate significantly larger seed rounds for Swiss tech startups much faster. Simultaneously, it de-risks the Institutional Investors' investment because the startups have gone through a rigorous jury-selection process and the angels have already challenged the startup team and business case and decided to invest themselves.

SICTIC actively introduces Institutional Investors to the lead investors and the startup founders, saving a significant amount of time in deal screening for the Institutional Investors.

Not all of our VCs are investing in seed startups, for many it's about building early relationships with truly innovative startups and creating opportunities for later-stage deals.

As of Jan. 1st, 2023, SICTIC's Institutional Investors include:



SICTIC's Institutional Investors share their early-stage Investment Outlook, key focus and advice to startups for 2023



Andreas Göldi

Managing Director
btov Partners

How do you see Swiss early-stage investment activity in 2023?

The earliest stages -- pre-seed and seed -- are still relatively strong. Valuations have come down somewhat, but stellar teams in strong sectors can still raise good rounds. In contrast, rounds at series A and beyond have become significantly more difficult. Switzerland is generally a bit less affected by the downturn than other countries since we tend to have a more reasonable environment in both hot and cold markets.

Key areas of focus for you and your fund this year?

We have been a very active investor in AI for a long time (going back to DeepL in 2009), and we are continuing to focus on this topic, e.g. with a recent investment in ETH Zürich spin-off, Calvin Risk. It's interesting to see that AI is now becoming a mainstream topic, and we think that with our sector experience we are ideally positioned to benefit from this trend. Other key topics such as fintech, sustainability tech and vertical SaaS continue to be important.

Advice for startups raising money this year?

This year is going to be tough, so startups need to either have impressive traction or an absolutely outstanding story, product and team. Particularly in medium and later stages, investors now expect a clear path to profitability. If you can't offer that, it's better to hold off from fundraising in the current situation.



Mark Felix

Senior Investment
Director
Dow Venture Capital (DVC)

How do you see DACH early-stage investment activity in 2023?

The fundraising environment is increasingly difficult because of the general macroeconomic environment and the DACH region is no exception. However, startups with credible business plans and passionate entrepreneurs will be able to attract investment, albeit at more modest valuations.

Key areas of focus for you and your fund this year?

Dow Venture Capital continues its strategy of deploying capital in opportunities aligned with

Dow's business or functional strategic objectives. In particular, Decarbonisation, Circularity and Sustainability will continue to be a focus, as well as specific business interests. Please visit the Dow VC website for more information.

Advice for startups raising money this year?

Give yourself enough time to approach as broad a set of relevant investors as possible. It always takes longer than you expect and a difficult funding environment means you may need to reach out to a broader set of potential investors and seek to understand their objectives and tailor your pitch. As always, be realistic with a solid basis in your valuation expectations.



Javier I. Correa

Investment Manager
PostFinance AG -
Corporate Venture Capital

How do you see Swiss early-stage investment activity in 2023?

One of the pockets of robust activity for this year, both from angels and institutional investors. The mix of resilience on the investor side, and plenty of capable teams, strong in innovation and potential on the business cases makes it an attractive time for investments. Focus on cases requiring in-depth expertise and strong unit economics.

Key areas of focus for you and your fund this year?

We are and remain true to our core focus areas, which are related to the bank activities and its strategy. Fintech is our core area, with additional emphasis in Insurtech, climate-tech and proptech.

Advice for startups raising money this year?

Special focus on solidly articulating how the product/solution meets the i) needs of its (potential) customers, providing effective demonstrable value to them, ii) to support purchasing/contracting willingness, and the assumed pricing and volume assumptions. In addition, the ability to identify and navigate the current level of uncertainty (in key aspects) provides investors with additional comfort.

While the funding market has shifted from prior exuberance, exceptional businesses and teams will continue to find dedicated investors, willing to support them.



Georges Khneysser

Founder & Chief
Vision Officer
QBIT Capital

How do you see Swiss early-stage investment activity in 2023?

We at QBIT Capital, have a strong view and conviction about the strength of the early-stage Swiss ecosystem. This strong conviction comes from the strength, stability and resilience of the Swiss economy. You can not build a country like Switzerland if you don't have a solid culture of innovation, solid foundation and a strong vision. The ecosystem is supported by the country's top talent, renowned universities ETH, University of Zurich, EPFL, St Gallen, University of Geneva...and a strong culture of innovation. Last year's financial events in the private markets, cemented our belief that the Swiss early-stage ecosystem is solid and will continue to attract and offer the best opportunities to partner with founders at the birth of innovation.

Key areas of focus for you and your fund this year?

We will continue to focus on identifying and connecting with passionate and driven founders who are committed to bringing disruption, impact and innovation to the economy. Additionally, finding a business that is scalable and has the potential to go global is essential for our long-term success and growth. Global scalability is essential for us given our presence in South East Asia, Europe, Latin America and the United States. Except for Life Science (BioTech, MedTech, HealthTech) we are open for smart and innovative business models.

Advice for startups raising money this year?

Raising money is a crucial part of building a successful and resilient startup. It can be challenging, but addressable. Build a solid business plan, understand the competition everywhere, ask the question "is it good to have or must to have", attract strong co-founders and team members and be generous in building a culture of ownership across the team.

Have a strong vision and conviction on what you are building. Once you deliver on these points network, network and network, build your networking skills and seek help. It is instrumental for your journey. Build relationships both domestically and internationally.



Claudius Stammach

Investment Manager
Sparrow Ventures

How do you see Swiss early-stage investment activity in 2023?

Early-stage investments will continue to remain the most active compared to other stages. Still, I expect VCs to be more restrained and critical compared to the last few years.

Key areas of focus for you and your fund this year?

As a CVC, we are lucky to be independent of fund dynamics and deployment cycles. We plan to continue our growth equity activity similarly to previous years. Hence, our goal is to support two to four B2C companies that are a strategic fit for Migros.

Advice for startups raising money this year?

Don't let yourself be dragged down too much by the international market sentiment. Switzerland is a unique market with many investors and a significant amount of capital. Initiate the fundraising process early enough, conduct an investor due diligence to find the right fit for you, and try to get intros to potential investors through your existing network.



Yan Waldmeyer

Investment Manager
Sparrow Ventures

How do you see Swiss early-stage investment activity in 2023?

At the global level, I expect the overall macroeconomic situation to remain difficult and not particularly propitious for investments. However, good projects will continue to be supported by VC early-stage investors, especially in Switzerland, which seems less affected by the global instability.

Additionally, the current energy crisis has raised awareness on clean energy innovation and should help cleantech startups to raise capital and push forward their agenda.

Key areas of focus for you and your fund this year?

We are mostly looking at B2C business models in the spaces of health, fintech, proptech, retail and travel, with a clear focus on the Swiss market.

Advice for startups raising money this year?

Investors have not disappeared but it will take more time to consider the right investments for them. Startups should keep that in mind when they start raising capital.



Dr. Teddy Amberg

Founding Partner
Spicehaus Partners AG

How do you see Swiss early-stage investment activity in 2023?

The negative interest rate era is over, global equity markets corrected, and investors have more options to choose from again. In addition, a global recession is looming. This will result in a flight to quality for start-up investments. Capital is still available to be invested, but the world will focus more on “must haves” instead of “nice to haves”. Startups that solve real problems, and for example, save costs for their customers; will be favored over fancy consumer or lifestyle hypes.

The Swiss early-stage market benefits from generally very strong (deep tech) founder teams. We see an international “catch-up potential” for Switzerland with more international investors looking at our startups, also in earlier rounds. We therefore believe that investment activity remains relatively stable in terms of number of funding rounds – with a potential dip in funding volumes due to smaller rounds and/or lower valuations.

Key areas of focus for you and your fund this year?

We continue to invest in Swiss B2B software companies that grow internationally. Key sectors include: big data & machine learning, cyber security, fintech/insurtech and robotics – all these are sectors where Switzerland offers excellent quality startups that can be marketed globally. The key element for a Spicehaus investment is a strong entrepreneurial spirit combined with the ambition to build sustainably successful companies.

Advice for startups raising money this year?

Startups with strong teams and actual traction will still be able to fundraise. The key is to have measurable traction (product, clients, revenue).

We recommend planning enough time as things may take a little longer this year, and control cost accordingly. Professional liquidity planning and enough remaining runway will increase the negotiation position. The new environment may require larger funding rounds to be split, i.e. raising less at initially lower valuations, but more frequently, whilst continuously showing progress.

Lastly, investors’ flight to quality will set the bar higher for corporate governance. Have your books in order, properly document everything (also in case a team member leaves), and define clear processes and responsibilities.



Krzysztof Bialkowski

Managing Partner
TX Ventures

How do you see Swiss early-stage investment activity in 2023?

Early stage funding, including fintech, has dried out in 2022 and this will continue in 2023. It will be a test year to determine which startups were actually creating value. That is why, we believe at TX Ventures, that 2023 is a perfect moment to invest into potential future winners.

Key areas of focus for you and your fund this year?

In our view, the B2B space will be preferred over B2C. Furthermore, we see a lot of interesting activity in the SME and Enterprise fintech (e.g. banking, lending, financial tools) and we will definitely invest into that space. In our portfolio companies, the focus will shift from customer acquisition to customer monetization and efficiency savings around servicing clients.

Advice for startups raising money this year?

Prepare for the worst, hope for the best. Resilience is the key word to have in mind. Stay laser-focused on operational basics and unit economics. Focus even more on specific customer segments and/or use cases. Extend your runway to have enough time to fundraise. Convince your current investors first. Start fundraising well in advance, even nine months before you want to close the round.



Olivier Laplace

Managing Partner
VI Partners



Gaetano Zanon

Managing Partner
VI Partners

How do you see Swiss early-stage investment activity in 2023?

Solid business models and high pedigree teams that are addressing large unsolved problems will continue to receive funding. We remain as excited as ever by the prospects of the Swiss tech ecosystem!

The ecosystem is maturing, thanks to better cooperation among our world-class research universities, the public sector and a widening investor community. This bodes well for the future of Swiss entrepreneurship.

However, more needs to be done in 2023 to widen the funding sources available to Swiss startups, especially getting more support in Venture Capital from pension

funds and Federal / Cantonal support.

Too many great startups choose to redomicile outside of Switzerland once they reach the scale-up phase. In 2023 and beyond, we need to find solutions to ensure home-grown success-stories have access to the right mix of talent, access to international markets and local financing sources.

Key areas of focus for you and your fund this year?

We will continue to fund great entrepreneurs in a disciplined manner with a focus on (i) B2B SaaS business models that deliver step-changes in efficiency or cost for SME and Enterprise customers; and (ii) innovative health science businesses that operate at the intersection of health and technology.

Advice for startups raising money this year?

Be realistic about your business plans and show a path to long-term profitability.

Developing a fabulous product is great, but don't forget to spend time and allocate resources (financial/people) to driving commercial efforts and validating go-to-market channels.

Securing fresh funding over the coming year will take longer. Ensure you remain lean and maximize your runway.

Focus equally on your growth and efficiency KPIs. Growth at all cost is no longer the flavour of the day!



Michelle Tschumi

Head of Startup-up Finance
Zürcher Kantonalbank

How do you see Swiss early-stage investment activity in 2023?

The influences we felt last year from the uncertainties in the financial markets and the geopolitical situation will continue to accompany us in 2023. We expect a more risk-averse environment, in which VCs remain selective and invest in early-stage startups strictly according to their investment criteria and due diligence principles.

Key areas of focus for you and your fund this year?

We maintain a clear focus with our proven investment criteria. Thus, we will continue to invest in strong complementary teams, innovative technologies and sustainable business models. Beyond that, it is a great concern for us to participate in the positive trend to increasingly invest in sustainable start-ups across all ESG-Dimensions.

Advice for startups raising money this year?

As investors are more selective and deliberate in their investments, founders have to deal with longer fund-raising timelines. Therefore, it is essential for them to optimize their burn rate, e.g. through cost reductions, alternative revenue streams or grant applications.



Swisscom Ventures

Swiss-made innovations
deserve global perspectives



swisscom



Fireblocks



ANYbotics



CREAL



Yokoy



Scandit



Labster



Gmelius



Flyability

Swisscom Ventures is the venture capital arm of Swisscom AG, Switzerland's leading telecom and ICT provider. Since 2007, we have invested in over 80 technology companies from our offices in Switzerland and the USA.



METHODOLOGY

This SICTIC Investment Report uses data collected internally by SICTIC from SICTIC Investors and pitching startups for the calendar years 2016-2022. The investment data was systematically collected by SICTIC starting in 2017. To support our internal data and to provide a better overview of the Swiss tech startup funding ecosystem as a whole, we have also referred to third-party sources — notably the Swiss Venture Capital Report, and our media partner startupticker.ch.

SICTIC investment data includes only those funding rounds where investors and founders have agreed to disclose funding and exits publicly. We aggregated funding rounds that could not be disclosed individually. SICTIC Investors were, for the most part, angel investors who invested directly into startups either as private individuals or, in a few cases, through the company holding their startup shares.

The SICTIC Startup Portfolio includes all Swiss tech startups that have received funding from at least one SICTIC Investor. Usually, the startups have received funding from several SICTIC Investors, and some startups received funding from SICTIC Investors before they pitched at a SICTIC event.

The term “portfolio” traditionally refers to investments that the owner of a portfolio holds. However, **SICTIC does not make any investments, nor does it hold any startup shares**; the investing is done directly by the SICTIC Investors. SICTIC does not run a fund or any other collective investment vehicles, as we encourage angel investors to invest directly and actively look after their investments.

The following terms are essential in accurately interpreting the SICTIC investment data:

SICTIC Investor: A person with a valid SICTIC Investor Agreement.

Past SICTIC Investor: A person that once used to be a SICTIC Investor.

SICTIC Startup Pitch: A presentation made by a tech startup at a pitching event organised or co-organised by SICTIC to get investment from SICTIC Investors.

SICTIC Deal Flow: All startups made accessible to SICTIC investors by SICTIC through SICTIC Deal Flow Sources.

SICTIC Deal Flow Sources: startups that

1. are a SICTIC Portfolio Startup, or
2. that have applied and met the investment criteria, or
3. that have done a SICTIC Startup Pitch, or
4. that was shared by a SICTIC investor.

