THE IMPACT OF COVID-19 ON WOMEN BUSINESS OWNERS

Women Are Resilient in Response to Challenges

Second Quarter Results
Date of Survey: April to June 2020
Comparisons shown (vs Q1) January to March

ABOUT THE RESPONDENTS

97%

Of respondents are at least 51% owned, managed and controlled by one or more women.
(vs. 97% in Q1)

Total Respondents: 446

BUSINESS LOCATION

(vs. Q1: North America: 10%, Latin America: 18%, Europe: 27%, Asia: 16%, Africa: 28%, Oceania: 1%)

INDUSTRY SECTOR

(No significant change in industry sector representation.)

BUSINESS SIZE

(No significant change in business size representation.)
Of women business owners have increased social media and videoconferencing to accommodate the health and safety of their families and employees. (vs. 60% in Q1)

Of respondents have been impacted NEGATIVELY by COVID-19 from April - June 2020. (vs. 87% in Q1)

Of respondents have been impacted POSITIVELY by COVID-19 from April - June 2020. (vs. 6% in Q1)

Of women business owners have increased social media and videoconferencing to accommodate the health and safety of their families and employees. (vs. 60% in Q1)

Of respondents indicated they have laid off employees and 20% have furloughed employees. (vs. 12% and 21% respectively in Q1)

38% Have seen a decrease in employee morale, while 6% have noted an increase in morale. (vs. 46% and 5% respectively in Q1)

34% Of respondents have decreased their employees’ hours due to the decrease in their revenue and 16% due to family care responsibilities. (vs. 32% and 19% respectively in Q1)

15% Of respondents said their employees are unable to work remotely due to lack of technology and 16% due to lack of Internet access. (vs. 22% and 16% respectively in Q1)

20% Of respondents indicated they have laid off employees and 20% have furloughed employees. (vs. 12% and 21% respectively in Q1)

12% Of respondents have been impacted POSITIVELY by COVID-19 from April - June 2020. (vs. 6% in Q1)

82% Of respondents have been impacted NEGATIVELY by COVID-19 from April - June 2020. (vs. 87% in Q1)

IMPACT ON BUSINESS FROM COVID-19

<table>
<thead>
<tr>
<th>Impact on Business</th>
<th>Quarter 2</th>
<th>Quarter 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Losing customers as face-to-face business goes digital.</td>
<td>40%</td>
<td>43%</td>
</tr>
<tr>
<td>Increased anxiety about the situation has reduced my productivity/time spent on business.</td>
<td>34%</td>
<td>34%</td>
</tr>
<tr>
<td>Increased care demands (children, elderly, other loved ones) have reduced the time I spend on my business.</td>
<td>25%</td>
<td>27%</td>
</tr>
<tr>
<td>Can’t move inventory that is sitting idle due to decreased demand.</td>
<td>20%</td>
<td>35%</td>
</tr>
<tr>
<td>Inability to source raw materials and inputs for my products due to supply chains disruptions.</td>
<td>17%</td>
<td>31%</td>
</tr>
<tr>
<td>Need to shift to digital business and not sure where to start.</td>
<td>16%</td>
<td>19%</td>
</tr>
<tr>
<td>Employees can’t work causing delays in meeting client needs.</td>
<td>7%</td>
<td>14%</td>
</tr>
<tr>
<td>Not sure where to go for advice and guidance.</td>
<td>10%</td>
<td>13%</td>
</tr>
</tbody>
</table>

IMPACT ON EMPLOYEES

<table>
<thead>
<tr>
<th>Impact on Employees</th>
<th>Quarter 2</th>
<th>Quarter 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have seen a decrease in employee morale, while 6% have noted an increase in morale.</td>
<td>38%</td>
<td>46% and 5% respectively in Q1</td>
</tr>
<tr>
<td>Of respondents have decreased their employees’ hours due to the decrease in their revenue and 16% due to family care responsibilities.</td>
<td>34%</td>
<td>vs. 32% and 19% respectively in Q1</td>
</tr>
<tr>
<td>Of respondents indicated they have laid off employees and 20% have furloughed employees.</td>
<td>20%</td>
<td>vs. 12% and 21% respectively in Q1</td>
</tr>
<tr>
<td>Of respondents said their employees are unable to work remotely due to lack of technology and 16% due to lack of Internet access.</td>
<td>15%</td>
<td>vs. 22% and 16% respectively in Q1</td>
</tr>
</tbody>
</table>

