

TURKISH STARTUP ECOSYSTEM

2023 H1 REPORT

V1.0 - JULY 11, 2023

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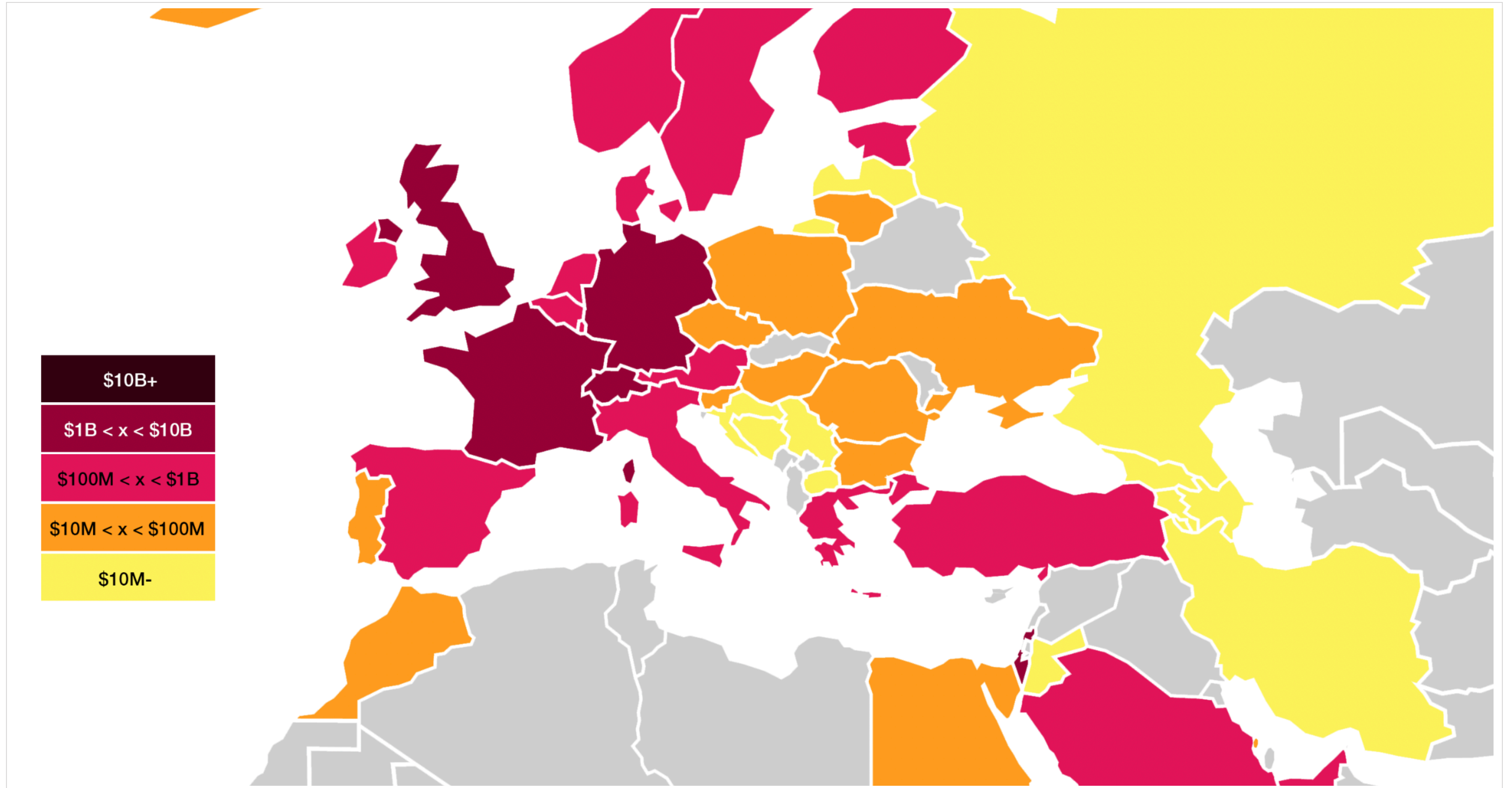
DISCLAIMER

- This report has been compiled for informational purpose only and should not be construed as a solicitation or an offer to buy or sell securities in any entity.
- Historical funding data is subject to change as our team explore new data.
- You may use this report partially in your presentations by citing startups.watch.

METHODOLOGY & DATA

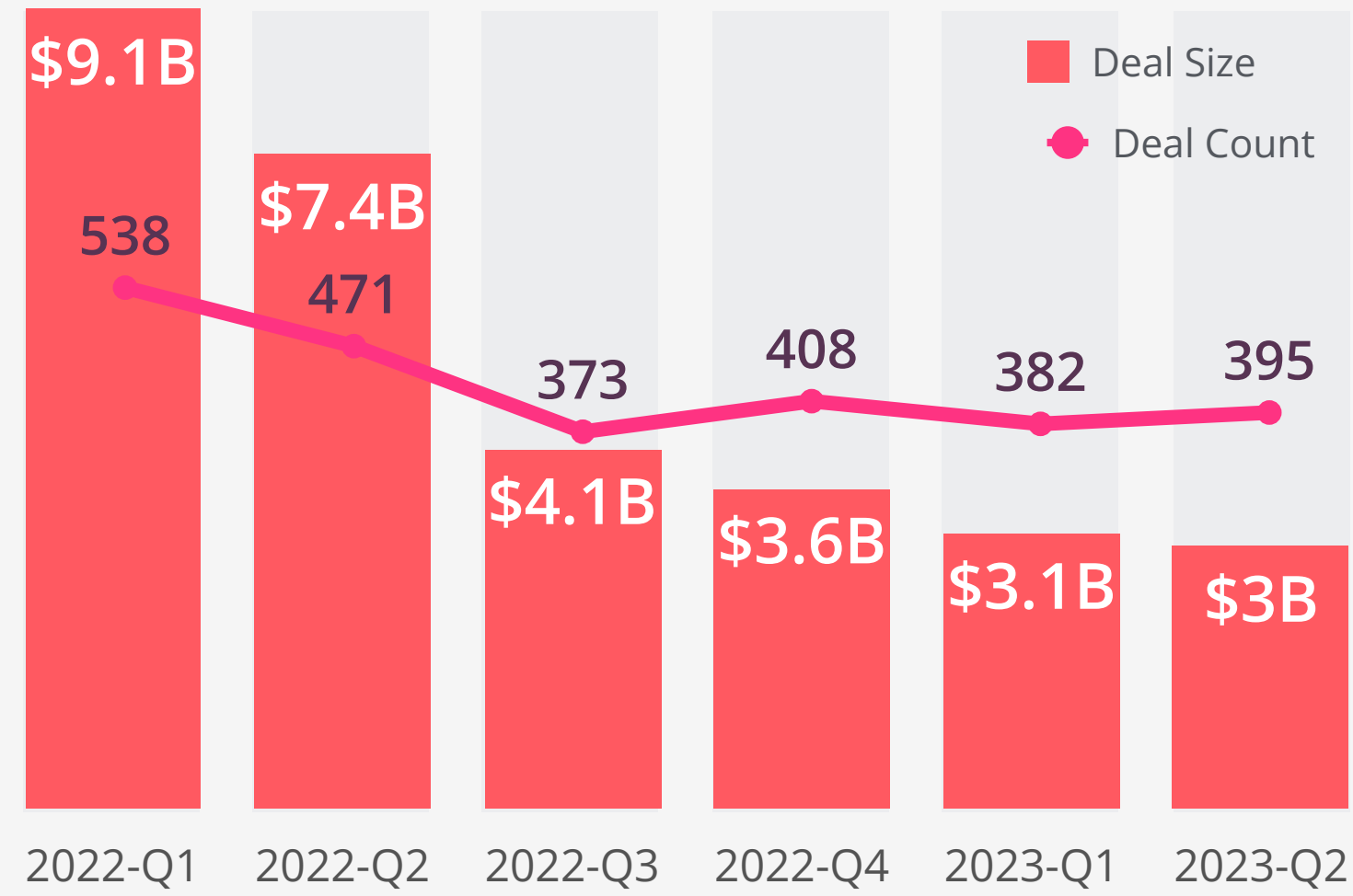
- Only verifiable fundings are included. Fundings are verified via Chamber of Commerce, direct confirmation with startup or investor, or press release.
- If a funding is directly or indirectly listed in Chamber of Commerce data, then it's added to Turkish funding data, regardless of where they are currently registered.
- Buyouts, M&A and secondary transactions are treated as exits and excluded from funding data.
- If there is a tranching investment, only the amount shown in the chamber of commerce is taken into account.
- Categories (Tags) are not mutually exclusive.
- WHAT IS INCLUDED : Fundings of private companies, angel rounds, seed rounds, series A, B, C... rounds.
- WHAT IS EXCLUDED: Funding rounds raised by public companies, debt/loans, secondary transactions, grants, ICOs, non-equity rounds.
- If you are not familiar with the terms used in our platform, check our blog post : <https://blog.startups.watch/definitions-433856df8d17>
- Please send an email to support@startups.watch and we can work together to ensure your firm's investment data is up to date.

- In the first half of 2023, **\$111 million** were invested across **130 deals** in seed, early and later vc stages.
- Funding in Türkiye in the second quarter reached **\$52 million** (72 deals) — marking a **59% decline** year over year from **\$126 million** (95 deals) in the second quarter of 2022.
- In terms of deal count; Gaming, Energy, Sustainability, Fintech and Marketplace were hot topics of the first half of 2023.
- 28 startups received a total of **\$9.3M** investments through crowdfunding platforms in the first half of 2023.
- In the first half of 2023, foreign investors participated **15%** of angel and vc deals.
- In the first half of 2023, **39 out of 130** investments had a company or a CVC among the investors.
- In the first half of 2023, **one in every 2 investments** had a VCIF (GSYF) among the investors.
- The number of VCIF (GSYF) authorized for establishment reached **270** (13 of them are not active). Half of these belong to the **last 1.5 years**.
- Turkish startups continued to make acquisitions abroad and in Türkiye in the second quarter.
- In the first half of 2023, **19 out of 130** investments had female founders.
- Experienced VCs' interest in diaspora and relocated startups continued in Q2 2023.

