

TURKISH STARTUP ECOSYSTEM

2023 Q1 REPORT

V1.1 - APRIL 11, 2023

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DISCLAIMER

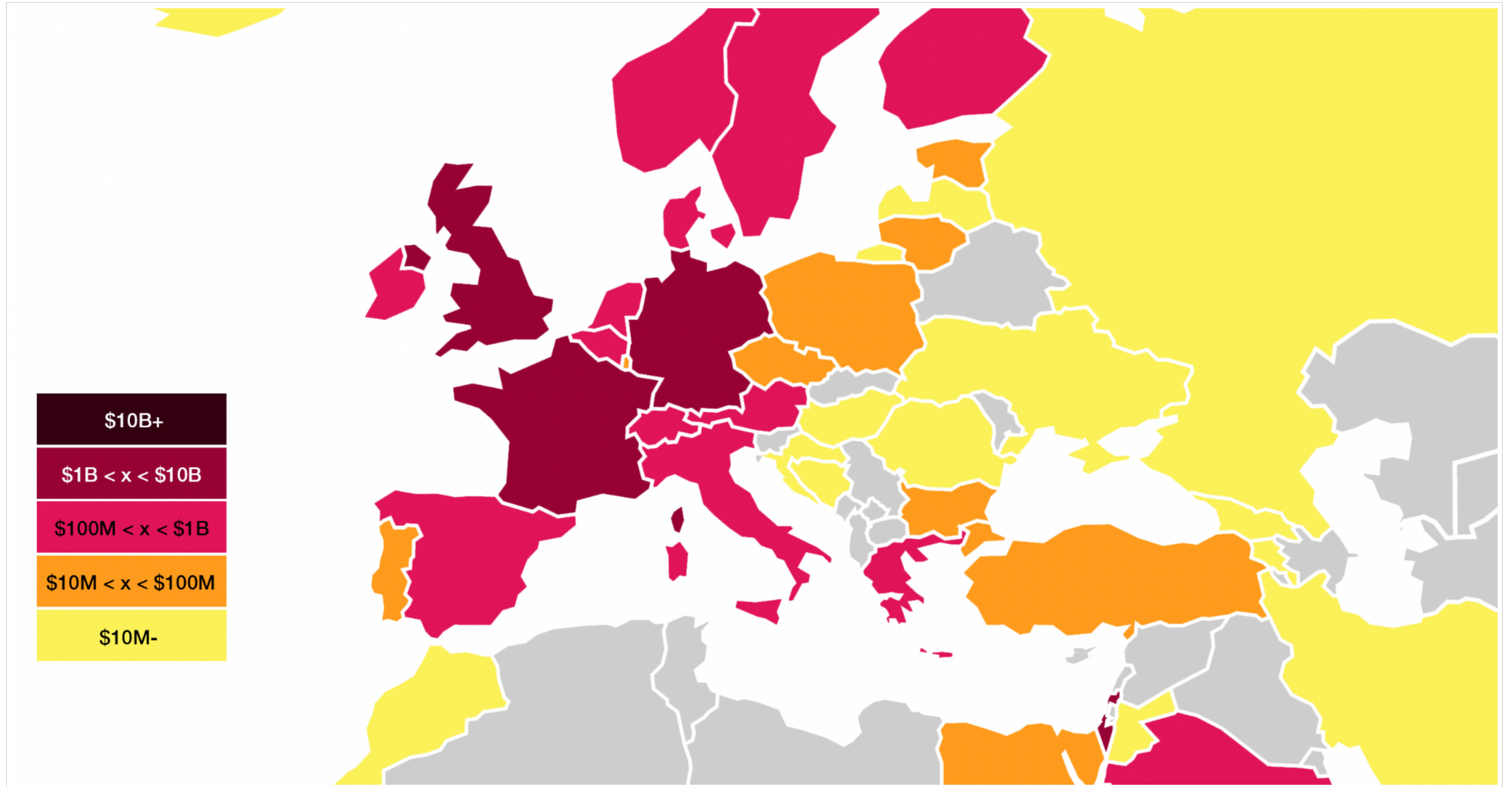
- This report has been compiled for informational purpose only and should not be construed as a solicitation or an offer to buy or sell securities in any entity.
- Historical funding data is subject to change as our team explore new data.
- You may use this report partially in your presentations by citing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

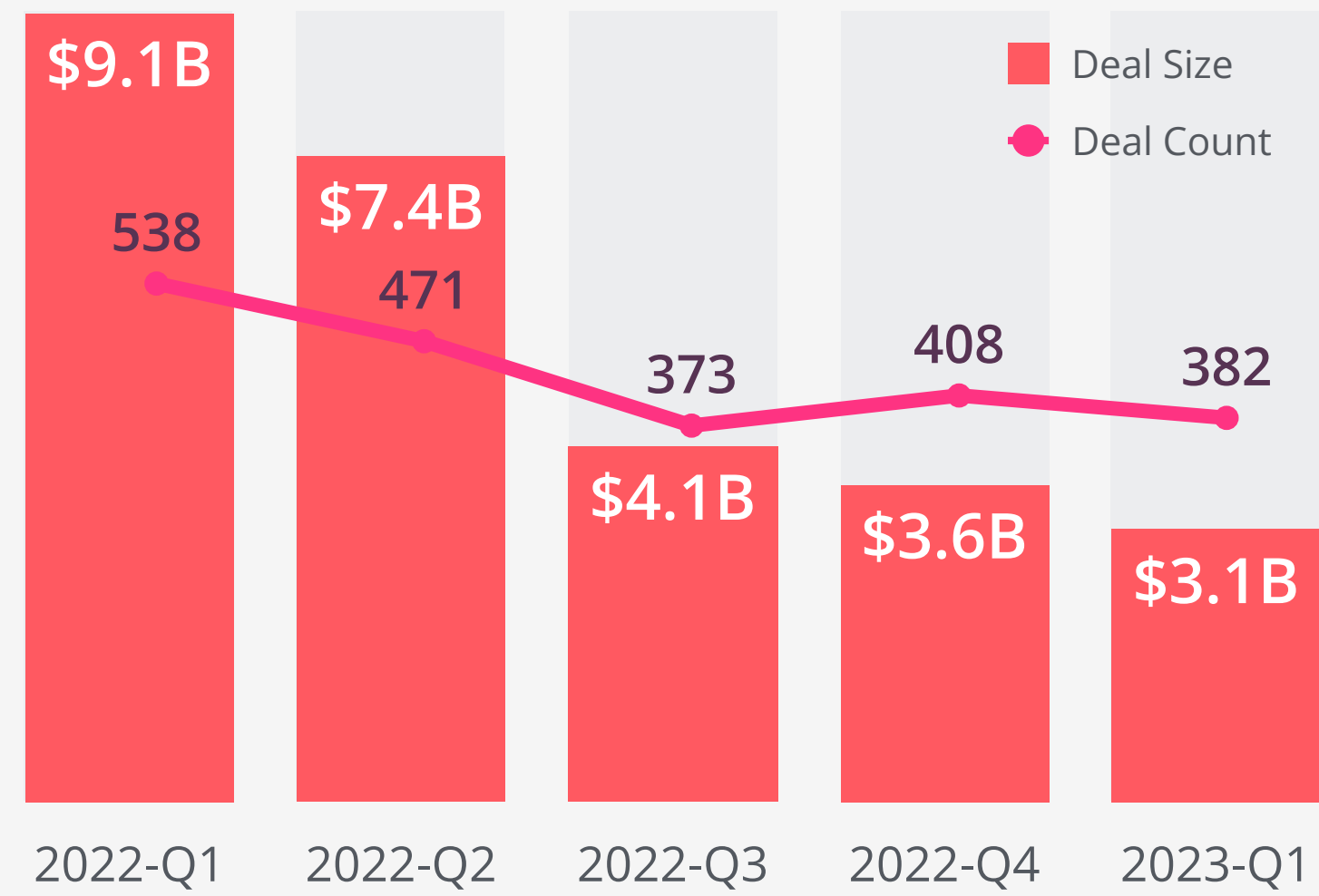
- Global funding continued to fall quarter-on-quarter dramatically across all stages.
- Funding in Türkiye in the first quarter reached **\$56 million** (55 deals) — marking a **89% decline** year over year from **\$502 million** (66 deals) in the first quarter of 2022. (Getir deal excluded)
- In terms of deal count; gaming, SaaS, IoT, fintech and energy were hot topics of first quarter of 2023.
- In terms of deal size; SaaS, retailtech, AI, image process and gaming were hot topics of first quarter of 2023.
- 12 startups received a total of **\$3.5M** investments through crowdfunding platforms in the first quarter of 2023.
- In the first quarter of 2023, foreign investors participated in approximately **1 out of every 5 transactions**.
- In the first quarter of 2023, **one in every 2 investments** had a VCIF (GSYF) among the investors.
- In the first quarter of 2023, **9 out of 55** investments had female founders.
- In the first quarter of 2023, there was only one investment with a crypto token.
- The acquisitions in 2023 had three most striking features. First, Turkish startups acquired Turkish startups. Second, Turkish startups acquired startups abroad. Third, a startup went public in Türkiye.
- In the first quarter of 2023, Akbank Ventures was established and "BtcTurk Girişim" was launched.
- Experienced funds were more willing to invest in relocated startups and European startups.
- Startups continued to move their company registrations abroad to receive investment in Series A and higher rounds.