Connection to Switzerland:

- startup domicile is in Switzerland;
- at least one founder resides in Switzerland or is of Swiss nationality;
- startup attended a Switzerland based accelerator, incubator or startup program.

SICTIC Funding Round: A startup investment round closed with at least one SICTIC Investor involved. It includes both equity and convertible note investments, as well as SICTIC Follow-on Rounds.

SICTIC Startup Portfolio: Includes all startups that closed a SICTIC Funding Round.

SICTIC Portfolio Startup: A single Swiss tech startup that closed a SICTIC Funding Round.

SICTIC Follow-on Round: An additional startup funding round closed by a SICTIC Portfolio Startup with the participation of at least one SICTIC Investor.

Follow-on Round: An additional startup funding round closed by a SICTIC Portfolio startup without the participation of SICTIC Investors.

Total Invested Capital: The sum of capital raised by a startup from all investors since their first “SICTIC Funding Round”.

SICTIC Investment Contribution: The total amount of money invested by SICTIC Investors.

Total SICTIC Investment Contribution per year: The aggregated funding contributed by SICTIC Investors in all “SICTIC Funding Rounds” during a calendar year.

Full Exit: All investors sold all their stakes in a startup and/or the startup was liquidated.

Partial Exit: Only a part of investors sold their stakes in a startup.

Full SICTIC Exit: All SICTIC Investors and Past SICTIC Investors sold all their stakes in a startup.

Partial SICTIC Exit: A part of SICTIC Investors or Past SICTIC Investors sold their stakes in a startup.

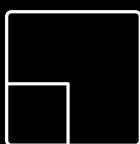
Jobs Created by SICTIC Portfolio Startups: The cumulative total number of jobs (FTEs) created by SICTIC Portfolio startups. ■

SICTIC Investment Criteria



Core in Switzerland

The core startup team (CEO, CTO, etc.) is based in Switzerland and works on the startup project as their main activity.



Tech component

There must be a strong technology component that allows the startup to quickly scale up the business.



Equity sharing

The investment will be against equity of a (possibly yet to be founded) company registered in Switzerland.



5M+ after 5 years

The startup must not be older than five years (since incorporation). The startup must have a reasonable chance to generate at least CHF 5M yearly revenues within five years after the investment.



8 Mio + 2 Mio

The valuation of the startups must not be higher than CHF 8M and the current round size must not be higher than CHF 2M.



Application from Founders

We only accept startup funding applications directly from founders (and none from fundraisers).

2022 SICTIC STARTUP INVESTMENTS

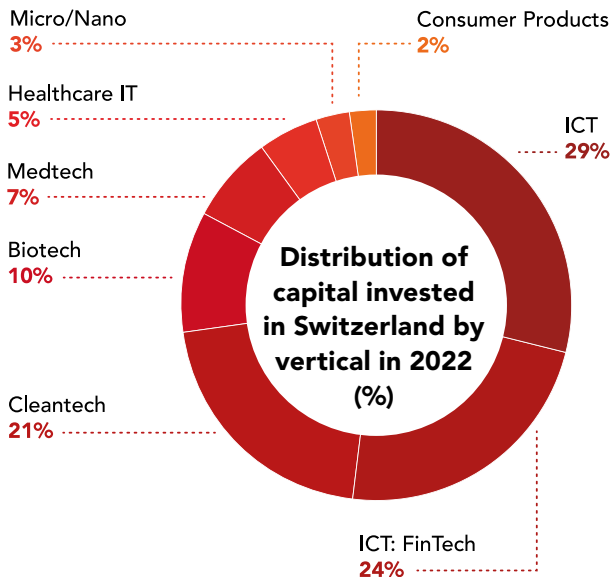


William Ramstein

Investment Analyst - SICTIC

A record year for Switzerland

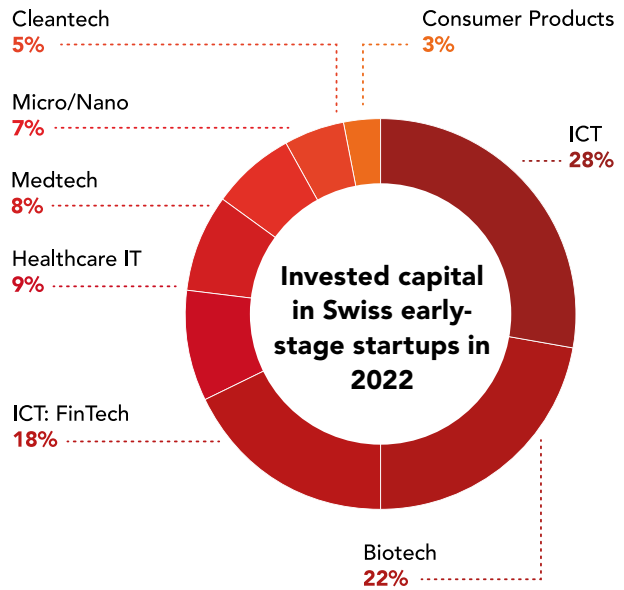
2022 was a record year for Venture Capital with CHF 3.9 billion injected into the Swiss startup ecosystem. The number of ICT deals fell 8.8% from last year, but the capital allocated to ICT rose by 72%, a strong signal of continued growth in the sector. In fact, ICT deals led the pack versus other verticals, taking 28.9% of the total invested capital in 2022. Adding all the ICT-FinTech deals in this tally further increases the total invested capital to a whopping 52%. Switzerland continues to back ICT startups despite a slow down in the number of deals which warrants SICTIC's continued efforts in the space.



Early-stage ICT rounds were hot

Early-stage startups raised a total of CHF 1.1 billion across all verticals this year. ICT and FinTech deals together contributed 153 early-stage rounds which is the "scope" of deals under which SICTIC operates, a scope that represented CHF 504 million in 2022. The

following figure shows that early-stage ICT deals including FinTech took 45.6% of invested capital versus biotech's 22.4%, showcasing the sector's continued strength in Switzerland.



SICTIC maintains market share

SICTIC maintained its level of impact in deals in 2022 with a 69% involvement rate. This represents 106 financing rounds out of the 153 early-stage ICT and Fintech rounds reported by the Swiss Venture Capital Report (startupticker.ch). There was a slight drop from 2021 in the total number of rounds involving SICTIC investors, but also in the number of early-stage financing rounds. Overall, SICTIC investors continued to stay active across the board in 2022. To learn more about SICTIC's investment process, please visit: <https://www.sictic.ch/investment-process/>

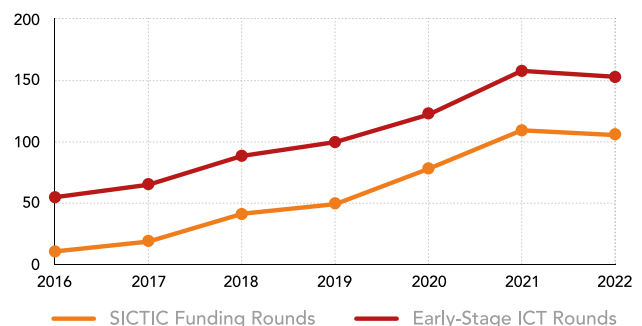


Figure: SICTIC Funding Rounds versus market

SICTIC's Portfolio grew 27%

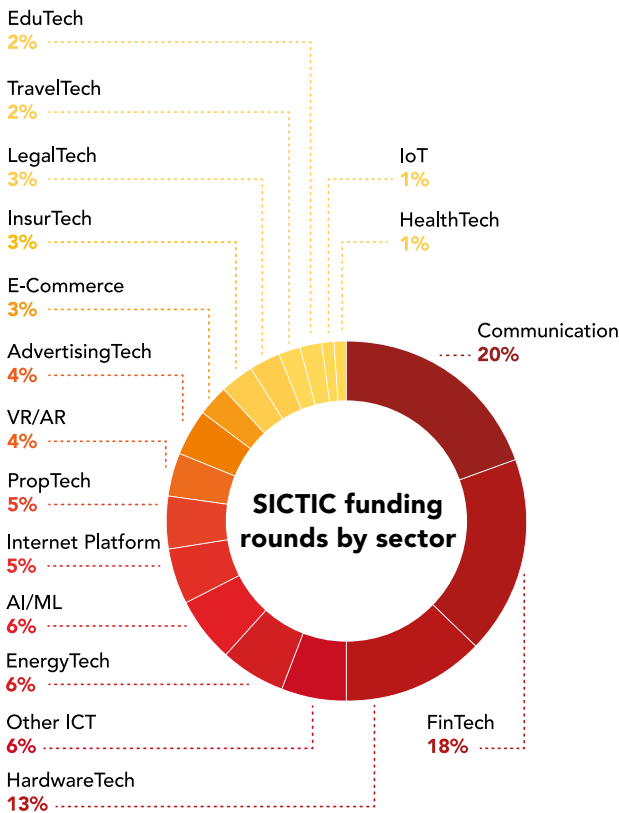
SICTIC saw its portfolio grow from 200 to 254 portfolio startups in 2022 showing that investors remained active throughout the year and across a wide array of verticals. Our portfolio companies attracted a staggering CHF 1.6 billion in total investments since their incorporation.

CHF 1.6B

Total investment received by SICTIC Portfolio Startups

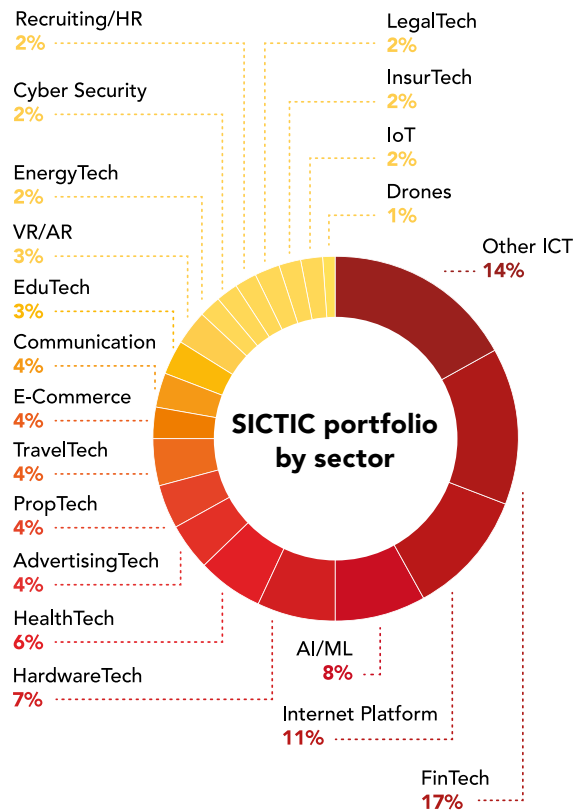
Inside the SICTIC Portfolio

SICTIC investors participated in 106 rounds that raised a total of CHF 254 million across a wide range of sectors. The next figure shows the composition of SICTIC funding rounds in 2022, a figure indicating that FinTech, Communication, and Hardware, were the verticals of choice for SICTIC Investors in 2022. Together, these three verticals represented half of all the new rounds made at SICTIC.



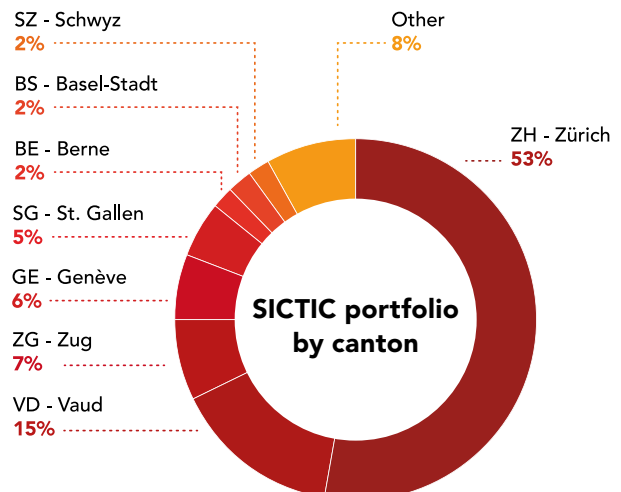
Of the 254 portfolio startups, LegalTech, IoT, PropTech and EduTech increased in demand compared to last year. Legal contracts automation, smart devices, sup-

ply chain analysis, real estate innovation and the future of learning inspired investors. Below is the sectoral composition of the entire portfolio showing that FinTech continues to be SICTIC's main, though not only, sector of interest.



Smaller hubs surprised

Investors continued to invest heavily in Zürich-based startups with 53% of deals closing in the canton. However, other regions did well too. The canton of Vaud continued to produce attractive results with 44% of Vaud-based startups finding a SICTIC Investor after pitching in 2022. Startups coming from St-Gallen, and Geneva also stood out this year, both increasing their presence in the SICTIC portfolio and each representing around 5% of newly added startups. ■



AdvertisingTech



AI/ML



Communication



Big Data/Analytics



Cyber Security



Drones



E-Commerce



EduTech



EnergyTech



SIC

SICTIC's Startup Portfolio -

FinTech



Gaming Tech



HardwareTech



HealthTech



LegalTech



PropTech



Recruiting/HR



TravelTech



VR/AR



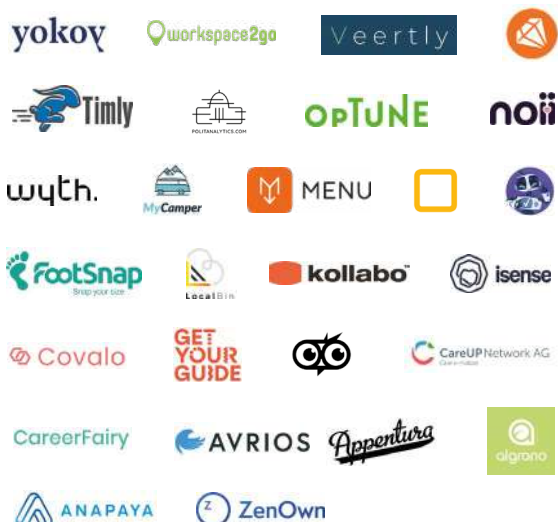
Other ICT



InsurTech



Internet Platform



IoT



www.sictic.ch/sictic-portfolio

– 254 Swiss Tech Startups as of 31.12.2022

FUNDING ADVICE FOR FUTURE FOUNDERS.

