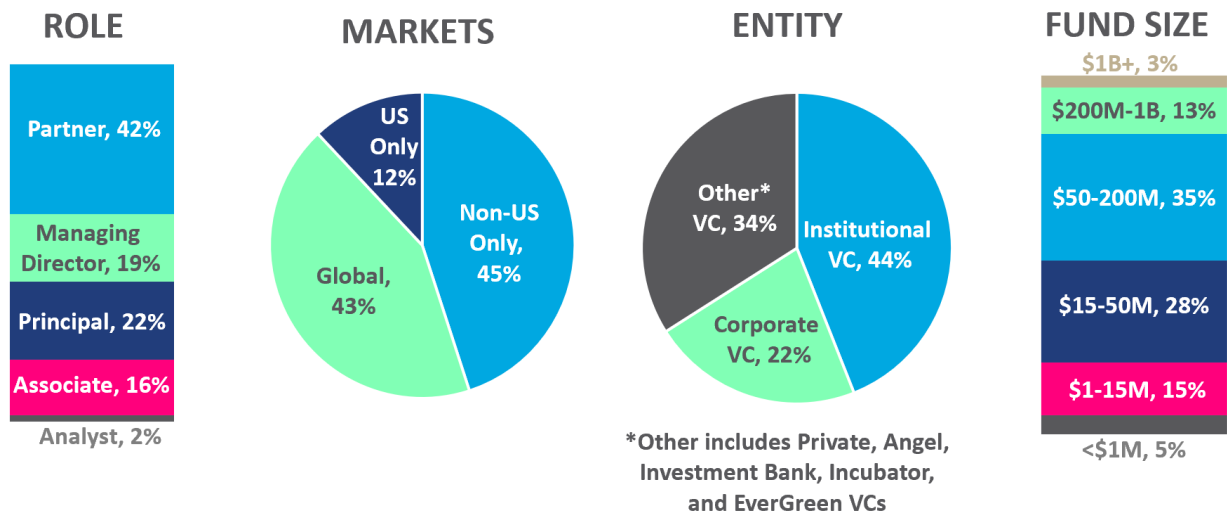


The Impact of COVID-19 on VCs and Start-ups

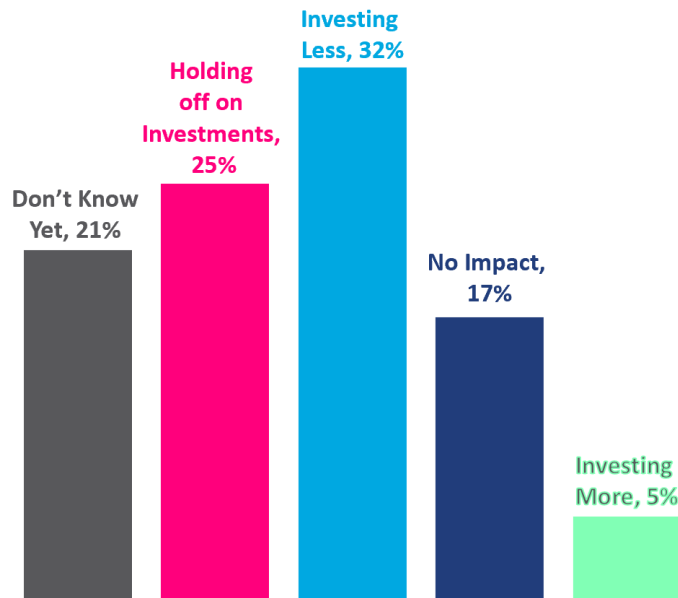
Well over half of investors are now either investing less or holding off on investments entirely. However, certain industries, such as healthcare and software, are becoming more attractive investment entities in light of COVID-19. Most investors would advise start-ups to slash expenses right now and to raise capital immediately.

A huge thank you to the 131 venture capitalists who answered questions via Wizer’s online platform from March 13th to the 22nd. All responses were voluntary and anonymous¹

