

Austria as a Land of Founders: Large-Scale Exits Underline Startup Successes

- **An increasing number of Austrian startups target of multi-million euro deals**
- **German companies invest in Austrian innovations**
- **Land of Founders strategy of the Austrian Federal Government pays off**

Vienna, July 20, 2017 – Whether Prescreen, mySugr, runtastic or Shpock, Business Location Austria can already look back at several major multi-million euro exits. These success stories reflect the strong infrastructure and funding landscape for startups in Austria. The latest examples of success:

Complete package for the job market: Xing acquires Prescreen

Back in 2013, the German company Xing acquired the review platform kununu founded in Vienna. This year, the career network once again concluded a deal in Austria. In July Xing purchased the Viennese human resources startup Prescreen for EUR 17 million in order to expand its leading position in e-recruiting. With the help of seed financing provided by the Karlsruhe, Germany-based venture capital investor KIZOO Technology Capital, Prescreen managed to expand its sales, development and marketing department and to open up a second office in Berlin.

Joint management of diabetes: Roche purchases mySugr

The Swiss pharmaceutical giant Roche acquired the Vienna healthcare startup mySugr, which also took place in July 2017. The parties to the agreement agreed to keep the purchase price confidential, but market reports pointed to a transaction of up to EUR 200 million. As a result, the acquisition of mySugr would represent one of the largest takeovers in Austrian history. mySugr was founded in 2012 by four entrepreneurs who developed the app mySugr from their own experiences with diabetes. They received the necessary start capital from seed financing provided by the federal funding bank Austria Wirtschaftsservice (aws), amongst other sources, as well as from other venture capital investors, including the business angel Hansi Hansmann.

Austrian Startups: Key Facts and Figures

- **55.4%** receive public sector funding (No.1 in the EU)
- **60.4%** belong to the digital economy
- **31%** of all founders were born in another country
- Close to **84%** cooperate with established companies
- **1.5% to 3%** of all newly established firms are startups, corresponding to about 500-1000 startups founded each year
- Approx. **41%** also operate in other European markets
- More than EUR **81** million in capital was raised in 2016

Sources: [Austrian Federal Economic Chamber](#), [Startup Report Austria 2016](#) and [European Startup Monitor 2016](#)

The flea market App Shpock negotiates a good price

The inventors of the successful flea market app Shpock also started their company bearing the same name with the financial support of aws as well as the risk capital company Speedinvest, the business angel Hansi Hansmann and the university startup service INiTS. In September 2015, the Norwegian media group Schibsted acquired a 91% stake in the startup which was valued at that time at about EUR 200 million.

Top spot: runtastic sets the pace

However, runtastic continues to play a pioneering role among Austrian startups. In 2015, the German sporting goods producer Adidas invested an impressive EUR 220 million in the fitness app enabling users to assess the distance they have run, the number of steps taken, energy consumption etc. runtastic also continued to further improve its track record after the takeover, increasing the number of users to 110 million. This transaction is the largest startup exit in the Alpine Republic to date.

Funding the startup scene pays off

This and other lucrative exits comprise an expression of target measures implemented by the Austrian Federal Government to provide regulatory, financial and operational support of the domestic startup scene. In the spring of 2015, the government also defined the goal of making the Alpine Republic the most founder-friendly country in Europe by the year 2020 and presented the “Land of Founders strategy” with five main areas of action and 40 individual measures. Within the context of this strategy, the government also approved a startup package with a volume of EUR 185 million providing substantial relief for German and international founders. This includes the startup visa for international founders (as of October 1, 2017), a reduction in non-wage labor costs during the first three years as well as business angel and seed financing funds.

Editorial note:

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