Three SICTIC startups that completed seed rounds in 2022 share their stories and perspectives

Interview with: Daria Reisch, CEO & Co-Founder of Agrinorm

Interviewed by: Tanya Fröhlich, SICTIC



Founded in 2019, Agrinorm is a Swiss deep-tech company leveraging cutting edge machine learning techniques for the optimization of fruit and vegetable supply chains. Agrinorm develops technology that enables its customers to excel in the quality of fresh produce and achieve price leadership while reducing environmental impact.



From left to right (Agrinorm): Daria Reisch, CEO & Co-Founder and Sharon Wulff, CTO & Co-Founder

Agrinorm's startup journey

I learned how crucial quality management is in the fresh fruit and vegetable sector when I worked with suppliers of fresh berries. I experienced first-hand the immense risk buyers and sellers take every time fresh products are shipped. I thought there should be a way to reduce that risk and started looking for a technological solution.

In 2019, I met Sharon Wulff, who has a PhD in Machine Learning from ETH and together we formed a vision for Agrinorm.

Funding

We completed our Seed funding round with SICTIC investors in Dec. 2022, marking our 3rd successful funding round with SICTIC. Our initial round was during incorporation and was closed in 2020, while the second was our Pre-Seed round in 2021.

How Investors Helped

Smart-money is not fiction, but a reality. Our investors helped with:

- 1. Strategic guidance:** The investors had experience growing startups; they knew the key risks and could offer solutions to mitigate them.
- 2. Fast execution:** Having someone on board with previous startup experience pointing out potential pitfalls is a great way to learn and avoid making many costly mistakes.
- 3. Network:** Having access to a diverse network of business-people who can help open doors and achieve your goals.

Lessons Learned

The most important lesson we learned is that no matter how well you plan, it's impossible to predict every outcome in a rapidly changing startup environment. Therefore, it's crucial to stay adaptable, learn from experience, and adjust quickly. It's essential to hire individuals who can work effectively in such an environment and are comfortable with change. It's even more important to find investors who understand that startups operate differently from established corporations, and that plans are continually evolving. If an investor expects a detailed business plan and ROI calculation at the pre-seed stage, it's best to decline his investment offer. We were fortu-

nate to have the support of SICTIC investors, who deeply understood the reality of early-stage startups and provided us with valuable guidance to navigate this ever-changing environment.

Advice

Make sure you calculate your runway, everything takes time. As entrepreneurs, we tend to be optimistic and believe in our abilities, which is why we embark on this journey in the first place. However, this same quality can lead us to overestimate how quickly things can change in the real world. Building a successful venture takes time. Finding the right talent, winning over clients, and securing investors are

all time-consuming tasks. That's why it's essential to calculate your runway and consider the time involved when making projections and securing resources for your venture.

Be selective when it comes to choosing your investors. **You can divorce your husband but you can't divorce your investor so marry the right one!** Interview them, ask questions like "how will you support me?" to ensure that the partnership is a good fit. It's also essential to pay attention to the questions they ask and why they ask them, as this can reveal valuable insights about their mindset. ■

Interview with: Yann Frachi,
CEO & Co-Founder - Ovomind SA

Interviewed by: Tanya Fröhlich, SICTIC

OVOMIND is a startup specialized in affective computing, a branch of artificial intelligence able to detect emotions through algorithms which draw from many databases, including physiological indicators. OVOMIND aims to revolutionize interactions between man and machine, starting with video games, which offer the most advanced and immersive experiences in today's IT world. Emotions and emotional reactions represent a person, who they are and how they react to a given situation. Video game adventures today are extremely realistic from a visual standpoint, but lack that key element which helps create a personal gaming experience, as your emotions are not at the center of the interactive experience.

Funding - Lessons Learned

Raising funds can be time-consuming but going through the SICTIC process was a well-structured way to raise money. We received great guidance and tips on documentation needed for the deal room. We pitched 2 times at SICTIC's Geneva events and the investors were really responsive.

OVOMIND



From left to right - OVOMIND: Julien Masse, CTO & Co-Founder and Yann Frachi, CEO & Co-Founder

Things always take longer than you expect - preparation, due diligence and answering investor questions. It's important to know that not all investors are the same, when you are talking to less experienced investors they may be more hesitant or have more questions, want smaller tickets than more experienced investors so it's important to be aware of this and set the right expectations.

Investor Support

We were lucky to have some really experienced investors like Dr. Thomas Dübendorfer, he was a great asset. He was also helpful in proposing needed templates for the process. It's important to choose a strong lead investor who has experience, who can advise, who can help coordinate and bring the deal to the finish line.

Other Support

I found organizations like SICTIC and Fongit to be really supportive and helpful.

Fongit helped us with our company creation, legal support, address for the company, trainers for pitching and SICTIC with the funding process.

Interview with: Elisa Chiarelli, Founder & CEO - Yoordi

Interviewed by: Tanya Fröhlich, SICTIC

Yoordi is a flexible ordering and payment solution for the hospitality industry. Allowing restaurant guests to easily scan, order, and pay directly from the restaurant's table (through scanning a QR code with their smartphone). No App download, no registration, just a super smooth and convenient flow.



Yoordi Team Photo

Founding Yoordi

Our background is in software and we found that there was a big opportunity and demand to modernize restaurants. We found it to be the perfect time to bring such a solution to the market so that restaurant owners could focus on producing quality food and providing good service, thus improving the overall guest experience.

We started as a small team of 2 people, Jörg Wasmeier is Co-Founder and CTO and I'm an all-rounder, we've grown to a 7 person team.

Advice for future founders:

Fundraising is a journey, there are some key factors that you need to prepare and work on to be ready for the process. Learn how to pitch your project, how it is improving the world, why you are here, why you need money, be confident in your vision, your team and where you are going. ■



Funding

Timing was difficult for us as we incorporated our company at the end of 2018, COVID came along and then the geopolitical conflict started in Ukraine. We started fundraising in May 2022 and closed in Dec. 2023.

We first started approaching VCs by filling out forms on their websites and sending them our pitch deck. We learned that it was better to approach the people directly by participating at pitching events and meeting people face to face. We found that the online events were less effective and we had better outcomes with live-events.

If I had to do it all over again, I wouldn't speak with VCs first. I would prepare a list of people we could approach and reach out to our network to see if anyone could help give warm introductions.

I would also join investor networking events and try to make connections there as well. Programs like SICTIC, Aare Ventures, Kickstart Innovation, Female Founders' events, all provide great visibility and lots of opportunity to network and meet the right people!

Biggest Push

When G. Bianchi signed the first CLA with us in June 2022, this really helped us because it validated us in the market. Having a strong supporter like him really opened doors for us and helped us to expand our network as well, it's a great alliance!

Advice

It's important to understand what interests investors, how to position your pitch deck and get good names on your deck! Actively look for "smart-money investors", have people with great experience and credibility backing you! ■

MENU TECHNOLOGIES' JOURNEY AND EXIT

Interview with: Karl Koch (Founder & CEO) and Marlon Koch (Founder & CPO)

Interviewed by: Tanya Fröhlich, SICTIC

Founded in 2014 by a father and son team, Zug-based startup, MENU Technologies AG, is an omnichannel ordering solutions provider for restaurant brands including Burger King, Popeyes, Dean & David Vapiano and 1,000 more. In July 2022, MENU was acquired by ParTech, Inc., a global restaurant technology company and provider of unified commerce for enterprise restaurants.

Today, restaurants are overwhelmed with disparate technologies that are devoid of the connectivity or intelligence that a unified solution offers. The acquisition of MENU allows PAR to consolidate a restaurant's off-premise and on-premise orders into one unified techstack. Restaurants will now have a unified, data-driven network from the point of order to the kitchen, and all the way through fulfillment, allowing their teams to focus on delivering a better guest experience, instead of wasting time on vendor management.

Congratulations on your exit to ParTech, can you tell us more about MENU Technologies and your startup journey?

Karl: Thanks, it's a pleasure to share our story with you. Marlon, my son, was 14 years old at the time when we decided to found this startup together in 2014. We realized that, for the most part, restaurants were still operating in the same traditional ways and that there must be an easier way to order food.

I took on the role of CEO and Marlon as CPO and he began writing the first version of the code, we launched the MVP and then hired the product team.

By 2015, we established an IT Hub in Serbia, launched a mobile order & pay app. By 2017 we were serving over 150 restaurants as a mobile order and pay marketplace in the DACH region. Shortly afterwards, we launched our white-label omnichannel e-Commerce for QSR chains worldwide and by 2019 we were certified and used by Burger King, followed by Popeyes, KFC and Papa John's in 2020 and 2021.

Marlon: The Pandemic was the biggest catalyst for change, restaurants had to make swift changes to include off-premise orders to their offering and needed solutions to connect third party delivery service providers to their process. The main problem was, how to work with customer data and be able to individualize it and this is what our solutions could address.

Can you tell us about your funding strategy?

Karl: From the beginning, it's all been private money, we didn't have VC money until late in the process, which is quite unique. We started with investments from friends and family and then started building a network of angel investors. As we grew, we would continue to get additional funding from this network.

Did you have a planned exit strategy or was this opportunistic?

Karl: We were approached by ParTech, with an opportunity to be acquired. This was not something that we planned but it was good timing and a great fit. We did not have the resources to enter the US market and they were already well positioned, working with the largest chains in the US.

What exit advice would you give other founders?

Karl: Make sure to structure your deal before you go into due diligence. Both parties need to be in alignment. There's initial excitement of conquering the world but you need to map it out and understand how you will work together in the future, that is super important.

Marlon: It was also a very time consuming process, especially since our buyer was a publicly listed company, it involved lots of due diligence and took more time to close than expected. We hired 2 advisors - a law firm and an M&A advisor, which really helped.

Outlook

Karl and Marlon: We knew it would be big but didn't envisage that we would exit this early. Now we are trying to realize synergies between MENU and ParTech. We're excited about our future together and look forward to growing the market and enhancing customer experience.

2022 – AN EXCELLENT YEAR FOR THE SWISS TECH M&A MARKET.

Authors:



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Jaber Tannay

25 years of experience in the technology sector both as a CEO of a digital services firm and as an investment banker.
<https://www.linkedin.com/in/jaber>

ductors) accounted for a mere 2% of the deals.

Application Software and IT Services were the top contributors to the Swiss deal count in 2022 with respectively 33% and 22% of the deals in 2022. Closely followed by Cloud services (18%) and Communication Services (18%). Cybersecurity deals only represented 5% of the deal count in 2022.

Switzerland's resilience to the pandemic has been impressive compared to other European countries. It's the only nation that saw growth in deal count in 2021 and sustained the same level of exits in 2022.

A geopolitical conflict within Europe, creeping inflation, and a looming recession did not deter acquirers in 2022, from betting on the bright future of Switzerland's Tech firms. 2022 saw the highest number of closed Tech M&A deals of the last ten years, a performance only matched by that of 2021 and almost double that of the beginning of the decade that ended last year.

Nearly 80% of the deals closed last year were underwritten by acquirers headquartered outside of Switzerland. The majority of these foreign acquirers are based in the USA which have consistently been heading the top 10 Tech acquirers in Switzerland over more than a decade.

Swiss Tech sellers seem to have a strong preference for strategic acquirers. 78% of the sellers said "yes" to such an acquirer in 2022. This is consistent with what we observed in previous years. Private Equities have been actively looking at deals in Switzerland in 2022 as 22% of the deals were private equity platform deals.

In 2022, software continued to be the major driver of Tech M&A totaling 98% of the deal count. Hardware-related acquisitions (mostly semicon-



Notable exits in 2022

The biggest deal by disclosed value in the software Swiss market was the \$300M strategic investment by Sumeru Equity Partners in beqom, a leader in cloud-based compensation management. The investment will serve as a catalyst for beqom to expand its product offerings, as well as give Sumeru a controlling stake in the company. Watch out for add-on acquisitions by beqom.

Another significant transaction in the software Swiss market came from the German security technology firm Giesecke+Devrient (G+D) which acquired a controlling stake in the Swiss digital payments software provider Netcetera. The combination of the German industry veteran with the innovative Swiss firm aims at accelerating the global expansion of Netcetera's operations and its cutting-edge capabilities.

In 2022, several Swiss IT Services companies with varied expertise also experienced successful exits. Large consulting firms sought out Swiss-made engineering talent. HCL Technologies acquired Confinale to bolster its digital wealth and asset management capabilities, and expand its presence in the center of the global investment banking industry. Boston Consulting Group acquired Quantis to strengthen its climate and sustainability expertise. Orange Cyberdefense acquired Telsys and SCRT, two Swiss companies known for their cybersecurity expertise.

In 2022, Switzerland saw a surge in acquisitions by private equity-backed platform companies. Advertising platform TripleLift, backed by Vista Equity, acquired 1plusX, a best-in-class first-party data activation platform. Meanwhile, Riverside Company expanded its Red Nucleus platform with an investment in Swiss-based Actando, a global provider of technology-enabled learning solutions for the life sciences industry.

Artificial Intelligence was a dominant trend in target companies, many adopted artificial intelligence technologies to improve their products and capabilities. These include beqom, the largest deal by disclosed value, as well as Advanscience, a Healthcare Psychometric platform, and PicturePark, a digital asset management and content management platform.

Planning for 2023 is a risky exercise with the uncertainties from inflation, increasing interest rates and geopolitical instability. But Switzerland is synonymous for economic stability and has a reputation of a hub for Life sciences, MedTech, Fintech, as well as for its strong engineering and IT sectors. On top of that, the Swiss Tech M&A market has demonstrated its resilience when facing the major Covid crisis.