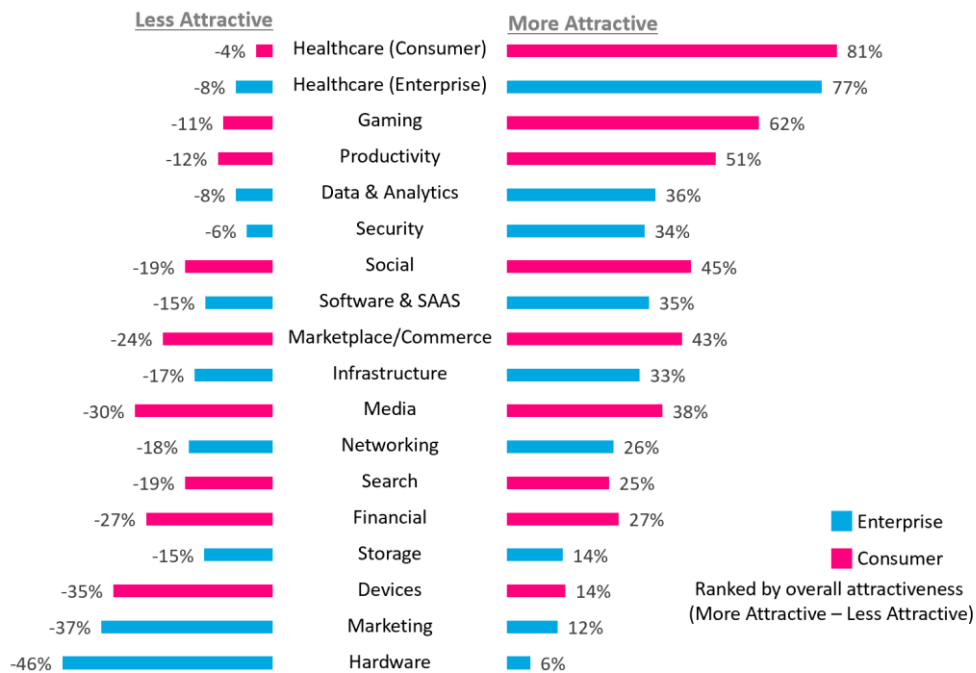


¹ The survey was not based on probability sampling

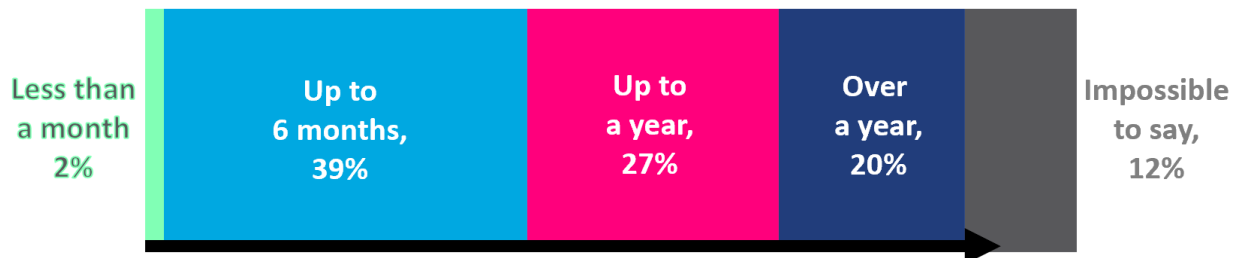
The survey found that 57% of investors are now either investing less or holding off on investments entirely, as shown below:



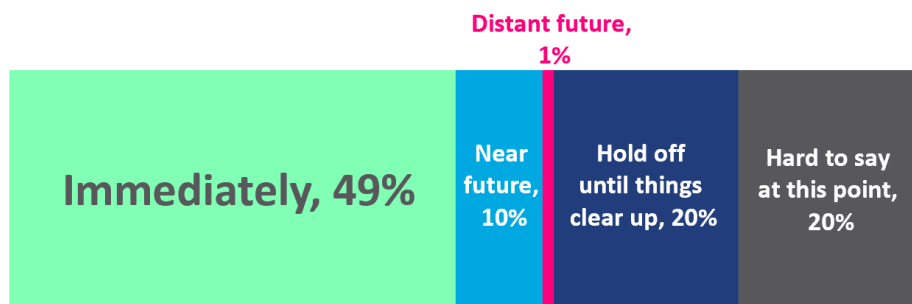
The study also revealed that the most attractive industry in light of COVID-19 is Healthcare. Other attractive opportunities at this time include software-based industries to keep people engaged and productive at home, on the consumer-side, and to keep companies informed and safe, on the enterprise-side:



The aftermath of this pandemic will have long-ranging repercussions. Almost 40% noted the effects of the outbreak will last through the fourth quarter and almost 50% believe COVID-19 will continue to have a significant influence on the VC market well into 2021:



As such, about 50% of investors would advise start-ups to raise capital *immediately*:



“Cash is king”: Eight out of ten investors recommend that start-ups cut costs, reduce their burn-rate and increase their runway. Another half would advise start-ups to re-forecast and re-strategize for 2020, given the down turn in the economy, focusing on their roadmap as opposed to immediate sales. Others speak to the importance of continually engaging with both customers and investors, leveraging the crisis creatively, and maintaining a sense of calm. The storm will pass and the most prepared start-ups will be ready to strike the moment it does...

