

The Financing Situation of Green Fintech Startups in Switzerland

An empirical Study



Background and Methodology

Background and research questions

Existing studies primarily focus on the perspective of VC investors and mainly document their investment activities. The specific challenges and needs of Green Fintech Startups (Green Fintechs) have so far only been addressed sporadically. The following three research questions were at the center:

1. What is the current financing situation of Green Fintechs?
2. Which characteristics influence access to capital for Green Fintechs in the start-up and scaling phase?
3. What measures can be taken to improve the financing situation of Green Fintechs?

Methodology

- To address these research questions, a mixed-methods approach was applied. An online survey with closed and open-ended questions was conducted, followed by in-depth interviews for contextual interpretation and a more nuanced explanation of selected responses.
- Target group: 33 Green Fintechs based in Switzerland that are members of the GFN (as nearly all Green Fintechs active in Switzerland are represented in the network, broad coverage of the target group can be assumed)
- Survey sample: 23 Green Fintechs (+ 4 in-depth interviews)

Note

The results reflect the assessments and experiences of the surveyed companies under the prevailing economic conditions at the time (March and April 2025). A changed economic situation could lead to differing assessments and thus to a different data basis.

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The survey was conducted in the context of the following master thesis:

Felix, Aline (2025). *Finanzierung von Green Fintechs - Eine empirische Untersuchung der Finanzierungssituation in der Schweiz*, ZHAW.

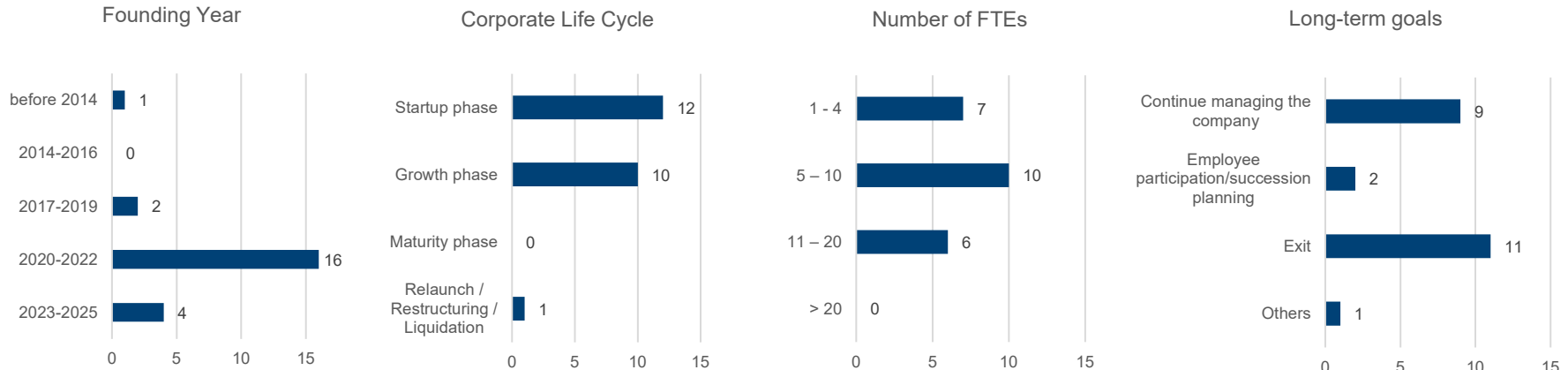
About the Green Fintech Network

The Green Fintech Network (GFN) is a multi-stakeholder association dedicated to fostering financial service innovation and collaboration at the intersection of digital technology and environmental sustainability. Its mission is to support the development and deployment of digital technologies that enable the financial sector to transition toward more sustainable practices and services.

Most of the surveyed Green Fintechs are in the startup or growth phase and employ less than 20 people

Profile of the Green Fintechs:

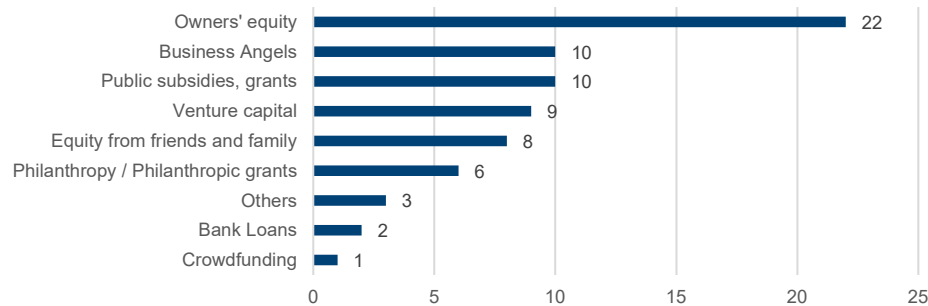
- 20 out of the 23 Green Fintechs started their business activities in 2020 or later.
- At the time of the survey, Green Fintechs were predominantly in the start-up or growth phase.
- 10 of the 23 participating Green Fintechs employed between 5 and 10 full-time staff at the time of the survey. The remaining 13 companies were distributed across the categories of 1 to 4 and 11 to 20 full-time employees.
- Regarding long-term objectives, 11 participants aim for an exit, while another 9 Green Fintechs intend to continue long-term.