We therefore expect that the acquirers' appetite for innovation, and the ability of the Swiss entrepreneurs to deliver high quality Tech, will continue to fuel the Tech M&A's market activity growth in 2023. ■

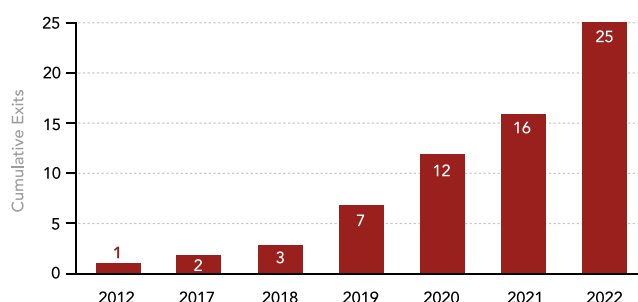


MORE SICTIC EXITS IN 2022

By: William Ramstein, Investment Analyst - SICTIC

2022 proved to be a fantastic year for exits, SICTIC had 9 exits this year, bringing up SICTIC's total tally to 25 exits since the inception of the organization. While there were no IPOs, SICTIC portfolio startups exited via trade sales and acquisitions to major foreign and domestic technology companies.



SICTIC Cumulative Exits (2012-2022)



Overview of SICTIC Portfolio Exits from 2012-2022

(In alphabetical order, lines in grey exited in 2022)

Logo	Startup Name	Sector	Tagline	Can-ton	First SICTIC Investment	Year of Exit	Acquirer	Acquiring Country	PR link
	AAAccell AG	FinTech	AI-driven solutions for asset and risk management	ZH	2015	2020	LPA CapTech Group	United Kingdom	↗
	Advanon AG	FinTech	Making financing accessible for every company	ZH	2015	2020	Creditgate24	Switzerland	↗
	Animatico	AI/ML	Animatico provides a solution for retailers to improve their customer experience by bringing brand characters to life on their in-store displays.	ZH	2019	2022	NVIDIA	USA	↗
	Arbalo AG	Other ICT	Arbalo operates a universal marketplace for cloud services. We consolidate technology, licenses and contracts from a broad range of suppliers offering fully automated and transparent operations with pay-as-you go billing.	ZH	2019	2020	NVIDIA	-	
	CARBON DELTA AG	Other ICT	Measuring portfolio exposure to climate risk	ZH	2018	2019	MSCI	USA	↗
	Codecheck AG	Other ICT	Checking groceries with the mobile application and buy healthy food.	ZH	2014	2022	Producto (Testberichte.de)	Germany	↗

	Contovista AG	FinTech	Personalisation in banking through AI	ZH	2016	2017	Aduno Gruppe	Switzerland	↗
	Deep Cube SA	Health-Tech	AI diagnosis for the healthcare (Oncology and Ophthalmology)	VD	2018	2021	-	-	
	Equity AG (Alethena)	FinTech	Making financing accessible for every company	ZG	2018	2020	-	-	
	Insightness AG	VR/AR	Collision avoidance for drones	ZH	2018	2019	Sony Semiconductor Solutions Corp.	Japan	↗
	Live Track AG	Other ICT	Reducing worldwide transport cost and emission relevantly in Facility-Management, Supply-Chain and Waste-Management.	SG	2019	2022	-	-	
	LuckaBox Logistics AG	E-Commerce	LuckaBox is a platform for on-demand deliveries	ZH	2018	2022	-	-	
	MENU Technologies	Internet Platform	MENU Digital Restaurant Ecosystem. For bigger revenues and amazing guest experience!	ZG	2021	2022	PAR Global	USA	↗
	optimize.cloud AG	Other ICT	Tracks and optimizes cloud resource consumption	ZG	2020	2021	Elastic N.V.	USA	↗
	Quitt.ch (by ServiceHunter AG)	E-Commerce	Registration, payroll and insurance of your domestic employees	ZH	2012	2019	N/A	N/A	↗
	Sendtask (by SIRLOIN AG)	Other ICT	Sendtask is the easiest way to collaborate with your team, clients, and suppliers in one place - even if they don't have an account.	SG	2017	2022	Tenderloin Ventures AG	Switzerland	
	Socialease SA	Communication	Socialease is an Artificial intelligence powered virtual social media manager, specially designed for SMEs.	VD	2018	2021	-	-	
	Spontacts AG	TravelTech	Discover leisure activities nearby and meet new people	ZG	2012	2012	Scout24 Group (Trade Sale)	Germany	↗
	Testing Time AG	Other ICT	TestingTime recruits test users and other study participants for usability tests, focus groups, interviews, surveys and more.	ZH	2015	2021	Norstat Group	Norway	↗

	Traverz	AI/ML	Traverz is a UX and Search layer that encourages users to indicate their needs. This allows platforms to generate personalised recommendations.	ZH	2021	2022	-	-	
	VAY Sports AG	Health-Tech	VAY digitizes human movements through human motion analysis.	ZH	2020	2021	Nautlius Inc.	USA	↗
	WeaVR AG	VR/AR	A community of virtual reality storytellers	ZH	2017	2018	Bitforge AG	Switzerland	↗
	Wilmaa Holding AG	Communication	Internet television	ZH	2013	2020	Sunrise Communications AG	Switzerland	↗
	Workspace-2go	Internet Platform	Operating an online marketplace for meeting rooms, desks and workshop locations – Workspace-2go works like “Airbnb”, just for business.	ZH	2018	2022	Spacebase	Germany	↗
	yes.com AG	Cyber Security	The trust network for banks and their customers. Without having to create a new account, users can use yes® to log in to third-party providers or pay for contracts based on their online banking login.	SZ	2017	2022	Verimi	Germany	↗

A GUIDE TO ANGEL SYNDICATES.

The smartest way for angels to invest (Opportunities for angel syndicates)

Step up your game as an angel investor by tapping into the power of portfolio diversification with angel syndicates! Joining forces with like-minded individuals amplifies your chances of investing in high-performing companies, opens the door to larger investment rounds, and allows you to negotiate better terms. Furthermore, investing via syndicates also allows you to double down on your best performing assets as well as to effortlessly sell your stakes ahead of a liquidity event.

The challenges for angel syndicates

Angel investing through syndicates offers attractive opportunities, but also involves challenges related to compliance and regulation, especially for non-professional syndicators. It is important for angel investors to understand some of these challenges:

- 1. Complex legal and regulatory requirements:** The constantly changing legal and compliance requirements pose a risk for syndicates, particularly in regard to Swiss regulations that limit pooling to 20 investors and the potential classification as collective capital schemes.
- 2. Taxation:** Syndicates must be structured in a tax-efficient manner to provide tax benefits to investors and reduce tax risks. Tax rulings can also help mitigate these risks.
- 3. Indirect ownership:** Co-investors in a syndicate have indirect ownership in the target company, and the governance structure should allow for active co-investor involvement in decision making.

What founders should be aware of when accepting funds from syndicates?

- 1. Importance of pooling:** To attract venture capital firms and sophisticated investors, a company must have a consolidated capital table, which requires pooling investors.

- 2. Real pooling solutions:** Ensure that the pooling solution chosen guarantees a consolidated capital table. Nominee or fiduciary structures (Treuhand Verträge) can be terminated at any time by any co-investor, causing the co-investors to be included in the share register.

Use Cases



Ralph Mogicato
Board Member SICTIC

I chose LEVA for their ability to provide a compliant syndication solution for pooling more than 20 co-investors, and their user-friendly online platform for transparency, efficient coordination and easy investor onboarding. I highly recommend LEVA for their reliability and trustworthiness in the investment structuring space.



Stefan Jud
Partner Badertscher Rechtsanwälte

LEVA's Investment Syndicate is a compelling alternative to traditional SPVs and fund structures. Their solution is groundbreaking for the Swiss venture industry, because it allows investors to run a syndicate compliantly and without licensing.



LEVA has over 100 customers who manage close to 300 syndicates on the platform. Launch your syndicate or rolling syndicate on Europe's leading operation system in just 5 minutes here www.leva.pe ■

Co-Authored by



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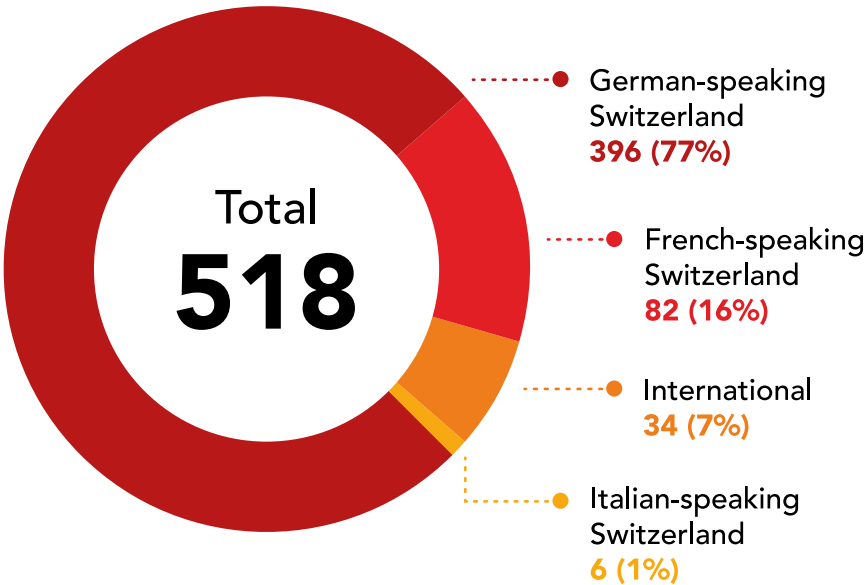
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THE SICTIC INVESTOR COMMUNITY.

SICTIC is the largest and most active Angel Investor Club in Switzerland with 518 Investors (as of 31.12.2022).



2022: SICTIC Investor Community Size by Region

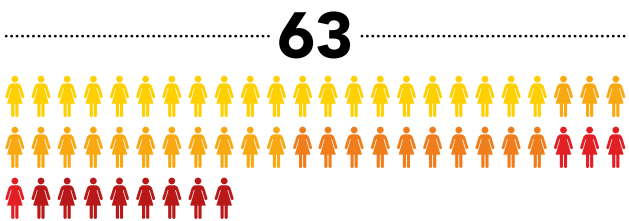


SICTIC Investor Community by Gender

2022's breakdown of investors in terms of gender (12% female and 88% male) shows that there is still an imbalance in participation between male and female investors.

That's why SICTIC and startup days have joined forces to launch the "Collective". The aim is to bring organisations and initiatives supporting diversity together to create a bigger impact and amplify this message within the startup and investor community.

Together, we are stronger and can make the Swiss startup ecosystem more diverse!



● -2018 ● 2019 ● 2020 ● 2021 ● 2022

SICTIC Investor Profiles

Here at SICTIC, we call our investors "smart money investors" because we know that in order to build a successful startup, it takes more than just money. Our angel investors share their knowledge, experience, domain expertise and business network with the startups they invest in.

Many of our angel investors have entrepreneurial backgrounds as founders, CEOs, partners, or board members of one or more startups themselves. We also work with Family Offices and Venture Capitalists that want to co-invest alongside the angel investors.

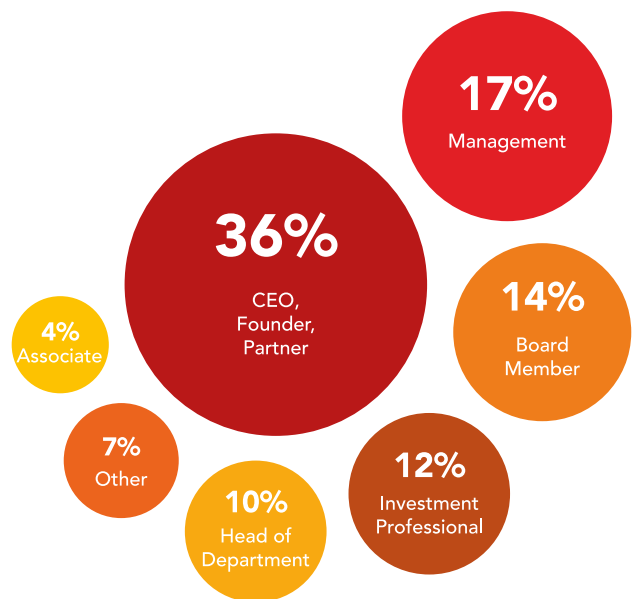


Figure: SICTIC Investors by Job Profile

SICTIC Investor Types

SICTIC Angel Investor: A person with a valid SICTIC Investor Agreement that invests his/her own money (CHF 20k minimum ticket). Sometimes also called Angel Investor or Business Angel.

SICTIC Professional Investor: A legal entity with a valid SICTIC Investor Agreement and that invests other people's money, e.g. family office, investment club, investor syndicate (CHF 100k minimum ticket).

SICTIC Institutional Investor: A legal entity with a valid Institutional Investor Agreement, usually seed and early-stage Venture Capital funds and Corporate Ventures (CHF 100k minimum ticket).

SICTIC's Deal Dashboard



Most comprehensive database of Early Stage Startup Deals in Switzerland



Full contact details for startup founder



Startup Fact sheet - organized/ holistic view of business case: problem, solution, team, market, IP and financials



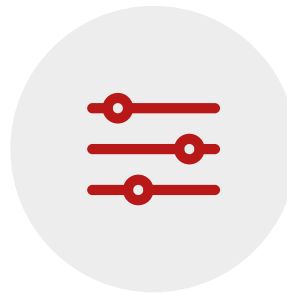
Designated folders for each startup with recordings, pitch decks and any additional info.



Startup Recordings: pitches, deep dive and due diligence sessions for all selected startups (since Q4 2021)



Current and previous funding data (round sizes) and pre-money valuations



Ability to filter based on desired criteria (sector, business model, city etc.)



Ability to set alerts for new incoming deals

Quotes from SICTIC Angel Investors:



Peter Kessel

Angel Investor

“ SICTIC is a great organization for angel investors as well as for startups. In particular, I love the numerous and perfectly organized events giving access to so many smart founders and tech startups.

The SICTIC academy has live and recorded talks which provide educational insights on hot topics for angel investors.

Foremost, I love the amazing opportunities to network with like minded people and to exchange with one another on the good and bad experiences and lessons learned.

SICTIC is THE Swiss Tech startup community par excellence. ”



Gian Reto à Porta

Angel Investor

“ SICTIC does a lot to promote the Startup Ecosystem in Switzerland. I’m very grateful to Dr. Thomas Dübendorfer and all involved from SICTIC for their investor support and making the Swiss ecosystem more attractive for early-stage startups. ”



Bettina Hein

Entrepreneur
and Angel Investor

“ SICTIC plays a vital role in our community by providing valuable information to angel investors - experienced as well as novice - thereby helping startup culture flourish in Switzerland.

