

TURKISH STARTUP ECOSYSTEM

YEAR IN REVIEW 2022

V1.0 - JANUARY 17, 2023

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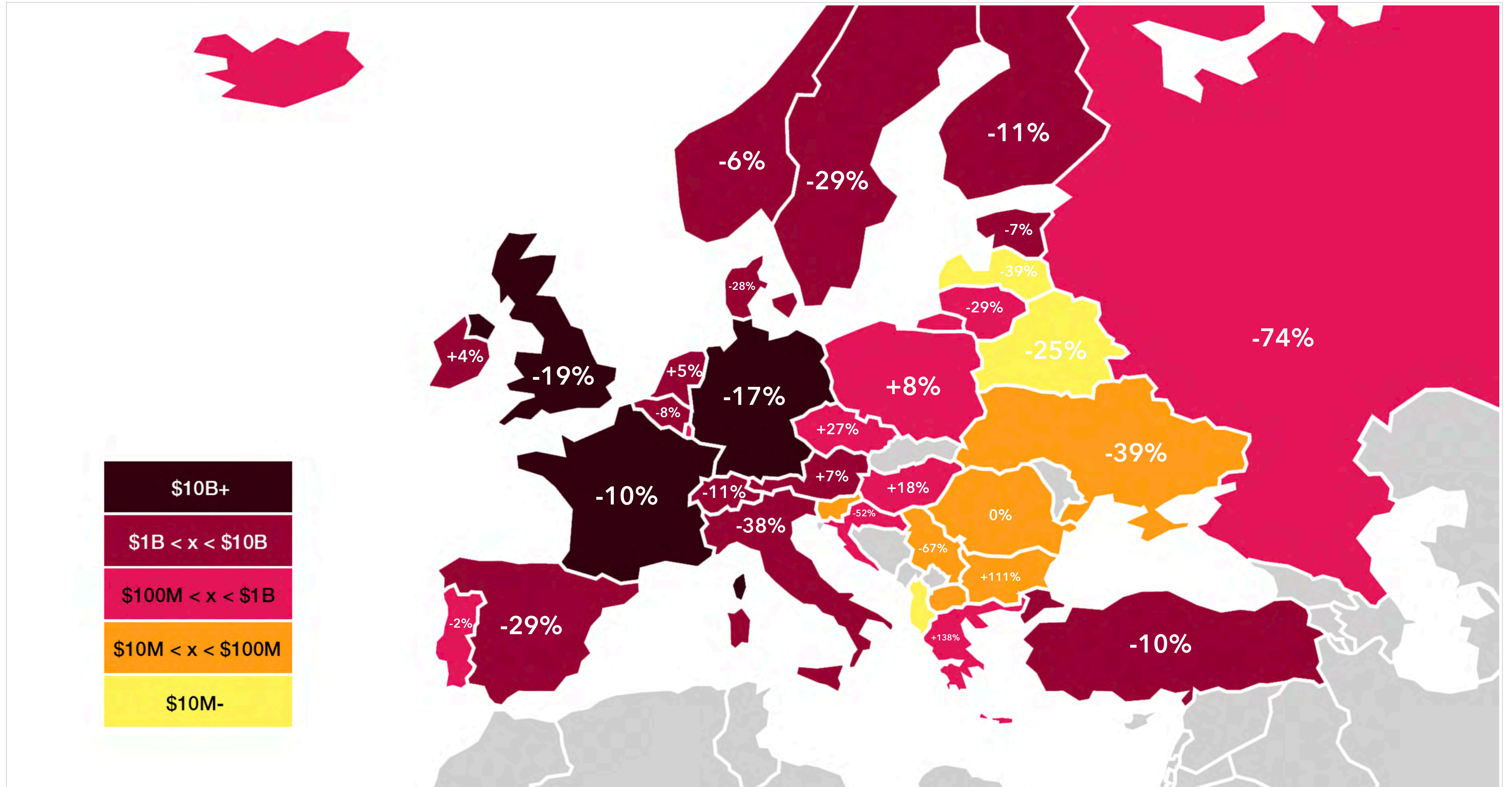
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- Historical funding data is subject to change as our team explore new data.
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METHODOLOGY & DATA

- 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.

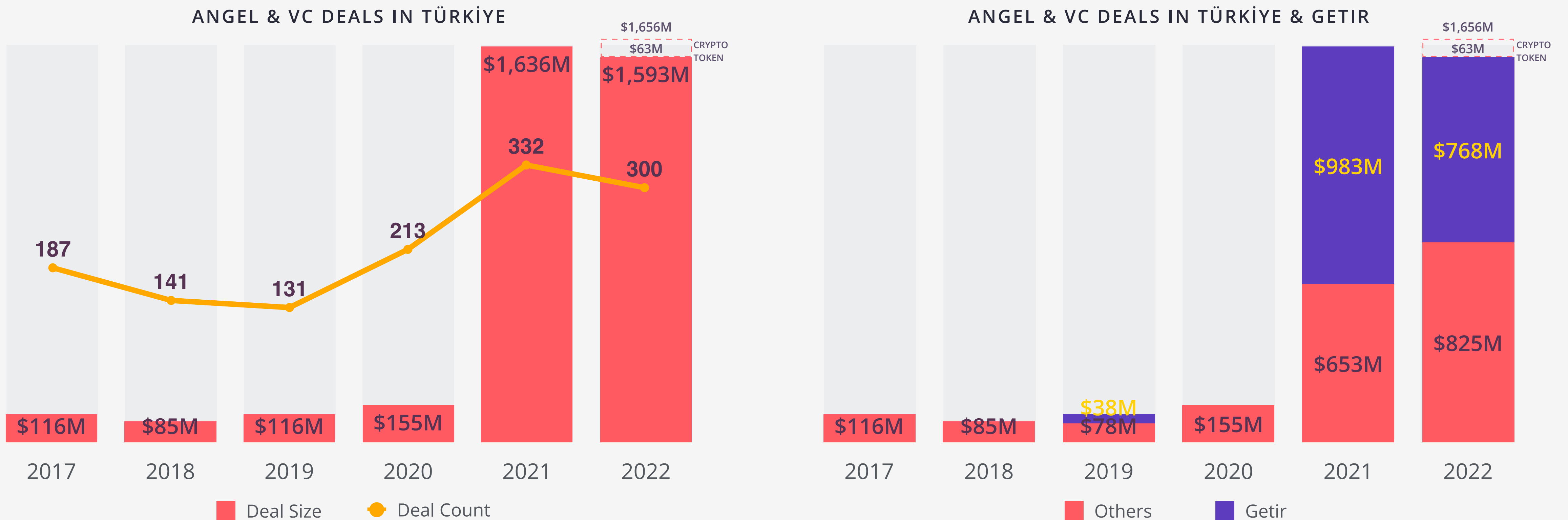
- In 2022, **1 billion 593 million dollars** were invested across **300 deals** in seed, early and later vc stages.
- An all-time record (**\$825M**) was broken when Getir deals were excluded. (**26%** YoY increase)
- In Q4-2022, **93 million dollars** were invested across **74 deals** in seed, early and later vc stages.
- The top 3 investments amounted to **1 billion 144 million dollars**.
- Excluding Getir deal, **54%** of the investments consisted of gaming and fintech deals.
- Gaming and fintech verticals broke **all-time records** in their respective verticals in terms of investment amounts.
- In terms of deal count; fintech, SaaS, gaming, AI and marketplace were hot topics of 2022.
- In 2022, foreign investors participated in approximately **1 out of every 5 transactions**.
- In 2022, **116 out of 300** investments had a company or a CVC among the investors.
- In 2022, **103 out of 300** investments had at least one VCIF (GSYF) among the investors. **92** of these were at the **seed stage**.
- Thanks to the amendment of the communiqué 2 years ago, a **record number of GSYF** were established in 2022.
- In 2022, **64 out of 300** investments had female founders.
- Istanbul ranked **6th** among European cities in 2022.
- In 2022, Istanbul was the city with the highest number of game deals in Europe after London. It ranked **fifth** globally.