Financing sources of Green Fintechs are fragmented with almost no debt

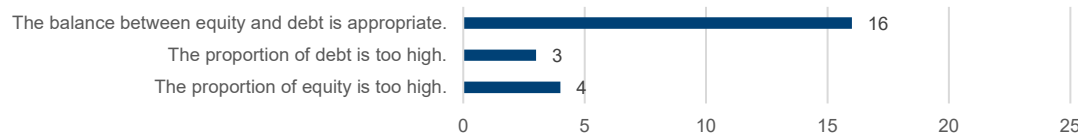
Financing sources of Green Fintechs

One company did not provide any information. The remaining 22 participants all invested their own capital. Almost half of the respondents also indicated that they were financed through business angels, public subsidies and grants, or venture capital. Bank loans and crowdfunding, on the other hand, play a minor role.



Capital structure of Green Fintechs

Of the 23 Green Fintechs, 16 participants consider the capital structure to be balanced. 4 perceive the equity ratio as too high, while 3 consider the proportion of debt capital to be excessive.



A divided picture: Green Fintechs' funding situations range from comfortable to extremely strained

Assessment of the current funding situation

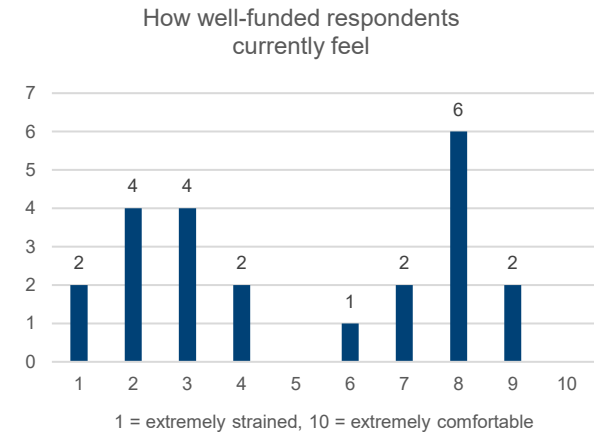
The average score of 5.0 and the median of 4.0 indicate a generally strained funding situation. However, the standard deviation of 2.9 shows that assessments of the financial situation among Green Fintechs vary. The results can be divided into two groups: eleven companies consider their funding situation to be relatively comfortable (scale 6–9), while twelve participants assess their funding situation as rather strained (scale 1–4).

Reasons for a strained funding situation (according to the in-depth interviews):

- Many Green Fintechs are currently facing acute liquidity shortages, which limit their operational flexibility.
- They also report difficulties in attracting suitable investors, which hampers their ability to secure long-term funding.

Reasons for a comfortable funding situation (according to the in-depth interviews):

- Several companies are experiencing rising revenues, which strengthen their financial base. These positive developments have led to increased willingness to invest among potential capital providers.
- Additionally, it was mentioned that the funding situation appeared comfortable only because, for personal reasons, they were temporarily able to waive their salary.

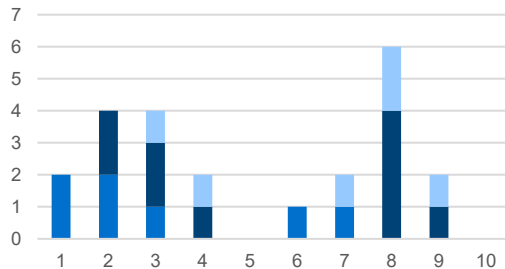


The funding situation is better for bigger and more mature Green Fintechs compared to smaller startups

Company characteristics and funding situation

Green Fintechs that assess their funding situation as comfortable tend to have a balanced capital structure, are mostly in the growth phase, and typically employ between 5 and 20 full-time staff. In contrast, Green Fintechs experiencing a strained funding situation are generally in the start-up phase and usually have a smaller workforce of 1 to 10 full-time equivalents (FTEs). In the case of a strained funding situation, the capital structure may be perceived as both balanced and unbalanced. Further analysis also revealed a correlation between the company's lifecycle stage and its staffing levels. A more advanced stage in the company lifecycle is typically associated with a higher number of employees.