When startups ask me which angel groups they should pitch to, I always point them to SICTIC first. Their reach is large and their expertise deep. ”

Get to Know SICTIC

SICTIC, the largest and most active Swiss Business Angel Investor club in Switzerland, hear from startups and investors in this two-minute video:



vimeo.com/386175126

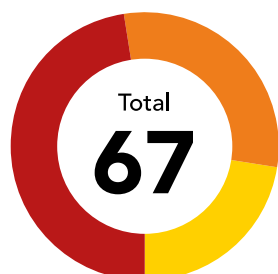
Interested in joining as a SICTIC Investor?

To join the SICTIC Investor Community, scan the QR code and fill in the Investor application form. All applications are individually reviewed, before being accepted into the community.



SICTIC EVENTS OVERVIEW

2022 EVENTS



- 12 matchmaking events (with 20 follow-up events)
- 20 Social Events
- 15 Educational Events

In case an investor is convinced that a project is an interesting opportunity for him/her after the deep dive session, the due diligence process starts. Investors receive access to the startup data room and attend a SICTIC-organized due diligence (DD) meeting. During this meeting the goal is to identify key findings, potential red flags, the deal terms and finally to assign a lead investor. After this stage, the lead investor takes over the coordination and communication until the deal closure.

With this structured process SICTIC supports an accelerated funding timeline.

 **341**
Startups Screened

 **81**
Unique Startups Pitched

SICTIC Investor Day is a matchmaking event, during which tech startups pitch to find smart money investors. We organize these events monthly at alternating hosts in different locations throughout Switzerland. The entry is free of charge for SICTIC Investors, with an admission fee to guest investors (we encourage prospective investors to attend).

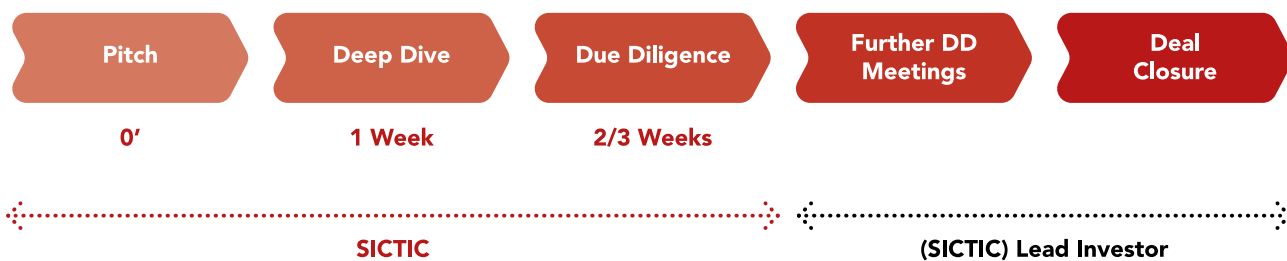
How it works

At the SICTIC Investor Day, SICTIC presents 6-8 jury-selected startups and collects the investment interest through an instant matchmaking survey.

One week after the first pitch, startups prepare a SICTIC structured presentation and engage in a one-hour deep dive session with the interested investors. The intention of this session is to give the investors a deeper understanding of the investment opportunity by learning about the key pillars of the business case.



100th SICTIC Investor Day on Panta Rhei on lake Zurich



SICTIC Social Events

Angel Lunches are exclusive to SICTIC members and provide an opportunity for members to network with fellow investors, discuss startup deals and exchange ideas on investing topics in an informal setting. One to two SICTIC Board members take part in the lunch and up to seven SICTIC Investors may attend. Members pay a small fee to cover the lunch.

Educational Events

SICTIC regularly organizes training sessions for investors and startups. These trainings are organized in the form of workshops, webinars, in-person training, online coaching, and conference calls. SICTIC works with experienced smart money investors, domain experts and industry leaders that share their learnings and experiences. We record videos of the talks, and all SICTIC Investors can view them on our private Vimeo channel.

- **Investor Onboarding Sessions** are organised for the newly joined SICTIC Investors, to familiarise them with their SICTIC account, accessing the deal platform, and the first steps they need to take when starting to invest in technology startups. During these sessions, the new investors learn about the due diligence process and other important factors.
- **Startup Trainings** are offered to prepare the pitching startups for the funding process with investors. In these sessions, startups learn how to structure their pitch deck, get pitching tips and learn how to prepare for due diligence with investors, etc.
- **SICTIC Academy** was introduced to close the knowledge gap of founders embarking on the fundraising journey for the first time, whilst also addressing more advanced topics surrounding angel investing.
- **Angel Investor Master classes (workshop)** at the beginning of 2023, SICTIC introduced a new series of Angel Investor workshops designed to further educate and support Angel Investors on a range of investing topics. These courses are exclusively available to SICTIC members only and all courses are done in person with various instructors from specified areas of expertise on the topics at hand.

Partner Events with SICTIC Involvement

SICTIC board members and our jury regularly contribute to external events, by sharing their experience and knowledge as guest speakers or by helping with the startup selection.

SICTIC's 100th Investor Day event Celebration

On Sep. 29th, 2022, SICTIC celebrated its 100th Investors Day event on the boat Panta Rhei on the lake of Zurich. This was a privately held event, with SICTIC's Investors and Partners in attendance. Close to 250 people registered for the event, the guests enjoyed a boat tour around the lake of Zürich with live music, delicious food, wine and opportunities to network with fellow SICTIC members and partners.

Are you interested in collaborating with us?

If you are interested in collaborating with SICTIC for your next event, get in touch with us at events@sictic.ch. ■



SICTIC ACADEMY

Since 2020, SICTIC has set out on a journey of growing and supporting the startup ecosystem with educational content for investors and young entrepreneurs. The initiative's core mission is to close the prevailing startup investment knowledge gap in the ecosystem and thereby encouraging investments in early-stage ventures.

Since its foundation, SICTIC has been able to grow a diverse and strong network of ecosystem players and supporters. The SICTIC Academy relies on this network of experts, industry leaders and experienced angel investors to provide first-hand training resources to its main target audience: investors & founders.

By giving access to expert knowledge and advice, the Academy aims to help business angels, professional

investors and institutional investors, define, negotiate, and execute early-stage investments. At the same time, we help entrepreneurs prepare for their first-time fundraising journey, so that they can better anticipate the needs and requirements throughout the process. Finally, the program supports the circulation of the latest insights into angel investing, thereby helping the ecosystem further mature.

The SICTIC Academy covers multiple areas and levels of learning, ranging from the basics of angel investing to advanced training resources.

We provide educational content through skills-sharing videos, interactive webinars and in-person trainings. In addition, SICTIC published the comprehensive Angel Investor Handbook covering multiple areas of the angel investing process which can be downloaded on our website.

With these efforts, SICTIC aims to support the quality and pace at which the Swiss startup ecosystem develops.

The SICTIC Academy is supported by the Ernst Göhner Foundation and relies on strong partners to provide world-class education for investors and young entrepreneurs.

Are you interested in making an impact?

Support the SICTIC Academy and collaborate with us! Get in touch with info@sictic.ch for more information about this initiative.

www.sictic.ch/academy



**Dr. Cornelia
Gut-Villa**

Board Member,
Director Education -
SICTIC

“

The amount invested in the Swiss Startup ecosystem is growing strongly. We assume this growth will be as strong in the future as well.

SICTIC would like to contribute to a broader awareness of the asset class “Startup Investment”. However, this requires an understanding of the specifics of investing in startups, as well as the assessment of opportunities and risks. ”



Learn more

Check out the SICTIC Academy content and stay up to date by subscribing to our newsletter



SWISS TAX ASPECTS FOR ANGEL INVESTORS



The SICTIC Academy presented an online webinar with Expert Tax Advisor - Oliver Reuter, TREUFiN Reuter AG. Learn what the tax advantages are between private versus holding structures and costly tax mistakes that you should avoid.

Oliver Reuter

President of Board, Certified Financial Planner

Webinar highlights include:

Qualified Investment: at least 10% stake in a startup company

Private Ownership:

- Benefits: No Capital Gains Tax
- Cons: Losses are not tax deductible

Professional Investor:

- Highest Tax rate
- Learn how tax authorities determine this

Holding Ownership:

- Benefits: Losses are tax deductible & Corp. tax rates are lower
- Cons: Complex, should get professional advice to set it up correctly

About TREUFiN Reuter AG:

TREUFiN Reuter AG is a Swiss trust company with over 15 years of experience, working with both International and Swiss-based clients. We offer a wide range of services such as company formation, accounting, tax and legal consulting as well as many other related services. Whether you are a small Startup looking to set up your business for the first time or a large enterprise that needs to structure a division or branch in Switzerland, we have packages to fit every business model. Please reach out, we would like to hear from you!

Did you miss this webinar?

Scan this QR code to see the full recording.



Swiss Angel Investor Handbook



Best Practices for Investing
in Swiss Early-Stage Tech Startups



The only Angel Investor Handbook published in Switzerland
focused on investing in Swiss Early-Stage Startups!

Scan the QR code for your free copy or visit us at: www.sictic.ch

COLLECTIVE FOSTERS DIVERSITY IN THE SWISS STARTUP ECOSYSTEM. ■

Women are still rare in the startup ecosystem, both as investors and as founders. Only 7% of women engage in early-stage entrepreneurial activity in Switzerland, while it's 12% of men, according to the [GEM 2021/22 Women's Entrepreneurship Report](#). Compared to other countries we have lots of potential still laying dormant. Fortunately, many organisations and initiatives already exist to increase diversity in the Swiss startup ecosystem. However, a transparent overview, trustful coordination with each other and impact is missing.

That's why SICTIC and "startup days" have joined forces to launch the "**Collective**", with the aim to bring these organisations and initiatives together. Together, we are stronger and can make the Swiss startup ecosystem more diverse.

Our goals are:

- To connect the various initiatives and projects on the topic of diversity and especially "Female Founders & Female Investors".
- To improve the general framework conditions in order to fully unleash women's potential, for a strong Swiss innovation scene and economy.
- Explore possible partnerships and collaborations and jointly launch additional initiatives to strengthen women as founders and investors in the Swiss startup ecosystem.

The Collective operates as an informal association of committed individuals and organisations fostering diversity in the Swiss startup ecosystem. The team behind the startup days acts as our office. Since January, entrepreneur, Melanie Kovacs has taken up the leading role and its responsibilities.

What already happened and next milestones:

The kick-off meeting took place in September 2022 with more than 30 participants in Zurich. At the follow-up meeting in December, we discussed ideas,

concerns and agreed on the first shared projects, which include:

- Designing a Collective map that represents and showcases all the organisations that are working to increase diversity in the Swiss startup ecosystem.
- Organize a dedicated event to connect female investors and founders, that will take place as part of the startup days on 25th May 2023
- We create the Collective label and assign it to events that focus on fostering diversity in the Swiss ecosystem. These events are listed at www.collective.startupdays.ch
- Various other project groups are dedicated to tackling longer-term issues such as education, gender budgeting and the motherhood penalty.

Our vision is that in 2025 we will be making headlines together such as:

"The Swiss economy is successful thanks to better conditions for women and is increasingly shaped by exceptional female founders and investors."

If you want to join us in making this vision a reality, please contact Melanie: mko@startupdays.ch ■

Authors:



Dr. Cornelia Gut-Villa,
Board Member - SICTIC,
Geschäftsführerin - Stiftung Startfeld



Melanie Kovacs,
Head - Collective, Forbes 30u30 Alumna



Dominik Isler,
Co-Founder - LINDEN Live Learning Labs

SWISS INVENTIONS WITHIN THE GLOBAL PATENT LANDSCAPE



IGE | IPI

The Swiss Federal Institute of Intellectual Property (IPI) is the federal centre of competence for patents, trademarks, geographical indications, design and copyright. Individuals and companies can register their inventions and creations with the IPI to protect them from being copied. In addition, the IPI provides information to the public about the potential of intellectual property rights. The IPI also fulfils a political mandate in all areas of intellectual property. It prepares legislation, advises the federal authorities and represents Switzerland within international organisations and vis-à-vis other countries.

www.ipi.ch



Christian Moser Nikles

Dr. med. vet., PhD
Patent expert at IPI

According to the **Global Innovation Index (GII)** "Switzerland is the most innovative economy in the world in 2022 - for the 12th year in a row". Patents are one of multiple factors contributing to the GI. The present article shows the role of Switzerland within the global patent landscape.

Key messages

- Over 50% of the current global patent portfolio is of Chinese origin, while Swiss inventions account for 0.5%.
- With regard to patents/capita, Switzerland ranks 4th after South Korea, Japan, and Taiwan.
- Swiss inventions sit in the sweet spot of the patent quality landscape, in sharp contrast to those of the Asian countries.
- Switzerland is particularly strong in healthcare and measurement technologies, but under-represented in ICT fields.

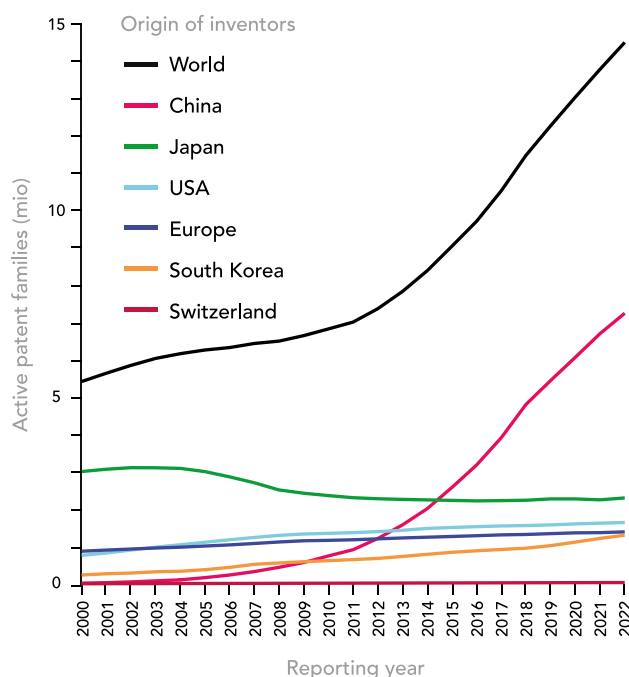
Origin of inventors

- The number of active patents has almost tripled in the past two decades.
- China is the main driving force, accounting for over 50% of all active patents in 2022.
- The top 5 countries of origin China, Japan, USA, South Korea and Germany account together for over 90% of the global patents.

