

Equity and Quasy Equity

SEED Co-Investment Fund

DETAILS

COUNTRY: Hungary

REGION: National

TITLE: SEED Co-Investment Fund

PERIOD: 2025

LINK: [NKFIH](#)GOALS, RECIPIENTS,
BENEFICIARIES

The SEED Co-Investment Fund aims to provide early-stage funding to innovative startups and micro- and small enterprises (SMEs) with high growth potential. The fund operates on a market-driven, matching fund basis, where private investors lead the deal evaluation and bring investment opportunities.

The scheme prioritizes companies that:

- Engage in innovation activities beyond TRL 6 and are preparing for market entry.
- Implement projects in collaboration with Hungarian universities.

The beneficiaries are startups and early-stage SMEs with significant innovation potential.

The funding source is the National Research, Development, and Innovation Fund of Hungary, with a total budget of HUF 10 billion. The matching fund to partner with market investors with 50% co-investment. The fund itself does not make investment decisions on its own, its role is to invest in startups in case of a market lead, thus reducing the risk of the market investor (business angel, VC).

ELIGIBLE PROJECTS

The fund supports early-stage and growth-phase innovative businesses.

Eligible cost categories include expenses related to scaling the business, such as operational costs, R&D expenditures, and technology development.

Beneficiaries must demonstrate:

- A scalable and innovative business model.
- Strong financial and market potential.
- Clear technological innovation beyond TRL 6.
- Collaboration with Hungarian universities (if applicable).

SUPPORT

The SEED Co-Investment Fund provides equity-based investments in a matching fund structure, meaning private investors must co-invest alongside the fund.

Private investors conduct the initial financial assessment and due diligence of target companies before investment.

Investment amounts vary depending on the project, with an emphasis on businesses preparing for market entry.

PROCEDURE

Setting up and management:

- Managed by a dedicated financial intermediary.
- Operates as part of the National Research, Development, and Innovation Fund's program strategy.

Access for beneficiaries:

- Companies apply through a structured process.
- Selection criteria include technological readiness, market potential, and investor interest.

The fund follows a matching fund approach, where private investors bring the deals and conduct initial evaluations before the fund co-invests.

Status / Results:

As the program is newly launched in 2025, its initial focus is on building a strong portfolio of early-stage innovative companies.

Expected outcomes include:

- 1) Increased funding availability for startups with high innovation potential.
- 2) Strengthening university-industry collaborations.
- 3) Supporting the commercialization of high-tech solutions.

CONTACTS

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