

Venture Capital and Private Equity update Hungary – H1 2025

Participants in the survey:

Day One Capital
Euroventures
Hiventures
Lead Ventures
Impact Ventures
Obuda Uni Venture Capital
PortfoLion Capital Partners
Széchenyi Funds Ltd.
Sycamore Capital Partners
STRT Holding

The above response rate represents 47,6% of HVCA members.

Introduction

The following is an analysis of data provided by the members of the Hungarian Private Equity and Venture Capital Association and collected from public sources in order to present venture capital and private equity activity in H1 2025. Investments in H1 2025 were executed by 25 funds that are managed by 10 fund managers.

The data was collected through questionnaires completed by our members. Occasionally these questionnaires are not completed in full which may distort the outcome of the analysis. In addition to questionnaires, we collected published transactions from various online news portals.

The report is prepared by HVCA and EY, should you be interested in further industry related information or previous issues of the report please visit <http://www.hvca.hu/en/statistics/>.

Highlights – H1 2025

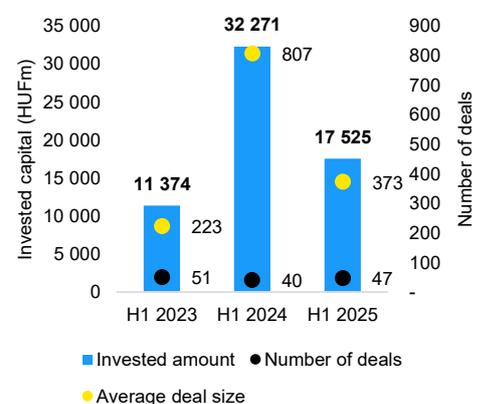
- ▶ Number of closed transactions: 47
- ▶ Number of divestments: 32
- ▶ Total capital invested: HUF 17 525 million
- ▶ Top three most active industries (by value):
 1. Business & industrial services
 2. Computer & consumer electronics
 3. Agriculture

Equity investments

During H1 2025, 47 transactions were closed in Hungary involving 47 target companies that received a total investment of HUF 17 525 million. Total invested value was 45.7% lower than the reported value of transactions in H1 2024 and 54.1% higher than in H1 2023 (see Chart 1).

The total number of transactions shows an increase in the first half of 2025 compared to the same period in 2024 (+17.5%), and a decrease compared to the number of transactions completed in 2023 (-7.8%). The average deal size decreased significantly from H1 2024 to H1 2025 (-53.8%).

Chart 1. – Half-yearly breakdown of the number of transactions



Equity investments – investment stage breakdown

In H1 2025, the largest reported transaction occurred in the PE growth phase amounting to HUF 6 988 million. The second largest transaction amounted to HUF 1 791 million reported similarly in the PE growth phase.

In terms of invested capital, the five largest transactions accounted for 74.4% of the total investment value during H1 2025.

25 out of the 47 transactions were first time investments, which represented 68.7% of the total amount invested.

Considering total invested capital, the largest amounts were allocated to companies classified in the PE growth stage (76.1%). In VC phases, VC start-up was the outstanding category, representing 12.6% of the total investments.

Within the Venture Capital stages altogether 34 transactions were reported, in the VC incubation, VC seed, VC start-up, and VC later-stage venture stages. These stages accounted for 72.3% of the total number of transactions and 23.9% of the total invested value.

Average deal sizes were HUF 4 million in VC incubation stage, 116 million in VC seed stage, 368 million in VC start-up phase, 45 million in VC later-stage venture phase and 1 026 million in PE growth.

The most reported transactions happened in the PE growth stage with 13, whilst no transactions were reported in the PE Buyout, PE rescue/turnaround and PE replacement capital categories.

Equity investments – sector breakdown

Companies from 11 sectors received funding in H1 2025. The three largest sectors by total invested amount were Business & industrial services, Computer & consumer electronics, and Agriculture that accounted for 34.8% of total transaction value and 36.2% of number of deals (see Chart 3 and Table 1).

In H1 2025, the largest transaction occurred in an undisclosed („Other”) sector, whereas the Business & industrial services sector accounted for the second largest transaction value, across 12 deals.

The highest average deal size was HUF 942 million from the Computer & consumer electronics sector, which is followed by the Agriculture sector with HUF 603 million, apart from the largest transaction in the Other sector.