DEALS LEAGUE FOR 2022 AND DEAL COUNT CHANGE (2022 VS 2021)



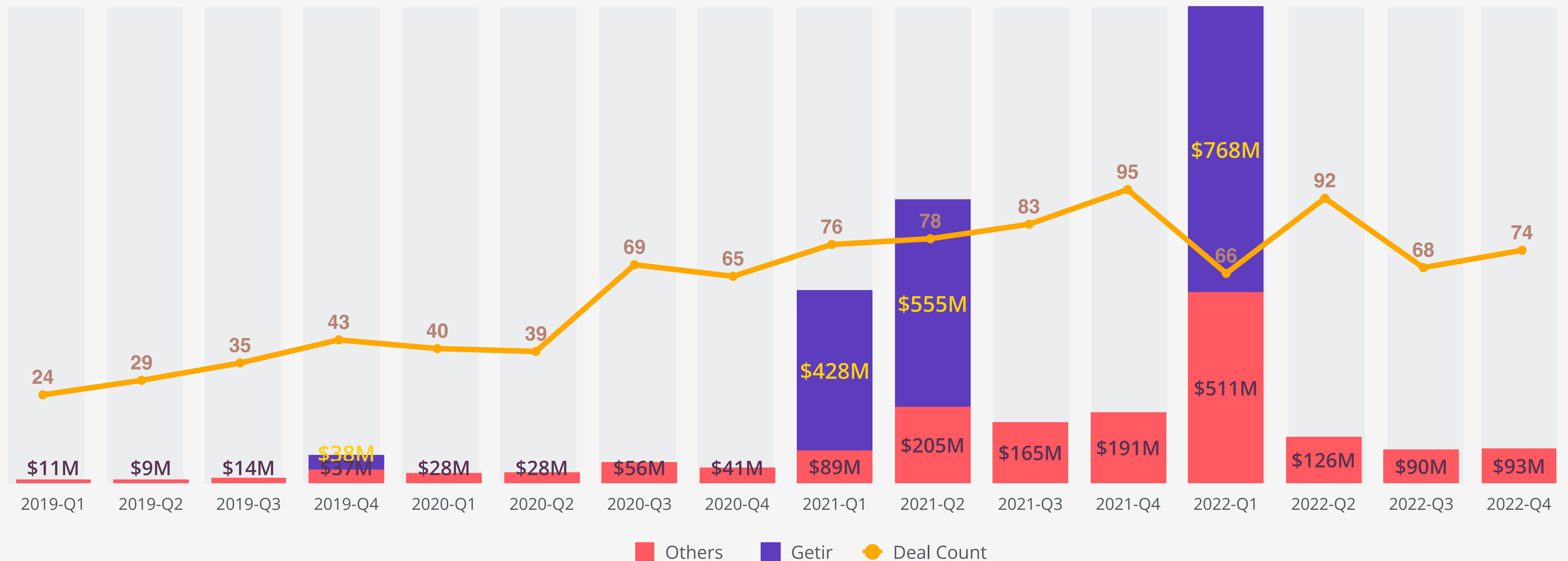
Notes : Only disclosed equity fundings are counted. Non-equity, secondary and post-IPO transactions, grants and convertible debts are excluded. Source : Crunchbase & Startups.watch & Public Sources

- In 2022, **1 billion 593 million dollars** were invested across **300 deals** in seed, early and later vc stages.
- Investments decreased by **3%** in deal size and **10%** in deal count compared to the previous year.
- An all-time record (**\$825M**) was broken when Getir deals were excluded. (**26%** YoY increase)
- 10 deals accounted for **83%** of all deals in terms of amount invested.



- In Q4-2022, **93 million dollars** were invested across **74 deals** in seed, early and later vc stages.
- The top 3 deals in Q4-2022 accounted for **53%** of all deals. (Ace Games, Arf, Figopara)
- In Q4-2022, the deal size decreased by **10%** and the deal count increased by **9%** compared to the previous quarter.

