

The number of exits of companies dedicated to sustainability has quadrupled in 4 years

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There were 104 exits of climate technology companies in the transportation, energy and agriculture sectors last year, four times more than in 2017, when the number was just 24, according to data from Silicon Valley Bank. The EIP Climate Tech Index for Sustainable Companies also saw significant growth, rising roughly 200% from the start of 2017 to the end of April 2022, nearly 70 percentage points higher than the Nasdaq index. According to experts at investment accelerator Soulmates Ventures, this is helped by, among other things, the climate policies of states.¹

A total of 43 countries have pledged to fully limit carbon dioxide emissions by 2050. *"The measures that governments take as part of their climate policy naturally have an impact on markets. Legislation to reduce emissions creates a significant market opportunity for climate technology companies,"* explains **Tomas Kabeláč, Sustainability Manager** at investment accelerator Soulmates Ventures.

Last year, venture capitalists invested a total of \$31.4 billion in 605 sustainable companies. This compares to a total of \$18.6 billion invested in 510 companies in 2020. The median investment per company has more than doubled in the last five years. In 2017, it was \$2.7 million; by 2021, it was \$6.83 million. This is based on data from Pitchbook. *"The good news is that climate technology has seen more than 100 exits in 2021, up from just a quarter of that 5 years ago. This means that when market conditions are good, climate technologies are able to generate ROI for investors, which is one of the most important factors for investors,"* says **Hynek Sochor, Founder and Chairman** of Soulmates Ventures, adding, *"at the moment, we need to see how climate technologies will continue to do when market conditions are not ideal. It is possible that, through their focus on current global issues, these technologies will establish themselves as a safe harbor even in turbulent market times. We will know more at the end of this year, but we can say with confidence that investment activity in the climate technology sector is still in strong numbers for this year."*

¹ Source: <https://www.svb.com/trends-insights/reports/future-of-climate-tech>

Source: <https://www.venturecapitaljournal.com/climate-investing-why-it-really-is-different-this-time/>

Most climate-tech companies manage their cash runway for more than a year

Climate technology companies have financial resources for many months in advance. *"According to new data, sustainable startups boast a fairly decent cash runway, despite having a relatively high cash burn. The main financial problem arises when the solution is to be pilot tested and when the product or solution is scaled,"* says **Václav Gregor, CEO** of investment accelerator Soulmates Ventures. Soulmates Ventures data shows that 50% of companies in the agri-food sector have enough funding for at least 14 months. In the energy sector, 50% of companies have resources for at least 13 months, and in transportation and logistics, 50% have resources for at least 10 months.

Interest in sustainable startups is growing among investors

Data shows that sustainable startups can compete with long-established corporations. *"Many established companies are finding it difficult to adapt to the rapidly changing climate technology landscape. This makes sustainable startups increasingly attractive to investors. The markets targeted by climate technology are the largest they have ever been. We have no doubt that it is only a matter of time before their market capitalisation is in the trillions of dollars,"* adds **Václav Gregor**.

About Soulmates Ventures

Soulmates Ventures is an accelerator and venture capital firm focused on sustainable and profitable technology innovation. Together with the Made by Soulmates brand development design studio and sustainable incubator Green Innovation Academy, they form an ecosystem for a sustainable future. Through strategic partnerships, Soulmates Ventures moves innovative projects from the proven MVP stage to a growing and scalable business with the potential to succeed in the global marketplace. Soulmates Ventures focuses on air, water, energy, mobility, education, health, food and agriculture, and the circular economy. The company is led by Hynek Sochor and Václav Gregor.

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