Origin of inventors: the inventors and their country of residence are listed on each patent document. This information provides a reasonable approximation to the country, in which the invention was actually made. A patent family listing multiple inventors is often assigned to more than one country of origin.

A patent family comprises all patent documents referring to the same original first application, the priority application.

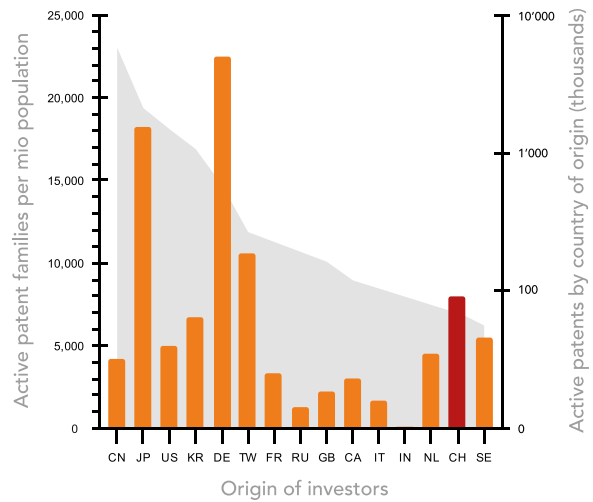
Active patent families include pending applications and granted patents in force.



Patents per capita

Switzerland is often referred to as the country with the highest number of patents per capita. This is true, if only international applications, i.e. PCT and/or EP applications are considered. A more comprehensive view includes also national applications, and this reveals:

- South Korea, Japan, and Taiwan feature the highest number of patents per capita.
- Still, Switzerland ranks fourth, and first among all other countries from Europe and the Americas.

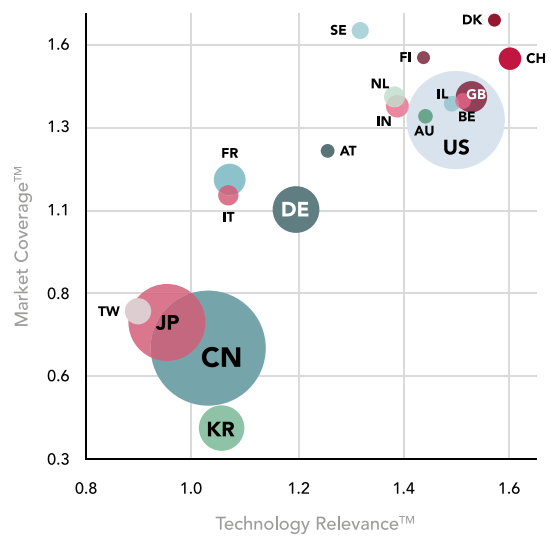


Patent quality

- Swiss and Danish inventions locate in the sweet spot of the patent quality landscape.
- The large portfolios of China, Japan, and South Korea feature lower indices on both axes.

The Patent Asset Index™ methodology calculates the strength of any given patent family, based on a citation index (Technology Relevance™) and the market size projected (Market Coverage™).

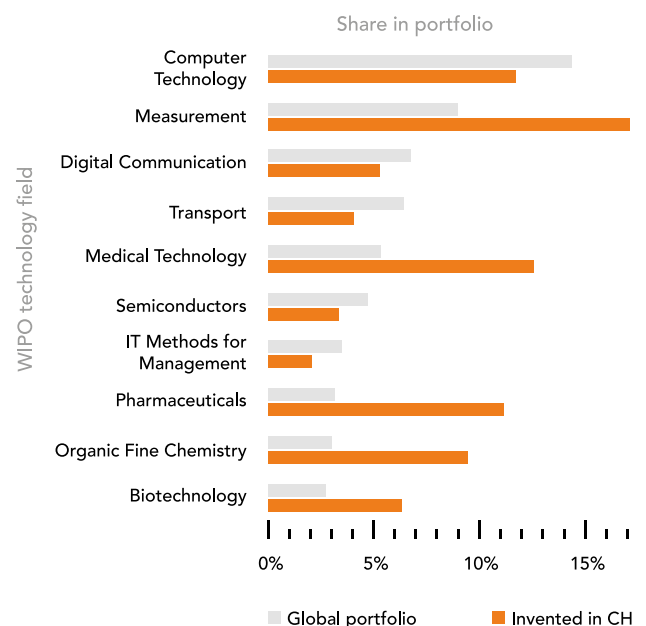
The Patent Asset Index™ methodology by LexisNexis is implemented in the patent analysis platform PatentSight, which was used to extract the data presented in this article.



Technology fields

- The top 10 technology sectors of the global patent landscape differ significantly from the top ten sectors of Swiss inventions.
- Measurement (watches, other measuring devices), Medtech, Pharma and Chemistry are sectors, which are more prominent among Swiss inventions.
- The ICT-related technology fields are generally under-represented in the Swiss inventions, and also transport, civil engineering, and environmental technologies.

The World Intellectual Property Organisation (WIPO) has defined 36 technology fields, based on the patent classifications that are assigned to each patent by the patent offices. Shown here are the technology fields with the largest discrepancies between the global and the Swiss-invented portfolio.



THE FUTURE OF PRIVATE EQUITY IS TOKENIZED.

By: Raphael Aebersold



Photo: Aktionariat Team

BlackRock CEO, Larry Fink, stated that “the next generation for markets, the next generation for securities, will be tokenization of securities.”¹

In this article, you’ll learn how tokenization relates to more entrepreneurial freedom, simple accounting, and a competitive edge for SMEs and Startups over larger corporations.

An overwhelming majority (about 99%) of all Swiss companies have no more than 250 employees and thus belong to the small and medium-sized enterprises (Startups included). Although these companies operate in a wide variety of industries, they have one thing in common: their shares are not traded on a public stock exchange.

The main reason for this is that the administrative and especially the financial hurdles for these companies are insurmountable. Apart from the high price of an initial public offering (IPO), which can be up to 56 million Swiss francs in Switzerland², the disadvantages include closer public scrutiny of the company, and the large amount of time required to get listed (four to six months³).

Nevertheless, the advantages of an IPO are manifold and include the following:

- Easy access to new capital
- Greater credibility through increased visibility and transparency

- Exit strategy for founders and early investors
- Potential increase in the value of the share on the secondary market

Sadly, this exclusivity is visible also on the side of investors. Despite the high demand from retail investors, they simply cannot invest in private equity (PE) i.e., company shares that are not listed on a stock exchange.

It is even more jarring when we consider the fact that retail investors make up a large portion of all market participants, and that their buying power has been impressively demonstrated in cases like the Gamestop saga⁴.

The fact that most Swiss companies are withheld from offering their shares to the public combined with the number of investors who don’t have access to PE suggests a great inefficiency in the market.

This is where tokenization and the blockchain come into play. To understand to what extent this technology eliminates the aforementioned imbalance, one must first understand what tokenization is.

According to Nicola Plain, CEO of Aktionariat AG, which specializes in tokenizing equity, tokenization can be thought of as the following:



Nicola Plain
CEO
of Aktionariat AG

“**Tokenizing means creating a digital representation of something on the blockchain. In this case, it is a share of a company.**”

Hereby, it is crucial to understand that a share token is not a digital twin but represents the share itself!

Of course, the digital share on the blockchain has numerous advantages. Among other things, it automatically tracks all transactions in a tamper proof way. Additionally, it also becomes obsolete to sign a

declaration of assignment since all rights are transferred together with the digital share. Finally, shares that use open tokenization standards can interact with markets built on top of a blockchain. Therefore, they can be traded more easily.

Taken together, this tremendously reduces the administrative effort for any company, especially if you have many shareholders (e.g., through crowdinvesting).



Photo: Aktionariat Product

However, critics usually note that you don't necessarily need a blockchain to create such a system. But this holds true only if you consider each aspect in isolation and only if you have a third party involved. A closer look reveals that almost all shares of large companies that are traded on central exchanges rely on the order-book principle and are thus dependent on market makers. These market makers are essential because they have an obligation to buy and sell shares. This keeps the order-book market liquid.

This is great for investors, but market makers only enter this obligation if they can generate profits from their trading activity. In the case of stocks of unknown and small companies, the risk of not being able to resell a stock becomes too large. Therefore, it is not worthwhile to "make the market" with those shares. Ultimately, this makes the private equity market illiquid, highly unattractive for investors and leads to the so-called "illiquidity discount". This means that investors show a diminished willingness to pay and demand discounts of up to 80% for any particular share.⁵

Now here's the solution and it involves Automated Market Makers (AMM), public blockchains and to-

kenized shares. With this combination, no third party is needed for trading, the price can be tracked in a transparent and predictable manner, and even tokenized shares of small companies can be traded in a liquid way. Another key advantage of these technologies is that they can be used by everyone—retail investors included.

Aktionariat has recognized the potential early on and created the Brokerbot, an AMM running on the public Ethereum blockchain. It enables liquid trading of tokenized shares. Therefore, your company is neither dependent on a third party that lists you for millions of Swiss francs nor a paid market maker. Last but not least, your company has a maximum amount of freedom when it comes to the design and implementation of your share offering. That way, you can create an attractive market for your shares in less than a month and use your equity for a simple employee participation program, a phased exit or to raise funds easier than ever before. ■

Sources:

- ¹ Decrypt <https://decrypt.co/116145/black-rock-ceo-says-next-generationmarkets-is-tokenization>
- ² Kosten IPO <https://www.schweizeraktien.net/blog/2019/08/26/boersengaenge-eskalierende-emissionskosten-bei-ipo-oder-die-bank-gewinnt-immer-31832/>
- ³ Zeit IPO <https://www.handelszeitung.ch/geld/das-borsen-einmaleins-so-gelingt-der-ipo>
- ⁴ Retail Investors <https://www.cato.org/cato-journal/fall-2021/gamestop-rise-retail-trading>
- ⁵ Illiquidity Discount / Liquidity Premium <http://dx.doi.org/10.2139/ssrn.841484>



what.

PRODUCT-LED GROWTH AS THE GO-TO-MARKET STRATEGY. ■

When deciding on how to launch a new product or enter a new market, startups tend to adopt either the more traditional, resource-intensive strategy, or the sales-led strategy. There is, however, a third way where the product itself becomes the main sales and marketing tool.

What is the right go-to-market strategy for a startup?

Most startups opt for one of the two conventional go-to-market strategies. In the ecommerce context, the strategy relies on communication and marketing, which typically leads to high budgets invested in building awareness, sparking interest and finally generating sales. The B2B startups apply 'sales-led' go-to-market strategies, which requires lead generation and, ultimately, it results in someone talking to the customer to sell the product. Product-Led Growth (PLG) companies put the product at the centre of all sales efforts and the product itself becomes the key lead or sales magnet. They educate and convert buyers with the product itself.

Figma case study

Figma, acquired by Adobe for \$20 billion, implemented the PLG strategy by making its collaborative design software available to designers, while offering premium features and increased collaboration capabilities for larger enterprises through paid plans. The large user base of individual designers fuelled the expansion of usage and drove upsells within their organisations - without sales agents.

Limitations of the conventional methods

87% of adults are annoyed by social media advertising, both in business and private settings. As investments in online media increase, engagement with online ads drops. This means marketing is getting more expensive. Moreover, research shows that all types of buyers prefer to self-educate rather than learn from the sales representatives.

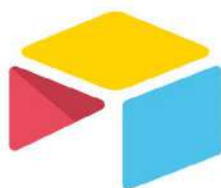
Advantages of PLG as the Go-To-Market strategy

#1 Creating a better product becomes the priority - As Paul Graham put it "The more it costs to sell you something, the more it will cost you to buy it." PLG companies put all their efforts to improve the product, which is ultimately what matters most to the end consumer.

#2 More engaged customers - PLG is a bottom up approach, where users educate themselves and decide independently if they want to use the product. This creates a closer alignment and engagement from the beginning of their experience and they are less likely to abandon the product.

#3 Better user experience - Prospects and potential customers receive value quickly, as they are able to experience a key outcome of the product without any assistance. Rather than focusing on content consumption or marketing, in PLG the only focus is to reduce the friction in the user experience from the start.

#4 Lower investment in sales & marketing - PLG companies operate a leaner marketing and sales operation, their mindset is focused on the product and not on paying for brand awareness or leads.



Companies applying PLG

New types of buyers welcome PLG

The evolution of customer behaviour means that customers no longer have to rely on the official marketing materials, sales reps or brands to educate themselves. Brands have less control over how customers receive information about their products. Organisations have to feed in PLG principles in order to create an efficient inbound sales funnel, which isn't purely dominated by the centralised marketing communication or sales machine. ■

what. AG is the leading Swiss growth and development company that has made the PLG approaches and principles one of its cornerstones. You can learn about our [growth strategies and PLG on our website](#) or connect with Luke directly www.linkedin.com/in/szkudlarek/.



Luke Szkudlarek

Growth Lead,
Founding Partner
at what. AG

“

Whilst the PLG playbook is still being written and there is no 'one size fits all' solution, we've successfully applied PLG principles to all types of companies. PLG doesn't replace sales-led or conventional marketing, but it enhances the funnel to adapt to the new reality. We continue to experiment and innovate to find the right formulas for growth. ”



RECRUITING FOR STARTUPS.



Interview with:
James Greenway,
Founder - SmartRecruit
<https://www.linkedin.com/in/jamesgreenway/>

SmartRecruit is a recruitment company with a twist, they have developed a niche in helping startups to scale up. The brainchild of James Greenway, a Geneva based 'career recruiter', SmartRecruit's methodology ensures start-ups get the same advantages as larger companies in an incredibly competitive space.

Can you please tell us more about yourself and Smart Recruit, what inspired you to get into recruiting?