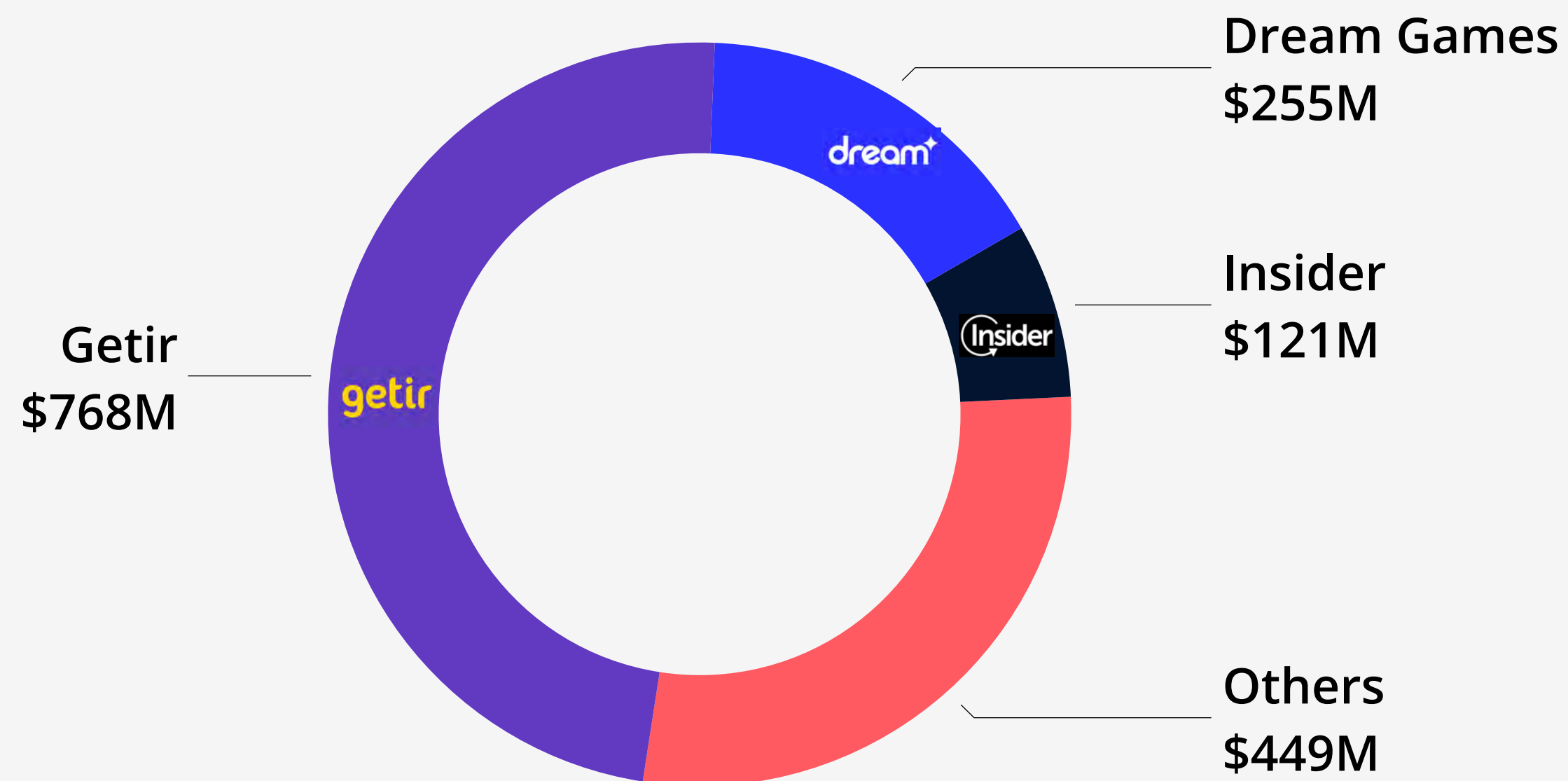
QUARTERLY ANGEL & VC DEALS IN TÜRKİYE



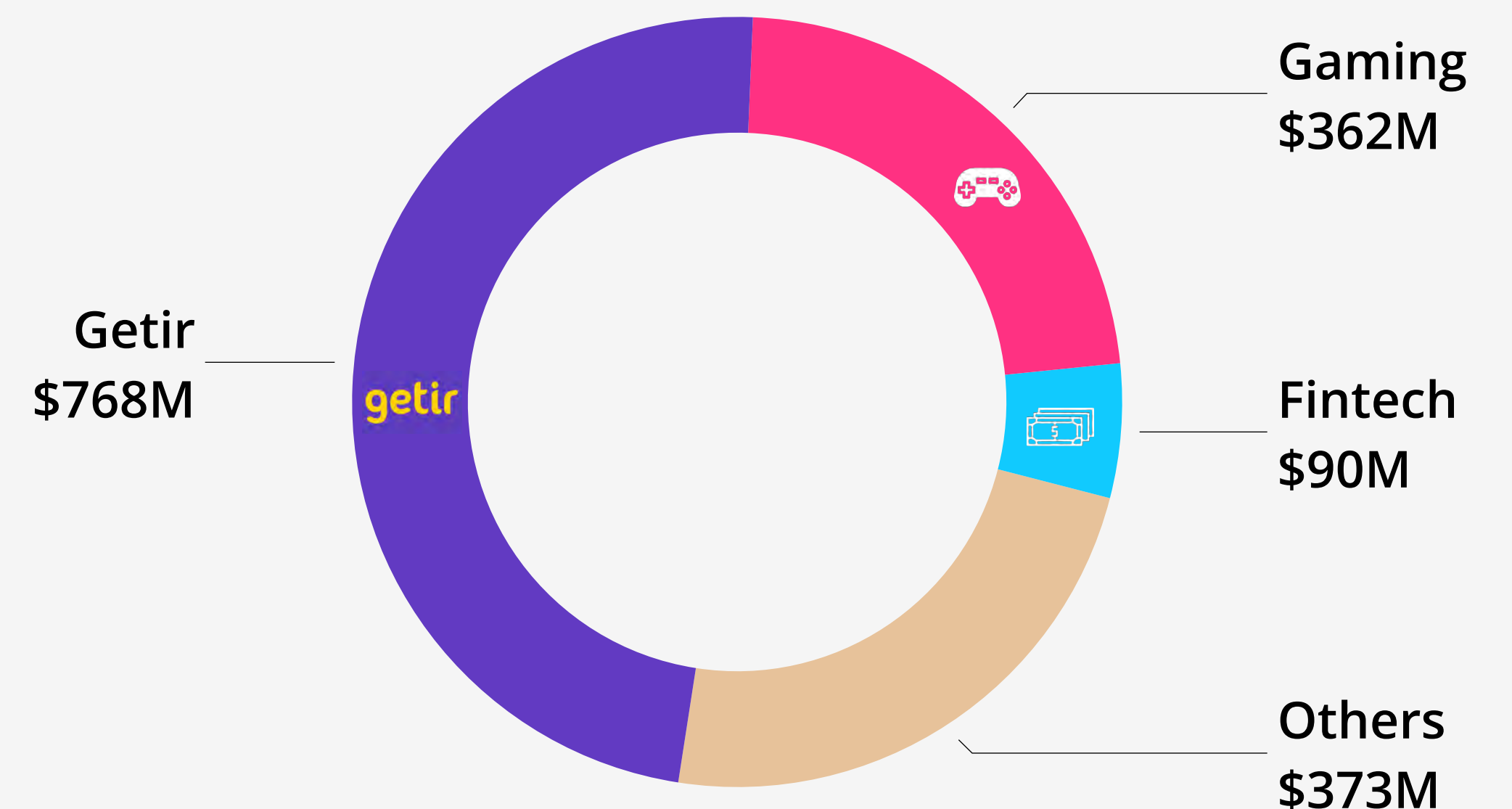
Notes : Only disclosed equity fundings are counted. Non-equity, secondary and post-IPO transactions, grants and convertible debts are excluded. (Check startups.watch for updates)

