Startup Campus Hungary

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HUNGARIAN
STARTUP
ECOSYSTEM
REPORT
—
2019 OCTOBER

Hungarian Startup Ecosystem

Overview

Hungary is part of the Visegrad 4 Group. Since 2010 the Hungarian startup ecosystem has been developing at a faster pace, where on average 94 new startups are founded per year. Recent EU & local government funding initiatives have helped boost risk capital and the organization of more ecosystem players. This infographic illustrates what these ecosystem shepherds have helped achieve.

~ 2300

per RocketShepherd's algorithmic queries and manual research, this many total companies self-identified as 'startups', were listed as Hungarian on global startup databases or were mentioned as such in public news articles that were detected.

2300 Company

1135 Active Startups

354 Service Providers

811 Deadpool

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64 Investors

51 Co-Working

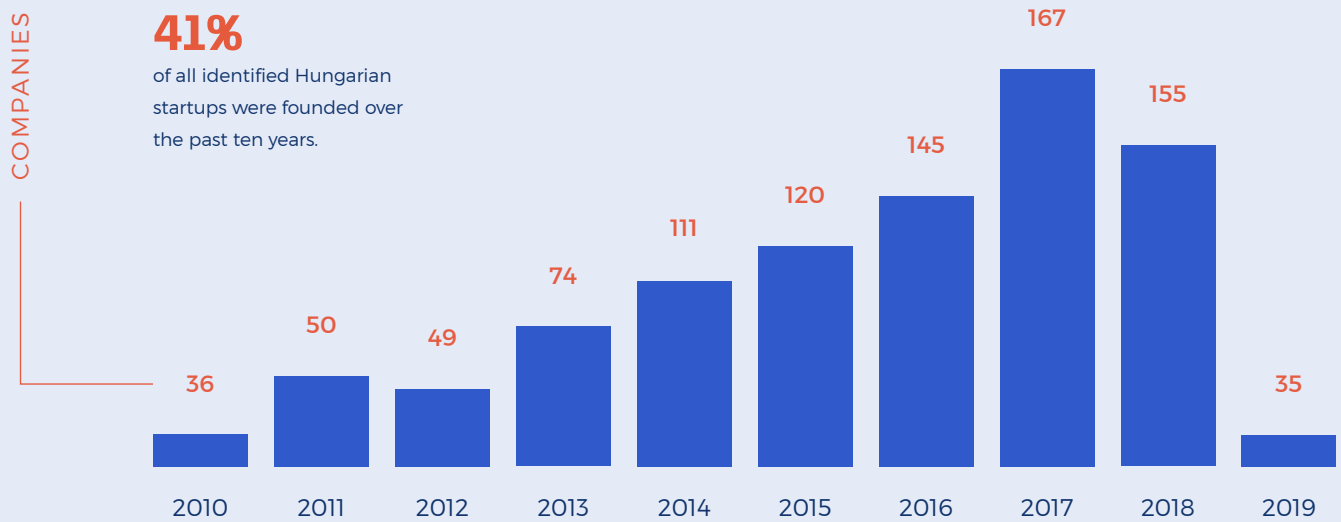**57** Incubators & Accelerators

€942M Total Funding

480 Startups Funded (Received VC or Grants)

Founding dates for Hungarian startups

*Discoverability of newly founded startups may lag by one year

COMPANIES

41%
of all identified Hungarian startups were founded over the past ten years.

Year	Companies
2010	36
2011	50
2012	49
2013	74
2014	111
2015	120
2016	145
2017	167
2018	155
2019	35

Industries

Top 10 Verticals

Companies

#	Vertical	Companies
1	Healthcare & Life Sicences	87
2	Education Technology	65
3	Marketing\Advertising	62
4	Productivity & Business Development	58
5	Food&Beverage	49
6	Mobility	49
7	Financial Technology	45
8	E-commerce&Marketplace	43
9	Internet of Things (IoT)	41
10	Agriculture	38