DEALS LEAGUE FOR 2023-Q1

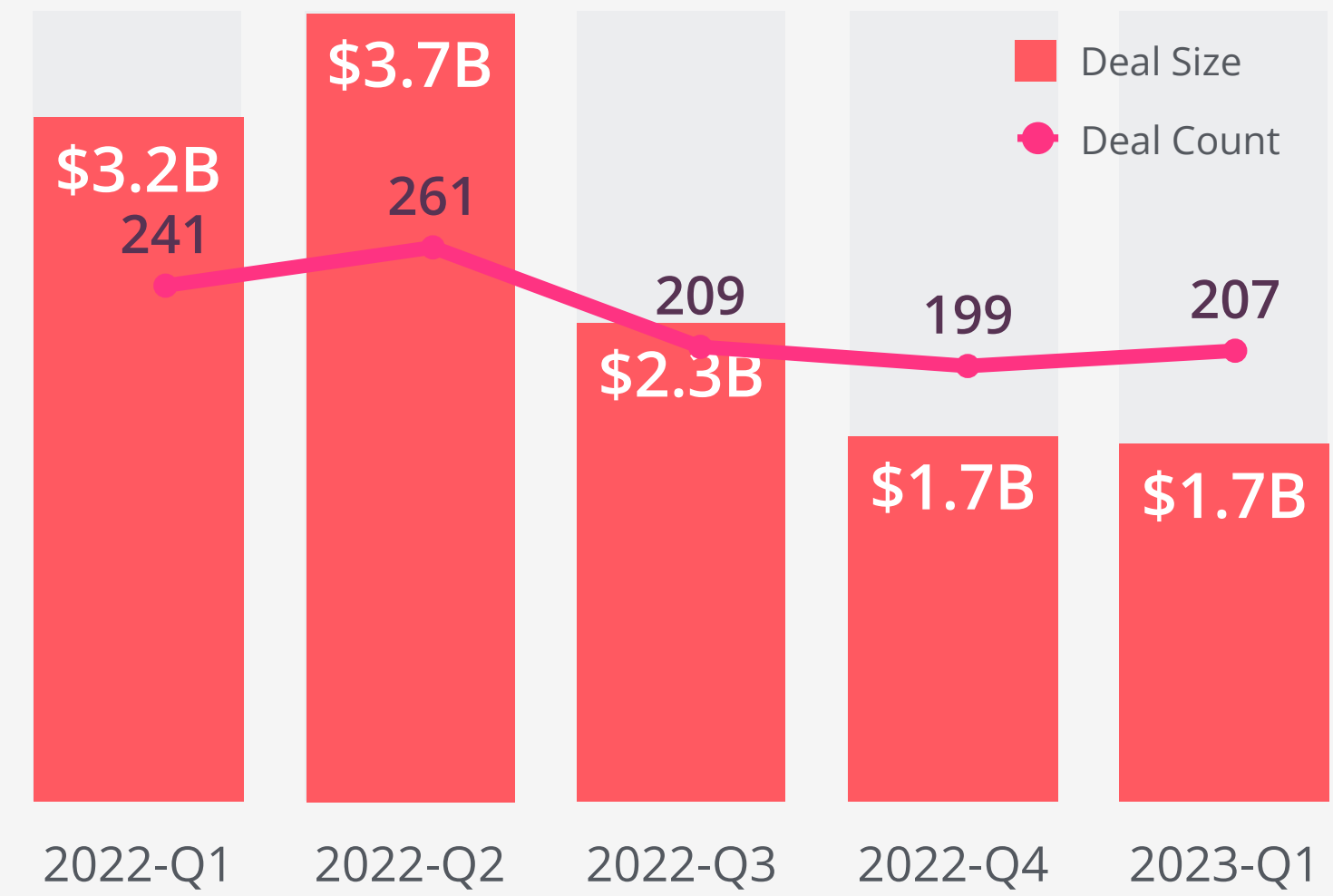


Notes : Only disclosed equity fundings are counted. Non-equity, secondary and post-IPO transactions, grants and convertible debts are excluded. Source : Crunchbase & Startups.watch & Public Sources

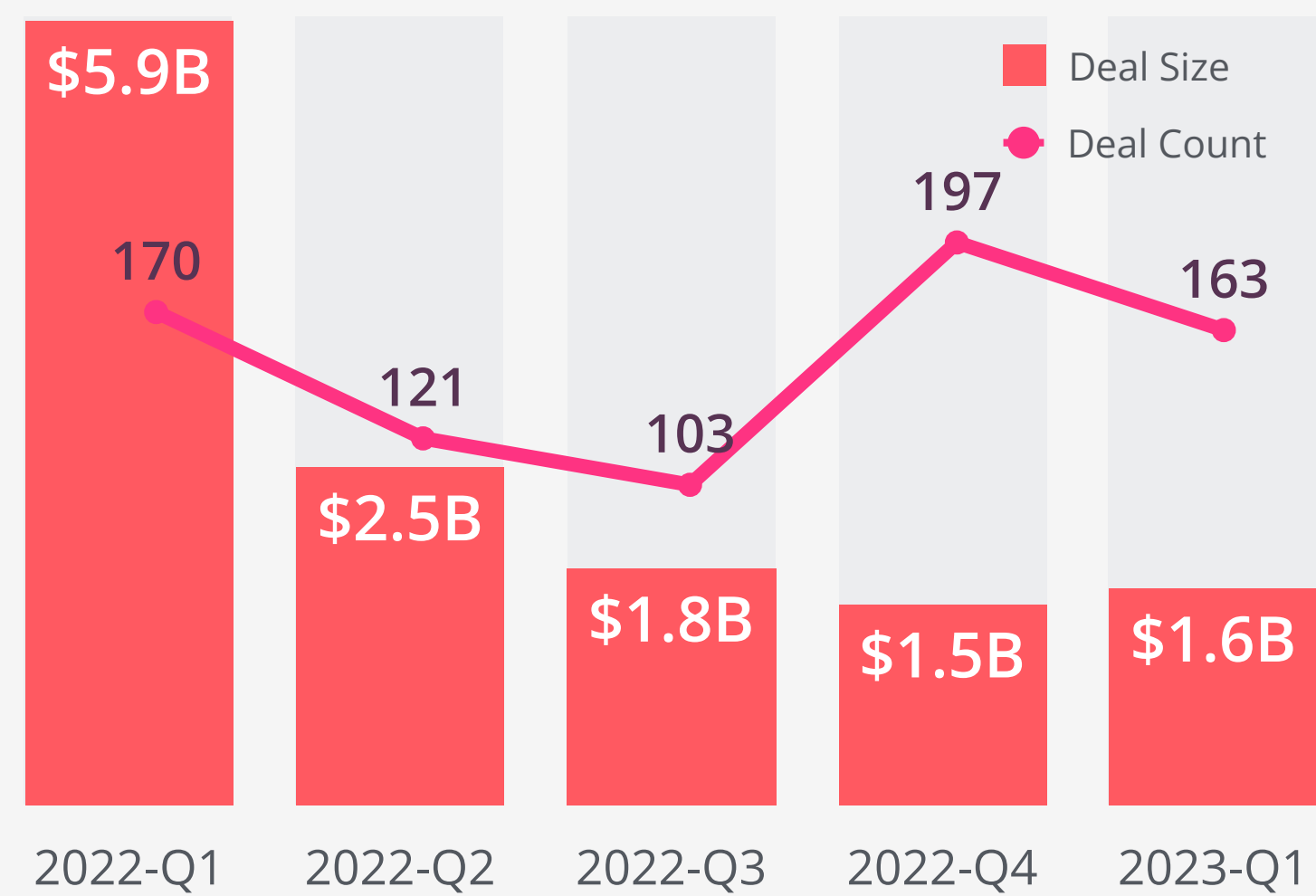
UK



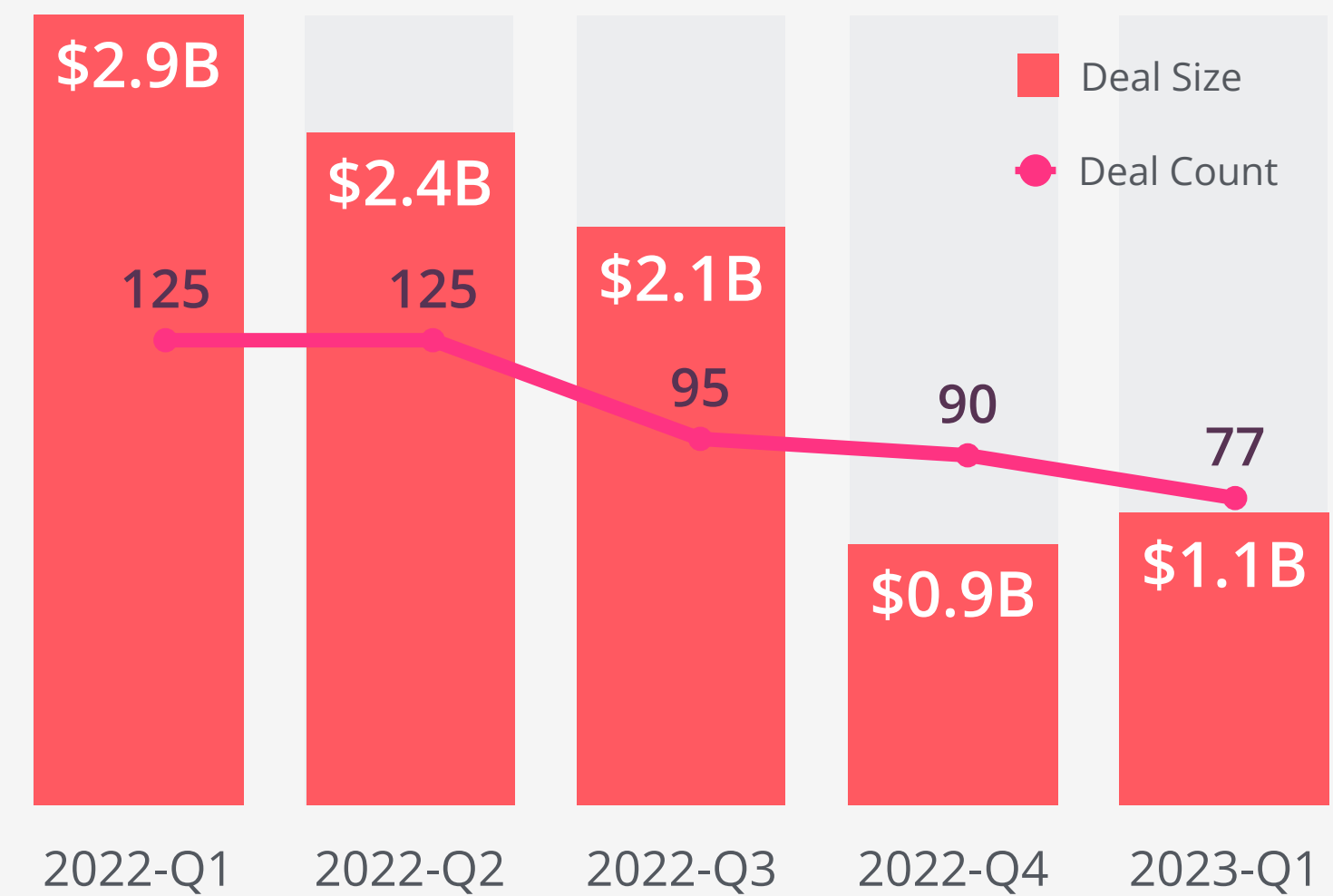
GERMANY



FRANCE



ISRAEL






Champions League









Super League

1. League

2. League

	United Kingdom	\$3.1B	(382)
	Germany	\$1.7B	(207)
	France	\$1.6	(163)

	Switzerland	\$606M	(79)
	Denmark	\$527M	(41)
	Spain	\$486M	(80)
	The Netherlands	\$448M	(88)
	Austria	\$255M	(24)
	Sweden	\$235M	(52)
	Ireland	\$182M	(40)
	Italy	\$154M	(58)
	Norway	\$144M	(19)
	Belgium	\$141M	(29)
	Finland	\$116M	(27)
	Greece	\$112M	(11)




	Estonia	\$70M	(18)
	Türkiye	\$56M	(55)
	Lithuania	\$40M	(12)
	Luxembourg	\$30M	(7)
	Portugal	\$30M	(8)
	Poland	\$30M	(23)
	Bulgaria	\$27M	(14)
	Czechia	\$12M	(7)