- The top 3 investments amounted to **1 billion 144 million dollars**.
- Apart from the top 3 investments, **\$449M** was invested in Türkiye.
- Excluding Getir deal, **54%** of the investments consisted of gaming and fintech deals.

TOP 3 DEALS & OTHERS



GETIR, GAMING, FINTECH & OTHERS

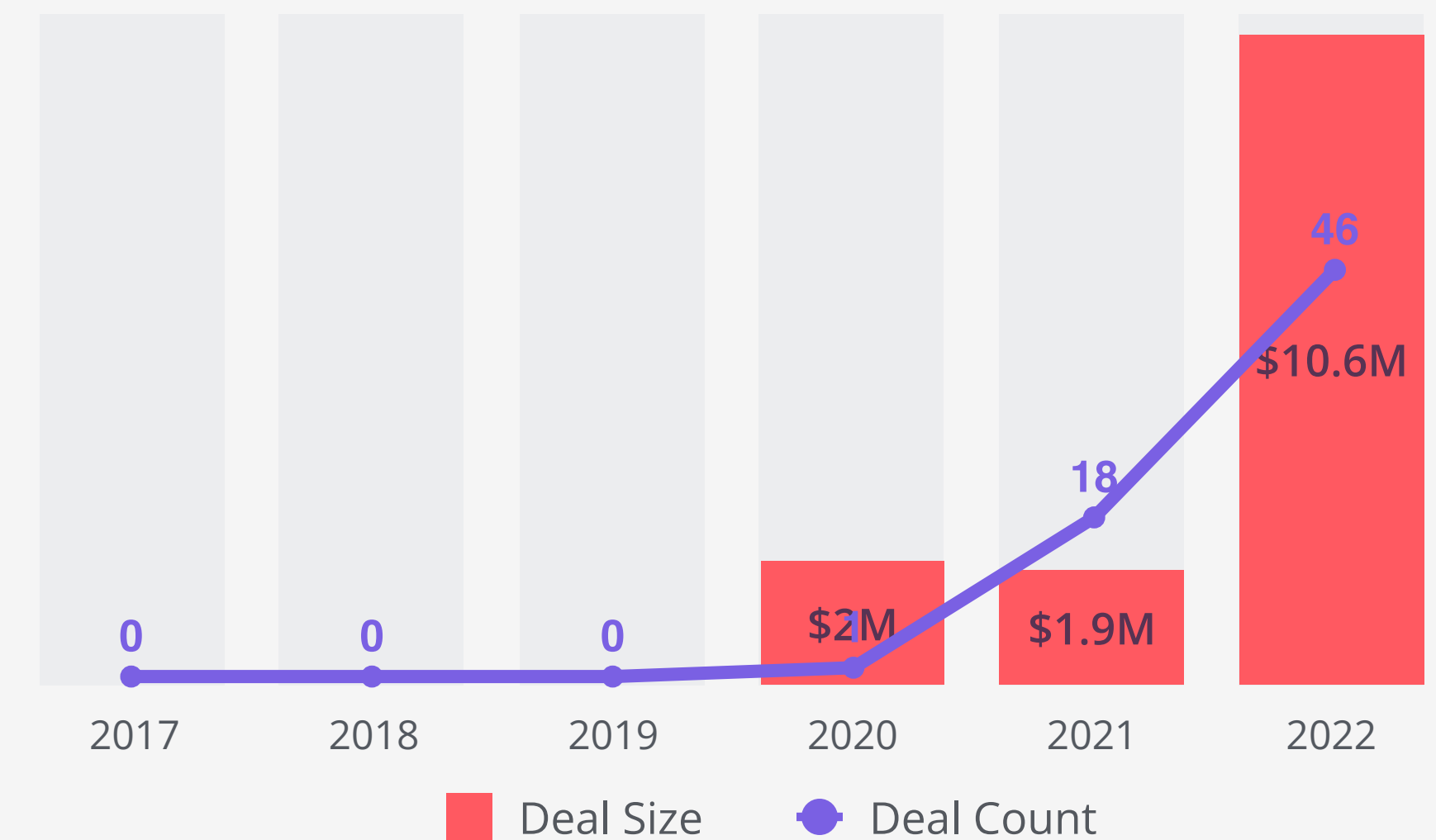


- By 2022, **9** equity based crowdfunding platforms have been approved for establishment. **6** of these platforms are active.
- While a total of **46** startups were successful on **5** platforms in 2022, this number will increase significantly with the opening of other platforms in the coming months.
- Startups raised an average of **\$230K** investments through crowdfunding platforms. For this reason, crowdfunding has become a good alternative for entrepreneurs at the seed stage.

TÜRKİYE YEARLY EQUITY BASED CROWDFUNDING DEALS

	2017	2018	2019	2020	2021	2022
Equity Based Crowdfunding Deal Size (\$)	0M	0M	0M	2M	1.9M	10.6M
Seed Stage Deal Size (\$)	59M	48M	49M	68M	138M	273M
% of Deal Size	0%	0%	0%	3%	1.4%	3.9%
Equity Based Crowdfunding Deal Count	0	0	0	1	18	46
Seed Stage Deal Count	166	127	116	190	298	269
% of Deal Count	0%	0%	0%	0.5%	6.0%	17.1%

TÜRKİYE EQUITY BASED CROWDFUNDING DEALS



- Despite the establishment of many VCFs in 2022, the number of investments in Seed and Early VC stage fell by more than **10%**. We can correlate this decline to the fact that investors started to hesitate to invest in new startups due to the **global downturn**.
- Although 46 out of 269 seed investments in 2022 were equity-based crowdfunding, the number of seed deals decreased by **10%**.
- Those seeking **Series B** investment were more dependent on investors abroad, as they had few options in Türkiye at this stage. Since there is also a contraction in investments abroad, startups at this stage are less likely to receive investment in the coming months.