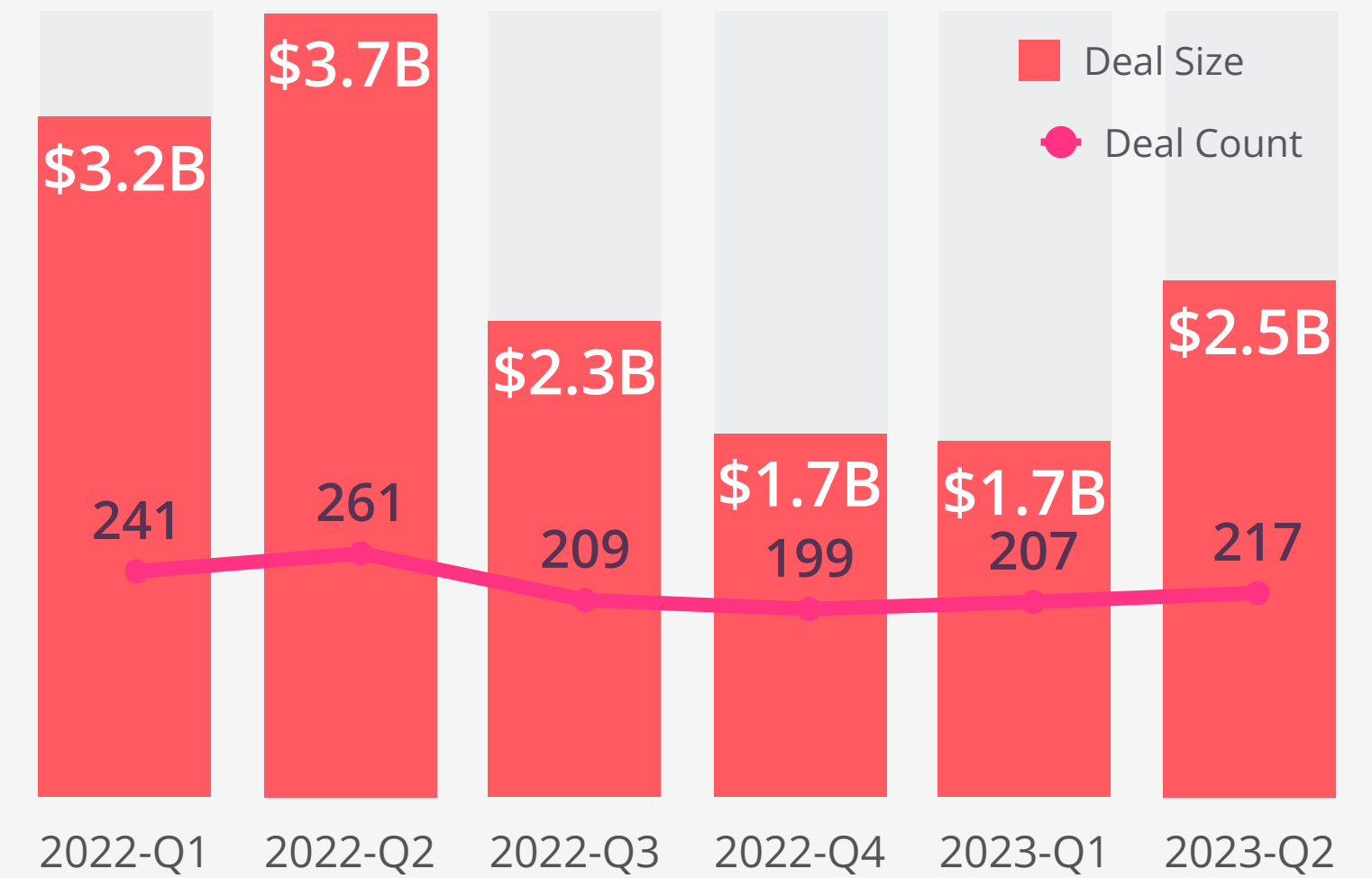


Notes : Only disclosed equity fundings are counted. Non-equity, secondary and post-IPO transactions, grants and convertible debts are excluded. Source : Crunchbase & Startups.watch & Public Sources

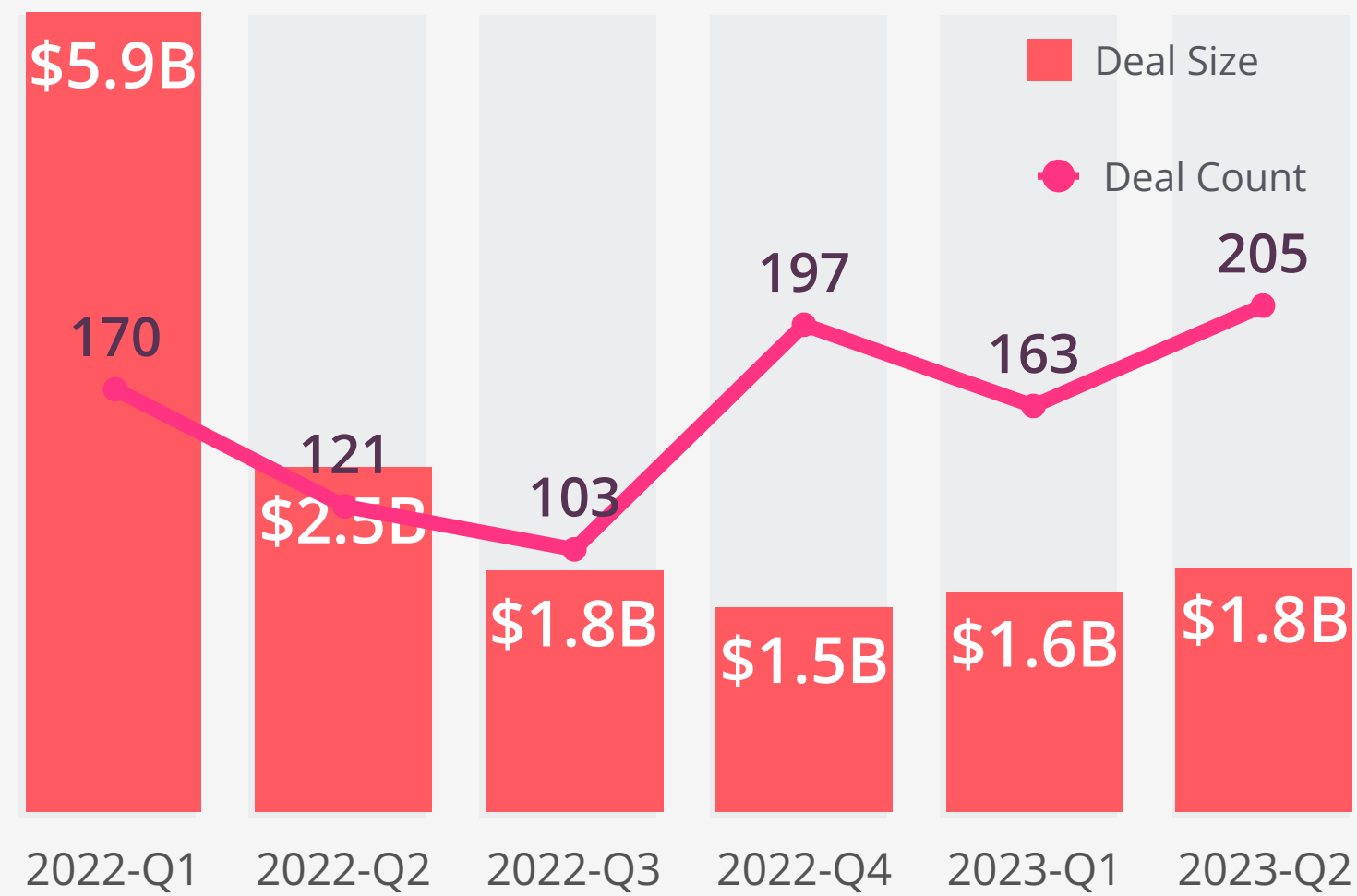
UK



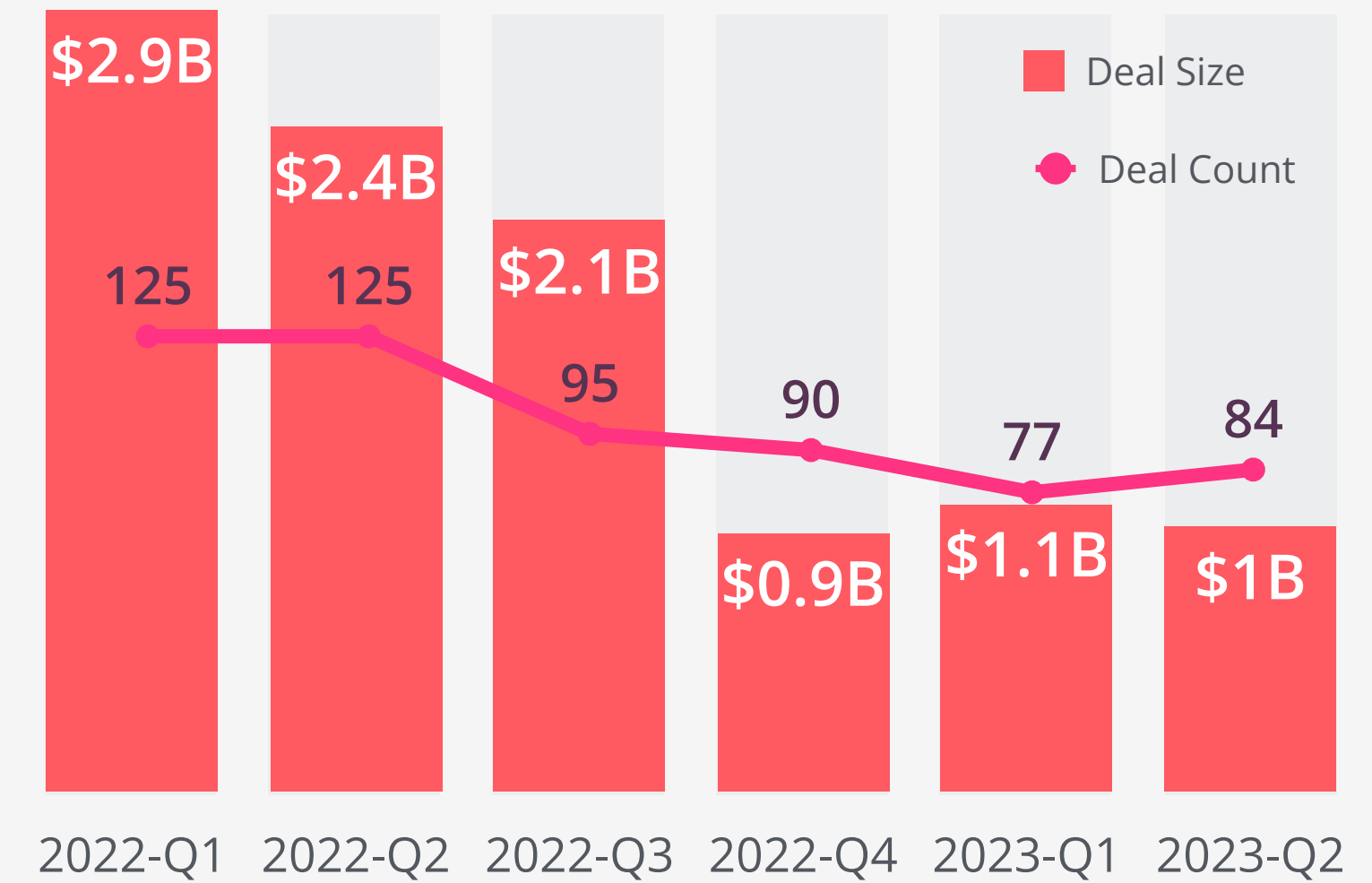
GERMANY



FRANCE



ISRAEL

















Champions League







Super League

1. League

2. League

	United Kingdom	\$6.1B	(777)
	Germany	\$4.2B	(424)
	France	\$3.4B	(368)
	Switzerland	\$1.2B	(148)