While local stakeholders and government initiatives tend to focus on hungary's agriculture, mobility and fintech sectors, these trends seem to reflect moreso SME directions rather than those of startups. Healthcare at the top of the list reflects a growing focus on inherent challenges within the domestic hospital scene while Education Technology coming in second seems to reflect corporate and government initiatives to meet demands for educating more software developers as theres is an estimated shortage of ~20.000 from currently open job positions.
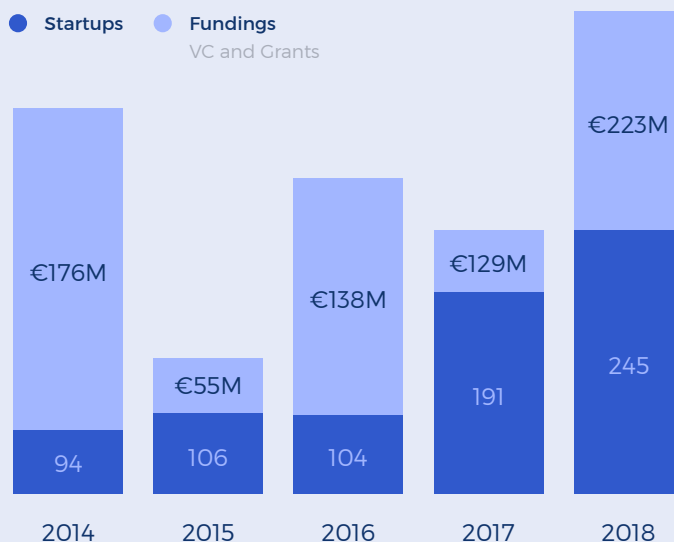
Top10 Sub-industries

Companies

	Sub-industry	Companies
1	Health Diagnostics	52
2	Marketplace	33
3	Gamification	33
4	Artificial Intelligence	31
5	Productivity Software	30
6	Analyitcs	29
7	Health&Wellness	27
8	Payment Solutions	20
9	E-learing	18
10	Matchmaking	18

With healthcare & Life Sciences as the leading vertical targeted by Hungarian startups, out of the 1135 active startups, Health Diagnostics naturally was the top sub-industry related to the Healthcare sector. The growing availability of Artificial Intelligence and the hype surrounding it also explain why it came in second as the most represented sub-sector.
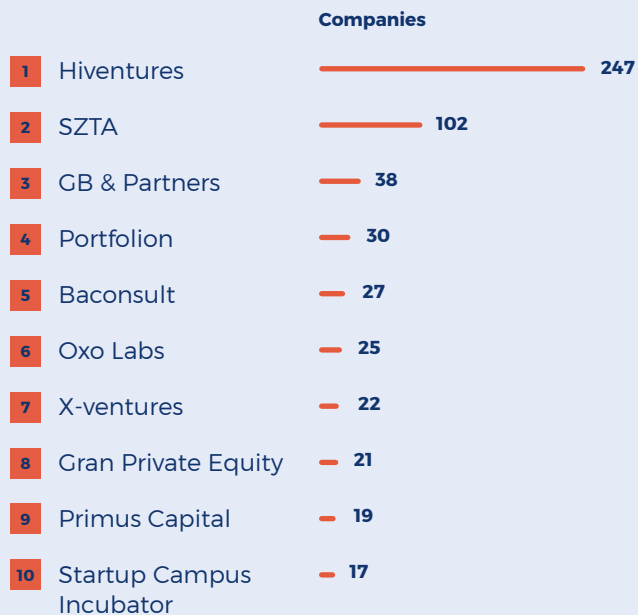
Funding

Similarly to its neighbours, Hungary also has a high concentration of grant funding in its investment scene. The majority of venture capital funds have a portion of their dry powder semi-leveraged by the availability of dedicated EU cohesion funding incentives. While direct EU funding grants were available through the FP7 and FP8 (Horizon2020) schemes, Szechenyi2020 is provided by the Hungarian government (indirect EU grant funding). Funding figures thus include both venture capital figures coupled with these total grant amounts.