TÜRKİYE YEARLY DEAL (\$) ACTIVITY BY STAGES

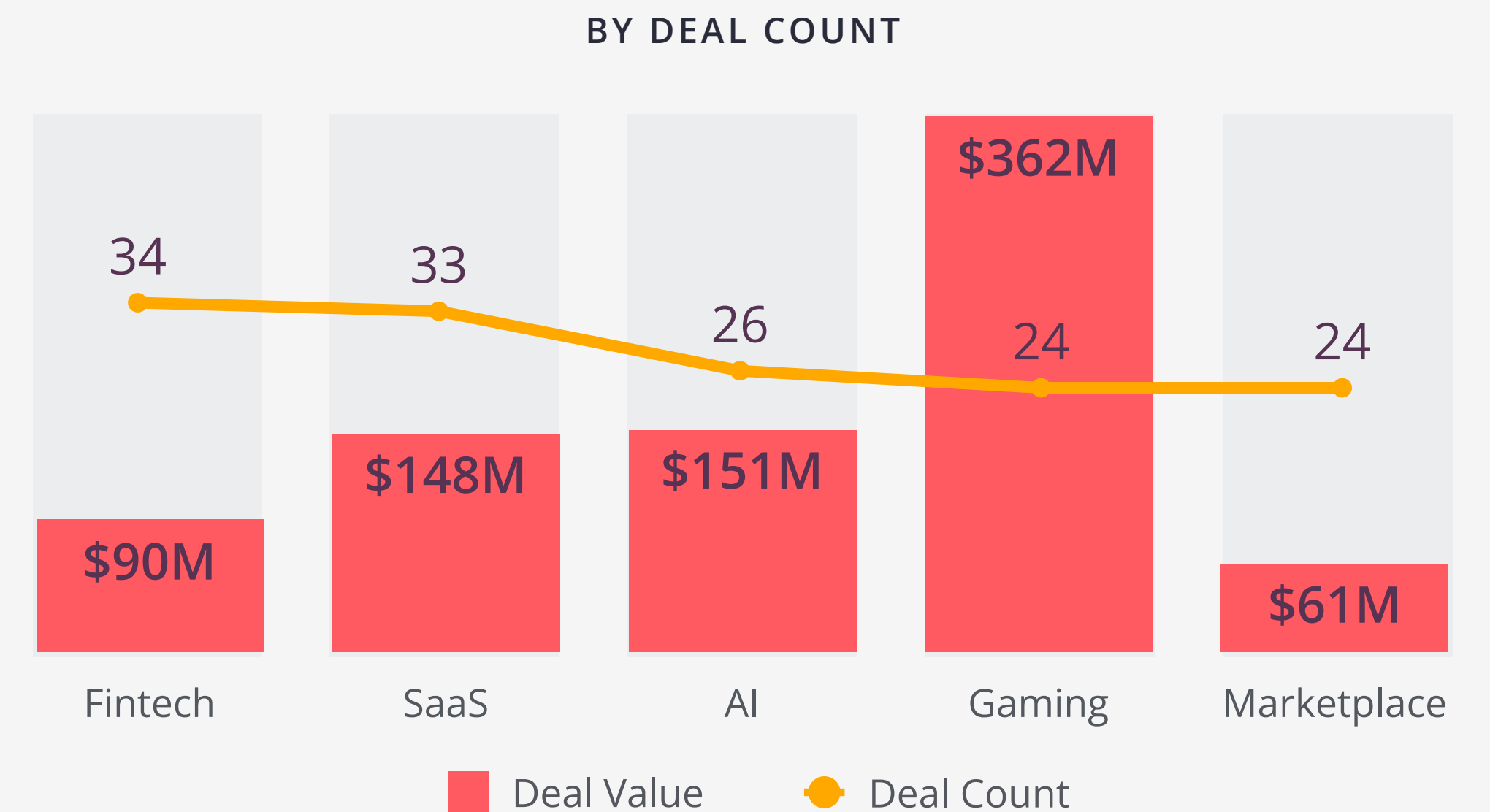
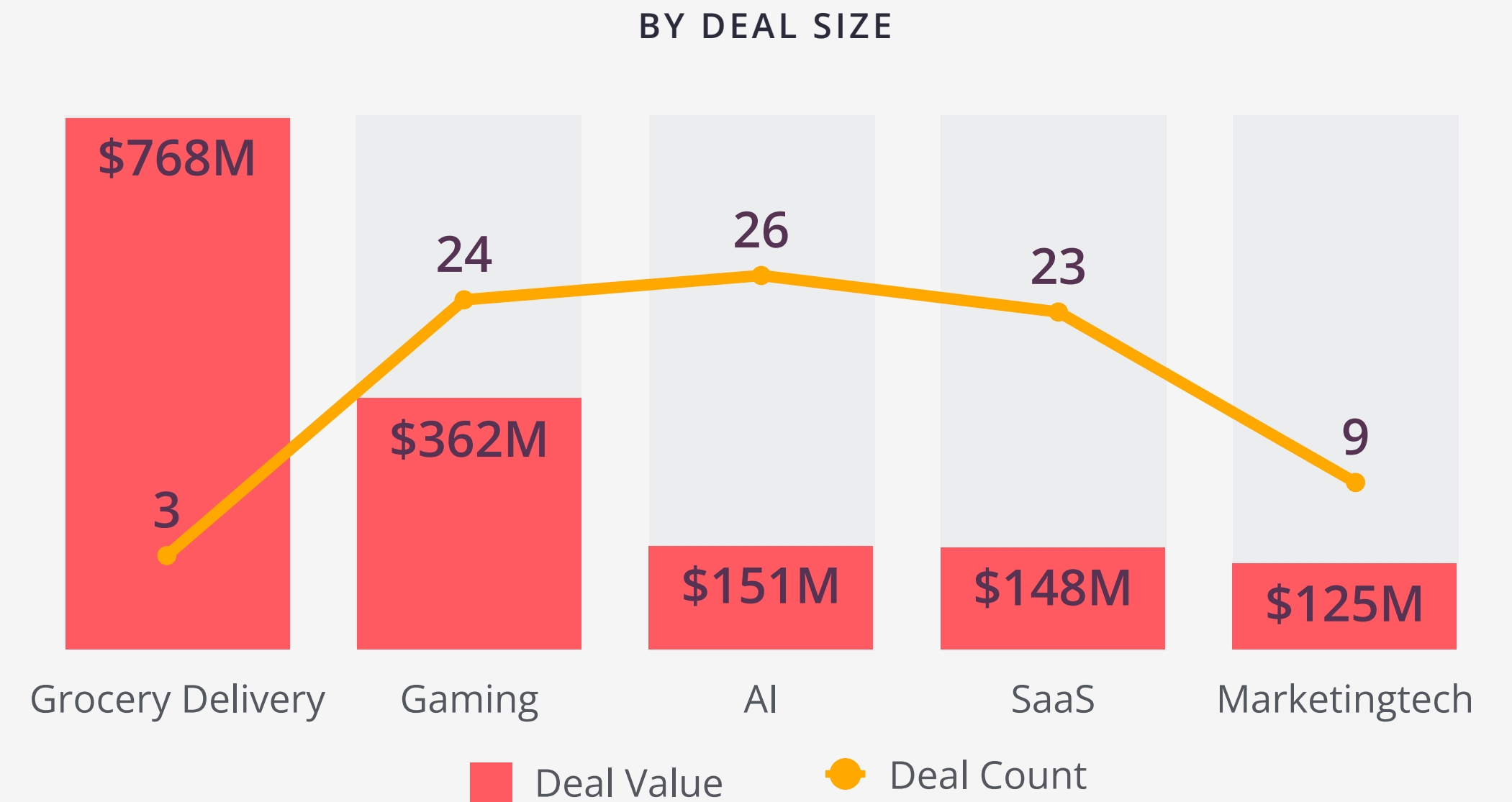
STAGES	2017	2018	2019	2020	2021	2022
Seed Stage (\$)	59M	48M	49M	68M	138M	273M
<i>YoY Growth</i>		-19%	1%	40%	103%	98%
Early VC Stage (\$)	33M	22M	61M	50M	643M	140M
<i>YoY Growth</i>		-35%	181%	-18%	1191%	-78%
Later VC Stage (\$)	23M	15M	7M	37M	855M	1,181M
<i>YoY Growth</i>		-35%	-52%	409%	2211%	38%