	The Netherlands	\$880M	(170)
	Spain	\$872M	(197)
	Sweden	\$697M	(117)
	Denmark	\$585M	(58)
	Italy	\$447M	(109)
	Ireland	\$392M	(64)
	Austria	\$335M	(43)
	Belgium	\$309M	(55)
	Finland	\$250M	(54)
	Norway	\$167M	(33)
	Estonia	\$125M	(35)
	Greece	\$112M	(14)
	Türkiye	\$111M	(130)
	Luxembourg	\$107M	(12)

	Czechia	\$55M	(19)
	Romania	\$53M	(18)
	Poland	\$49M	(43)
	Iceland	\$47M	(9)
	Portugal	\$47M	(21)
	Lithuania	\$46M	(17)
	Bulgaria	\$39M	(20)
	Slovenia	\$20M	(2)
	Ukraine	\$14M	(13)
	Hungary	\$13M	(5)

Champions League

Super League


1. League

2. League

	Israel	\$2.2B	(161)
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	Saudi Arabia	\$338M	(28)
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	United Arap E.	\$222M	(70)
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	Türkiye	\$111M	(130)
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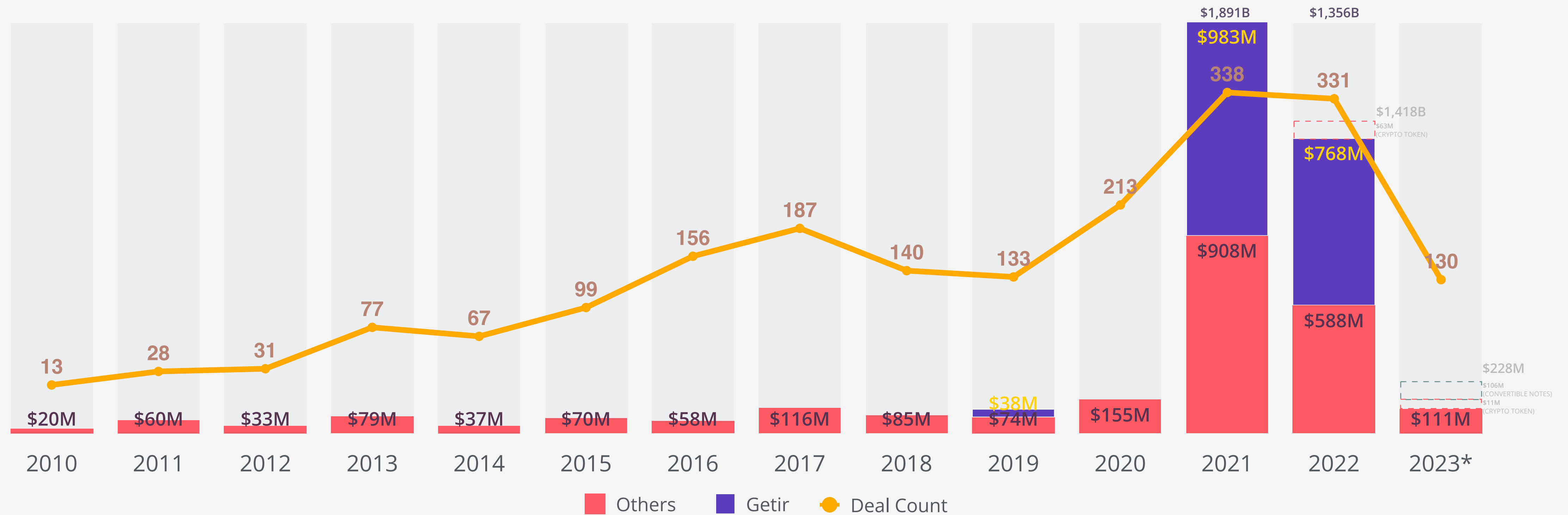
	Egypt	\$61M	(17)
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	Bahrain	\$15M	(7)
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	Morocco	\$13M	(15)
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- In the first half of 2023, **\$111 million** were invested across **130 deals** in seed, early and later vc stages.
- Including the **\$11 million** Metatime crypto token deal and convertible notes (Insider and 5 more deals) the total amount reached **\$228 million**.

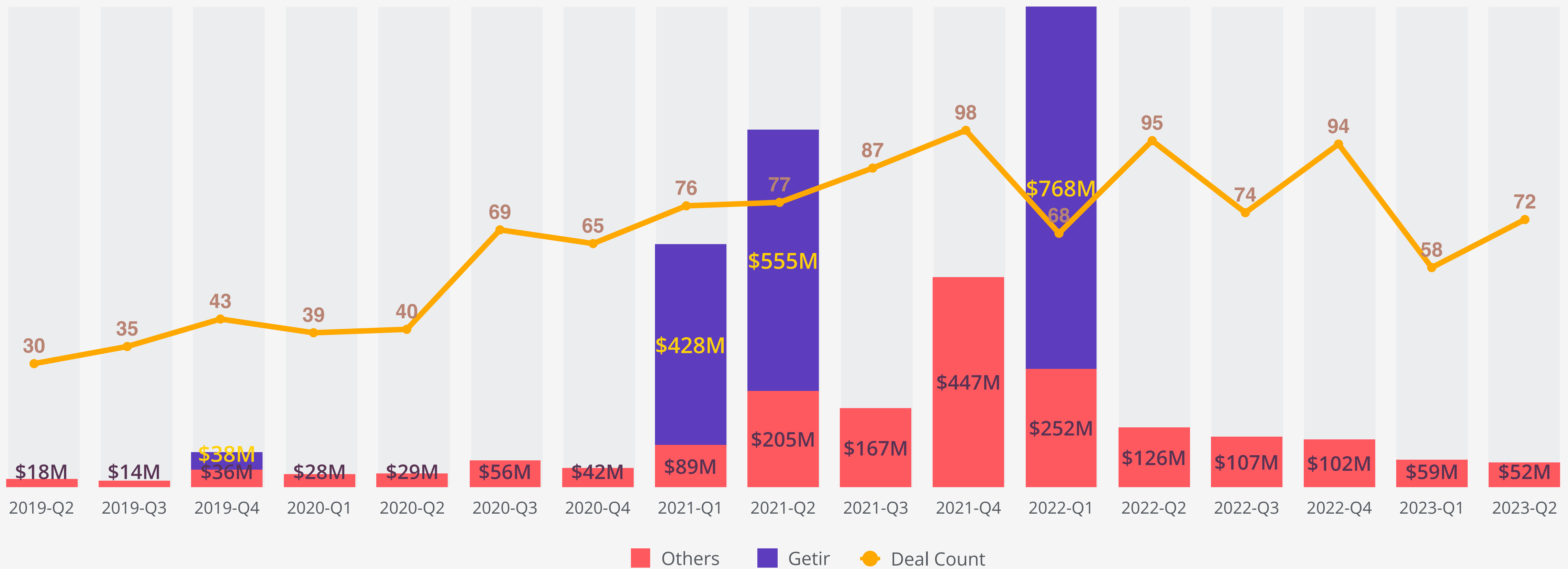
YEARLY ANGEL & VC DEALS IN TÜRKİYE



*: As of July 10, 2023 ; Notes : Only disclosed equity fundings are counted. Non-equity, secondary and post-IPO transactions, grants and convertible debts are excluded. (Check startups.watch for updates)

- Funding in Türkiye in the second quarter reached **\$52 million** (72 deals) — marking a **59% decline** year over year from **\$126 million** (95 deals) in the second quarter of 2022.

QUARTERLY ANGEL & VC DEALS IN TÜRKİYE



Notes : Only disclosed equity fundings are counted. Non-equity, secondary and post-IPO transactions, grants and convertible debts are excluded. (Check startups.watch for updates)

- Despite the recent establishment of many VCIFs (GSYF) and the launch of crowdfunding platforms, investments have declined significantly at every stage.
- The main reasons for this could be the **global downturn**.