I've worked in recruitment for 20+ years and I've always been fascinated by startups, the culture and what makes them tick. Having worked with quite a few startups during that time, I noticed that the challenges they faced were different to those of established companies. Covid and the lockdown left me with a lot of time and during this time I re-designed the wheel - creating a methodology specifically for startups.

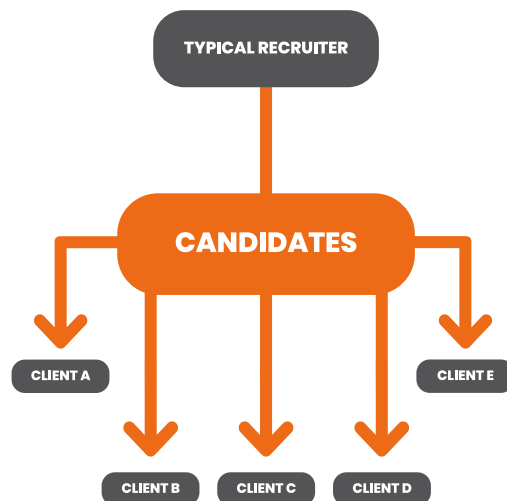
Tell us more, how do you cater to startups in the early phases of their company life cycle?

No two startups are the same. The first stage of our process is to get to know the people and company and what's important for them. We carry out a free initial consultation to discuss the needs and wants and we follow this up by developing a unique recruitment strategy for that company. Some companies just need a quick fix and help with a one-off opening, others need longer term support - we can support both.

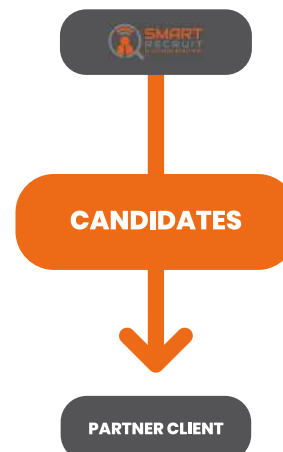
What sets you apart from other competitors?

Our main difference is how we represent the companies we partner with. A typical, high street recruitment company finds candidates and markets them to many companies within a certain sector - they find one profile and send it to 10 companies to generate demand. We do the opposite - think of us as an internal talent department, we develop profiles specifically for the company that we are working with.

How a high street recruiter works with its clients

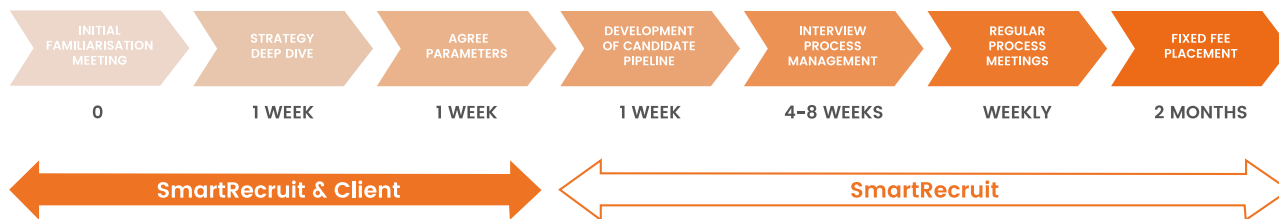


The SmartRecruit Way



A SmartRecruit Partnership

A more intelligent way to work with a recruiter



What's your recruiting process when working with startups?

Process is key, following the development of the strategy, we discuss what the most suitable method to reach your goals is - it could be one of many. We provide you with access to our online tool and you will see your pipeline grow, live, we provide profiles selected based upon your criteria and you will be able to provide us with live feedback. We utilise tech allowing you to see videos of candidates prior to the interview which is great for determining personality fit for a role. The most surprising aspect for most founders is our pricing, we charge a fixed fee rather than 25% or 35% of the total package, like most recruiters do. Allowing you to better plan your budget.

What is the most common mistake companies make when it comes to recruiting?

A quick bit of googling will tell you that it can take up to 100 working hours to fill a mid-level position: from writing the job description, carrying out all of the interview stages through to having someone carrying out the role. Companies typically underestimate the size of the initial task but this is only half of the story, the effect of getting it wrong can impact you in so many ways. It is both frustrating and costly in the short term but there are longer term aspects to consider too, like, setting back the trajectory of the company. Having someone experienced in your corner helps to reduce this risk.

You mentioned creating a recruiting strategy and journey with startups, can you please tell us more about this?

We aim to grow with our clients, we want to be seen as a trusted advisor in the field which is why we offer strategy sessions and aren't just all about

closing the deal. Traditional recruitment companies work on a very transactional model - fill a role and charge a fee. Our model is completely different - as we are partners we face challenges together, we are transparent in what we do. We are in this for the long term, we grow together.

Have you seen any shortages of skilled candidates in certain verticals?

Good people are always in demand, whatever the skill set. We have tricks up our sleeve that will help our clients to gain an advantage - candidate education, employer branding, building talent pools. If these are the basis of a long term recruitment plan there are massive advantages to be gained - companies are often too focussed on the short term (ie filling a single vacancy), that's where we come in.

Other than working with a professional recruiting service, do you have any advice for startups when it comes to attracting quality candidates?

Educate your prospect candidates:

- What is your USP?
- Why would they want to join you?
- What does the future look like?

The competition in the recruitment market is crazy and the big companies communicate very well. Startups can match the thrill of working for these bigger companies but communication with your target audience is key. ■



WE BELIEVE IN SWITZERLAND AS THE GLOBAL HUB FOR INNOVATION. ■

The Swiss early-stage market remains an opportunity to few investors within the local startup ecosystem. Switzerland has created 50 unicorns in the last 12 years, but yet this success flies under the global radar.

The remarkable humbleness paired with an engineering mindset has created a great playground for innovation. Switzerland has a strong ecosystem of renowned Universities like ETH, EPFL, St. Gallen to name a few; global financial players like UBS and CS; leaders in the pharmaceutical industry like Roche and Novartis; market leaders like Nestle, ABB, Avaloq, Ethereum Foundation; that created the highest density of talent. Additionally, Switzerland always had a vibrant art scene, filled with artists and inventors. This ever-growing amount of smart, creative and driven entrepreneurs creates a fertile ground for a unique ecosystem.

We want to partner with our founders

We focus our investments on Swiss pre-seed and seed startups. We limit our portfolio to a maximum of 20 companies and only invest where we can actively support the company's success.

For our investors we create a solid baseline of prosperity.

Our three pillars and Unique Portfolio Management Approach

First pillar: "Active Investors". They are the ideal sparring Partner and support for founders with great vision and extraordinary drive. Our active investors are founders themselves and know the journey that lies ahead of our portfolio companies.

Second pillar: "Speedinvest Pirates". A renowned boutique growth hacking agency that helps the best companies like WeFox, GoStudent, Schüttflif etc. to grow.

They act as a plug and play team and will execute meaningful and impactful work for our startups.

Third pillar: "Venture Partners". Our Venture Partners are seasoned Entrepreneurs across the globe—Asia, Europe, Latin America and the United States. They provide Swiss portfolio companies with an entry into global markets and direct introductions to high profile clients.

Our mission at QBIT Capital is to harness the opportunity for value creation for our founders and investors. We believe that value creation is centered around the ability to capture and manage disruption at the birth of innovation – that is at the pre-seed and seed stage.

We believe that we are at the start of a disruptive revolution that will shape the world. ■



Team from QBIT Capital - from left to right: Georges Khneysser - Founder & Chief Vision Officer, Basel Sbeini - Partner and Luis Huber - Partner



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JP Vuilleumier (left) and Dany Bermejo (right) - your pitch trainers



Venture studios are hubs for visionaries. They cultivate and support your vision to maximize your success. According to GSSN 72% of studio startups reach a Series A. In contrast, only 42% of standalone startups proceed up to the same stage.

At Dragonlabz, we know how difficult it is to build a business - but it doesn't need to be a lonely journey. Here's where we come in - we build, validate and gather a dream team to **firestart** and scale your venture.

We're not an incubator, accelerator or an investment fund. We're a strategic co-founder. We've seen it all before - and we're here to help you avoid pitfalls, making sure you gain traction quickly and efficiently.

Joining forces with the right professionals boosts your idea's potential. Our team of industry experts work with you from the ground up, offering hands-on support throughout every step of the process. By utilizing the resources of our studio, your project transforms from concept to reality in just **3 months** - stress-free, with less money spent and without sacrificing quality.

We are founded by entrepreneurs, for entrepreneurs.

We expand on your vision by providing services in all areas from strategy, design and development to marketing and more. We understand what makes you unique and worth investing in - we don't believe in the cookie-cutter approach. We create custom solutions, tailored to your needs.



Stefan Godly

Co-Founder
and Managing Partner
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Our methodology focuses on data-backed decisions executed with flexibility and risk-management. We've helped founders and companies across industries such as fintech, digital media, gaming and blockchain. We know how to stay ahead of the curve and help the companies we work with, do the same. That's why we're constantly expanding our expertise and focusing on new areas such as **web3**, **G-AI**, and **xR**.

At Dragonlabz, you can count on the best practices, tested and proven. We have the experience, the network and the know-how to help you achieve sustainable success.

Take the next step in your journey and accelerate your venture by contacting ventures@dragonlabz.com

Source: GSSN "Disrupting the Venture Landscape"

Here's to the crazy ones.
The misfits. The rebels, the
troublemakers. The round pegs
in the square holes. The ones
who see things differently.
They're not fond of rules
And they have no respect for
the status quo. You can quote
them; disagree with them; glorify
or vilify them. About the only
thing you can't do, is
ignore them because they change
things. They invent. They imagine.
They heal. They explore. They
create. They inspire. They
push the human race forward.
Maybe they have to be crazy.
Because the ones who are crazy
enough to think that they can
change the world, are the ones
who do.

— Jack Kerouac

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Both science and industry interact with one another on a daily basis, allowing major breakthroughs in the field of new technologies.

A unique combination made out of a typical *Swiss Made* know-how alongside the latest scientific discoveries from renowned technology parks is ultimately providing entrepreneurs with endless possibilities for innovation.

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IN

INNOVATE **IN**VEST **GROW**

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FIT FOUNDATION — 29 YEARS OF SUPPORT TO STARTUPS. ■



Julien Guex

Managing Director – FIT

In 1994, the canton of Vaud, together with the Banque Cantonale Vaudoise (BCV), EPFL and the Vaud Chamber of commerce founded the Fondation pour l'innovation Technologique (FIT). They were later joined by other academics and local corporations, and today a total of 12 contributors enable FIT to provide financial support to almost 300 companies at different development stages, whether they are technology or digital based.

“ The FIT stepped in at a time when we needed to mobilise a lot of resources and invest a lot to bring our prototype to market. ”

Flyability

“Since the creation of FIT in 1994, we have supported practically all Vaud startups that have made an international splash,” says Managing Director at FIT, Julien Guex. The list ranges from Sophia Genetics to Mindmaze and Nextthink.

“ The FIT loan was a real acceleration for us! ”

Alaya (now acquired by Benevity)

In quantitative terms, FIT has provided 350 repayable loans of up to CHF 500,000- and 101 grants between CHF 20,000- and CHF 100,000-. More than 280 startups received a total of over CHF 63 million.

In return, these companies attracted CHF 2 billion in venture capital and created more than 3,000 mostly highly qualified jobs in French-speaking Switzerland and, in total over 5,000 jobs around the world.

“ The FIT loan gave us the opportunity to recruit key talents for our development. ”

Monito

Julien Guex has been running FIT since 2008: “In the beginning it was still a part-time job,” he recalls. In the meantime, the 48-year-old lawyer has gathered a team of 5 FTEs. They manage an alumni community for which they set up “FIT Investors”, a financing platform dedicated to FIT startups and open to qualified Swiss financiers. On average, between ten and fifteen financing rounds are displayed. In the current year, FIT Investors reach 90 registered investors.

“ FIT’s endorsement was decisive in bringing our project to life! ”

Genknowme

The innovation ecosystem around Lausanne is very dynamic and so is FIT! After the launch of FIT Investors and the Food & Hospitality Vertical with Ecole Hôtelière de Lausanne and Nestlé, the Foundation has more upcoming news. “This year, we’re launching FIT Impact, a new programme to support impact entrepreneurship in collaboration with Vaud universities” says Julien Guex.

“ As a start-up, the Tech Seed loan is essential to support our team. ”

Alithea Genomics

HASLERSTIFTUNG

The current purpose of the foundation, established by Gustav Hasler in 1948, is as follows:

Promotion of education, research and innovation in the field of information and communication technologies (ICT) for the benefit of Switzerland as a place of thought and work.

The Hasler Foundation uses its resources and influence to help Switzerland achieve a leading position in the field of ICT in the international context. As a respected and influential foundation, it tries to play a major role in shaping the public image of ICT and contributes to the general recognition of its importance for the future of society and the economy.