TÜRKİYE YEARLY DEAL (#) ACTIVITY BY STAGES

STAGES	2017	2018	2019	2020	2021	2022
Seed Stage (#)	166	127	116	190	298	269
<i>YoY Growth</i>		-23%	-9%	64%	57%	-10%
Early VC Stage (#)	19	9	12	21	32	27
<i>YoY Growth</i>		-53%	33%	75%	52%	-16%
Later VC Stage (#)	2	5	3	2	2	4
<i>YoY Growth</i>		150%	-40%	-33%	0%	100%

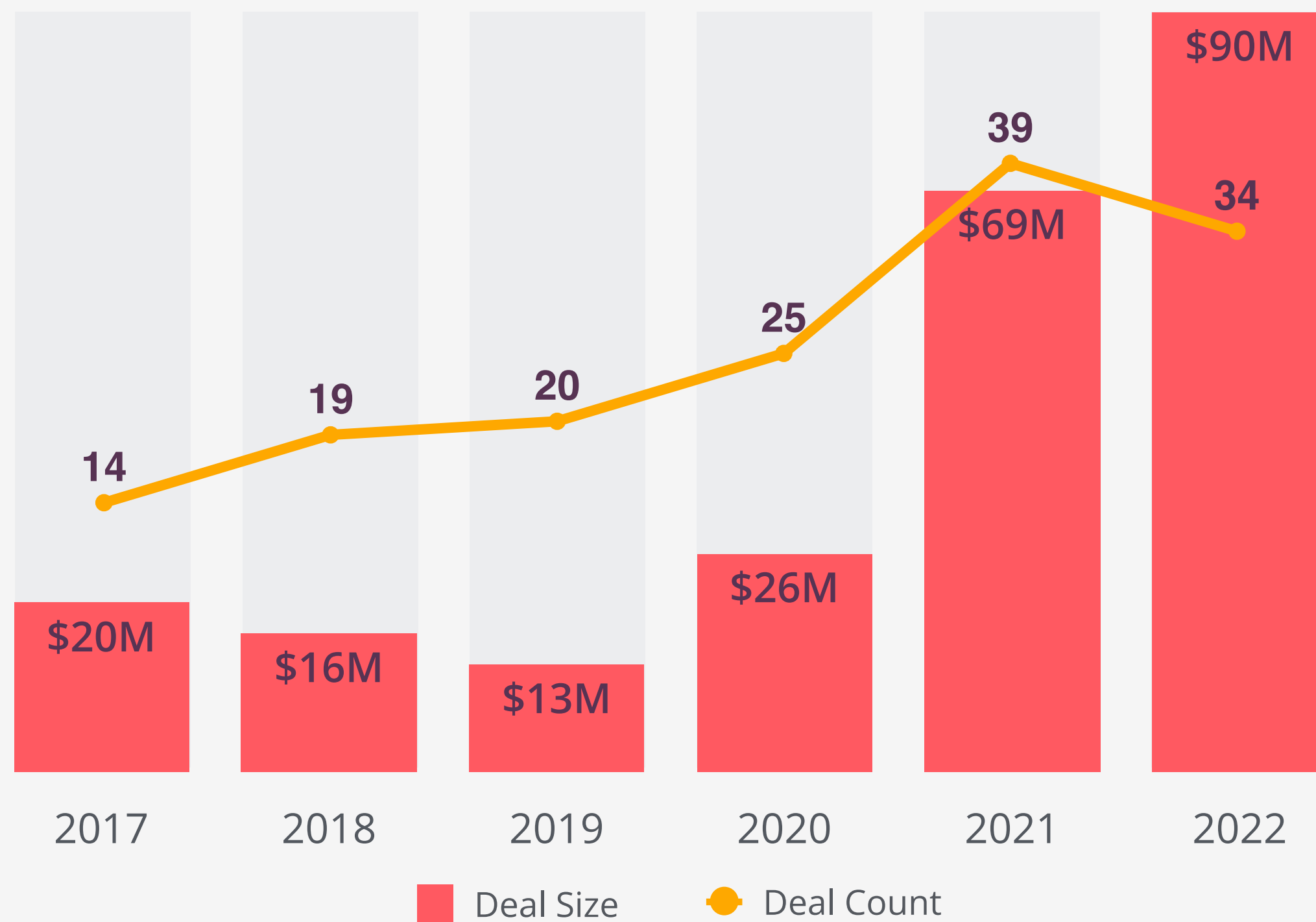
TOP 5 FUNDED VERTICALS IN 2022

- In terms of deal size; grocery delivery, gaming, AI, SaaS and marketingtech were hot topics of 2022.
- In terms of deal count; fintech, SaaS, gaming, AI and marketplace were hot topics of 2022.
- Gaming and fintech verticals broke **all-time records** in their respective verticals in terms of investment amounts.
- **Metaverse** was the fastest growing vertical with 700% increase in deal count compared to the previous year.