TÜRKİYE YEARLY DEAL (\$) ACTIVITY BY STAGES

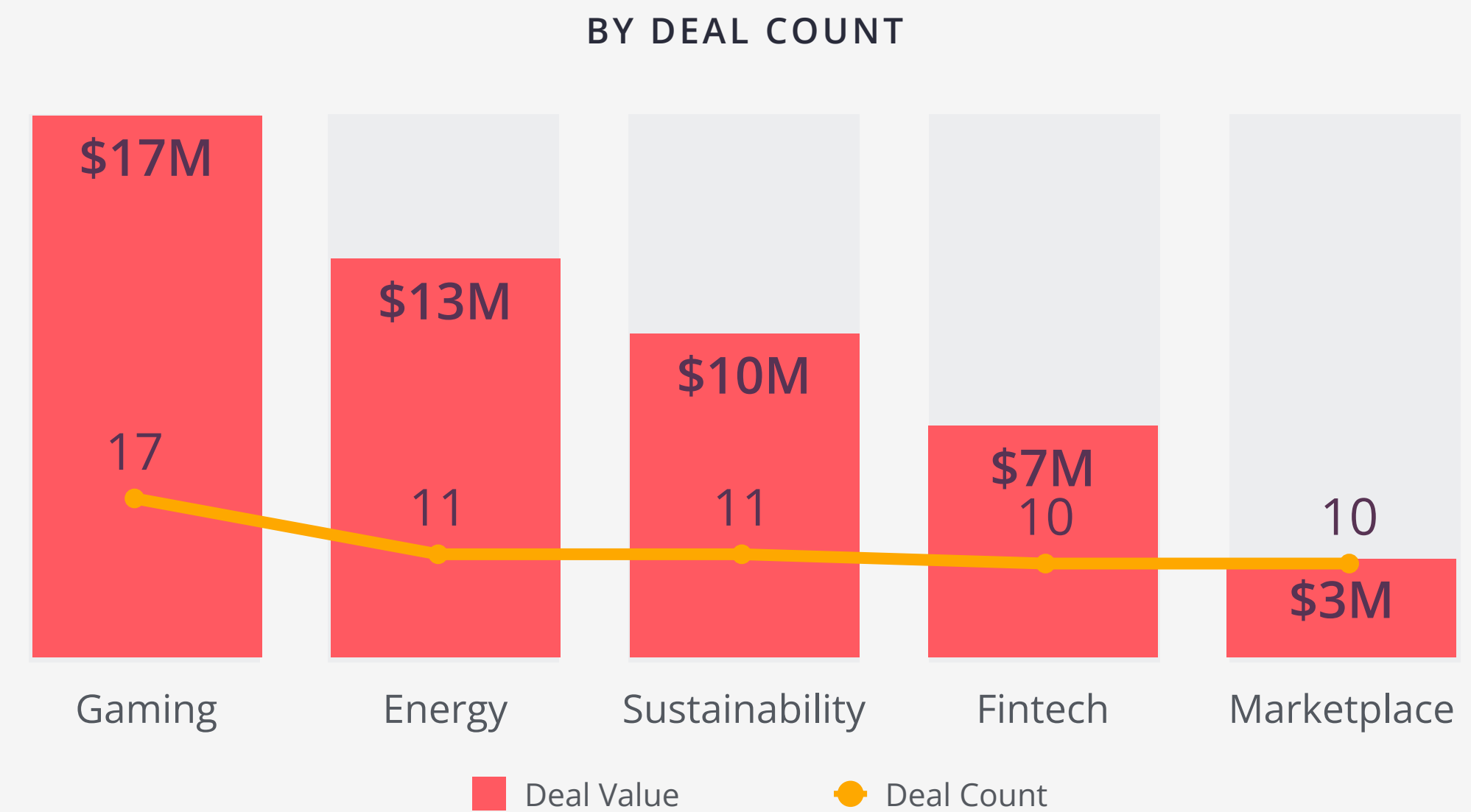
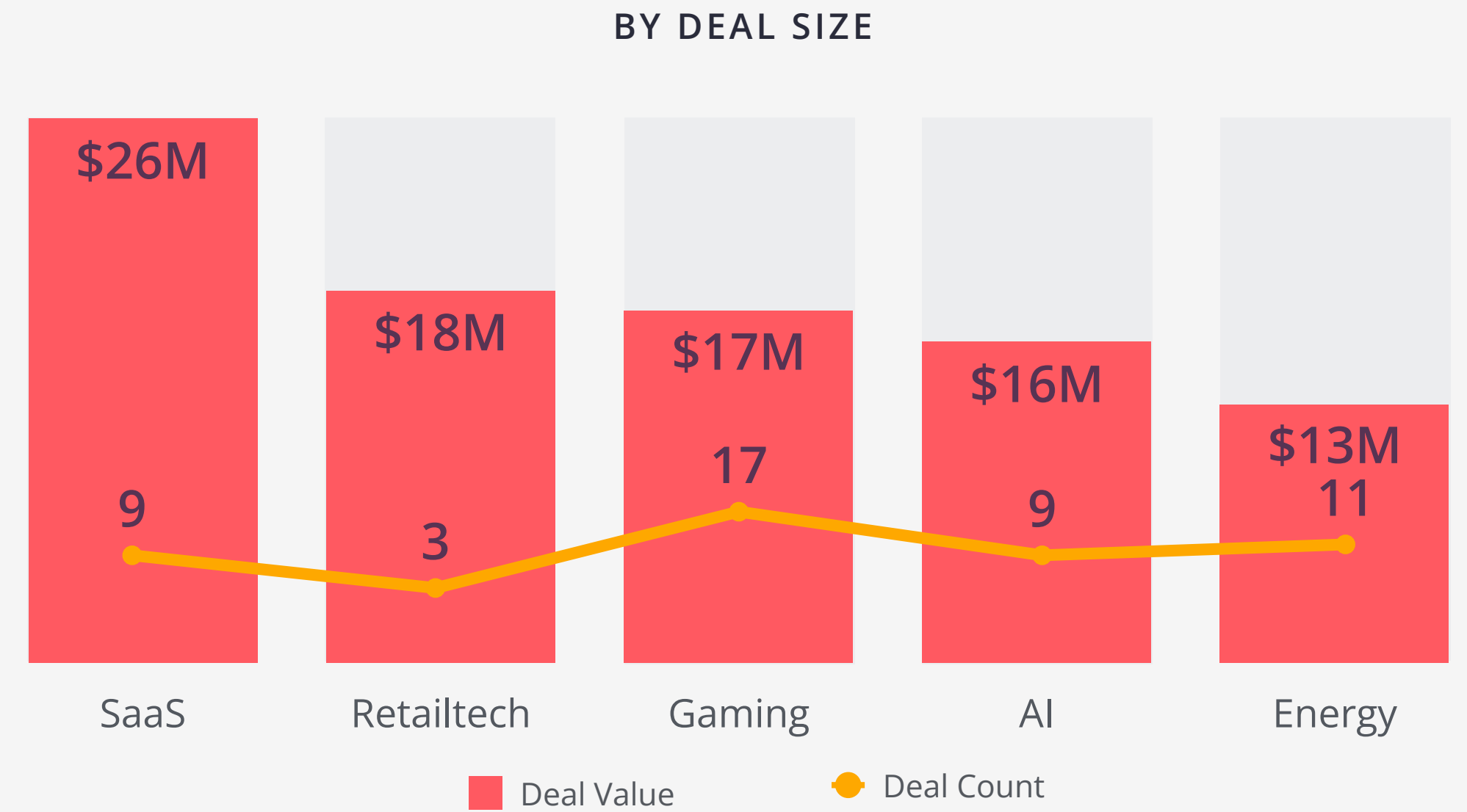
STAGES	2018	2019	2020	2021	2022	2023-H1
Seed Stage (\$)	48M	44M	68M	138M	284M	68M
<i>YoY Growth</i>		-9%	55%	104%	105%	-76%
Early VC Stage (\$)	22M	61M	50M	643M	146M	43M
<i>YoY Growth</i>		181%	-18%	1191%	-77%	-70%
Later VC Stage (\$)	15M	7M	37M	1,110M	926M	0M
<i>YoY Growth</i>		-52%	409%	2900%	-17%	-100%

TÜRKİYE YEARLY DEAL (#) ACTIVITY BY STAGES

STAGES	2018	2019	2020	2021	2022	2023-H1
Seed Stage (#)	126	118	190	303	299	119
<i>YoY Growth</i>		-6%	61%	59%	-1%	-60%
Early VC Stage (#)	9	12	21	32	29	11
<i>YoY Growth</i>		33%	75%	52%	-9%	-62%
Later VC Stage (#)	5	3	2	3	3	0
<i>YoY Growth</i>		-40%	-33%	50%	0%	-100%

TOP 5 FUNDED VERTICALS IN 2023-H1

- In terms of deal size; SaaS, Retailtech, Gaming, Artificial Intelligence and Energy were hot topics of the first half of 2023.
- In terms of deal count; Gaming, Energy, Sustainability, Fintech and Marketplace were hot topics of the first half of 2023.

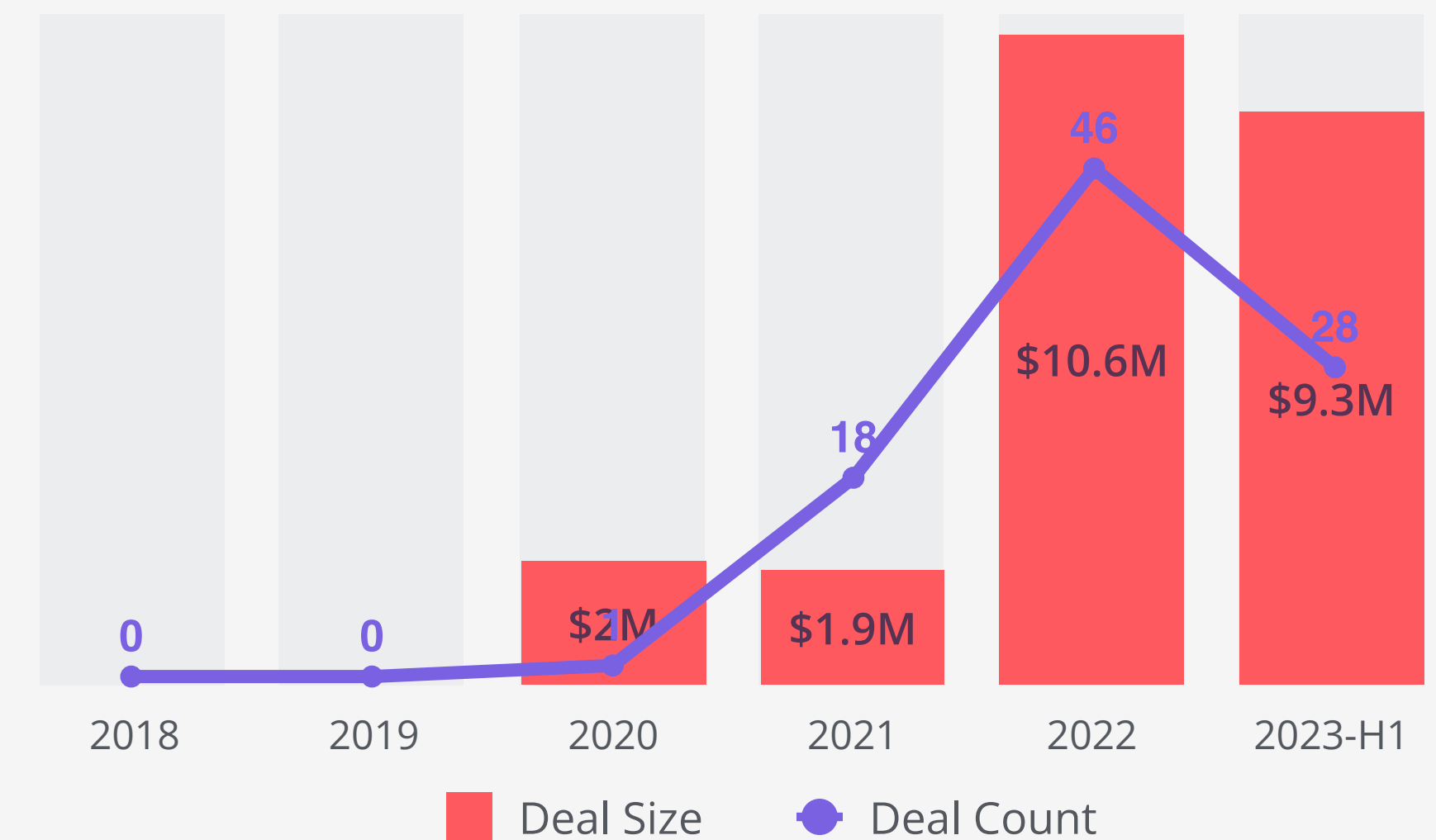


- As of the end of H1-2023, **16** equity based crowdfunding platforms have been approved for establishment. **7** of these platforms are active.
- 28 startups received a total of **\$9.3M** investments through crowdfunding platforms in the first half of 2023.
- Startups raised an average of **\$332K** investments through crowdfunding platforms in the first quarter of 2023. This is **44%** above last year's average.
- In the first half of 2023, around **one in four deals** at the seed stage was equity crowdfunding deal.