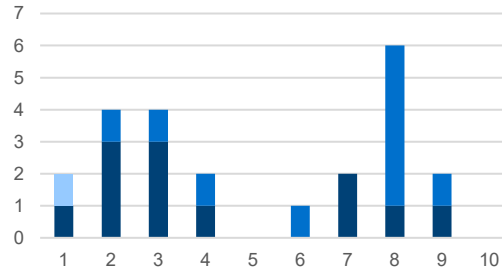
Number of FTEs and funding situation



1 = extremely strained, 10 = extremely comfortable

- 1-4 FTE (n = 7)
- 5-10 FTE (n = 10)
- 11-20 FTE (n = 6)

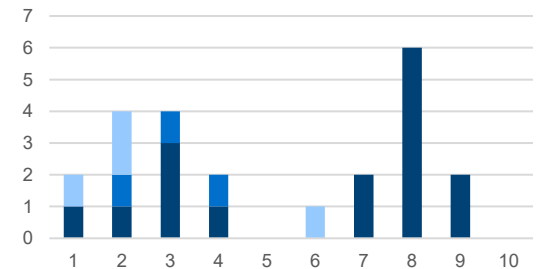
Corporate life cycle and funding situation



1 = extremely strained, 10 = extremely comfortable

- Relaunch / Restructuring / Liquidation (n=1)
- Maturity phase (n=0)
- Growth phase (n=10)
- Startup phase (n=12)

Capital structure and funding situation

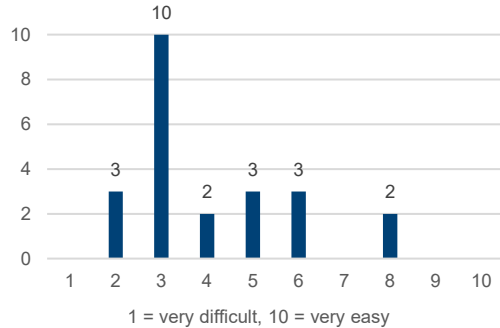


1 = extremely strained, 10 = extremely comfortable

- The proportion of equity is too high (n = 4)
- The proportion of debt is too high (n = 3)
- The balance between equity and debt is appropriate (n = 16)

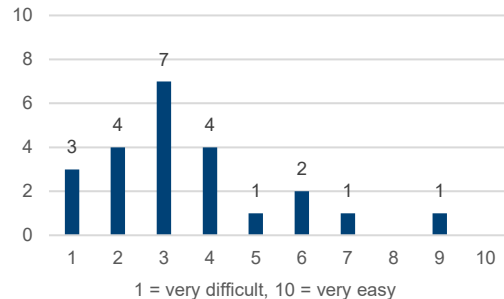
Green Fintechs face significant challenges in raising capital

Assessment of general capital raising opportunities for Green Fintechs overalls (not related to individual companies)



The general opportunities for capital raising among the participating Green Fintechs are predominantly perceived as challenging. A median score of 3.0 and an average of 4.0 support this assessment. The standard deviation of 1.8 indicates low variance, suggesting a largely consistent perception of a difficult financing environment.

Assessment of access to capital raising from the founding stage to today among Green Fintechs



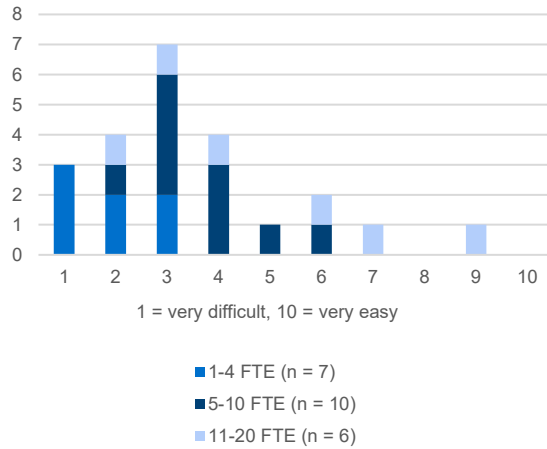
With a median of 3.0 and an average of 3.5, the individual access to capital is also perceived as difficult overall. The median matches the general assessment for all Green Fintechs (see above), while the average is 0.5 points lower. This suggests that the subjective evaluation of each company's own situation largely aligns with the general perception. A total of 18 companies placed themselves in the lower range of the scale between 1 and 4. The standard deviation of 2.0 is higher than in the general assessment of capital raising, indicating individual experiences and challenges in accessing funding.