● Startups   ● Fundings
VC and Grants

Year	Startups	Fundings
2014	94	€176M
2015	106	€55M
2016	104	€138M
2017	191	€129M
2018	245	€223M

€872M + **€70M** = **€942M**

Total VC Capital   Total Grants   Total Funding

Most Deals Per Investors

**Number of startups
funded by top10 investors**

Companies

1	Hiventures	247
2	SZTA	102
3	GB & Partners	38
4	Portfolion	30
5	Baconsult	27
6	Oxo Labs	25
7	X-ventures	22
8	Gran Private Equity	21
9	Primus Capital	19
10	Startup Campus Incubator	17

2017 was a year that saw a sharp influx in the number of startups founded predominantly due to the launch of Hiventures, the Hungarian state-owned venture capital fund, and 11 incubators that each received partial EU cohesion fund backing.

Deals per Sector

In line with the top vertical, Healthcare is the sector that attracts the most deals and sharply outweighs investments into other sections, where investments are evenly distributed.

Success Stories by vertical

Scipher Medicine

Biotechnology — Personalized Medicine — Alternative Medicine

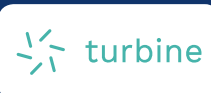**Founded in 2014 — Raised €10M**

Provider of medical technology intended to offer drug biomarkers. The company's technology offers disruptive network medicine platform services throughout the entire life-cycle of drug and bio-marker development and production and it integrates protein-protein interactions within human cells, enabling patients to have an access to more effective, preventive and personalized treatments.

Key achievements:

- Completed its Series A funding led by Khosla Ventures in 2018
- The company's blood test ensures patients with autoimmune diseases are prescribed the most effective treatment from day one.

Turbine.ai

Biotechnology — Artificial Intelligence — Analytics

Founded in 2015 — Bootstrapped

Turbine takes trial and error out of the laboratories and moves it onto their servers that can run millions of experiments in a matter of minutes. They've built an artificial intelligence that models how cancer works on the molecular level and tests millions of potential drugs on it each day. This way, they can get new cancer drugs to patients years faster than Pharma's current solutions. Turbine is the way to discover drugs in the 21st century, replacing tools and processes in use for over 40 years.

Key achievements:

- Trusted partner of Bayer AG
- Named as one ot the top 7 AI startups in drug discovery by Johnson&Johnson
- Name as one of the top 10 most disruptive health technologies by Roche Future X Healthcare

Insimu Patient

Healthcare & Life Sciences — Edtech — Gamification

Founded in 2016 — Raised €816,000

Developer of mobile application intended to train medical doctors and students. The company's mobile application provides medical doctors and students the opportunity to practice their future clinical work in the safety of virtual reality on an infinite number of virtual patients with the full scale of diagnostic methods, measurement of time and cost, among others, enabling medical doctors and students to experience real-life during their medical studies.

Key achievements:

- £250,000 investment from Founders Factory in 2019
- Best Newcomer Startup Regional Final, Warsaw, 2018
- 3rd Place in the World Citizenship Category at the World Final, Seattle, 2016

Green Fox Academy

Education Technology — Programming Tools — Developer and Web Tools

Raised €737k — Founded in 2015

GREEN FOX ACADEMY

A programming school in the heart of Budapest, where they transfer non-programmers into junior programmers in 4 months. Moreover, once they successfully graduated, they help them to find their first job at one of their partner companies. 98% of the graduated students have already worked as software developer. The company's mission is to build a bridge between IT companies fighting for talented professionals and ambitious young people seeking better opportunities.

Key achievements:

- Helping more than 480 Green Fox graduates to find a job
- 90% of graduates find jobs in IT
- More than 50 companies they have been cooperating

Neticle

Big Data & Analytics — Artificial Intelligence — Natural Language Processing

Founded in 2012 — Raised €800,000

neticle.hu

The company developed a social media monitoring and text analysis solution, based on its proprietary algorithm. It helps you to delve deep into your brand-related data by monitoring the entire Hungarian, Bulgarian, Romanian, Ukrainian, Russian and Georgian web. Collecting, saving and restructuring relevant content followed by the analysis of this enormous content and sentiment in real time, all this on an interactive surface with easy to use dashboards, graphics and charts.