Table 1. – Half-yearly breakdown of investments by sector

Sector	H1 2022		H1 2023		H1 2024		H1 2025	
	Number of transactions	Amount (HUFm)						
Agriculture	-	-	6	1 487	-	-	3	1 809
Business & industrial products	6	6 966	1	140	1	91	6	499
Business & industrial services	17	11 045	10	5 022	10	4 068	12	2 412
Chemicals & materials	-	-	-	-	-	-	-	-
Communications	2	2 280	6	258	6	13 754	3	1 652
Computer & consumer electronics	4	47	4	409	1	1 537	2	1 885
Construction	1	6 247	1	115	-	-	-	-
Consumer goods & retail	10	1 689	6	1 924	3	587	3	191
Consumer services	15	1 837	10	938	4	2 156	5	24
Energy & environment	3	275	1	101	2	184	1	20
Entertainment industry	-	-	-	-	-	-	-	-
Financial services	3	209	2	479	3	1 950	6	1 495
Life sciences	3	108	1	20	5	1 234	5	551
Real estate	6	8 478	3	482	4	4 484	-	-
Transportation	-	-	-	-	1	2 226	-	-
Other	-	-	-	-	-	-	1	6 988
Total	70	39 181	51	11 374	40	32 271	47	17 525

Chart 2. – H1 2025 Invested capital by investment stage

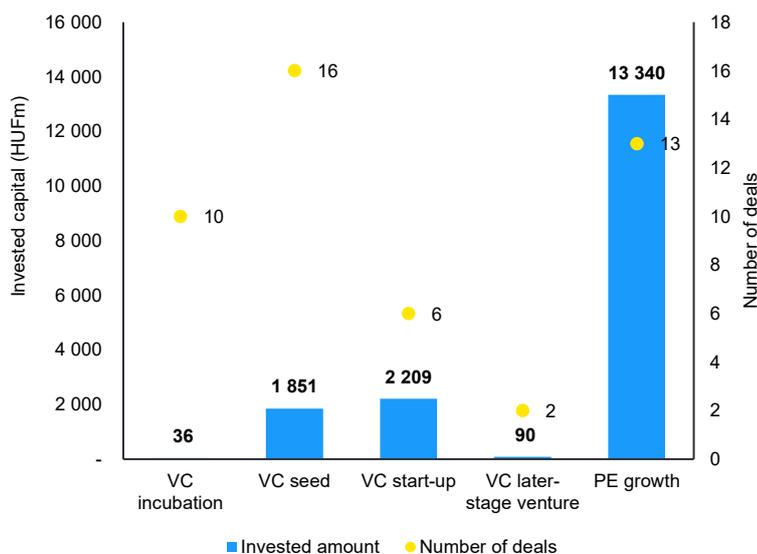
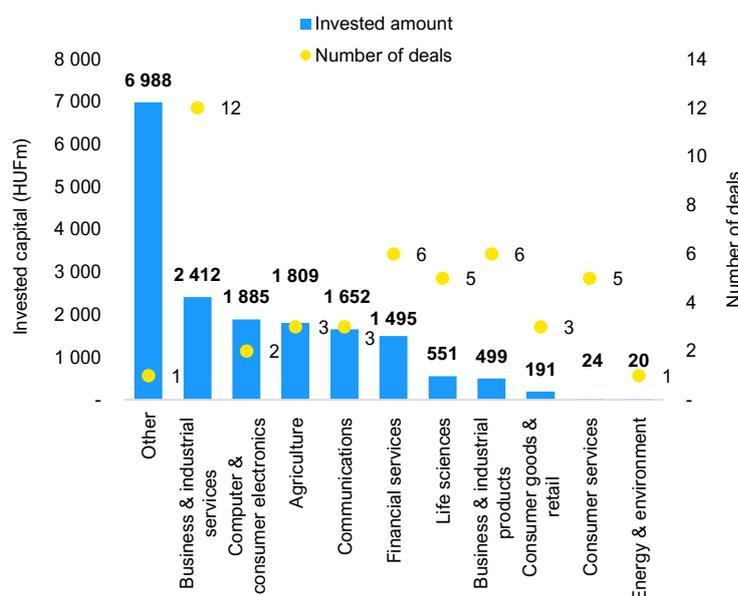


Chart 3. – H1 2025 Invested capital by sector



Divestments

10 funds reported a total number of 32 divestments (25 full and 7 partial) in H1 2025 in various sectors, in which the largest number of divestments – 6 out of 32 - occurred in the Business & industrial services sector. Similarly, the Agriculture sector accounted for another 6 divestments (see Chart 4 below).

Based on the form of exits, divestments comprised 8 sales to management, 7 divestments by trade sale, 7 divestments by write-off, 4 sales to another private equity, 2 divestments by other means, 2 repayments of principal loans, and 2 more in undisclosed forms. The investment lifetime of exited investments varied between 2 to 13 years (see Chart 5). The average investment lifetime of the 32 exits in H1 2025 was around 7.0 years.

