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MSS has chosen 50 baby unicorns and 15 preliminary unicorns that will grow into global unicorn companies

Starting in 2024, MSS will provide a special guarantee of up to KRW 5 billion to baby unicorns. MSS will also offer an additional 30% guarantee limit to preliminary unicorns.

Sejong, June 28, 2024 – The Ministry of SMEs and Startups (MSS, Minister OH Youngju) announced on Thursday, June 27, that it has selected 50 baby unicorns and 15 preliminary unicorns with high growth prospects to become global unicorn companies.

Since the launch of the Global Unicorn Project in 2019, 250 baby unicorns and 111 preliminary unicorns have been selected. In the latest round of the project this year, 199 companies applied for the baby unicorn nurturing program, and 107 companies applied for the preliminary unicorn special guarantee. This reflects competition ratios of approximately 4:1 and 7:1, respectively.

<Baby & Preliminary Unicorn Overview>

▪ Baby Unicorn Overview (from 2020)

- (Project objective) To discover baby unicorns verified for their innovation and growth and develop them into preliminary unicorns with global competitiveness.
- (Eligibility for apply) Startups founded within seven years, with either an investment of KRW 2 billion to KRW 10 billion or a company valuation of over KRW 30 billion.
- (Details of support) Subsidy of KRW 300 million (market research, marketing, etc.), a special guarantee of KRW 5 billion (Korea Technology Finance Corp.), global IR consulting (public-private collaboration), etc.

▪ **Preliminary Unicorn Overview (From 2019)**

- (Project objective) To support the scaling up of financing for innovative companies that meet market validation, growth potential, and innovation criteria to facilitate their development into unicorns.
- (Eligibility for apply) Companies with an investment exceeding KRW 5 billion (KRW 3 billion for regional "STAR" companies) or a company valuation exceeding KRW 100 billion that demonstrate growth and innovation among unlisted companies.
- (Details of support) Special guarantee of KRW 20 billion (guarantee fund), M&A funding support, global consulting (public-private collaboration), overseas expansion support, etc.

The selected baby unicorns will be provided with funding of up to KRW 300 million to develop new markets. Additionally, in 2024, a special guarantee of up to KRW 5 billion from the Korea Technology Finance Corporation (KOTEC) has been newly introduced. This initiative aims to facilitate the swift and smooth securing of growth funding for baby unicorns.

The selected preliminary unicorns will receive a maximum special guarantee of KRW 20 billion per company, along with an additional 30% guarantee limit for companies within the top 30% in the final evaluation for accelerating global expansion.

The Ministry will strategically support companies looking to enter global markets by matching them with private consulting firms to provide tailored growth support. Additionally, the Ministry will enhance non-financial support by improving IR assistance for domestic and international venture capital firms. This plan aims to help baby unicorns advance to the next stage, preliminary unicorns, and eventually grow into global unicorns.

In 2024, the average investment raised by baby unicorns is KRW 6.04 billion, with an average revenue of KRW 3.55 billion. For preliminary unicorns, the average investment raised is KRW 38 billion, with an average revenue of KRW 20.9 billion. These figures indicate that the promising companies recognized for their technological expertise and enterprise value were selected.

FriendliAI stood out among the baby unicorns in the final evaluation. The company offers a

platform for customized language model training, allowing other companies without AI technology to access generative AI at a low cost in a cloud-based environment. Due to the rising demand for customized language model training, FriendliAI is expected to gain prominence in the market.

One of the emerging unicorns, Dot, specializes in tactile display technology that converts graphical information into braille. It has received exceptional evaluations and gained recognition through awards at global conferences for the visually impaired and CES. Dot has also demonstrated significant export performance, with US Department of Education contract sales accounting for more than 80% of its total revenue. This positions Dot for expected growth as it aims to become a global unicorn.

Minister OH Youngju stated, "In spite of difficult economic conditions, the Global Unicorn Project has consistently expanded its accomplishments, with numerous baby and preliminary unicorns achieving success in IPOs and attaining unicorn status," she said. "In the future, we will continue to enhance policy support to nurture global unicorns that lead the world market."