TÜRKİYE YEARLY EQUITY BASED CROWDFUNDING DEALS

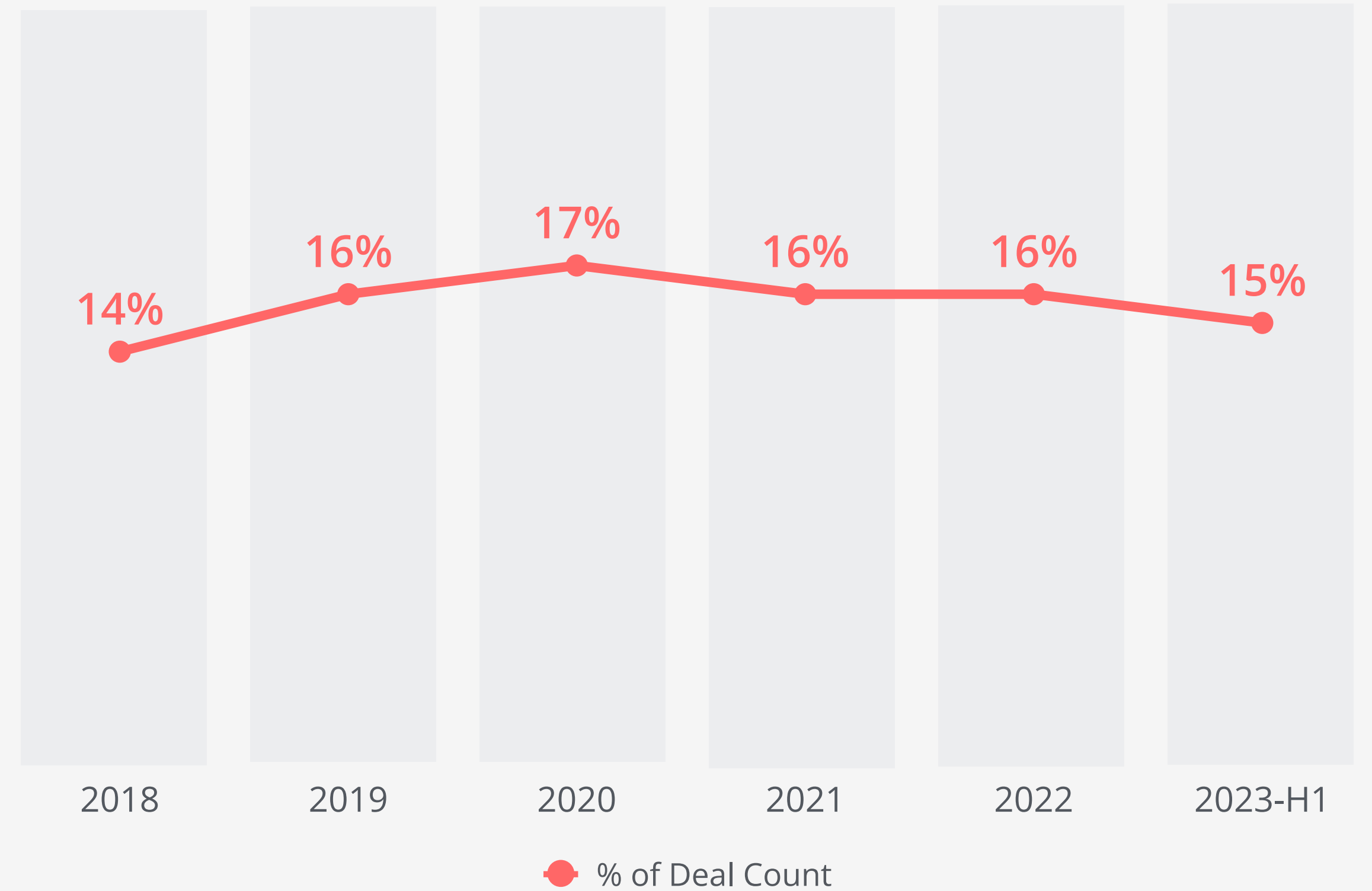
	2018	2019	2020	2021	2022	2023-H1
Equity Based Crowdfunding Deal Size (\$)	0M	0M	2M	1.9M	10.6M	9.3M
Seed Stage Deal Size (\$)	48M	44M	68M	138M	284M	68M
% of Deal Size	0%	0%	3%	1%	3.7%	13.6%
Equity Based Crowdfunding Deal Count	0	0	1	18	46	28
Seed Stage Deal Count	126	118	190	303	299	119
% of Deal Count	0%	0%	1%	5.9%	15.4%	23.5%

TÜRKİYE EQUITY BASED CROWDFUNDING DEALS



- In the first half of 2023, foreign investors participated **15%** of angel and vc deals.
- Ascension, Axel Springer Digital Ventures, Caffeinated Capital, Caucasus Ventures, Claus Bollrath, Daniel King, DHM Premier Investments, Ethos, Founders Factory, Gerry Samuels, Goodwater Capital, Jamal Fayoumi, Kloepfel Consulting, LACI Impact Fund, Lakestar, Leap Forward Ventures, Lovrenc Kessler, March Capital, NFX, Niels Gron, Nuwa Capital, OEL Ventures, Operator Stack Fund, Porsche, Pritchard Companies, SABIC Ventures, Samsara Ventures, SaxeCap, Startup Wise Guys, TechNexus Venture Collaborative, The 22 Fund, Toshiba Energy Systems and Solutions, UP Venture Capital, vgames, Wix Capital and Y Combinator were the cross border investors investing in Turkish startups in the half of 2023.

FOREIGN INVESTOR PARTICIPATION (ANGEL & VC DEALS)

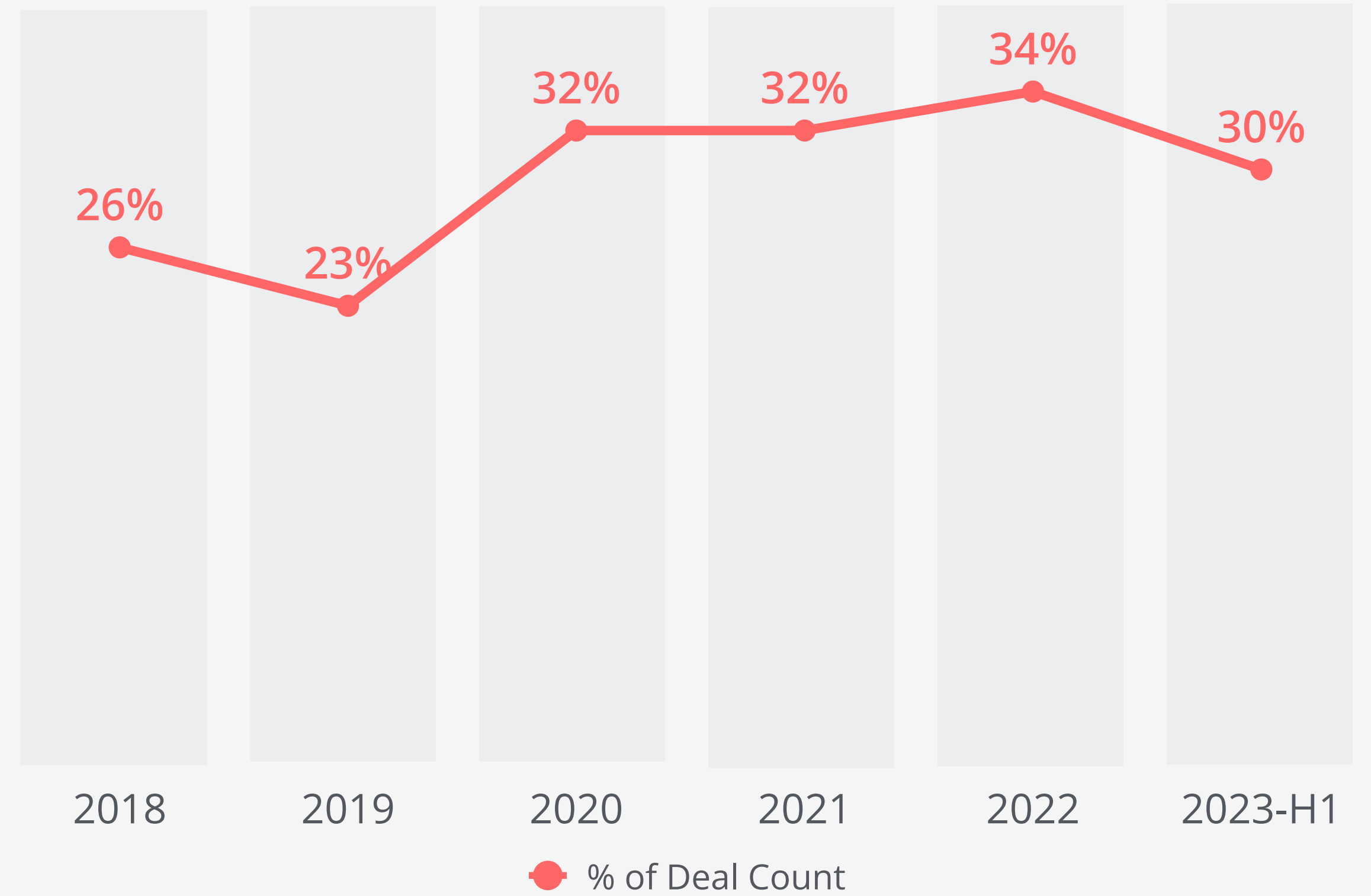


	2018	2019	2020	2021	2022	2023-H1
DEALS PARTICIPATED (#)	20	21	36	53	52	19
TOTAL DEAL COUNT	140	133	213	338	331	130

*: As of July 10, 2023 ; Notes : Only disclosed equity fundings are counted. Non-equity, secondary and post-IPO transactions, grants and convertible debts are excluded. (Check startups.watch for updates)

- In the first half of 2023, **39 out of 130** investments had a company or a CVC among the investors.
- Akbank, Alarko Ventures, Alesta Yatırım, APY Ventures Fintech Fund, APY Ventures Startup Fund, Ark Pres, Bilişim Vadisi GSYF, Coşkunöz Holding, Driventure, Ege Yapı Teknoloji Girişim, Eksim Ventures, Esas Ventures, Fibabanka Yıldız GSYF, Gelecek Etki GSYF, iWallet, Kalyon Venture Capital, Kiraç Gayrimenkul Grubu, Koç Finans, Korun Teknoloji, Logo Ventures (II), Lonca GSYF, Maxis (MGS), Mercan Kimya, Mindvest, OSTİM GSYF, Otokoç, Papara, Param, Porsche, Toshiba Energy Systems and Solutions, Turkcell Yeni Teknolojiler GSYF, United Payment, Yaşar Çelik Orman Ürünleri and Yıldız Tekno GSYO were participated in deals in the first half of 2023.