Champions League

Super League

1. League

2. League

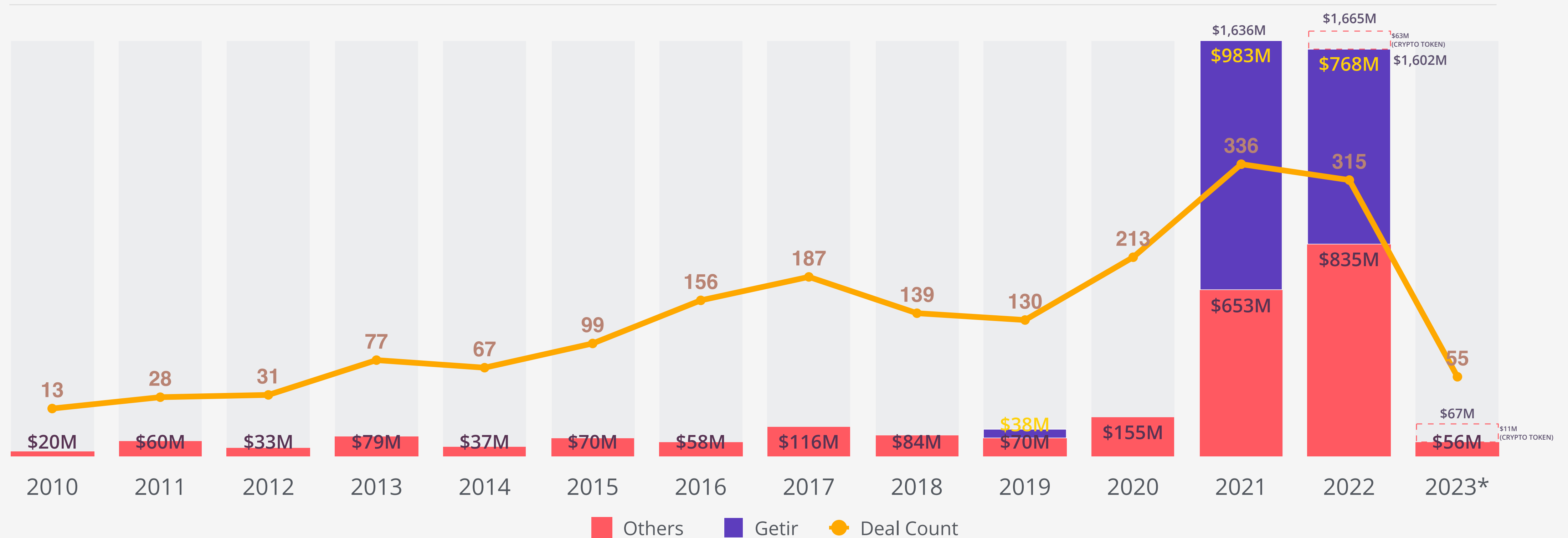
	Israel	\$1.1B	(77)
	Saudi Arabia	\$322M	(13)
	United Arab E.	\$159M	(35)

	Türkiye	\$56M	(55)
	Egypt	\$22M	(7)
	Bahrain	\$15M	(7)

	Jordan	\$1M	(1)
	Georgia	\$0.3M	(2)

- In Q1-2023, **\$56 million** were invested across **55 deals** in seed, early and later vc stages.
- Including the **\$11 million** Metatime crypto token deal, the total amount reached **\$67 million**.

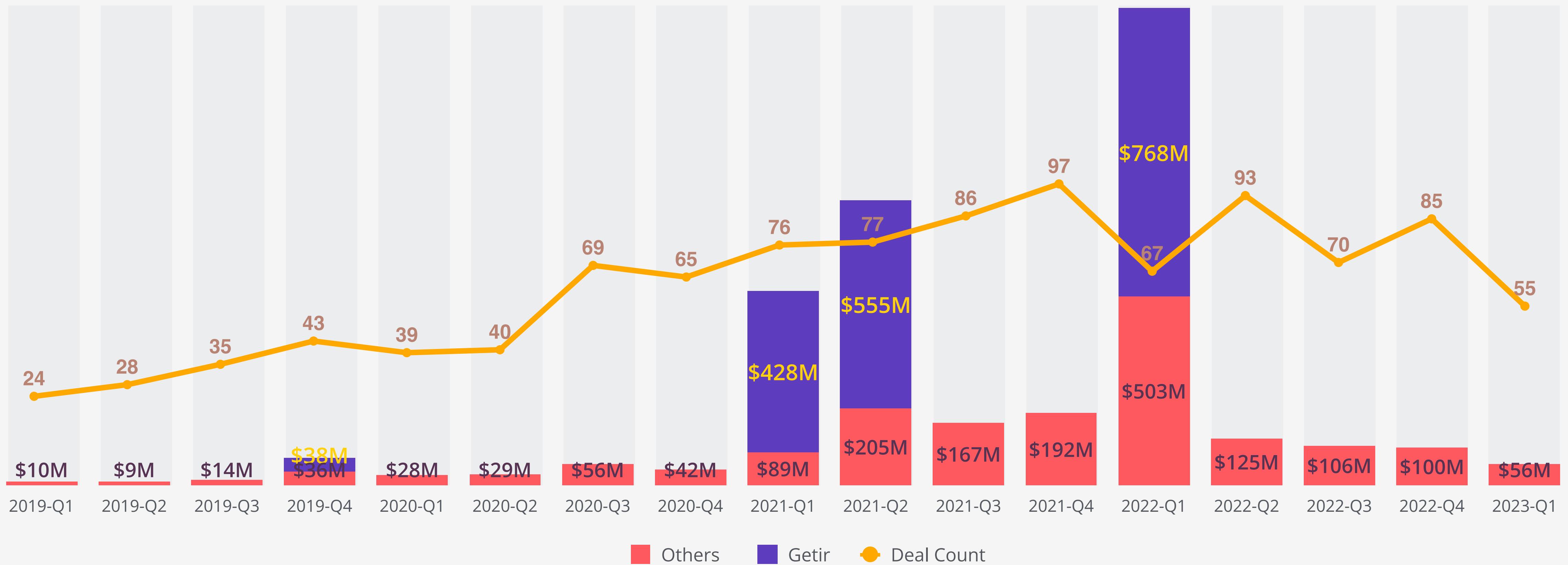
YEARLY ANGEL & VC DEALS IN TÜRKİYE



*: As of March 31, 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 first quarter reached **\$56 million** (55 deals) — marking a **89% decline** year over year from **\$502 million** (66 deals) in the first quarter of 2022. (Getir deal excluded)

QUARTERLY ANGEL & VC DEALS IN TÜRKİYE



- 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** and delayed investments due to the **earthquake disaster** in February.
- The abundance of money at the pre-seed and seed stage is not yet reflected in the later stages. For this reason, many experienced funds in Türkiye have shifted part of their funding and mandates to Europe for Series A and beyond.

TÜRKİYE YEARLY DEAL (\$) ACTIVITY BY STAGES

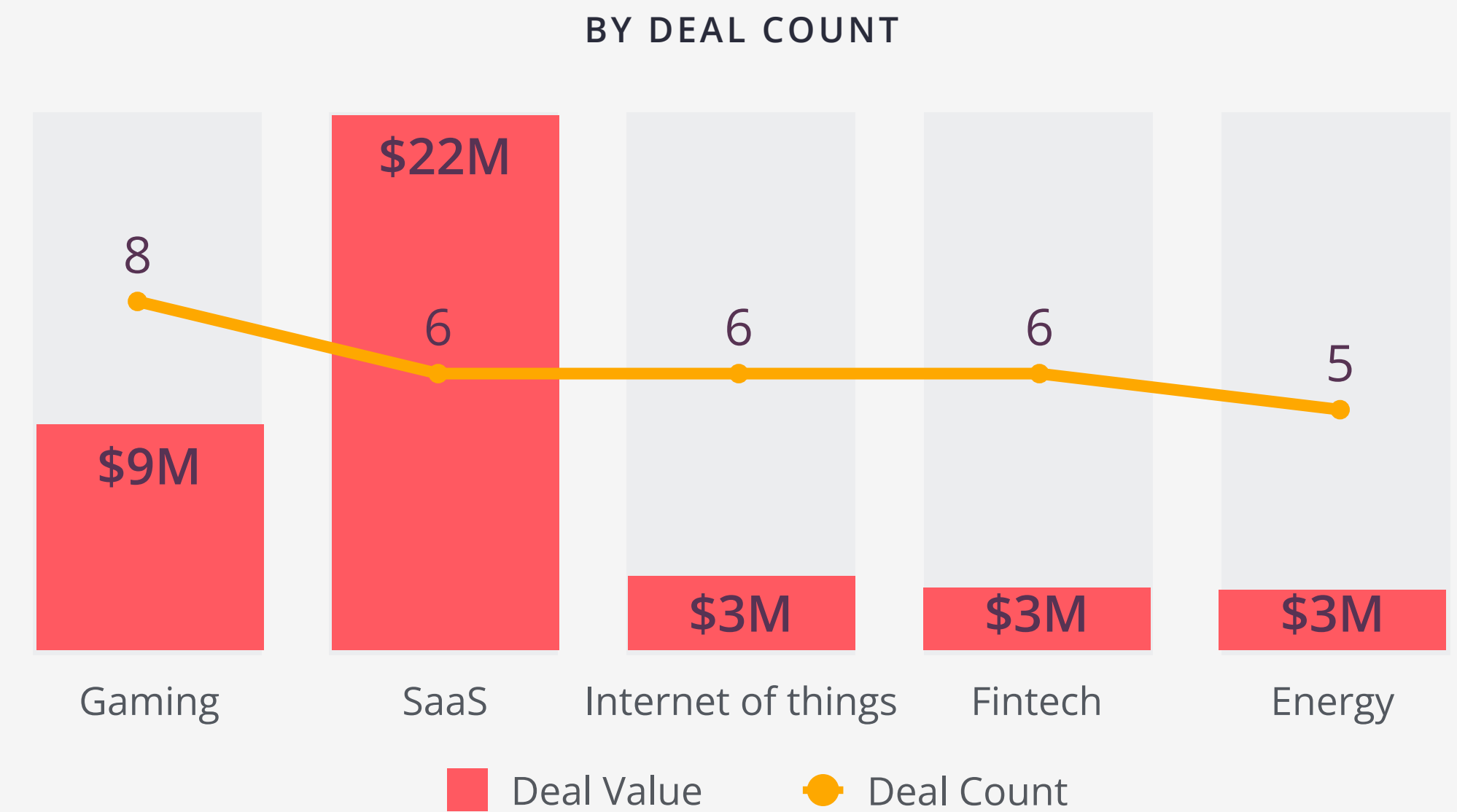
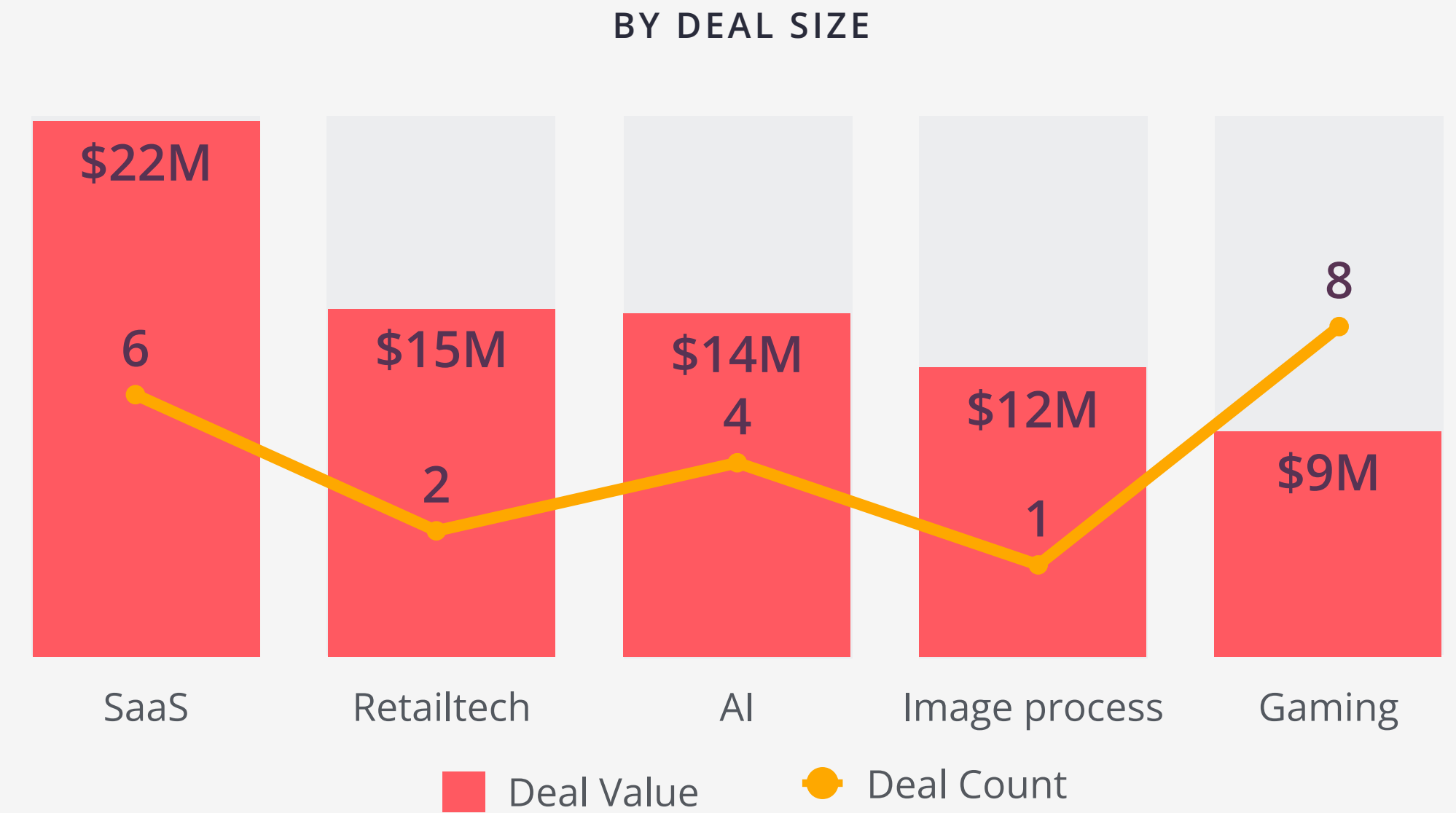
STAGES	2018	2019	2020	2021	2022	2023*
Seed Stage (\$)	47M	40M	68M	138M	280M	28M
<i>YoY Growth</i>		-15%	70%	103%	102%	-90%
Early VC Stage (\$)	22M	61M	50M	643M	142M	28M
<i>YoY Growth</i>		181%	-18%	1191%	-78%	-80%
Later VC Stage (\$)	15M	7M	37M	855M	1,181M	0M
<i>YoY Growth</i>		-52%	409%	2211%	38%	-100%

