# Kodesage raises €2.3 million to modernise legacy software systems



Legacy software startup Kodesage has successfully raised €2.3 million in Pre-Seed funding to advance its mission of modernising outdated enterprise systems. As stated by the company, legacy systems are often critical to operations yet carry substantial risks, which include reliance on obsolete technology, inadequate documentation, dependencies on specific employees, and various performance issues.

In light of these challenges, enhancing legacy systems is imperative for organisations striving to maintain their competitive edge. Outdated technology can restrict performance, elevate security vulnerabilities, and inflate maintenance costs. The process of maintaining these systems necessitates continuous updates, patches, and ad hoc fixes from various sources, ultimately complicating employee training and further escalating risks and expenses.

Kodesage’s innovative, AI-powered platform offers to streamline the modernisation process while also facilitating smoother employee onboarding. This platform ensures compliance and data security for enterprises and essentially acts as a guiding tool for engineers. It simplifies code navigation, allowing users to upgrade even the most complex legacy systems without requiring prior project knowledge. Designed with an enterprise-first approach, Kodesage's platform supports on-premise and air-gapped deployments, ensuring adherence to compliance and security standards.

Gergely Dombi, Co-founder and CEO of Kodesage, explained the rationale behind the startup’s approach: "Legacy systems are outdated and painful to manage, yet they’re still mission-critical for enterprises. Replacing them outright is often impossible due to high costs and risks. That’s where Kodesage comes in: our technology empowers businesses to enhance and evolve these systems without the massive upheaval of full replacements."

What differentiates Kodesage’s platform from others in the market, such as those developed by OpenAI, is its lower hardware requirements, which may result in cost efficiency for companies. The platform is model agnostic, meaning it can utilize various models while allowing clients the flexibility to choose their preferred ones.

The funding round was led by PortfoLion Capital Partners, the venture capital and private equity arm of OTP Group. The round also attracted participation from angel investors, which included three former senior executives from UiPath and other seasoned professionals in enterprise software.

Márk Pálfalvi, Principal at PortfoLion, remarked on the landscape of legacy system modernisation: "We’ve seen thousands of teams over the past two decades helping enterprises with their modernisation efforts, before the current generative AI wave. However, the AI toolkit that has emerged over the past two years has now opened up a new, even more painful part of the legacy stack for modernisation in a venture-scalable way.”

With existing paying customers and multiple pilot projects in progress, Kodesage is poised to utilise the new funding to enhance its platform further and scale its go-to-market strategies. The development signifies an ongoing trend in the business sector towards leveraging AI technologies to resolve long-standing challenges posed by legacy systems.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.finextra.com/pressarticle/104109/kodesage-an-ai-startup-for-modernising-legacy-systems-raises-23-million-in-pre-seed-funding> - This article supports the claim that Kodesage has raised €2.3 million in pre-seed funding for modernizing legacy systems and highlights its AI-powered platform's benefits.
* <https://www.otp.eu/en/investor-relations/otp-group/our-business/otp-group-structure/portfolion-capital-partners> - This link provides information about PortfoLion Capital Partners, the VC arm of OTP Group that led the funding round for Kodesage.
* <https://www.uipath.com/company/about-uipath> - This page offers background information on UiPath, whose former executives participated in Kodesage's funding round.
* <https://en.wikipedia.org/wiki/Legacy_system> - This Wikipedia entry explains the challenges associated with legacy systems, such as reliance on obsolete technology and performance issues.
* <https://www.gartner.com/en/topics/legacy-systems> - Gartner provides insights into the challenges and strategies for modernizing legacy systems, aligning with Kodesage's mission.
* <https://www.forbes.com/sites/forbestechcouncil/2022/01/25/the-importance-of-ai-in-modernizing-legacy-systems/?sh=3f2f7c7d6c6b> - This article discusses the role of AI in modernizing legacy systems, supporting Kodesage's approach.
* <https://www.cio.com/article/395513/what-is-legacy-system.html> - This CIO article provides an overview of legacy systems and their impact on businesses, reinforcing the need for modernization.
* <https://www.ibm.com/cloud/learn/legacy-systems> - IBM offers insights into the challenges and opportunities of modernizing legacy systems, aligning with Kodesage's goals.
* <https://www.mckinsey.com/industries/financial-services/our-insights/modernizing-legacy-systems-in-financial-services> - McKinsey discusses strategies for modernizing legacy systems in financial services, highlighting the importance of such efforts.