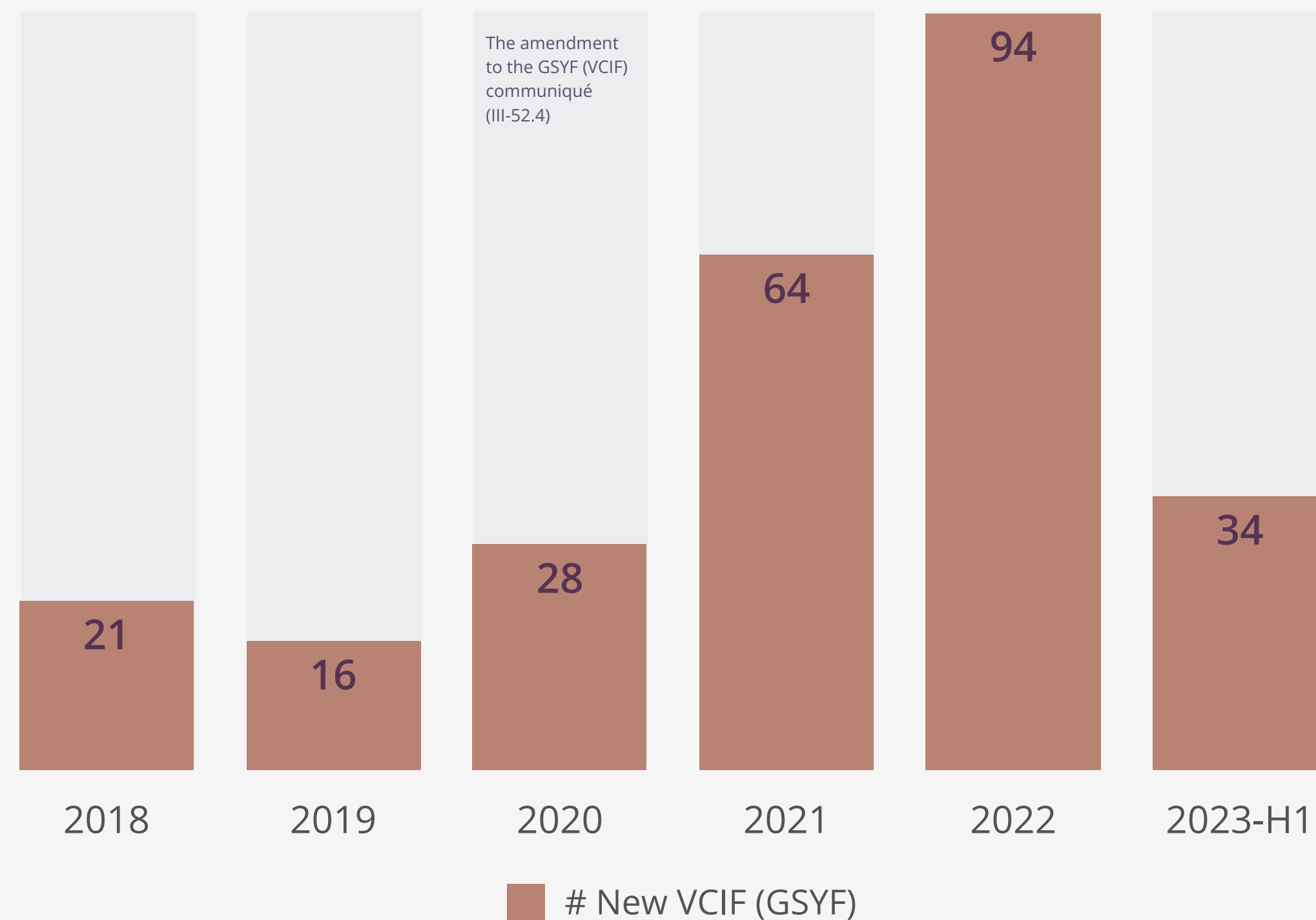
TÜRKİYE VC DEAL ACTIVITY WITH CVC PARTICIPATION



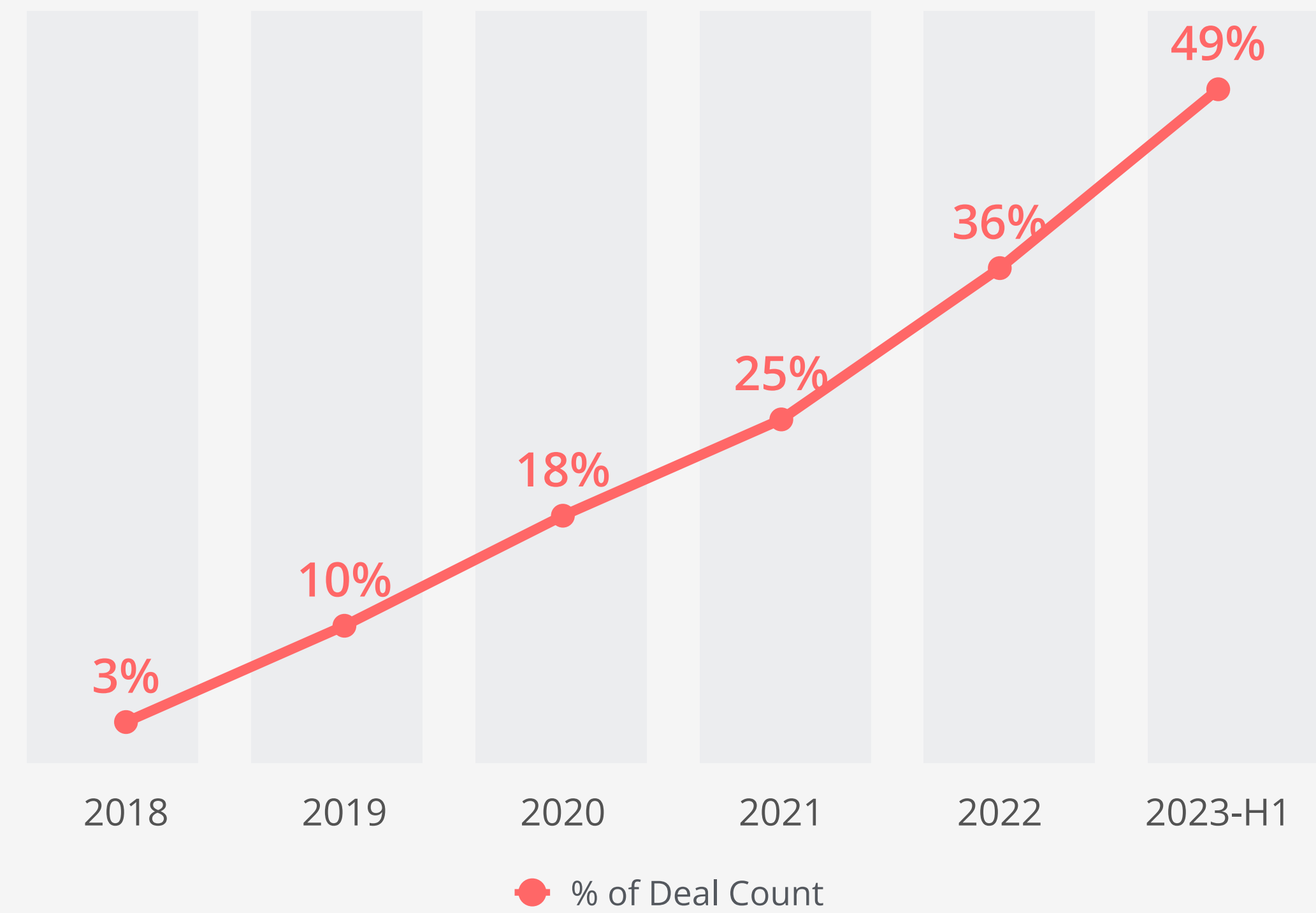
	2018	2019	2020	2021	2022	2023-H1
DEALS PARTICIPATED (#)	37	30	69	109	113	39
TOTAL DEAL COUNT	140	133	213	338	331	130

- In the first half of 2023, **one in every 2 investments** had a VCIF (GSYF) among the investors.
- The number of VCIF (GSYF) authorized for establishment reached **270** (13 of them are not active). Half of these belong to the **last 1.5 years**.