TÜRKİYE YEARLY DEAL (#) ACTIVITY BY STAGES

STAGES	2018	2019	2020	2021	2022	2023*
Seed Stage (#)	125	115	190	302	283	50
<i>YoY Growth</i>		-8%	65%	59%	-6%	-82%
Early VC Stage (#)	9	12	21	32	28	5
<i>YoY Growth</i>		33%	75%	52%	-13%	-82%
Later VC Stage (#)	5	3	2	2	4	0
<i>YoY Growth</i>		-40%	-33%	0%	100%	-100%

TOP 5 FUNDED VERTICALS IN 2023-Q1

- In terms of deal size; SaaS, retailtech, AI, image process and gaming were hot topics of first quarter of 2023.
- In terms of deal count; gaming, SaaS, IoT, fintech and energy were hot topics of first quarter of 2023.

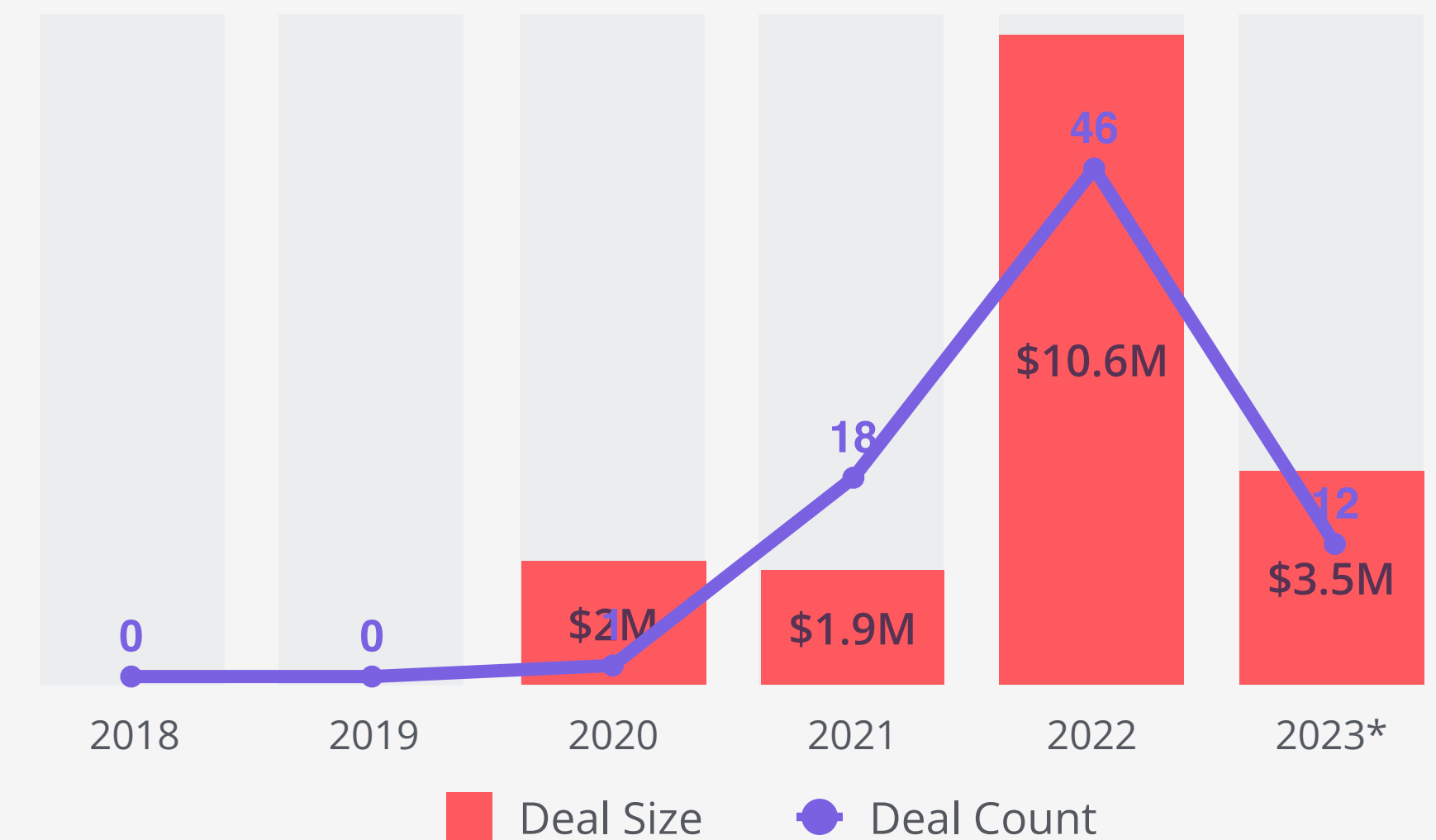


- As of the end of Q1 2023, **14** equity based crowdfunding platforms have been approved for establishment. **7** of these platforms are active.
- 12 startups received a total of **\$3.5M** investments through crowdfunding platforms in the first quarter of 2023.
- Startups raised an average of **\$290K** investments through crowdfunding platforms in the first quarter of 2023.

TÜRKİYE YEARLY EQUITY BASED CROWDFUNDING DEALS

	2018	2019	2020	2021	2022	2023-Q1
Equity Based Crowdfunding Deal Size (\$)	0M	0M	2M	1.9M	10.6M	3.5M
Seed Stage Deal Size (\$)	47M	40M	68M	138M	280M	28M
<i>% of Deal Size</i>	0%	0%	3%	1%	3.8%	12.6%
Equity Based Crowdfunding Deal Count	0	0	1	18	46	12
Seed Stage Deal Count	125	115	190	302	283	50
<i>% of Deal Count</i>	0%	0%	1%	6.0%	16.3%	24.0%

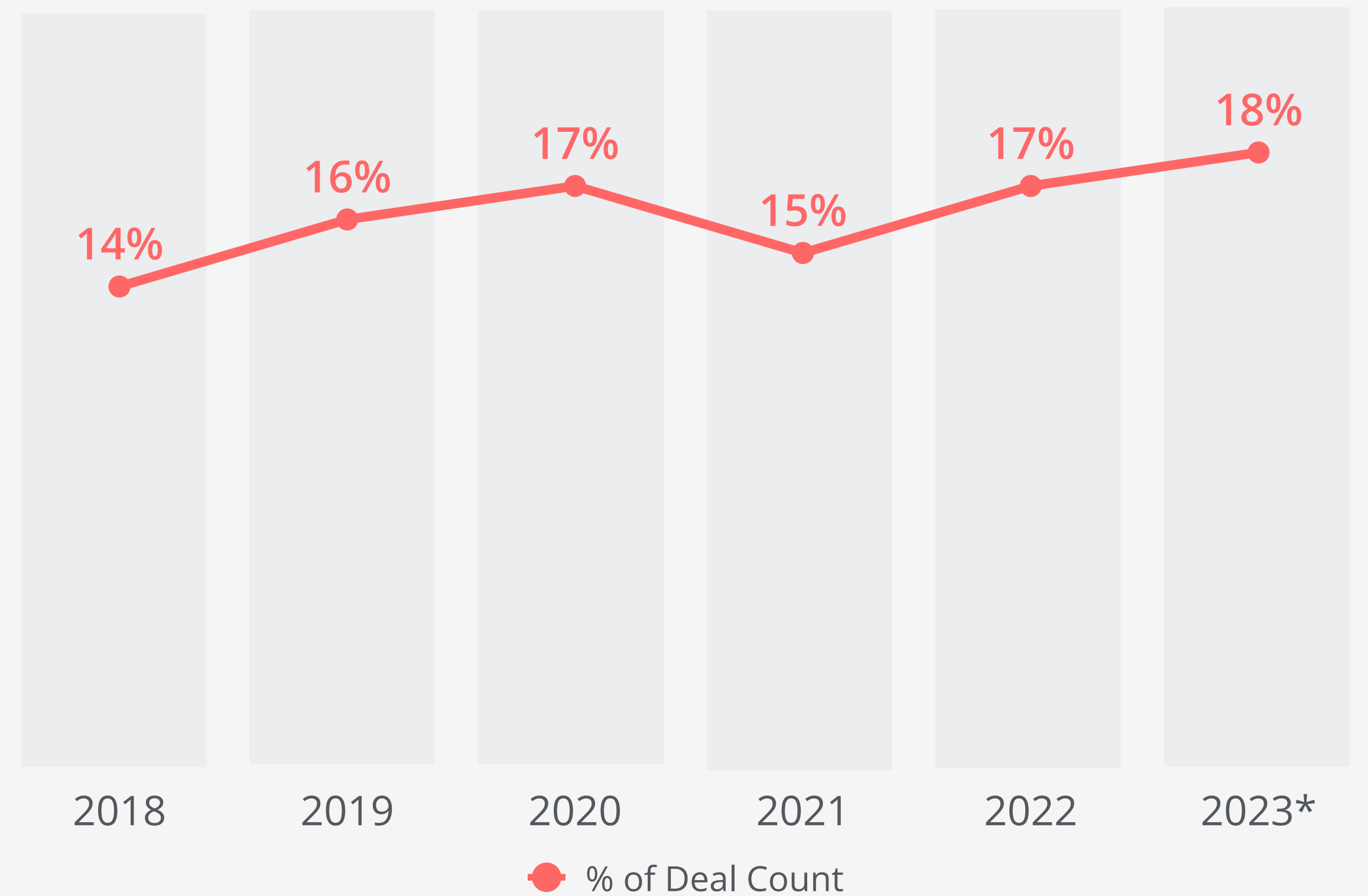
TÜRKİYE EQUITY BASED CROWDFUNDING DEALS



*: As of March 31, 2023 ; Seed Stage : Pre-Seed, Seed, Post-Seed — Early VC Stage : Series A, Series B — Later VC Stage : Series C, D, E...

