

# Startup Campus Hungary / powered by HEPA

HUNGARIAN  
STARTUP  
ECOSYSTEM  
REPORT

—  
2019 OCTOBER



# About Us

The governmental agency responsible for Hungarian export promotion, HEPA (Hungarian Export Promotion Agency) and Enterprise Hungary (running the Startup Campus incubator programme) have signed a cooperation agreement to support Hungarian innovative entrepreneurship in a long-term and successful international market entry.

As a result of the agreement Startup Campus Hungary powered by HEPA programme has come to life, which is aiming to encourage the international market entry of Hungarian innovative entrepreneurship by the means of educational and mentoring activities. The unified platform functioning as a one-stop-shop system is strengthening the Hungarian startup's global recognition, furthermore promotes foreign incubation programmes in Hungary.

The step-by-step programme emphasizes the training, education and validation of companies while relying on the knowledge of international professionals and Hungarian diplomats. The programme ensures targeted and prepared participation and on-the-spot mentoring on industry-focused exhibitions, expos, and also supports the inclusion of Hungarian companies in international programmes. Presentation trainings, local professionals, industry and country-specific insights are all contributing to successful business meetings. Startup Campus local offices in Berlin and London are offering industry-specific market entry incubation.

This report was created as part of the Startup Campus Hungary programme and illustrates the main indicators, numbers and companies of the Hungarian startup ecosystem. The goal of this research is to provide an insight into Hungarian leading sectors and offers data-based information for international partners and diplomatic network.

## Best Regards:

**BALÁZS HENDRICH**

CEO

Hungarian Export Promotion Agency

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**ZSOLT KOVÁCS**

CEO

Enterprise Hungary & Startup Campus

[www.schungary.co.hu](http://www.schungary.co.hu)

# Hungarian Startup Ecosystem

OCTOBER 2019/10/09

## 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. (80 % of ecosystem players have emerged in the past 10 years). 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.

**~ 1500**

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.

**1489 Company**

**1135 Active Startups**

**354 Service Providers**

**64**

Investors

**51**

Co-Working

**57**

Incubators & Accelerators

**€942M**

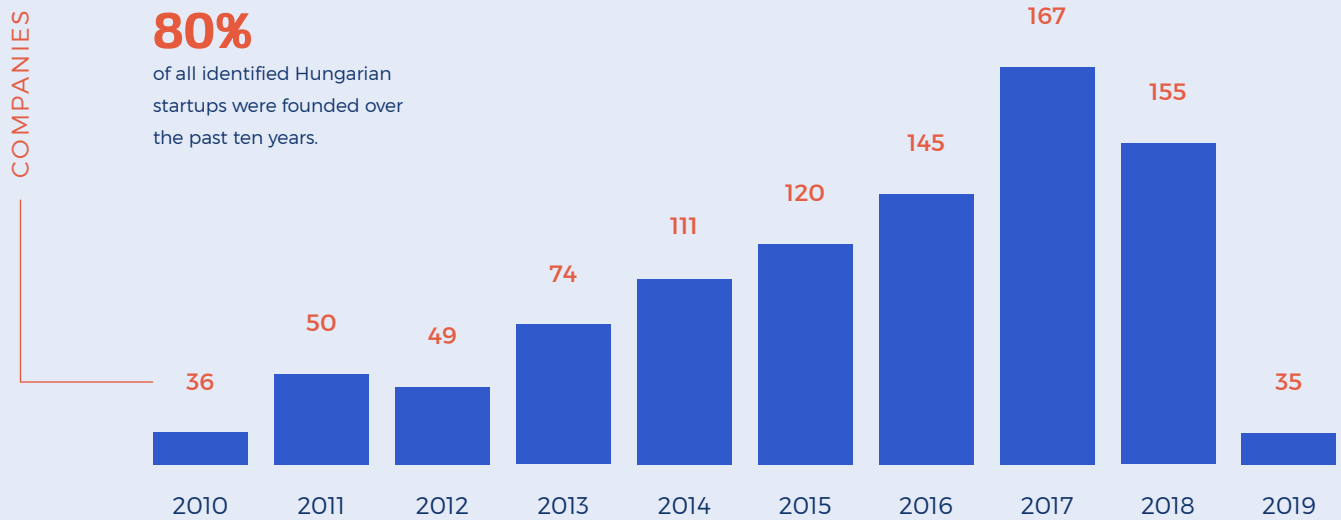
Total Funding

**480**

Startups Funded  
(Received VC or Grants)

# Founding dates for Hungarian startups

\*Discoverability of newly founded startups may lag by one year



## Industries

### Top 10 Verticals



While local stakeholders and government initiatives tend to focus on Hungary's agriculture, mobility and fintech sectors, these trends seem to reflect more 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 there is an estimated shortage of ~20.000 from currently open job positions.