NEW VCIF (GSYF) ESTABLISHED BY YEAR

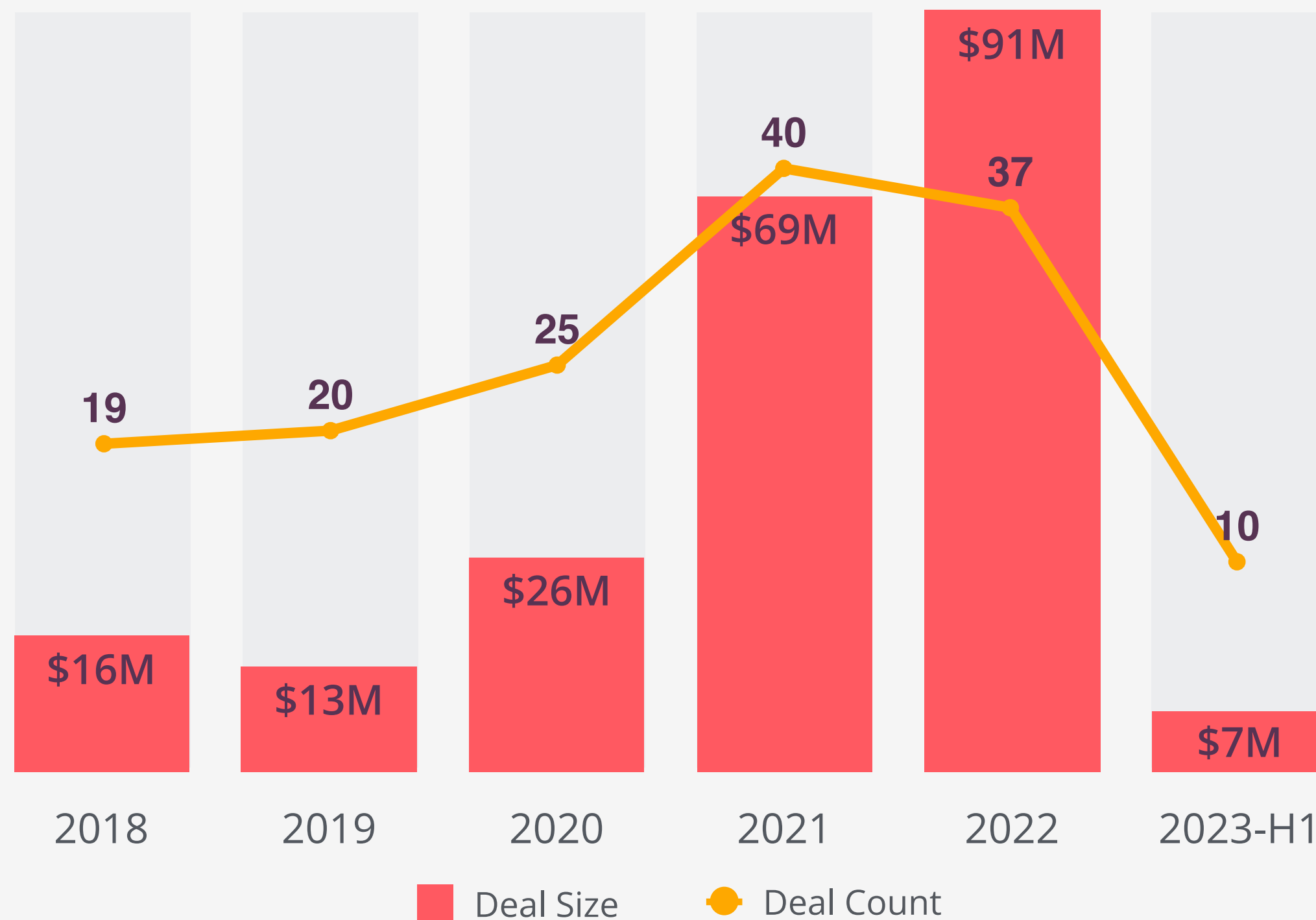


TÜRKIYE VC DEAL ACTIVITY WITH VCIF (GSYF) PARTICIPATION

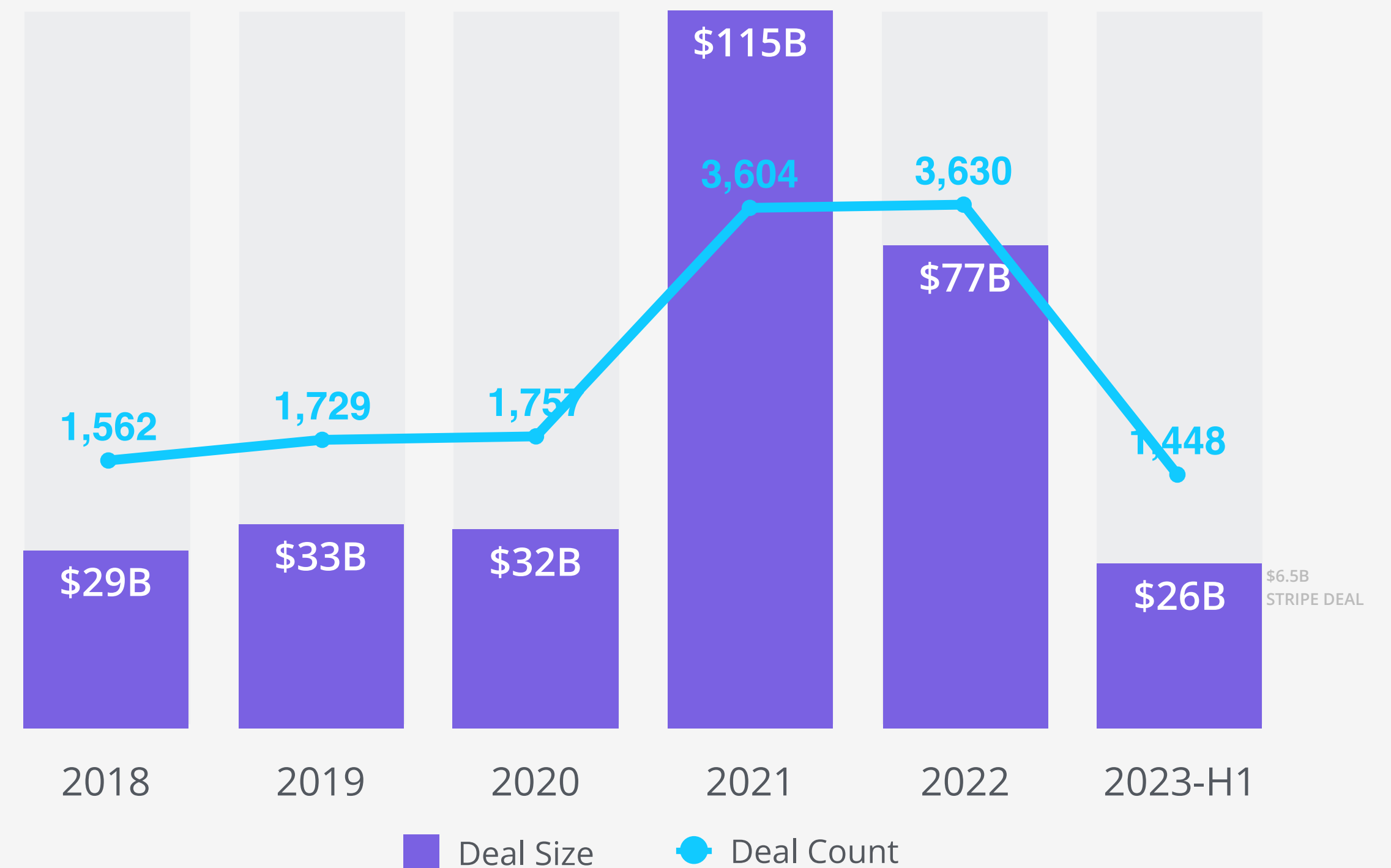


- Excluding Stripe's \$6.5 billion investment round, global fintech investments were well behind the previous year. 2023 is still better than before the pandemic, but it seems that the figures of 2021 and 2022 will not be reached.
- Although fintech is one of the hottest verticals in Turkey, it continues to struggle to launch a global player, which explains the lack of major investment rounds.

FINTECH DEALS IN TÜRKİYE



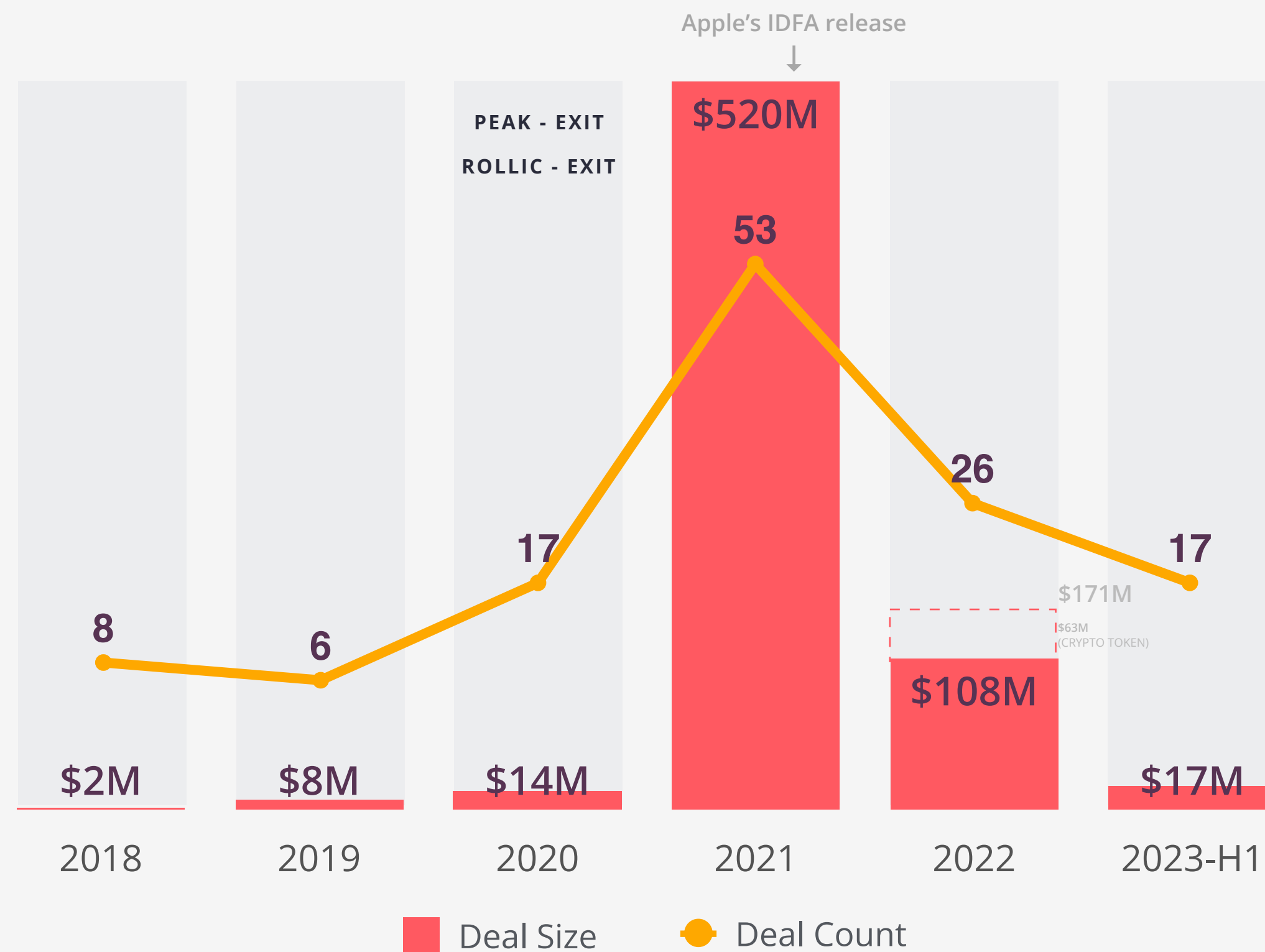
GLOBAL FINTECH DEALS



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- After Apple's IDFA action, the hyper casual vertical continues to struggle.
- Although there was a lot of activity in terms of the number of deals, there were no mega-deal in the first half of 2023.