- In the first quarter of 2023, foreign investors participated in approximately **1 out of every 5 transactions**.
- Ascension, Axel Springer Digital Ventures, Caucasus Ventures, DHM Premier Investments, Ethos, Founders Factory, Kloepfel Consulting, March Capital, OEL Ventures, Porsche, Pritchard Companies, SaxeCap, Startup Wise Guys, TechNexus Venture Collaborative, The 22 Fund, UP Venture Capital and Wix Capital were the cross border investors investing in Turkish startups in the first quarter.

FOREIGN INVESTOR PARTICIPATION (ANGEL & VC DEALS)

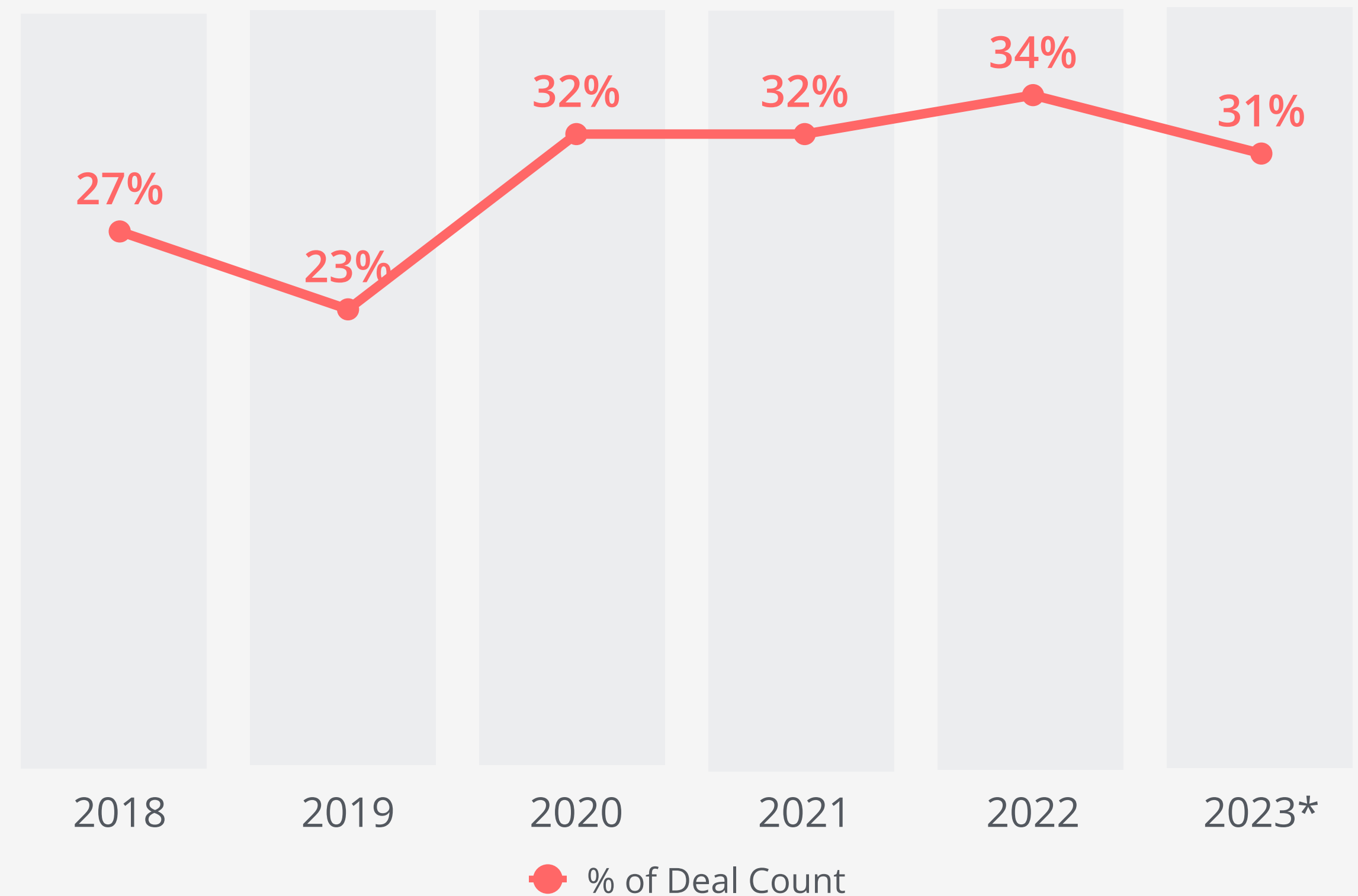


	2018	2019	2020	2021	2022	2023*
DEALS PARTICIPATED (#)	20	21	36	52	54	10
TOTAL DEAL COUNT	139	130	213	336	315	55

*: As of March 31, 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 quarter of 2023, **17 out of 55** investments had a company or a CVC among the investors.
- CVCs and companies such as Alesta Yatırım, APY Ventures, Driventure, Eksim Ventures, Kalyon Venture Capital, Korun Teknoloji, Logo Ventures, Lonca GSYF, Maxis, Param, Turkcell Yeni Teknolojiler GSYF, United Payment and Yıldız Tekno GSYO participated in investments in the first quarter.
- It was also noteworthy that startups such as **Param** and **United Payment** invested as investors.

TÜRKİYE VC DEAL ACTIVITY WITH CVC PARTICIPATION



	2018	2019	2020	2021	2022	2023*
DEALS PARTICIPATED (#)	37	30	69	109	108	17
TOTAL DEAL COUNT	139	130	213	336	315	55

- In the first quarter of 2023, there was only one investment with a crypto token.



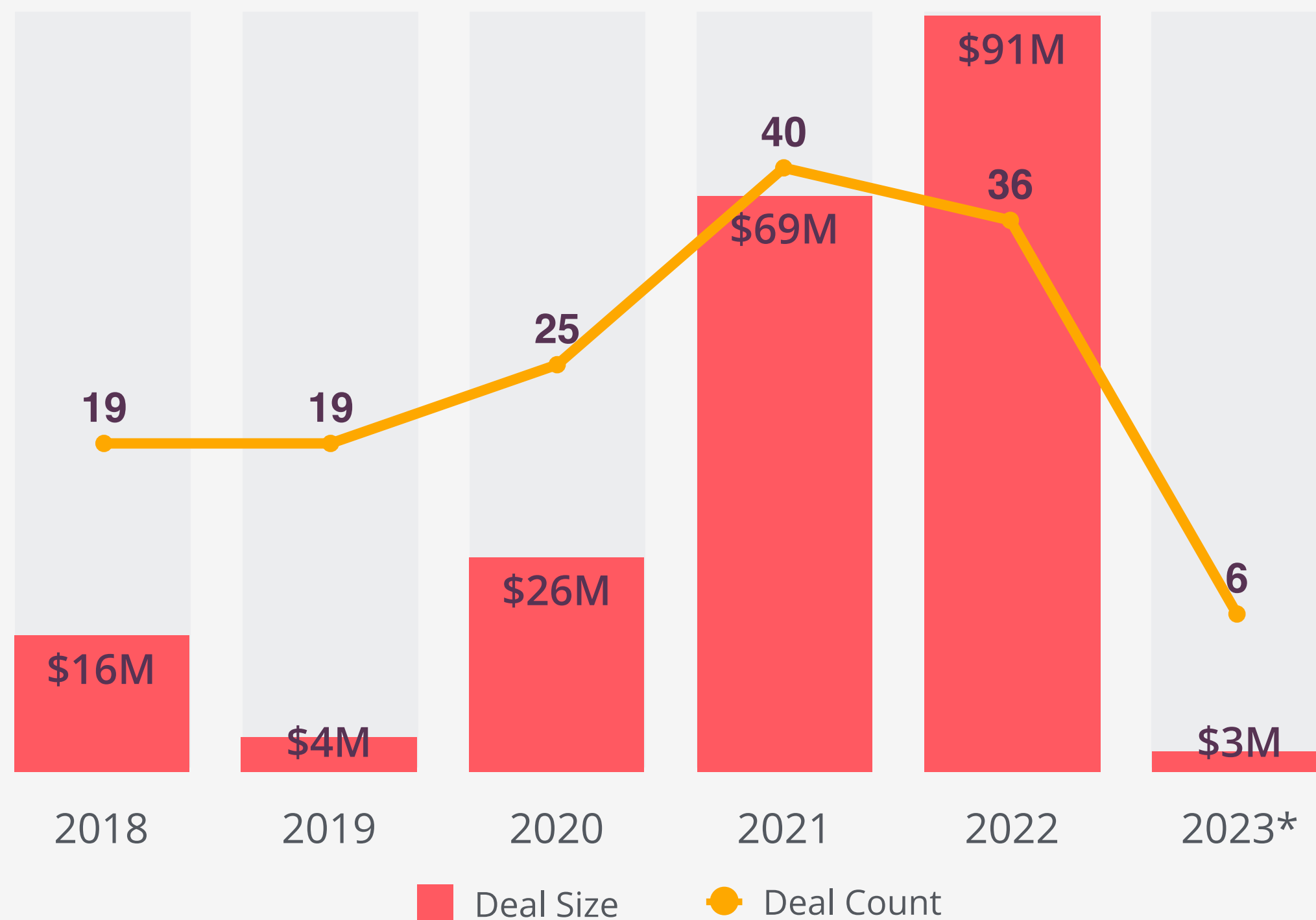
Metatime

\$11M - Seed

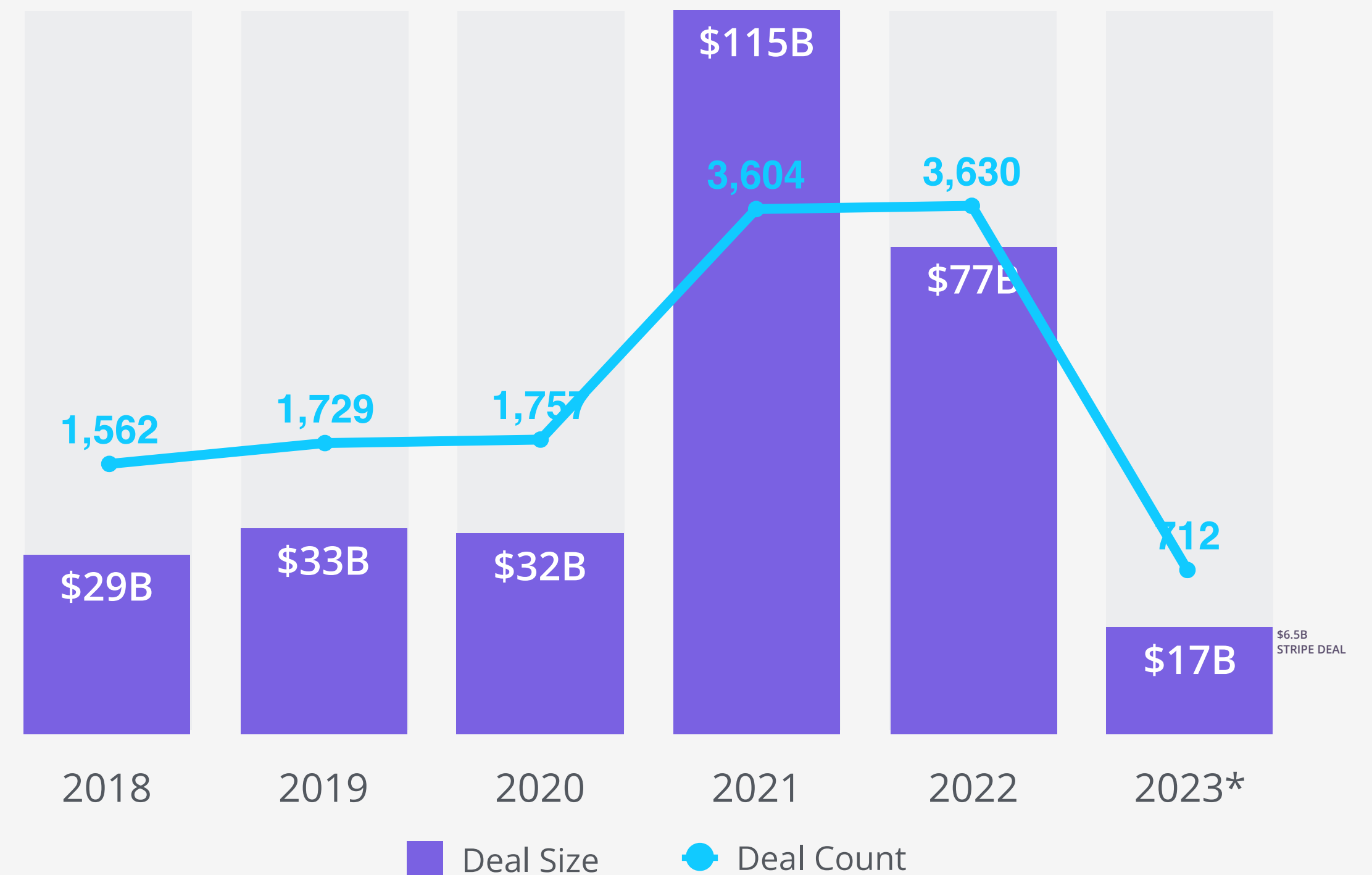
Yıldız Tekno GSYO, Kalyon Holding, Yıldız Technical University, Halkbank, Türk Telekom