Access to capital is especially difficult for startups and smaller Green Fintechs

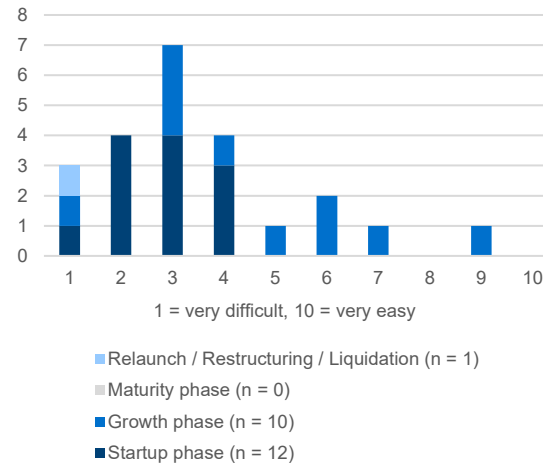
Company characteristics and access to capital

Green Fintechs with a balanced capital structure, as well as companies in the growth phase and with larger teams (5–20 FTE), tend to assess their access to capital as comparatively less difficult. In contrast, start-ups in the early stage, as well as companies with small teams or an unbalanced capital structure, view capital acquisition more critically.

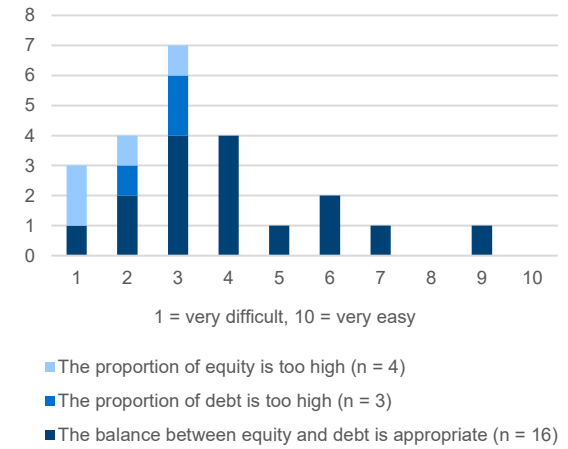
Number of FTEs and access to capital



Corporate life cycle and access to capital



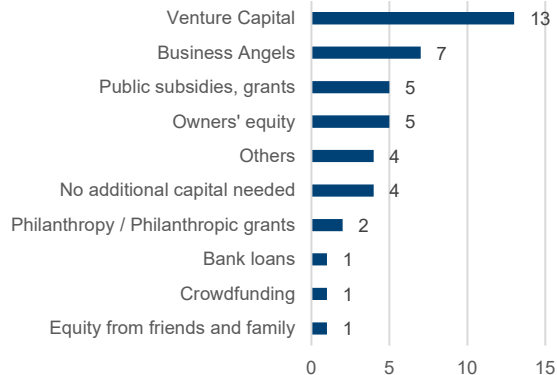
Capital structure and access to capital



Future financing of Green Fintechs driven by venture capital and expansion with overall positive capital raising prospects

Planned sources of financing over the next 1–5 years

The most frequently chosen form of planned financing is venture capital. These responses are distributed across seed funding (4 mentions), Series A funding (6 mentions), and Series B funding (3 mentions). Business angels are also commonly cited as a future source of financing, followed by 5 mentions each for public subsidies and grants as well as founders' equity.



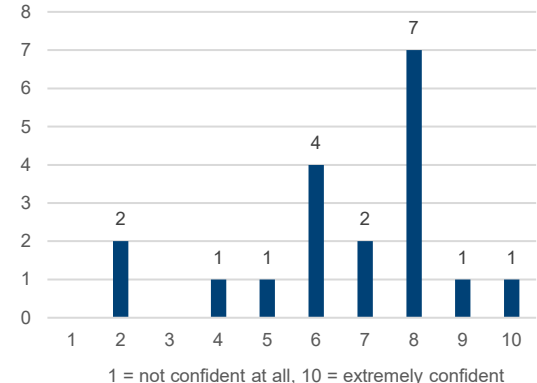
Planned use of additional capital

New capital is primarily intended to support business growth (15 mentions), product and technology development (12 mentions), and marketing and sales activities (11 mentions). Other relevant uses include recruiting new employees (8 mentions) and covering operational costs (6 mentions).