GAMING DEALS IN TÜRKİYE



TOP 15 COUNTRIES IN GAMING DEALS IN 2023-H1

RANK	CITY	DEAL SIZE (\$)	DEAL COUNT
1	USA	690M	124
2	China	351M	14
3	UK	148M	24
4	India	116M	21
5	Singapore	36M	11
6	Israel	35M	3
7	Canada	31M	4
8	UAE	29M	8
9	Sweden	28M	7
10	South Korea	28M	9
11	Spain	25M	9
12	Germany	21M	7
13	Turkey	17M	17
14	France	17M	10
15	Brazil	11M	3

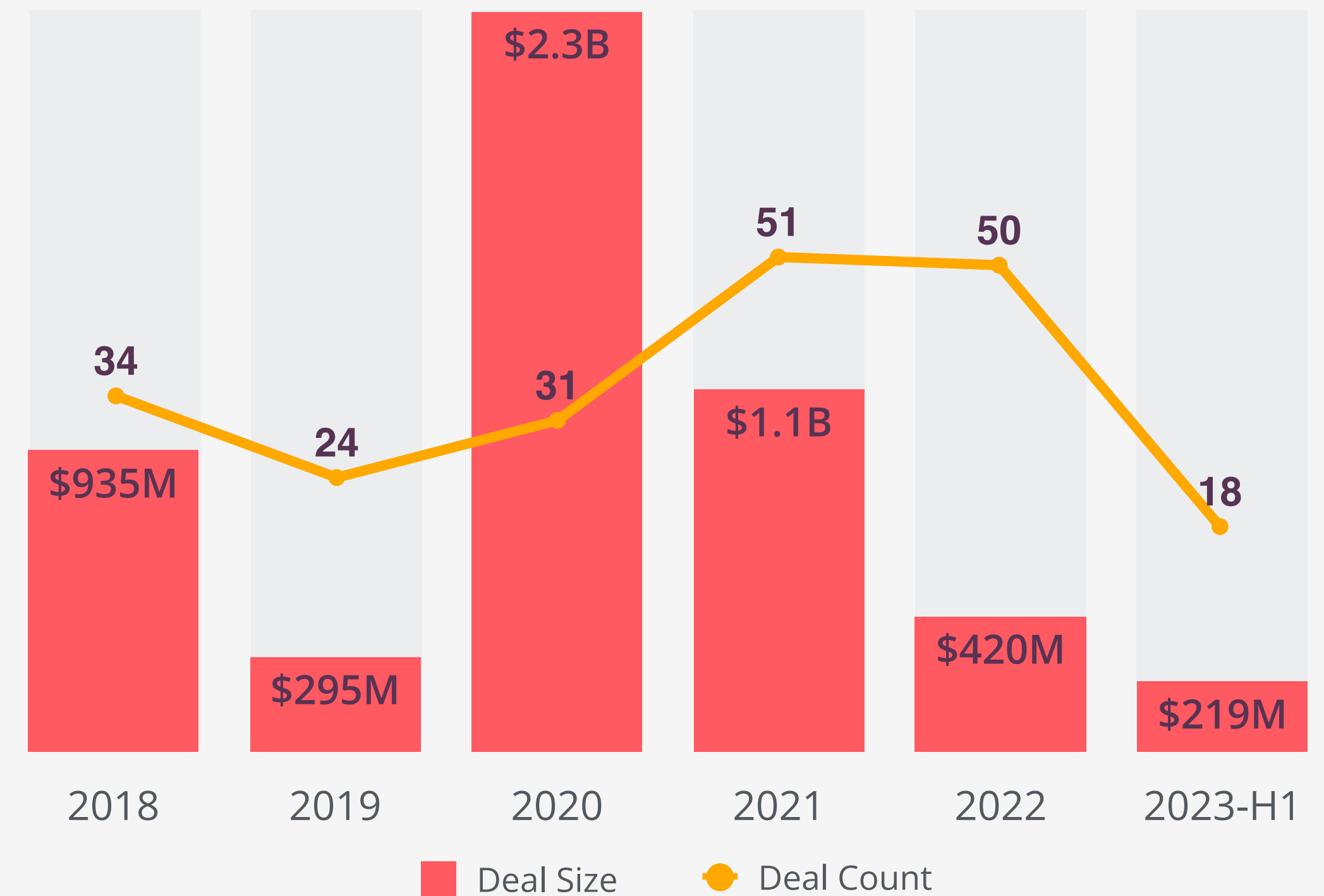
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Turkish startups continued to make acquisitions abroad in the second quarter. Papara acquired Spain-based neobank Rebellion.

Turkish startups have continued to make acquisitions in Turkey. They have more appetite for acquisitions than large conglomerates. Getir acquired the remaining shares of n11. Param acquired Univera and Univis.

n11, HesapKurdu and Koalay were the largest transactions in the first half of 2023.

ACQUISITIONS & SEC. TRANSACTIONS IN TÜRKİYE



	2018	2019	2020	2021	2022	2023-H1
DEAL SIZE (\$)	935M	295M	2,298M	1,125M	420M	219M
<i>YoY Growth</i>		-68%	679%	-51%	-63%	-48%
DEAL COUNT	34	24	31	51	50	18
<i>YoY Growth</i>		-29%	29%	65%	-2%	-64%

- In the first half of 2023, **19 out of 130** investments had female founders.

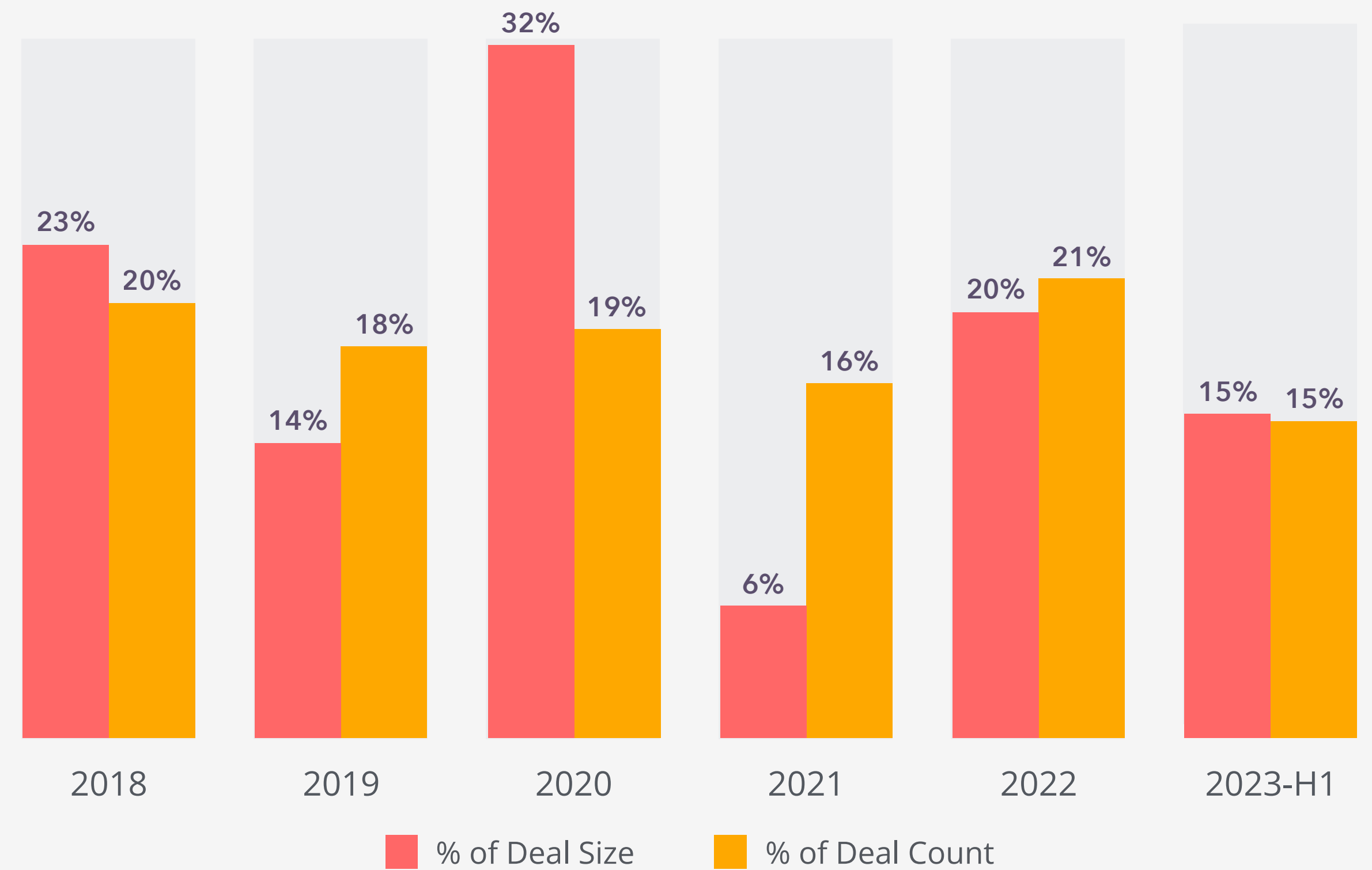
FEMALE FOUNDERS IN TÜRKİYE

	2018	2019	2020	2021	2022	2023-H1
Female Founded Startups / Total Startups	15%	19%	19%	21%	19%	17.65%

VC DEAL ACTIVITY WITH FEMALE FOUNDER

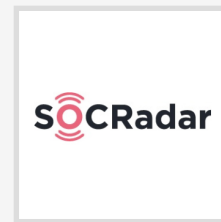
	2018	2019	2020	2021	2022	2023-H1
Deals W/ Female Founder (#)	28	24	40	55	70	19
Total Deal Count	140	133	213	338	331	130

TÜRKİYE VC DEAL ACTIVITY WITH FEMALE FOUNDER

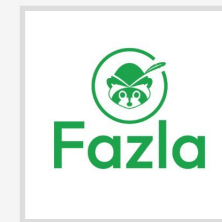


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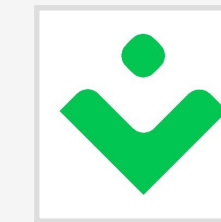
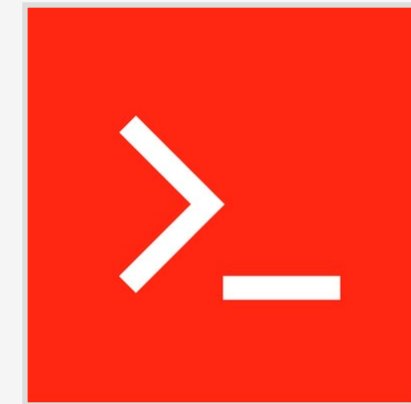
REGIONAL BREAKDOWN OF EXPERIENCED VC'S DEALS IN 2023-H1



SOCRadar
TR & USA



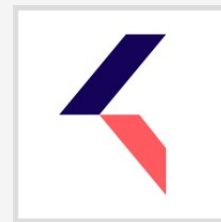
Fazla
TR



Vue Storefront
Poland & USA



DraftWise
USA



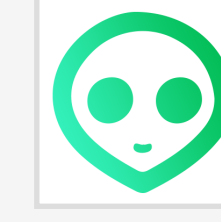
Kubeark
Romania & USA



Lonca
TR & USA



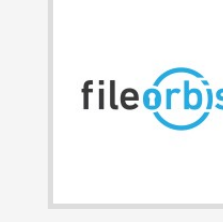
Frantic Games
TR



Ollang
TR & USA



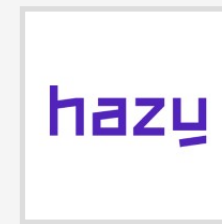
DefensX
TR & USA



FileOrbis
TR



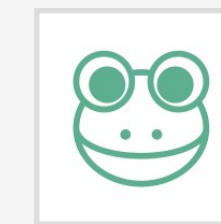
3E Nano
Canada



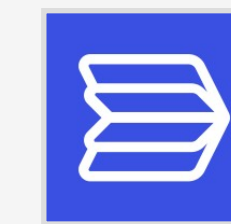
Hazy
UK



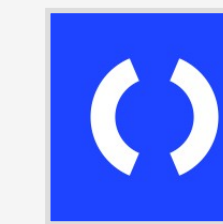
Product. M.
UK



Cogui
Germany



Flowla
UK



Bluedot
TR & USA



Cenoa
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