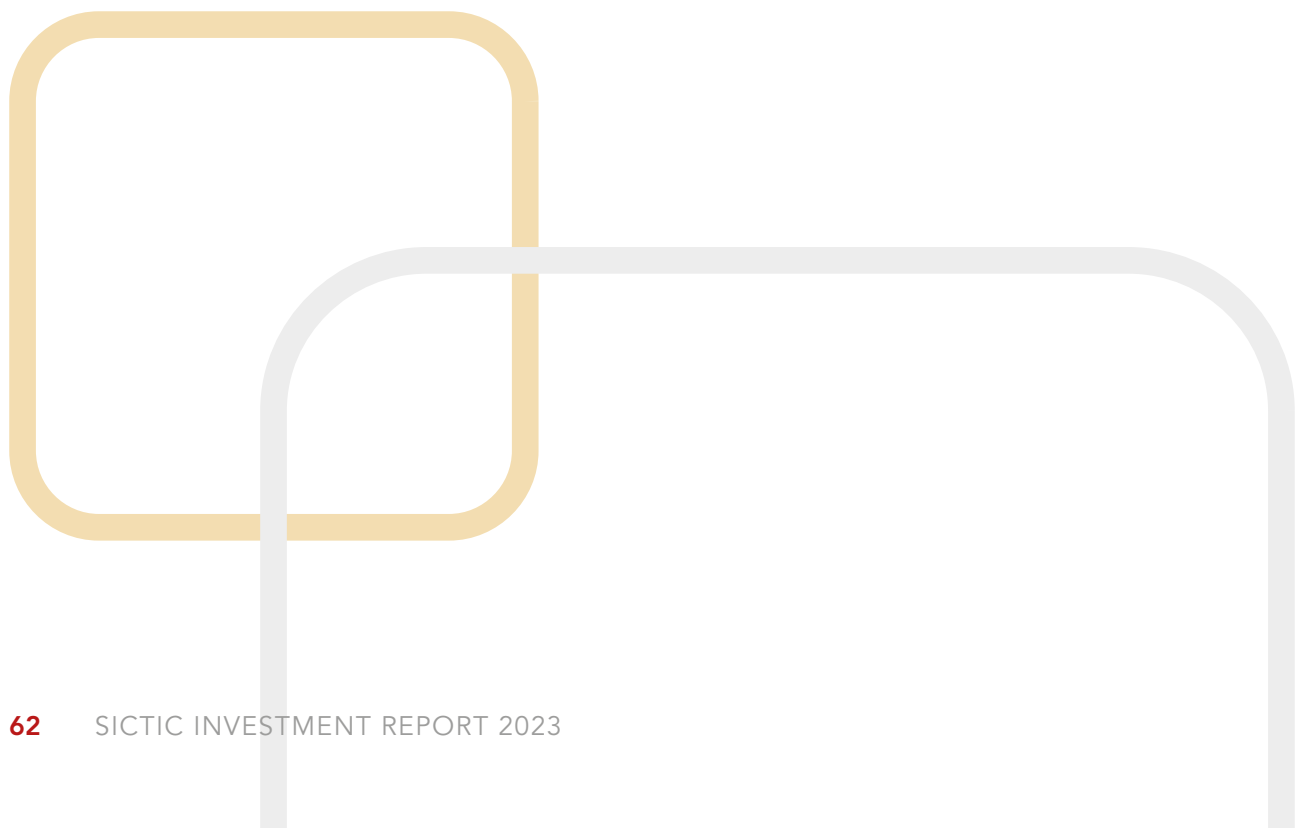
The foundation, which is independent in every respect, fulfils its mission primarily through its funding programs. Based on the returns from its endowment, it grants several million Swiss francs annually.

In part, thanks to the Hasler Foundation's long-standing engagement in education, the Federal Conference of Cantonal Ministers of Education (EDK) decided in 2018 to introduce com-

puter science as an obligatory subject in higher secondary schools (Gymnasium). In 2014, with the adoption of curriculum 21, the Media and Information Technology module was made compulsory for teaching at elementary and secondary schools. The Hasler Foundation now supports through endowed professorships and project coordination that the teaching of computer science will be timely and delivered by suitably qualified teachers.

The "Hasler Responsible AI" research program investigates machine-learning algorithms and artificial intelligence systems whose results meet requirements on social responsibility, trustworthiness, and explainability.

In 2006, the Hasler Foundation decided to engage with the then fledgling Swiss ICT startup sector to help select technology companies in their first funding rounds as an angel investor. A lot of progress has been made in the ICT startup sector in these past 16 years, so in 2021 the Hasler Foundation decided to end its direct startup support. Now, through being a partner of SICTIC, we want to help ICT startups gain exposure to a much larger community of interested investors/funders. ■



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Leaders from the Tech Industry, working pro bono to contribute and shape SICTIC's growing community and the Swiss startup ecosystem (as of end of 2022).



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Agathe Schwaar

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(joined SICTIC Jan., 2023)



Nicole Kägi

Head of Events
(until mid-2022)

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We thank the following key people who support SICTIC on a pro-bono basis and amplify our impact in the Swiss Tech Startup and Investor Ecosystem:

SICTIC Ambassadors: Daniel Buzaglo and Pierre Siegwart

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SICTIC Volunteers: Pavel Jakovlev and Philipp Mao

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GLOSSARY

CHF 1.2M	One million two hundred thousand Swiss Francs
B2B	Acronym for “business-to-business”. It describes a business relationship where a company offers their products or services to another company.
B2C	Acronym for “business-to-consumer”. It describes a business relationship where a company offers their products or services to a consumer.
Bridge round	Usually, a bridge round is referring to a smaller funding round that occurs between two major funding rounds.
Burn rate	The cash amount spent by a startup, usually expressed as a monthly figure.
Accelerator	Privately or publicly funded initiative supporting startups for a predetermined period of time. Accelerators attempt to “accelerate” the development process of companies with a structured support program. Their assistance is typically restricted to a few months and generally provided in the form of expertise transmission, coaching or in the form of boot camp events. As remuneration, accelerators often receive future revenue participation or equity. The boot camps initiated by accelerators often end with “demo days”, during which the business concept is presented to potential investors.
Angel investment	(High-risk) investments made by angel investors providing seed financing for startups. Angels invest by supporting companies financially and in terms of expertise, experience and personal networks in exchange for ownership equity.
Angel investor	Private investors who invest their own time, experience and money in seed and early-stage startup companies. Sometimes also called a business angel.
Bad leaver agreement	A good leaver/bad leaver agreement works in such a way that if an employee-shareholder leaves the company for a ‘good’ reason (e.g. illness) then the employee is either permitted to retain his/her shares or to sell them for a fair price to the other shareholders. If the employee leaves for a ‘bad’ reason (e.g. to work for a competitor, committed a criminal act), then his/her shares are sold for less than fair value.
Closing	A transaction that occurs after entrepreneurs and investors legally exchange all required legal documentation and capital that is needed in their business deal. When an investor “closes in on a deal”, they have already negotiated with the entrepreneur the details encompassing corporate ownership and monetary obligation.

Capital	Monetary assets that are currently available for use. Entrepreneurs raise capital from different sources to start a company and continue raising capital to sustain and grow the company.
Co-investor	Someone who invests in a company alongside other investors in the same round.
Corporate venturing	A term that is used when a company invests internally in the development and innovation of a new product, makes an external investment in another company or creates an alliance with another company for innovation purposes.
Deal flow	The stream of investment opportunities that reach an investor, e.g. business plans by email, startup pitches at events, phone calls by fundraisers.
Deal screening	The process of investors to quickly reduce the (usually very large) number of received investment opportunities (deal flow) down to the few most promising ones which warrant the further effort. Guided by the criteria of a suitable personal investment strategy prepared in advance.
Diversification	An investment strategy involving mixing the amount, values and kinds of investments within a portfolio to spread risk and minimize losses.
Debt / Debt financing	Borrowed money that needs to be paid back. The entrepreneur rents the money for a specific period of time and promises to pay interest on the money for a specific period.
Due diligence	A careful investigation into a company prior to making an investment to make sure that all relevant risks and facts are known.
Early-stage	The startup company was already incorporated. Often a first minimum viable product (MVP) exists but little to no revenues.
Equity	Shares or other securities that represent an ownership interest in a company.
Exit	Exiting an investment by selling or transferring one's ownership stake in the company.
Exit valuation	The valuation of a company at the time of the exit.
Follow-on round	An additional investment round made in a company by one or several of its existing investors.
Funding	This term is used as a synonym for "financing". It refers to the amount of money that is needed for a business endeavour to take off. For example, a new business owner may seek a certain amount of funding for their startup company. This "raised" capital can be used to launch their endeavour as well as to sustain their company until monetary profit can be generated.

Funding round	Funding round - A financing event for a startup during which usually multiple investors buy shares of a startup or give a loan in the form of a convertible note, which later converts into shares.
ICT	Information and Communication Technology
Incubator	An organization established to support the development of startup companies within their first years of existence. Incubators can provide facilities, offices and lab space shared by supported startups, as well as resources and development programs, potentially including mentoring programs. Incubators differ from accelerators in that the latter typically specialize in assisting startups to grow in a short time frame, whereas the former is focused on the development of the company and its product over a longer period.
Internal rate of return (IRR)	A typical measure of how Venture capital funds compare performances between investments. It represents the rate at which the present value of a series of investments is equal to the present value of the returns on those investments.
Largest investor	The investors that invested the most money in a startup.
Lead investor	The investor or investment organization taking primary responsibility for organizing an investment round in a startup. The lead investor typically negotiates the terms of the investments, often invests the largest amount, and serves as the primary liaison between the startup and the other investors.
Merger and Acquisition (M&A)	An M&A transaction often refers to a larger company buying a startup, whereby the startup's operating units are transferred or consolidated with other entities.
Matchmaking	The process of matching a startup with investors.
Median	The value separating the higher half from the lower half of a data sample. For example, the median of 1,2,7,40,100 is 7. However, the mean/average is 30.
Multiple	Return on investment (ROI) expressed in the number of times the initial investment was regained.
Non-disclosure agreement (NDA)	A legal agreement between parties that formally binds all signing parties not to disclose any confidential information that they have shared with each other.
Pitch, pitching	A presentation by startup founders at an event with investors in the audience.
Portfolio	The collection of all of the companies invested in by an angel investor or venture capital fund (VC).
Raising capital	Refers to obtaining capital from angel investors or venture capital sources.

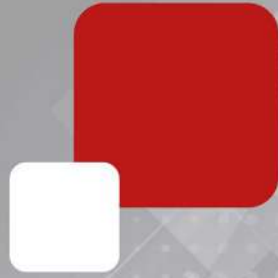
Returns	The total proceeds an investor gets back from an investment, usually after an exit. It can be expressed as multiple or the percentage of the total proceeds divided by the total investment. Some calculate the returns annualized and call them internal rate of return (IRR). Some also consider a value increase in the share price due to a new investment round at a higher price a "return" even though no proceeds were actually paid out. Returns also come from dividend payments or interest paid on loans.
Round size	The total amount of money a startup received during one funding round.
(Investment) Round	A set of one or more investments made in a particular company by one or more investors on essentially similar terms at essentially the same time.
Scaling	Growing a business very large and very fast.
Seed stage	The earliest stage of a startup, often only an idea or a first business plan without the company yet founded. Usually no sellable product yet and hence no revenues from customers.
(Pre-) Seed round	This is the initial round for a newly formed (startup) company. Angel investors are usually the primary source of seed capital for new businesses.
Series A / B round	Traditionally the first professional outside money invested by a VC fund. Usually single-digit millions of Swiss francs.
Smart money / smart capital	Invested money accompanied by time, network and experience of the investors.
Spin-off	A spin-off startup uses technological inventions and intellectual property rights that have been developed within a university or another company.
Startup	A company in the early stages of development, which seeks to create a new product or service under significant uncertainty whether the product, team and business model will succeed.
Startup ecosystem	An ecosystem of organizations that contribute to the success of startups. See also the Swiss Tech Startup Ecosystem map on www.sictic.ch/map .
Syndication	The pooling of smaller investments invested by several investors. Often the expectation of professional venture investors and startups is to deal with fewer investor parties.
SICTIC Angel Investor	A person with a valid SICTIC Investor Agreement that invests his/her own money (CHF 20k minimum ticket). Sometimes also called Angel Investor or Business Angel.

SICTIC Institutional Investor	A legal entity with a valid Institutional Investor Agreement, usually seed and early-stage Venture Capital funds and Corporate Ventures (CHF 100k minimum ticket).
SICTIC Investor	A SICTIC Angel Investor, a SICTIC Professional Investor or a SICTIC Institutional Investor.
SICTIC Professional Investor	A legal entity with a valid SICTIC Investor Agreement and that invests other people's money, e.g. family office, investment club, investor syndicate (CHF 20k minimum ticket).
Tech startup	Tech refers in this report mainly to information and communication technology but not to MedTech or BioTech.
Ticket size	The minimum monetary investment per investor as part of a funding round.
Top 100 Startup Award	Each year, VentureLab runs the TOP 100 Swiss Startup Award in cooperation with Handelszeitung and PME Magazine. From all Swiss startup companies not older than 5 years, the 100 most innovative and promising Swiss startups are picked by a jury of 100 top startup investors and experts.
Traction	Objective criteria for the success of a company such as the increasing number of clients, growing revenues and profits.
Valuation (pre-money, post-money)	<p>The estimation of the economic worth of companies, assets or liabilities. There are a range of different methods for determining such value, the development stage of a company or the industry in which it operates usually dictate which method to use. Typically, angels and VCs distinguish between pre-money valuation and post-money valuation.</p> <p>Pre-Money Valuation: Company value immediately before funding. If post-money valuation equals CHF 2.5M and the company raised CHF 500K, then the pre-money valuation will be equal to CHF 2M.</p> <p>Post-Money Valuation: Company value immediately after funding. If the pre-money valuation equals CHF 2M and the company subsequently raises CHF 500K, the post-money valuation will total CHF 2.5M.</p>
Venture capital	Also called risk capital. The term indicates an institutional source of financing for startup companies by entities and individuals seeking higher returns for taking greater risks.

This glossary relies on third-party sources, namely the book "Angel Investing" by David S. Rose, and the website of the CrossEUWBA Project (www.crosseuwba.eu).

Startup Sectors

AdvertisingTech	Technological solutions for advertising and marketing
AI/ML	Uses artificial intelligence deep neural networks or machine learning
Big Data/Analytics	Insights and analytics based on a large data set
Communication	Software that improves communication between humans
Cyber Security	Information security, Internet security, Cryptography
Digital Asset Management	Storage, retrieval and collaboration on digital assets
Drones	Flying machines; hardware or software solutions
E-Commerce	Electronic commerce, online shops, logistics for online shops
EduTech	Technological solutions in education
EnergyTech	Technological solutions for the energy industry
FinTech	Technical solutions in the financial industry
Gaming Tech	Dedicated solutions or services that are used to develop a video game
HardwareTech	Hardware products, robots, cameras
HealthTech	Technological solutions for human health
Internet Platform	Online market places that don't only sell goods (those are classified as e-commerce)
IoT	Internet of things solutions
LegalTech	Technical solutions for lawyers, legal counsels, law firms
PropTech	Technical solutions for properties and the real estate industry
Other ICT	Anything else in ICT
Recruiting/HR	Technical solutions for recruiting and handling human resources
TravelTech	Technical solutions for the travel industry; also includes online booking systems
VR/AR	Virtual Reality, augmented reality, mixed reality



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