TECHNOLOGY

72%
**IMPACT ON SALES OR REVENUE** (April - June 2020)

% decrease in sales/revenue (vs Q1):

- **84%** of women business owners have seen a significant decrease in sales or revenue from April - June 2020. (vs. 90% in Q1)
- **58%** Anticipate revenues to further decrease between July and September 2020. 33% of those anticipate decreases of more than half and 20% of those anticipate sales will stop completely. (vs. 72%, 55% and 23% respectively in Q1)

**NEW FINANCIAL CHALLENGES** (vs. Q1):

- Cancellation of contracts or booked revenue: 48% (51%)
- Delay in payments for products or services already rendered: 34% (45%)
- Need capital and don't know where to go: 25% (32%)
- Can't pay employees: 24% (38%)
- Delay in pledged contracts or revenue: 24% (26%)
- Inability to apply/receive loans, investment or other capital: 24% (25%)
- Buyers extending payment terms: 19% (25%)
- Increased cost of inputs (products or services): 19% (18%)
- Lack of access to necessary inputs (products or services): 12% (22%)
NEEDS BASED ON IMMEDIATE CONCERN

1. Adjusting products or services to remain relevant in response to economic changes. (No change)
2. Securing immediate funding to remain operational. (No change)
3. Funding for your organization to remain fiscally stable. (No change)
4. Directly responding to or supporting customers, suppliers and other critical business partners dealing with the crisis. (Higher)
5. Adjusting delivery of products or services at a time of social distancing. (Lower)
6. Responding to immediate potential or actual health needs of employees. (No change)
7. Adjusting internal operations during social distancing. (No change)

THE BRIGHT SIDE: WOMEN ARE ADAPTING TO OPTIMIZE OR REFOCUS THEIR BUSINESSES

62% Are identifying and cutting unnecessary expenses (54%)
42% Are creating a new business line in response to local or global needs (32%)
35% Identified new business opportunities (34%) (34%)
10% Have seen an increase in demand in products/services (11%)

51% Of respondents are in need of support with their employee wages. (vs. 56% in Q1)
34% Need tax relief through delayed or canceled payments. (vs. 76% in Q1)
27% Of respondents are in need of extensions of credit or penalty waivers from banks. (vs. 39% in Q1)
18% Are in need of government-funded healthcare for COVID-19. (vs. 22% in Q1)
6% Have seen an increase in demand in products/services (11%)
8% Found that clients want to finish projects more quickly and 5% want to sign contracts more quickly (3% and 5%)
WEConnect International is conducting quarterly surveys over the course of one year to understand the scope and nature of the impact of COVID-19 on women business owners and their companies worldwide. The results of the survey have been self-reported by women business owners within the WEConnect International network and partner organizations.

Increased contract opportunities. (66%)
Increased business opportunities with other women-owned businesses. (68%)
Increased networking opportunities with other women business owners. (58%)
Increased access to finance. (52%)
Increased access to investment. (33%)
Increased meet the member virtual events. (36%)
Increased mentorship. (32%)
Increased business training. (32%)
Increased training on COVID-19 survival strategies. (26%)
Accelerate finalization of contracts with member buyers. (16%)
Improve the terms of existing contracts with member buyers. (12%)

How YOU CAN HELP
How can WEConnect International and its member buyers support women-owned businesses in the next 1-3 months?

The more I seek help from my network, the more I get relevant leads for potential business. The more I provide help to those who need it, the more I get leads as well.

Though our revenues have drastically dropped, my business is not only running but we have hired and are planning and developing our operations to be able to go full speed when business starts again. I am very proud of all the grants I was able to receive so that I was able to maintain the troops (and their motivation) and that our clients and prospects still hear from us.

Whilst researching a new revenue stream for the business, I find people are more willing to provide information and support. There seems to be kindness and willingness to help each other as opposed to a feeling of selfishness and heightened competitiveness prior to COVID-19.