Chart 4. – H1 2025 Number of divestments based on sector and form of exit

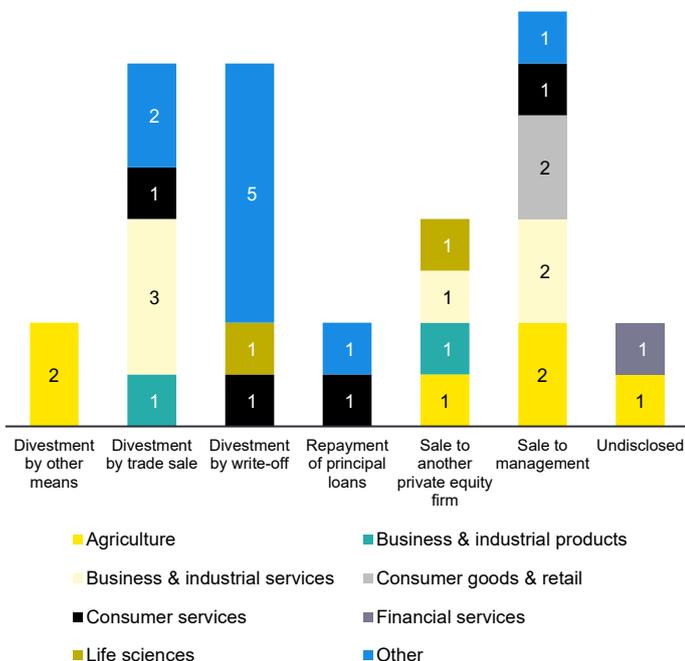
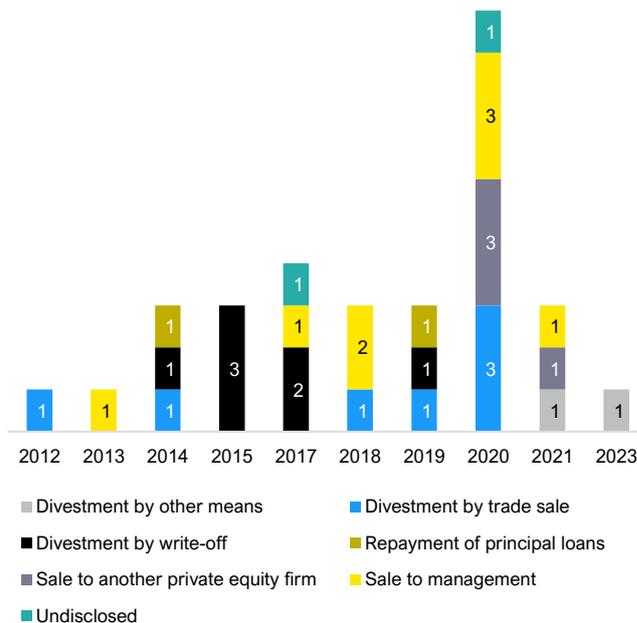


Chart 5. – H1 2025 Number of divestments based on year of first investment and form of exit



Shareholders loan, convertible loan, and safe note investments

In H1 2025, apart from equity investments, financing also included shareholders' loans (owner-provided debt to the company), convertible loans (debt instruments convertible into equity under certain terms), and safe notes (agreements granting future equity without repayment obligations).

A total of HUF 1 407 million in shareholders' loans was provided in H1 2025 across 13 transactions in various VC stages and the PE growth stage. The largest share of shareholders' loans (52.2%) was provided to a single company in the undisclosed („Other”) sector, followed by 13.4% in the Life sciences sector across two transactions and 11.3% in the Communications sector, also through two transactions.

HUF 342 million in convertible loans was provided in H1 2025 across 13 transactions spanning various VC stages and the PE growth stage. The largest share of convertible loans (58.5%) was allocated to the Communications sector in the PE growth stage through a single transaction, followed by 17.5% in the Agriculture sector (1 transaction) and 9.3% in the Business & industrial products sector (2 transactions).

Safe note investments - commonly used in VC seed and start-up phases as a fast, low-cost, and flexible funding instrument - totaled HUF 1 034 million across 3 deals in H1 2025: 2 in the Consumer services sector (HUF 995 million) and one in the Life sciences sector (HUF 39 million).

Fundraising

There was no fundraising reported in H1 2025.

Summary

During H1 2025, 47 companies received HUF 17 525 million from VCs and PE funds. There was a decrease (45.7%) in invested amount, even though the number of the deals in H1 2025 was 17.5% higher compared to H1 2024. The largest amount was allocated in PE growth phase (HUF 13 340 million), and in volume terms most of the transactions were closed in PE growth phase and VC seed phase (61.7% of the total).

Companies operating in Business & industrial services, Computer & consumer electronics, and Agriculture sectors received 34.8% of the total capital invested in the first half of 2025. Considering the number of deals, the most active sector (Business & industrial services) accounted for 13.8% of the total market activity and 25.5% of the number of transactions. Furthermore, the largest transaction by value can be found in an undisclosed „Other” sector (HUF 6 988 million).

There were 32 divestments by 10 funds in various sectors. A high number of divestments – 22 out of 32 – were classified as either sale to management, divestment by trade sale, or divestment by write-off in H1 2025.

There were HUF 1 407 million in shareholders' loans, HUF 342 million in convertible loans, and HUF 1 034 million in safe notes provided by venture capitals and private equities in H1 2025.