- Excluding Stripe's \$6.5 billion investment round, global fintech investments were well behind the previous year.
- Although fintech is one of the hottest topics in Türkiye, it has not yet achieved the expected momentum.

FINTECH DEALS IN TÜRKİYE



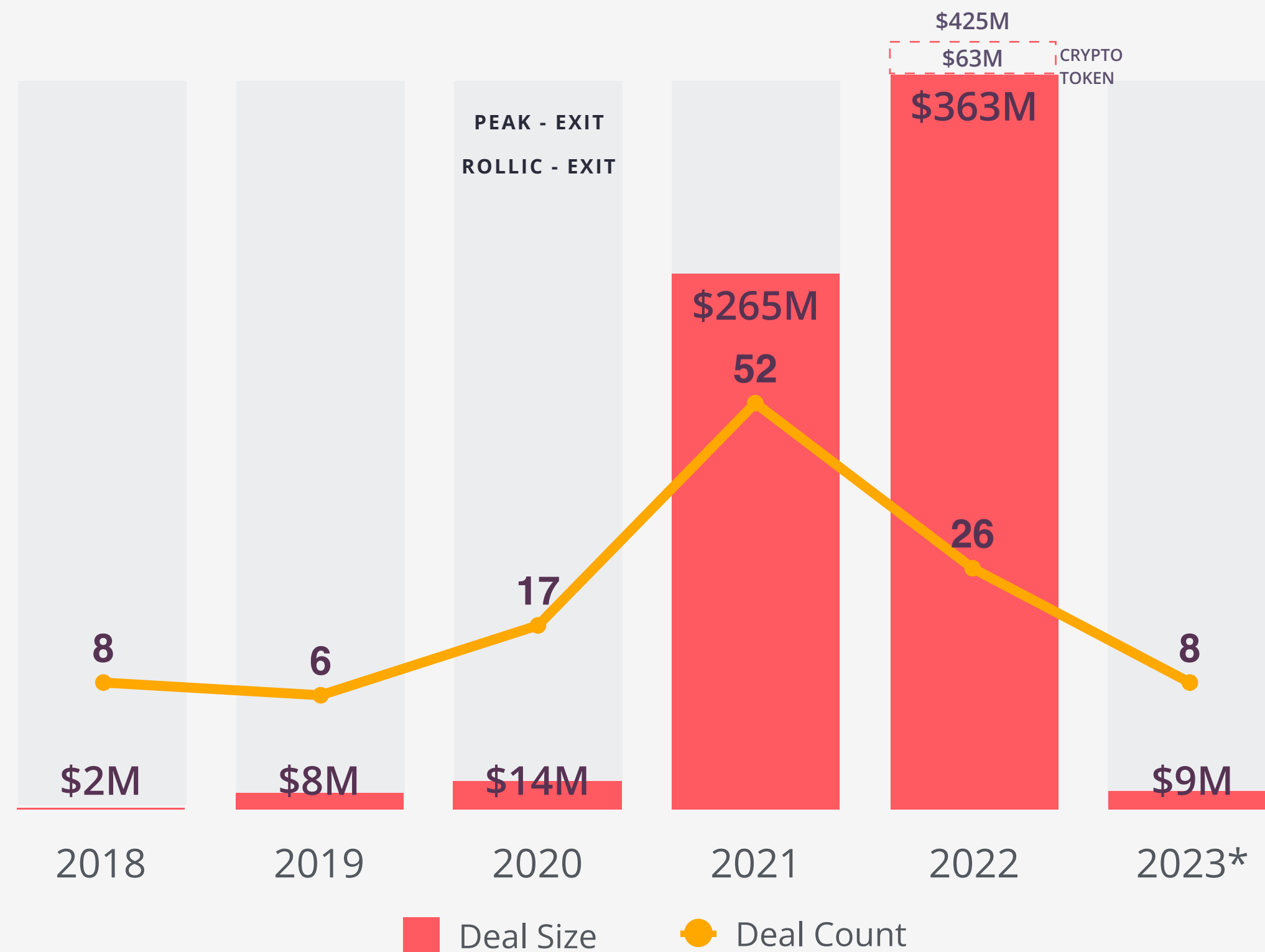
GLOBAL FINTECH DEALS



*: As of March 31, 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)

- Gaming investment momentum slowed considerably in first quarter of 2023.
- The largest gaming deal size was \$3.5M.
- Türkiye, which was in the top 5 the previous year, dropped to 13th place in the first quarter.

GAMING DEALS IN TÜRKİYE



TOP 15 COUNTRIES IN GAMING DEALS IN 2023-Q1

RANK	CITY	DEAL SIZE (\$)	DEAL COUNT
1	USA	342M	67
2	China	336M	9
3	India	48M	14
4	UK	43M	11
5	Canada	31M	4
6	South Africa	27M	1
7	UAE	23M	2
8	Spain	18M	6
9	South Korea	17M	5
10	Hong Kong	14M	2
11	Singapore	14M	7
12	France	12M	5
13	Türkiye	9M	8
14	Philippines	9M	1
15	Switzerland	8M	3

*: As of March 31, 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 quarter of 2023, **9 out of 55** investments had female founders.

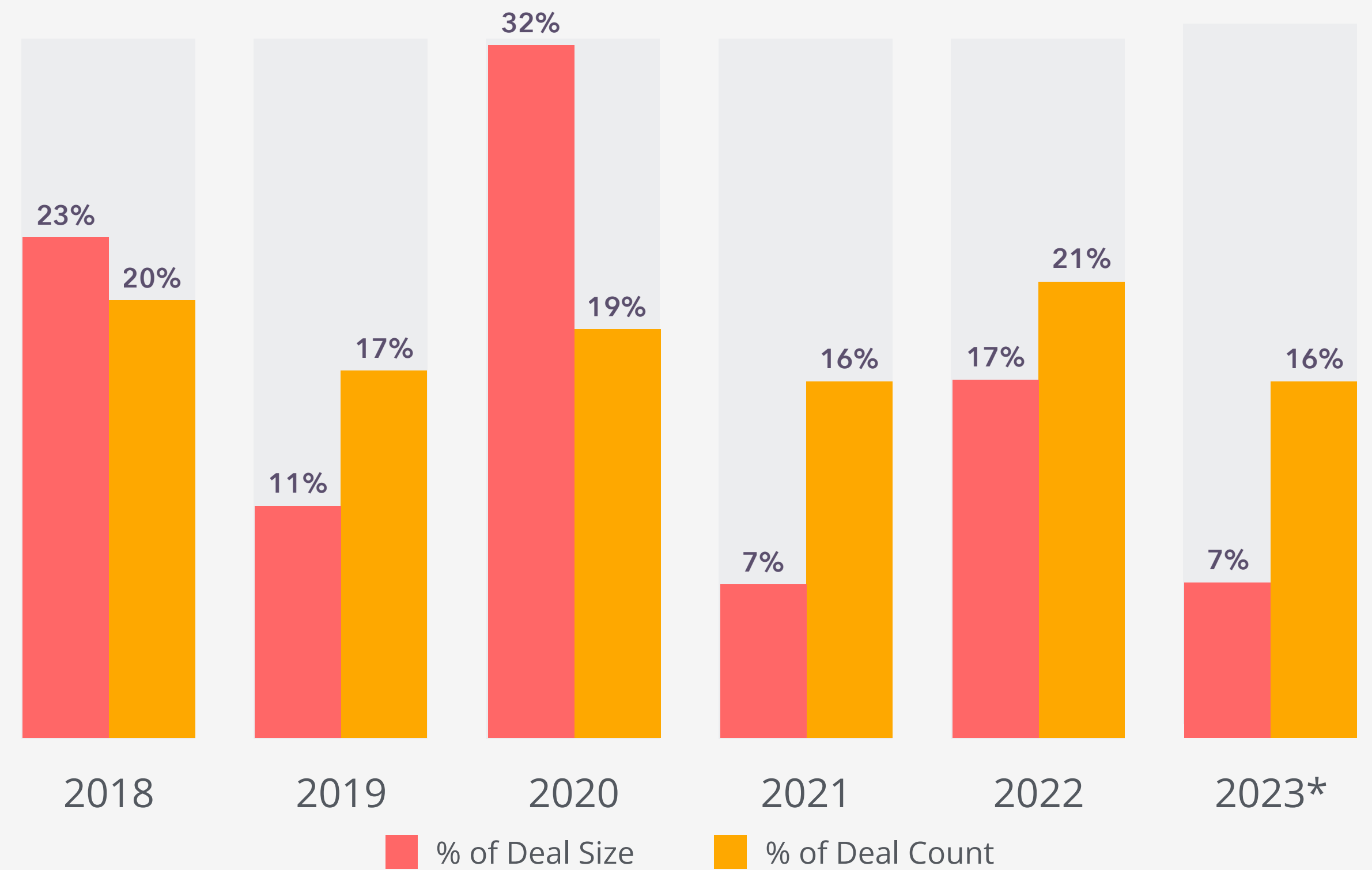
FEMALE FOUNDERS IN TÜRKİYE

	2018	2019	2020	2021	2022	2023*
Female Founded Startups / Total Startups	16%	19%	19%	21%	20%	No Data

VC DEAL ACTIVITY WITH FEMALE FOUNDER

	2018	2019	2020	2021	2022	2023*
Deals W/ Female Founder (#)	28	22	40	55	66	9
Total Deal Count	139	130	213	336	315	55