Key achievements:

- Founder of the year in 2017
- Best AI/ Machine Learning Startup in Central European Startup Awards in 2019
- Funded by Hiventures

Talk-a-Bot

Marketing & Advertising — Chatbot — Marketing Automation

Raised €2,02 M — Founded in 2016

>TALK-A-BOT.

The company offers chatbot as a full-range solution for corporate clients and major brands. Soon after the company was founded in August 2016 they were selected as one of the nine key strategic partners of Viber in the CEE region. Despite chatbot being a relatively new communication tool, Talk-a-Bot already has 12 prestigious clients and their projects are used by over 2 million people internationally. As the first enterprise chatbot provider of the CEE region their aim is to provide a communication tool for brands, companies and communities that they can chat with their clients in a personally and automated way.

Key achievements:

- Viber Preferred Enabling Partner
- Forbes Hungary: Top 20 Fintech startups to watch
- Nestle hack Your Company 1st prize
- Get in the Ring 2018 Global Heavyweight 2nd position.
- Member of the Cosmopolitan Blogger Awards.
- Founder of the Talent Management Division of Hungary.

Bitrise

——— Developer & Web Tools — Programming Tools — Productivity Software

Founded in 2014 — Raised €30 M

Developer of an application development platform designed to craft powerful workflows for every development stage. The company's platform includes full automation, a visual workflow editor, automatic repository scan and workflow configuration to increase productivity, increase speed of iteration and get apps to product-market fit faster, enabling developers build their apps for any mobile platform, be it native or hybrid. It helps you automate your daily app development tasks from building through testing to deployment.

Key achievements:

- Funded by Ashton Kutcher and Oktogon Ventures in 2019
- Winner of the Szechenyi Bridge Award in 2017

Shapr3D

——— 3D technology — 3D Shaping — CAD

Founded in 2015 — Raised €7.3M

Provider of an application designed to create three dimensional Computer Aided Design(CAD). The company's application is easy to learn, easy to use, and is professional, helps in drawing shapes and transforms them using, free form surfacing, sketch on faces, and chamfer edges in seconds, enabling iPad Pro users to create three dimensional designs using an Apple Pencil.

Key achievements:

- Raised $1.3m in a venture round involving InReach Ventures and Lifeline Ventures.
- Winner of Hungarian Innovation Prize in 2017

AImotive

——— Mobility — Autonomous Vehicles — Artficial Intelligence

Founded in 2015 — Raised €40M

AImotive is one of the largest independent teams in the world working on automation driving technologies. Developing self-driving software, proprietary simulation tools, and neural network acceleration hardware IP, they are building an ecosystem to aid the deployment of automated driving. On January 4, 2018 AImotive announced a Series C round of 38$million funded by investors B Capital Group, Prime Ventures and others. This round made AImotive the second largest Hungarian-based startup based on venture capital investment.

Key achievements:

- Supported by European Investment Bank to develop artificial intelligence-based system for self-driving cars
- Raised $38 million in Series C funding in 2019

Commsignia — Mobility — IoT — V2X

Founded in 2012 — Raised €11 M

The company specializes in Connected Car / V2X hardware and software solutions to ADAS systems with a mission to increase traffic safety and efficiency on the road. Dedicated to the research and development of car connectivity systems for innovative car makers, the company aims to create the world's first connectivity platform that integrates Vehicle-to-Vehicle (V2V) and Vehicle-to-Infrastructure (V2I) applications with everyday technologies from tablets and phones to smart homes. The company has announced the closure of an USD 11 million fundraising round led by Karma Ventures and Samsung Catalyst Fund, together with Partech, Inventure, and existing investors Credo Ventures and Day One Capital in 2019.

Key achievements:

- First to implement its V2X Software Stack on the New Craton2 Platform
- $11 million fundraising round in 2019-10-09
- Member of the 5G Automotive Association

The Big 5

USTREAM

Prezi

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CONTEXTUAL SECURITY INTELLIGENCE

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