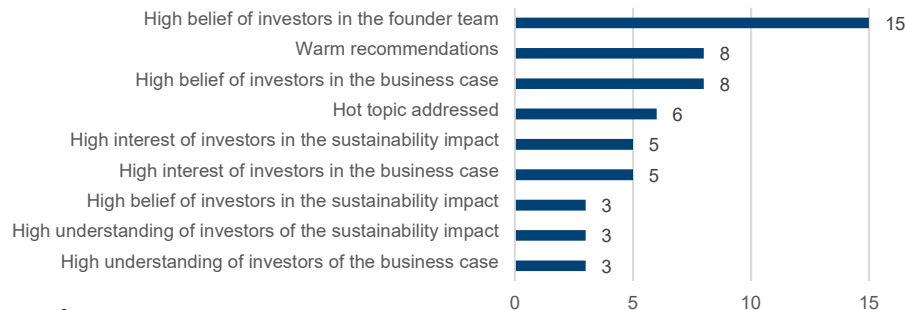
Assessment of the likelihood of capital provision

The majority of Green Fintechs assess their chances of successfully raising capital as rather positive. This perception is supported by a median score of 7.0 and an average of 6.6. The standard deviation of 2.2 indicates a moderate spread in the assessments, suggesting varying individual expectations and conditions.



Success through emotional factors, challenges through structural and communicative barriers

Success factors in capital raising



Success factors and challenges in capital raising for Green Fintechs

It becomes evident that emotional factors such as trust, personal recommendations, and the credibility of the founding team are decisive for successful access to capital.

In contrast, the greatest challenges lie in structural and communicative barriers, particularly in the difficulty of clearly and convincingly conveying the business model and its sustainability impact. Of particular importance is the frequently lacking interest and understanding of investors in the sustainability impact, which proves to be a key challenge.

Challenges in capital raising

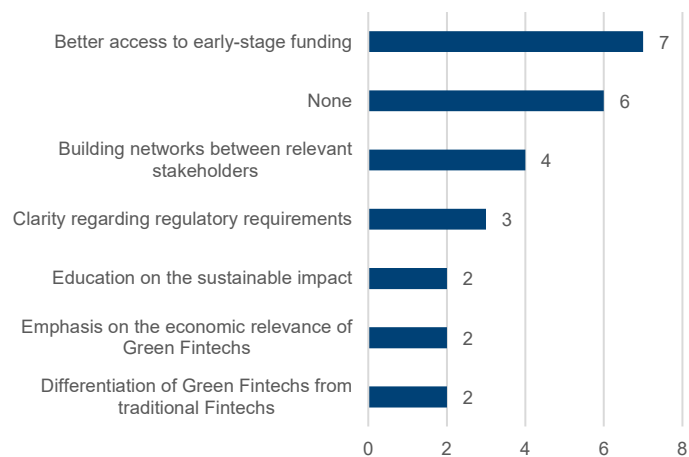


Compared to traditional fintechs, Green Fintechs face the following specific challenges:

- Impact vs. return conflict
- Sustainability backlash
- Lack of understanding the business model
- Lack of market readiness
- Still small number of success cases
- Regulatory uncertainty

Better early-stage funding, networks, regulation, and visibility are needed to improve the financing situation of Green Fintechs

Measures to improve the financing situation of Green Fintechs



- Green Fintechs emphasize that access to early-stage financing remains a critical challenge. To bridge this phase, public support in the form of grants, reduced fees, or incentives for private investment is considered essential, while philanthropic funding can also play an important role. Government engagement is seen as particularly valuable, not only for its direct financial impact but also for its signaling effect, which can boost investor confidence and help strengthen the broader Green Fintech ecosystem.
- In addition, the creation of networks and collaboration platforms is regarded as highly beneficial. Stronger cooperation between Green Fintechs, investors, financial institutions, corporates, and public bodies can improve access to capital and foster innovation. Partnerships with financial institutions and targeted access to impact investors are highlighted as particularly important.
- Another key issue is regulatory clarity. Respondents stress the need for reliable frameworks, especially regarding ESG reporting requirements and the legal treatment of CO₂ certificates, which are currently marked by uncertainty.
- Finally, knowledge transfer and visibility are seen as important levers. Educational measures on impact investing can help investors better understand sustainability-oriented business models. A clearer definition and distinction of “green”, as well as the communication of successful examples, are considered crucial for building trust, improving market positioning, and demonstrating the economic relevance of sustainable business models.