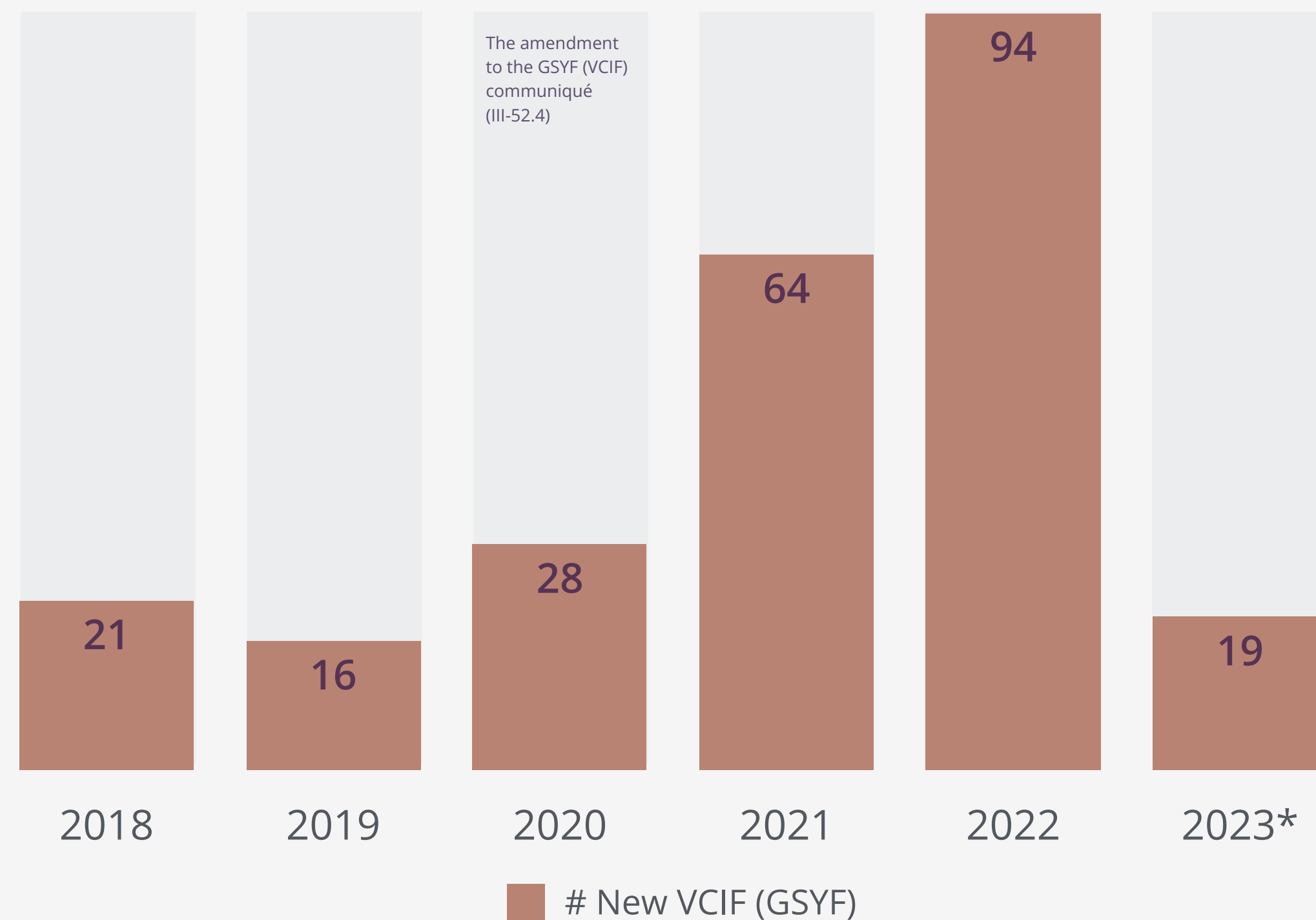
TÜRKİYE VC DEAL ACTIVITY WITH FEMALE FOUNDER



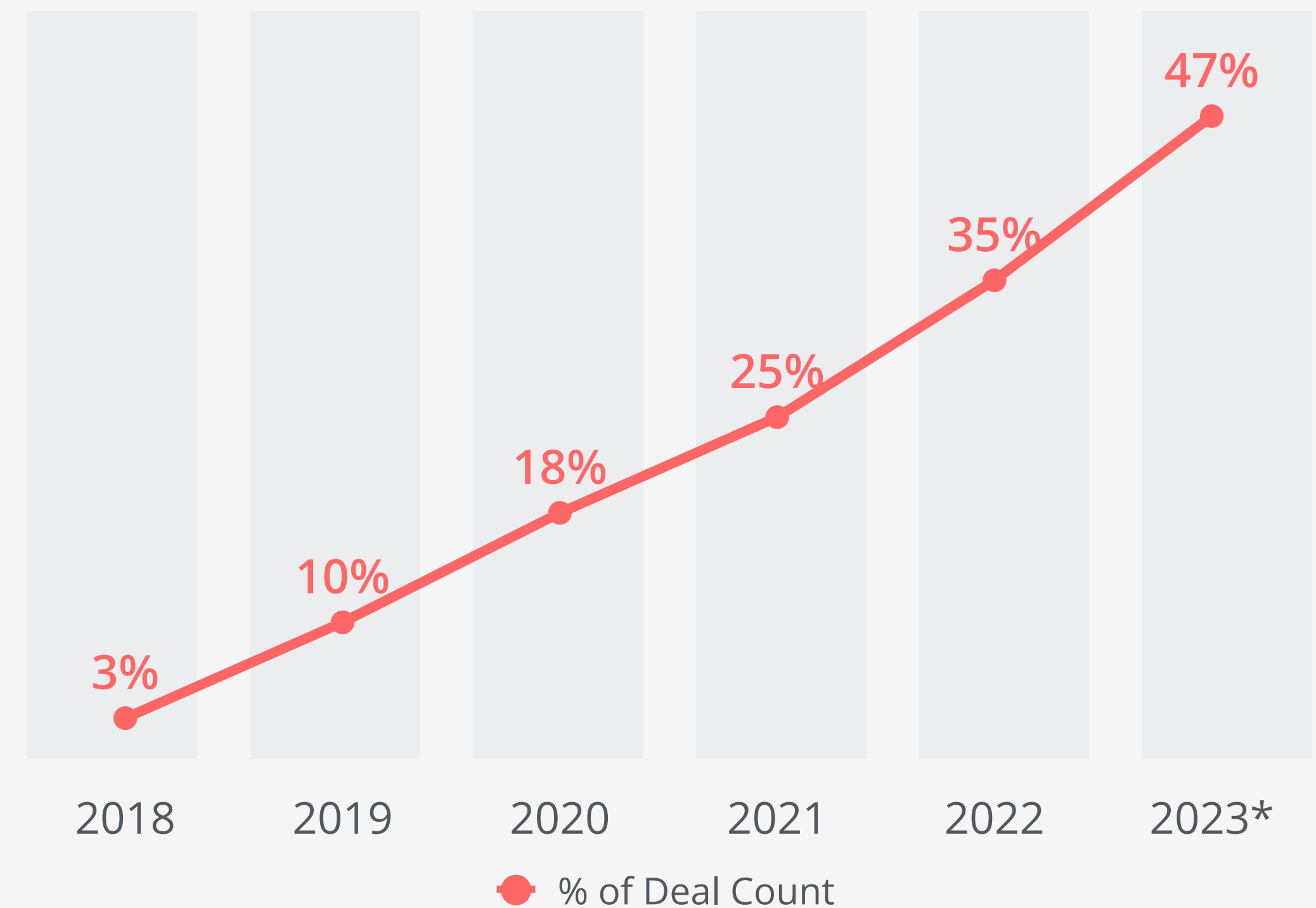
*: As of March 31, 2023 ; Notes : Only disclosed equity fundings are counted. Non-equity, secondary and post-IPO transactions, grants and convertible debts are excluded. (Check startups.watch for updates)

- In the first quarter of 2023, **one in every 2 investments** had a VCIF (GSYF) among the investors.
- The number of VCIF (GSYF) authorized for establishment reached **243**. Half of these belong to the **last 1.5 years**.

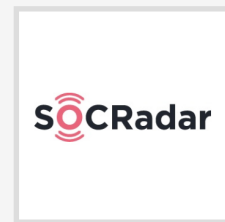
NEW VCIF (GSYF) ESTABLISHED BY YEAR



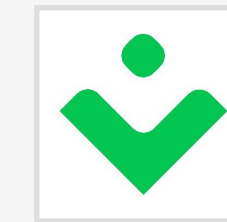
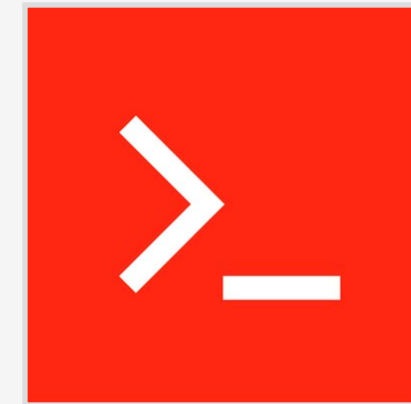
TÜRKIYE VC DEAL ACTIVITY WITH VCIF (GSYF) PARTICIPATION



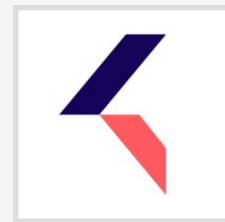
REGIONAL BREAKDOWN OF EXPERIENCED VC'S DEALS IN 2023-Q1