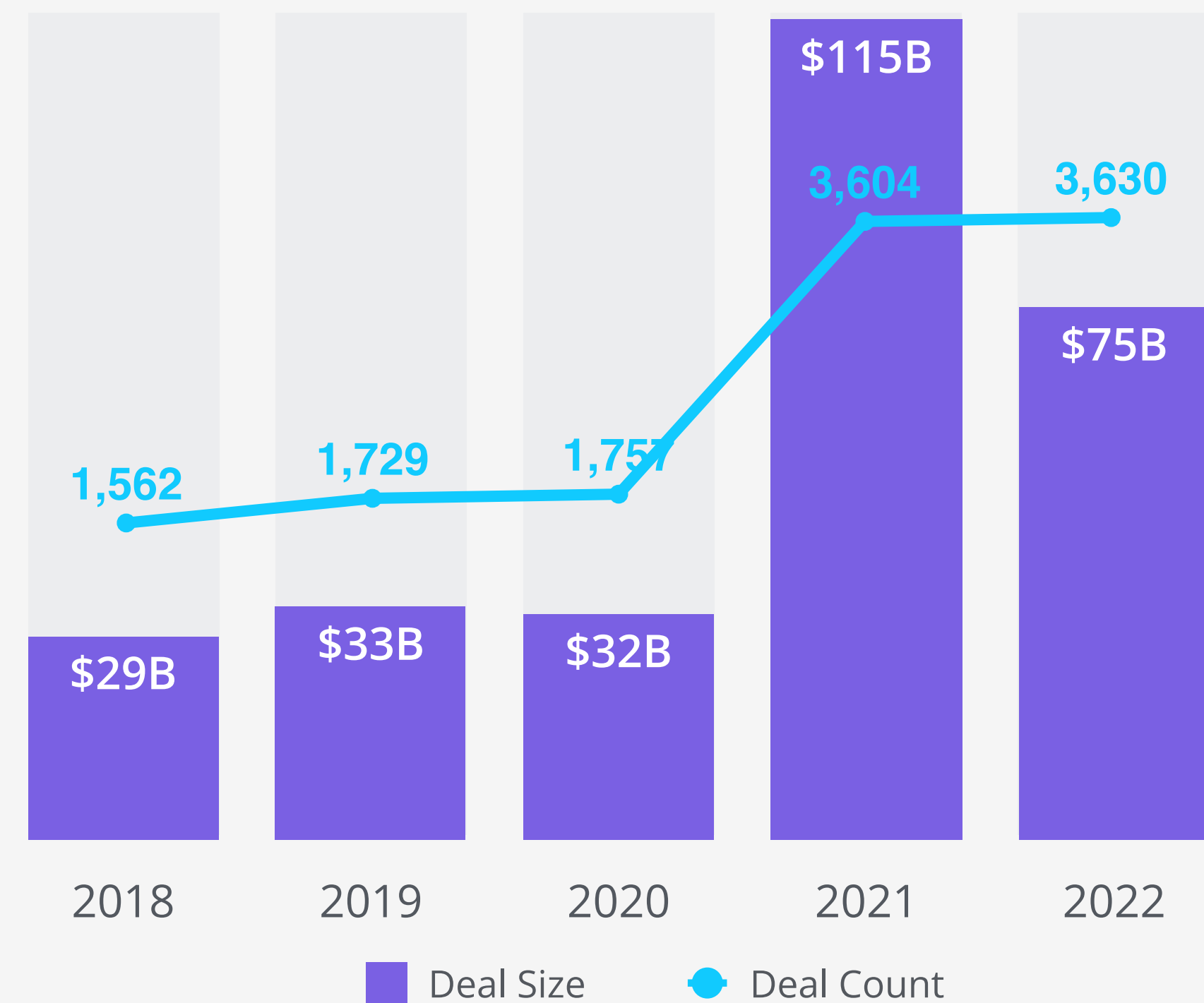


- Fintech deal size decreased by 35% globally compared to the previous year.
- Türkiye's share of global fintech deals is very small, but on the bright side, fintech deals have reached a record high in Türkiye in 2022.