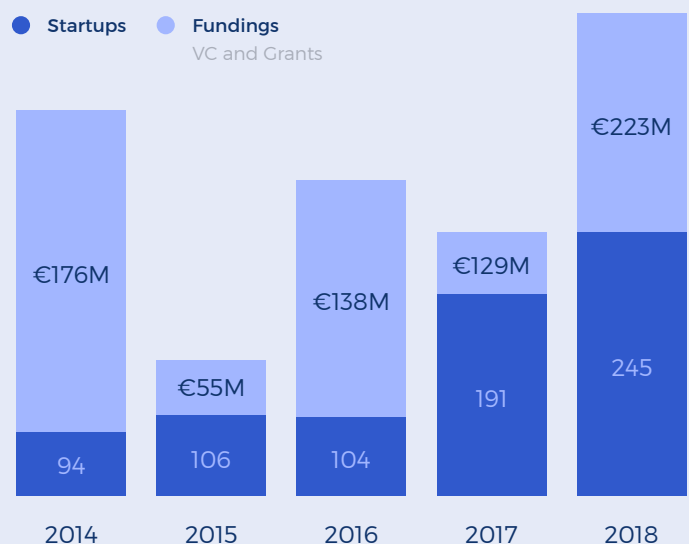
## Top10 Sub-industries

	Companies
1 Health Diagnostics	52
2 Marketplace	33
3 Gamification	33
4 Artificial Intelligence	31
5 Productivity Software	30
6 Analytcs	29
7 Health&Wellness	27
8 Payment Solutions	20
9 E-learning	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.

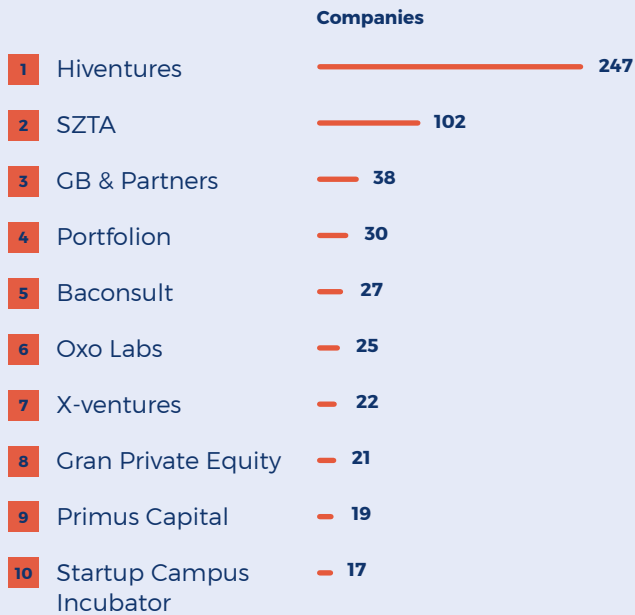
## Funding

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.



# Most Deals Per Investors

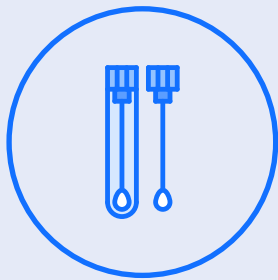
Number of startups funded by top10 investors



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.

# Startups 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 of 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



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



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



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

## Almotive

Mobility – Autonomous Vehicles – Artificial Intelligence



Founded in 2015 – Raised €40M

Almotive 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 Almotive announced a Series C round of \$38 million funded by investors B Capital Group, Prime Ventures and others. This round made Almotive 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

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



# Enterprise Hungary – Startup Campus Program

Startup Campus is a global program for innovative businesses from the idea phase until market entry. With an international team, an extensive partner network, we provide training and education, incubation, international market entry and investment services in several major cities of the world. Startup Campus is active in global events, with the aim to increase the visibility of Hungary, Central and Eastern Europe, encourage entrepreneurship, and connect the various regional startup ecosystems.

**OFFICES** – Berlin, London, Budapest, Debrecen, Győr

**WEB** – [www.startupcampus.hu](http://www.startupcampus.hu)

# HEPA - Hungarian Export Promotion Agency

Being a government institution HEPA Hungarian Export Promotion Agency aims at providing high quality services in order to support the further export success of Hungarian enterprises and improve the country's international image. They work in close co-operation with other state-owned, economic background institutions. Their mission is to see more and more quality Hungarian products available in the international markets and Hungarian brands becoming internationally known. Our agency offers its economic diplomatic and business network as well as promotional services to achieve this goal.

**WEB** – [www.hepa.hu](http://www.hepa.hu)



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