SOCRadar
TR & USA



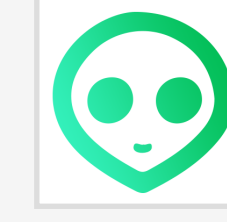
Vue Storefront
Poland & USA



Kubeark
Romania & USA



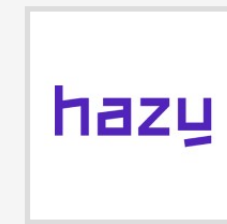
LONCA
Lonca
TR & USA



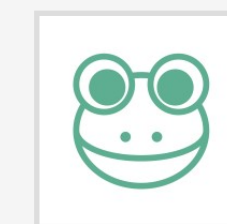
Ollang
TR & USA



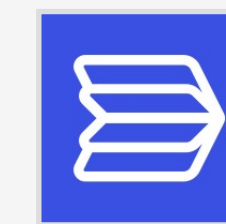
3E Nano
Canada



Hazy
UK



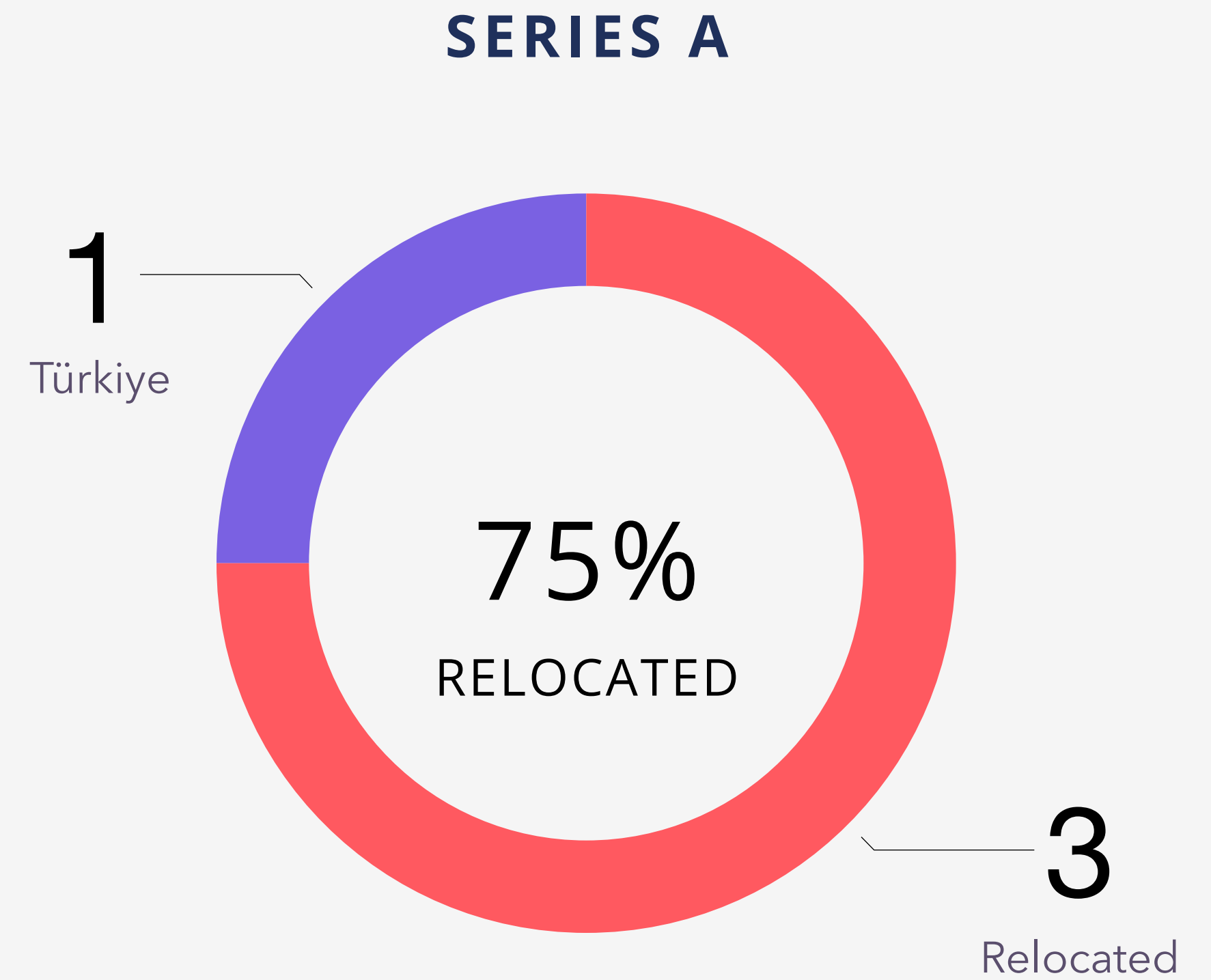
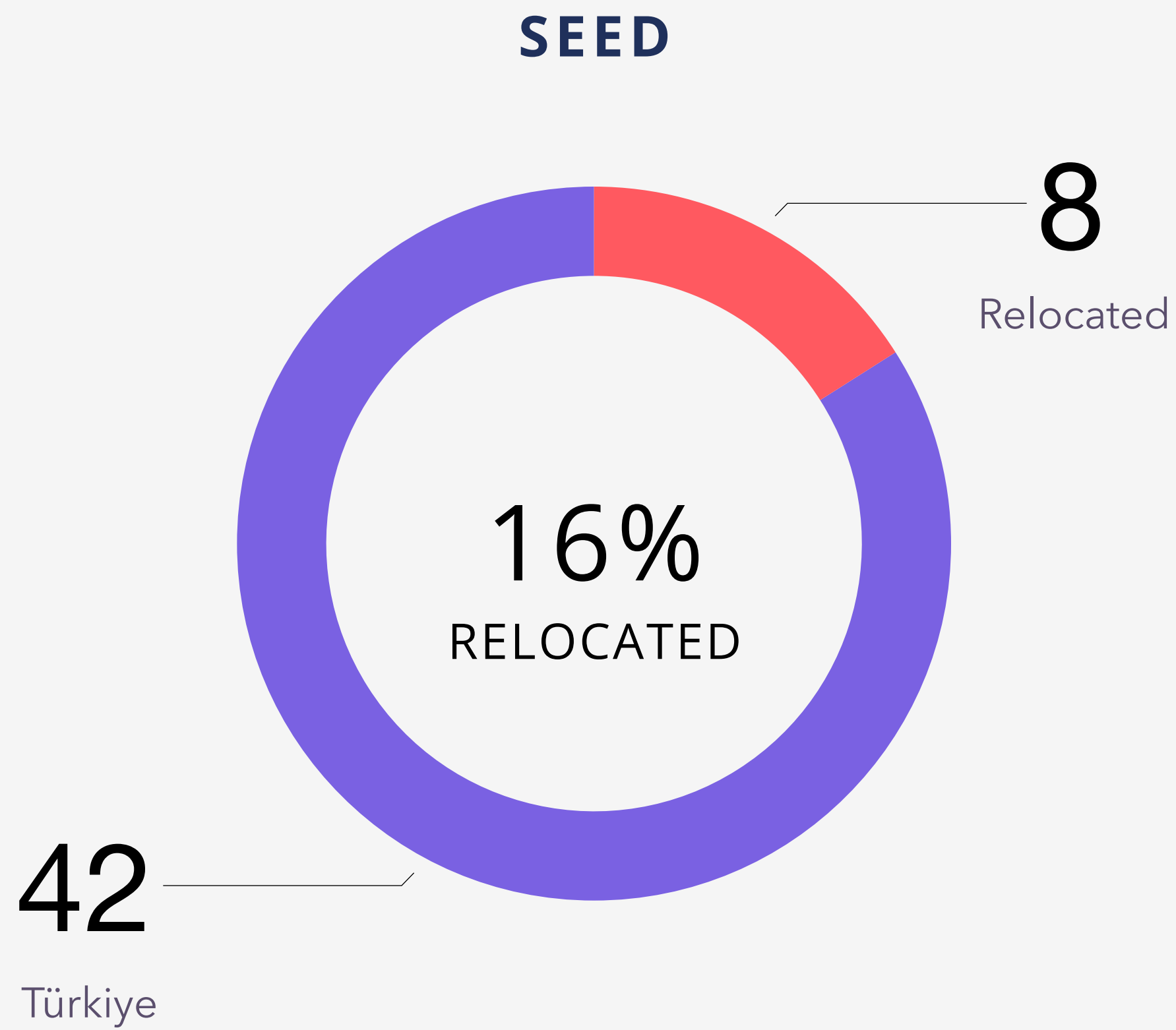
Cogui
Germany



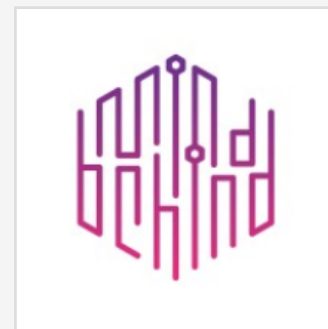
Flowla
UK



Cenoa
Singapore



- The acquisitions in 2023 had three most striking features. First, Turkish startups acquired Turkish startups.



MindBehind

Acquired by Insider



Biletiva

Acquired by Mobilet



Okuma Adası

Acquired by Kidolog



Infoset

Acquired by BtcTurk

- Second, Turkish startups acquired startups abroad.



Golden Leaf

Acquired by Missafir



Go Sharing

Acquired by BinBin

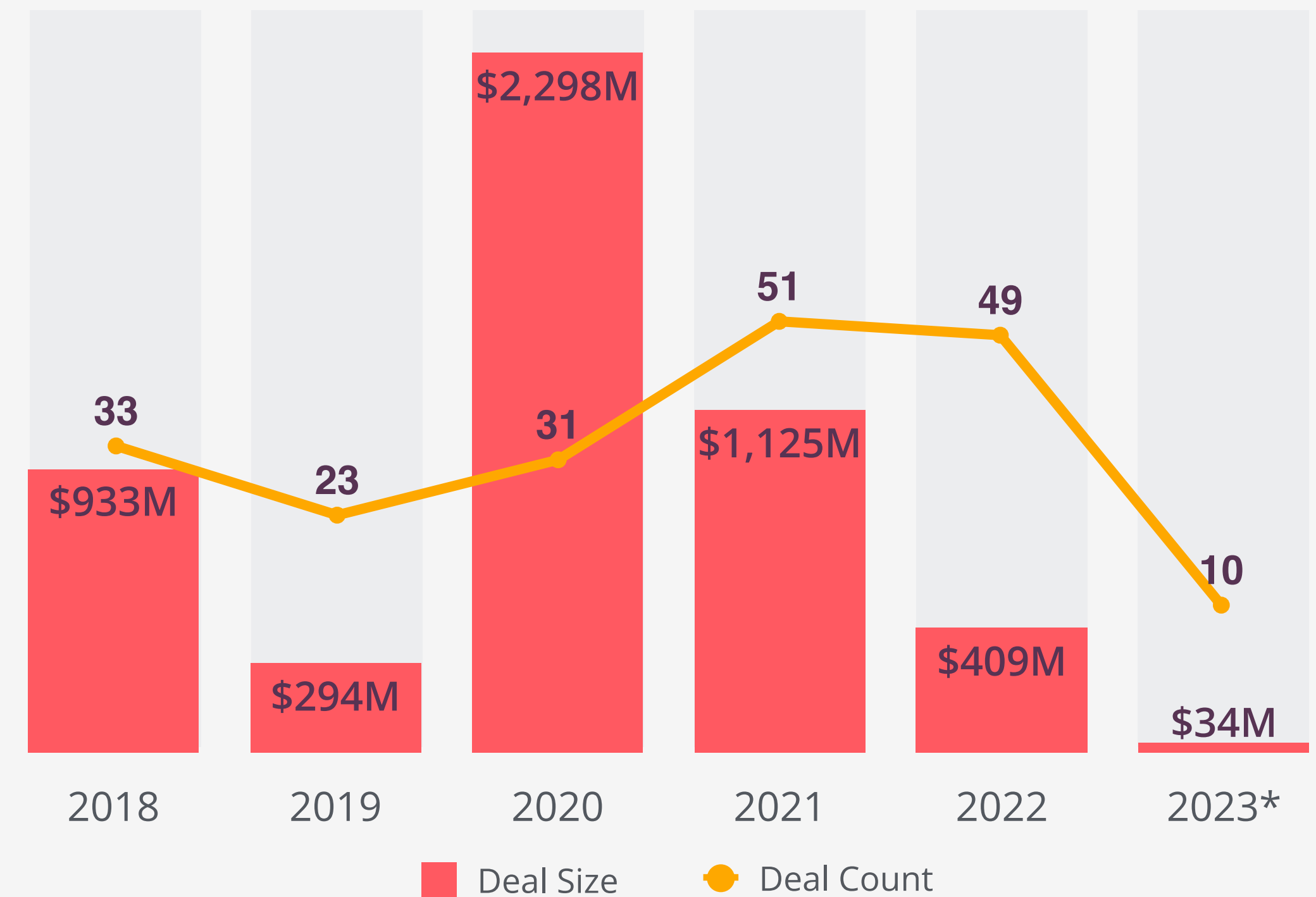
- Third, a startup went public in Türkiye.



Mackolik

\$17.2M - 34% (IPO)

ACQUISITIONS & SEC. TRANSACTIONS IN TÜRKİYE



	2018	2019	2020	2021	2022	2023*
DEAL SIZE (\$)	933M	294M	2,298M	1,125M	409M	34M
<i>YoY Growth</i>		-69%	682%	-51%	-64%	-92%
DEAL COUNT	33	23	31	51	49	10
<i>YoY Growth</i>		-30%	35%	65%	-4%	-80%



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It's founded in June 2015. It has paid customers in 20+ countries.

ABOUT 212

212 invests in growth-stage tech companies across Türkiye, CEE, and MENA. With €80 million under management and 25 investments, 212 finances B2B tech solutions with significant traction, a clear product-market fit, and readiness to scale globally. <https://212.vc/>