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CONTACT: Spokesperson's Office

PHONE NUMBER: +82-44-204-7104

EMAIL: rachelmchun@korea.kr**Ministry of SMEs and Startups Unveils "TIPS Next Strategy"**

SEJONG – The Ministry of SMEs and Startups (MSS), led by Minister OH Youngju, hosted the TIPS Next & Event at the Raum Art Center in Seoul, with over 400 participants, including TIPS operators, selected startups, support organizations, and industry experts. At the event, the Ministry announced the "TIPS Next Strategy," outlining the future direction of the TIPS (Technology Incubator Program for Startups) initiative.

This event marked a major milestone, celebrating KRW 15 trillion in follow-up investments over the 10 years since the launch of TIPS. It also provided a platform to discuss the program's future and share its achievements. Throughout the event, participants gathered to acknowledge TIPS' success in attracting substantial private investment and to reflect on its role in fostering innovation and entrepreneurship in Korea.

As part of the celebration, awards were presented to the top three teams from the integrated final competition, "Welcome to TIPS Excellent Companies," with three companies per region recognized for their outstanding contributions. Additional accolades were given to TIPS companies, operators, and support organizations that have played a key role in the success of the program.

During the event, the Ministry also introduced the "TIPS Next Strategy," which analyzes the program's achievements over the past decade and outlines its future policy direction. A panel discussion followed, where representatives from successful TIPS companies shared their experiences, and participants offered feedback on the newly announced strategy.

TIPS is a collaborative program where MSS-selected operators leverage private sector expertise to select startups, with the government providing support in the form of R&D funding and commercialization assistance. Since its inception, TIPS has supported over 3,200 startups, helping them attract KRW 15 trillion in follow-up investment. This success has led to the

creation of 22,549 new jobs.

In 2023, CB Insights, a leading American data analysis and research organization, recognized TIPS as one of the Top 4 Global Accelerators. This recognition highlights TIPS as not only a standout initiative domestically but also an internationally acclaimed program, establishing it as a representative force in supporting technological startups. Building on these remarkable achievements, which followed the program's launch a decade after its planning in 2013, the TIPS Next Strategy has been developed to evaluate the program's success and identify improvement strategies for its future growth.

Minister OH Youngju remarked, "In an era defined by technological dominance, where innovation is key to national competitiveness, supporting and nurturing tech startups with promising technologies is more critical than ever." She continued, "With the TIPS Next Strategy at the core of our efforts, we will actively support the mid- and long-term growth of TIPS companies, helping them scale and expand globally, ensuring that promising tech startups can strengthen their competitiveness in the global market."

The TIPS Next Strategy consists of four strategic tasks: 1) strengthening scale-up support for mid-and long-term growth, 2) enhancing support for overseas expansion to facilitate global advancement, 3) promoting the influx of TIPS into regions outside the capital area to foster local startup ecosystems, and 4) establishing governance for systematic project implementation. The key details are as follows:

1) Strengthening Scale-Up Support for the Mid- and Long-Term Growth of TIPS Companies

First, we aim to strengthen the qualitative growth of TIPS companies by utilizing an AI-based performance system for company diagnostics and providing tailored solutions according to each company's growth stage. This will help establish clear success criteria for TIPS companies, offering guidelines based on years in operation and development stages. Additionally, a private loan program will be introduced to provide concurrent support for scale-up growth funding, alongside follow-up investments targeted at successful TIPS companies. We also plan to expand post-TIPS funding for companies that have achieved outstanding results.

To further drive success, the "TIPS Company of the Year" will be selected to highlight exemplary TIPS companies and investment connections with scale-up TIPS operators. This initiative aims to strengthen the interconnection between policies by granting maximum points to companies participating in scale-up TIPS programs.

Through the TIPS Advanced Management Program (AMP), we will offer specialized training

that provides pre-evaluation and expertise on technology readiness and competitive advantages, leveraging insights from successful IPO companies and other industry leaders. This initiative is designed to promote exit strategies and create a virtuous cycle within the startup ecosystem.

2) Enhancing Support for Overseas Expansion to Facilitate Global Advancement

To transform domestic innovative startups into global leaders, we will establish a dedicated global R&D track that supports collaborative research and development, as well as technology transfer, with leading overseas research institutions. This initiative will move beyond domestic-based growth and foster international partnerships. Additionally, the newly launched Global TIPS program in 2024 will expand from 20 to 30 participants in 2025.

We will also designate and collaborate with globally specialized operators who have established international networks and expertise in overseas expansion. This will further facilitate the international expansion of TIPS companies. To strengthen these efforts, we will organize meetups with foreign business delegations visiting South Korea, as well as engage with our overseas diplomatic missions. Moreover, we will systematically support the global advancement of TIPS companies by leveraging the extensive overseas Korean network, which includes successful entrepreneurs and investors by enhancing local meetups abroad.

3) Promoting the Influx of TIPS to Regions Outside the Capital Area to Develop Local Startup Ecosystems

We will restructure the Pre-TIPS program into a regional company-focused track and actively promote the expansion of TIPS into local regions through regular investment relationship (IR) events. These events will focus on identifying promising startups, intensively nurturing them through acceleration, and connecting them to follow-up investments. The Center for Creative Economy Innovation will lead these efforts.

Additionally, we plan to connect deep tech startups within TIPS by organizing IR events in collaboration with TIPS operators, focusing on resident companies located in global innovation special zones where R&D and rapid commercialization are possible. This strategy aims to identify and connect promising companies, especially those linked to regional strategic industries.

Furthermore, we will prioritize hosting the networking event "Welcome to TIPS" for aspiring TIPS companies and operators based outside the capital area. Through the newly established TIPS Council, we will also work to revitalize local startup ecosystems by facilitating knowledge sharing between experienced senior companies and next-generation startups, helping them benefit from accumulated expertise.

4) Establishing Governance for Systematic Project Implementation

We will designate outstanding institutions with specialized personnel in company evaluation and management, as well as expertise in global expansion support and incubation, to serve as operating organizations that will provide systematic support to TIPS companies. Additionally, we will identify and engage "specialized operators" to share sector-specific programs in areas such as management and taxation with TIPS (aspiring) companies.

We also plan to introduce the "TIPS Operator of the Year" award to recognize outstanding operators and provide them with preferential treatment in the master fund investment project. Moreover, when follow-up investments from operators are secured, we will provide additional funding for commercialization, further enhancing the role of operators in driving TIPS companies' success.

About TIPS

Tech Incubator Program for Startup (TIPS) is a program in which private operating organizations (investment firms), including startup planners and early-stage venture capitalists, select and recommend innovative startup companies, while the government provides linked support for technology development and commercialization funding. TIPS is a system where operators selected by the MSS utilize private expertise and capabilities to select startup companies, and the government supports them with R&D and startup commercialization funds. To date, over 3,200 startups have received support, attracting follow-up investments totaling KRW 15 trillion and creating a total of 22,549 new jobs, demonstrating excellent outcomes.