FINTECH DEALS IN TÜRKİYE

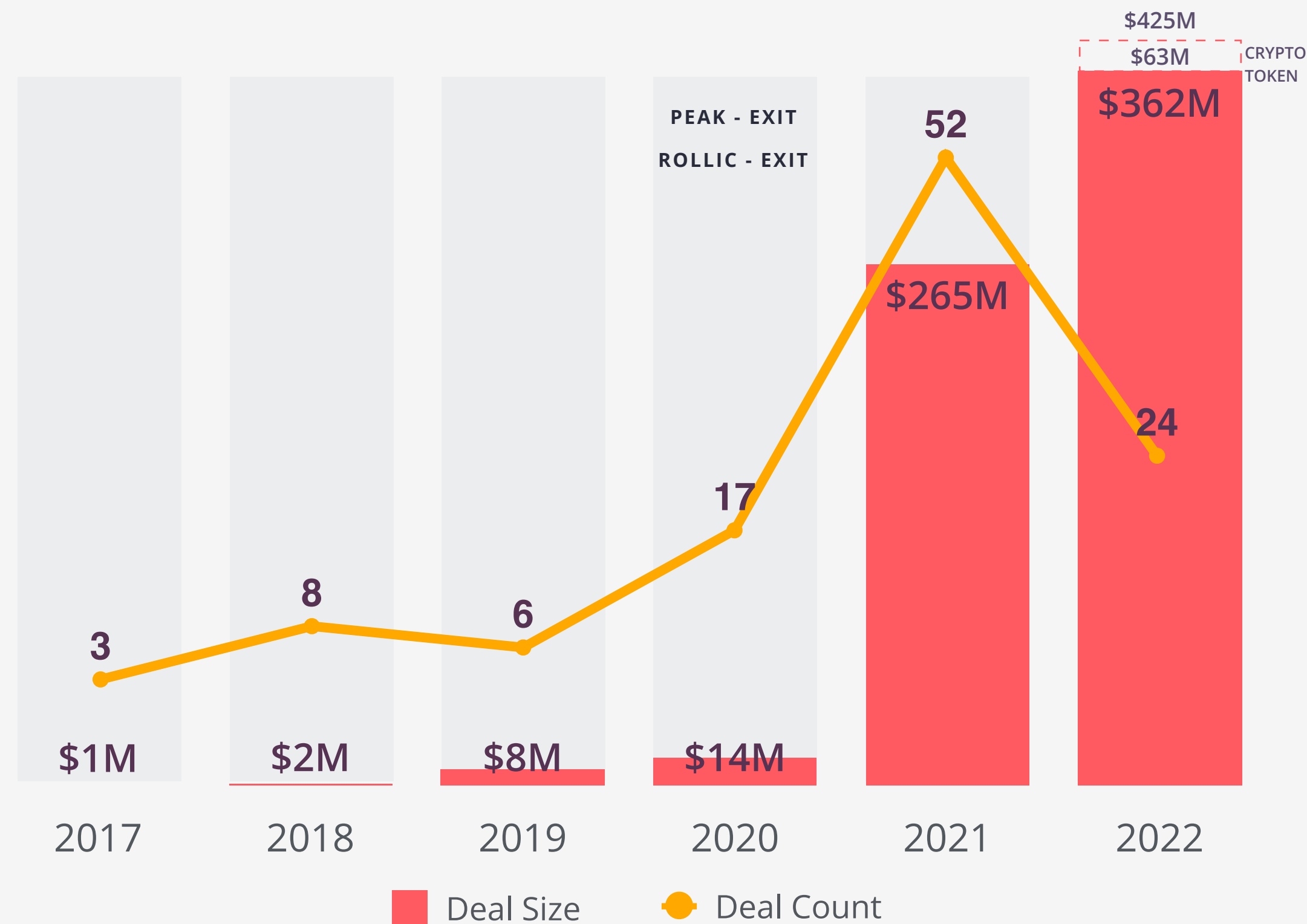


GLOBAL FINTECH DEALS

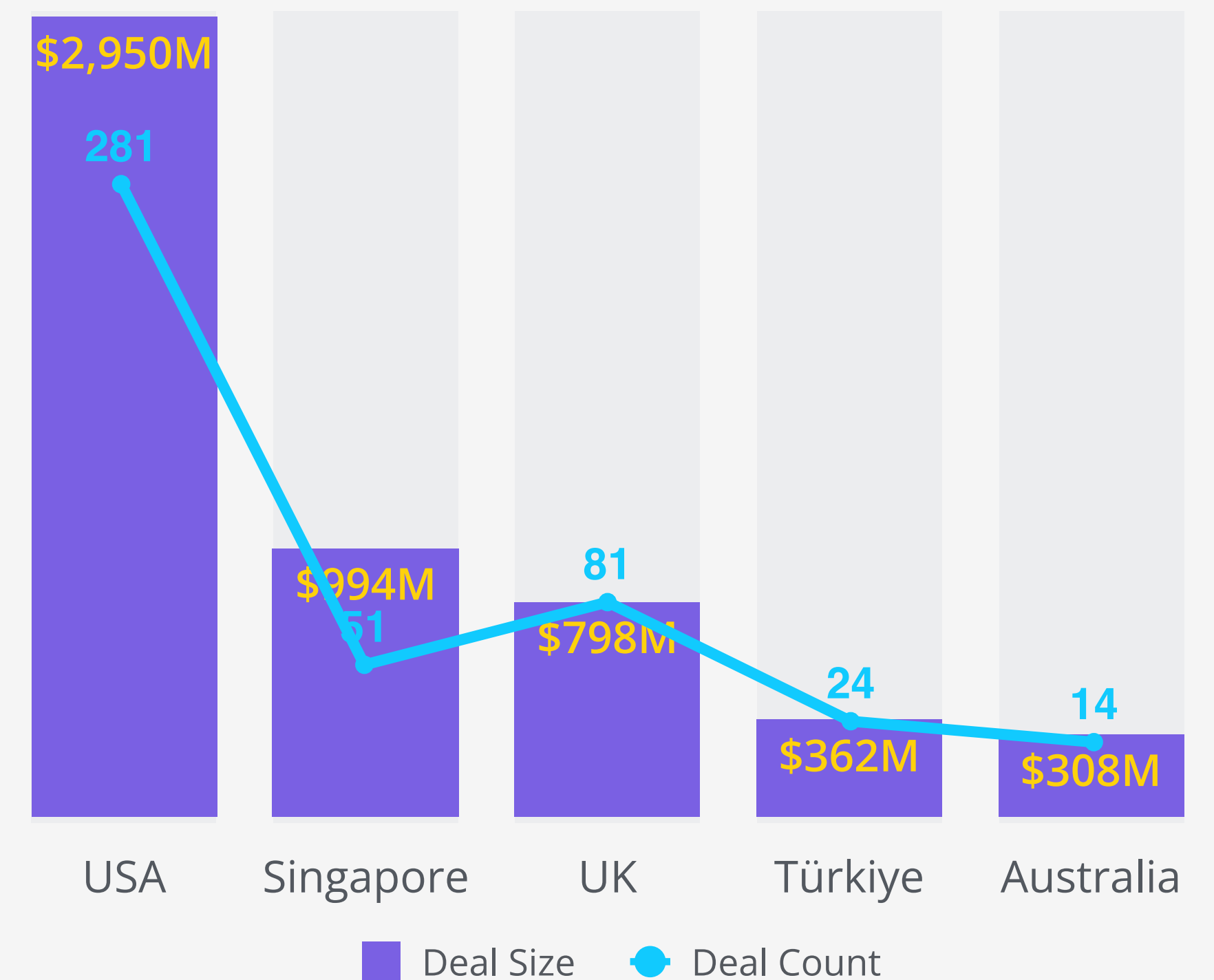


- In 2022, although the number of game investments fell, the **all-time record** for the amount invested was broken.
- Türkiye was the **fourth** most invested country in terms of game deals in 2022.

GAMING DEALS IN TÜRKİYE

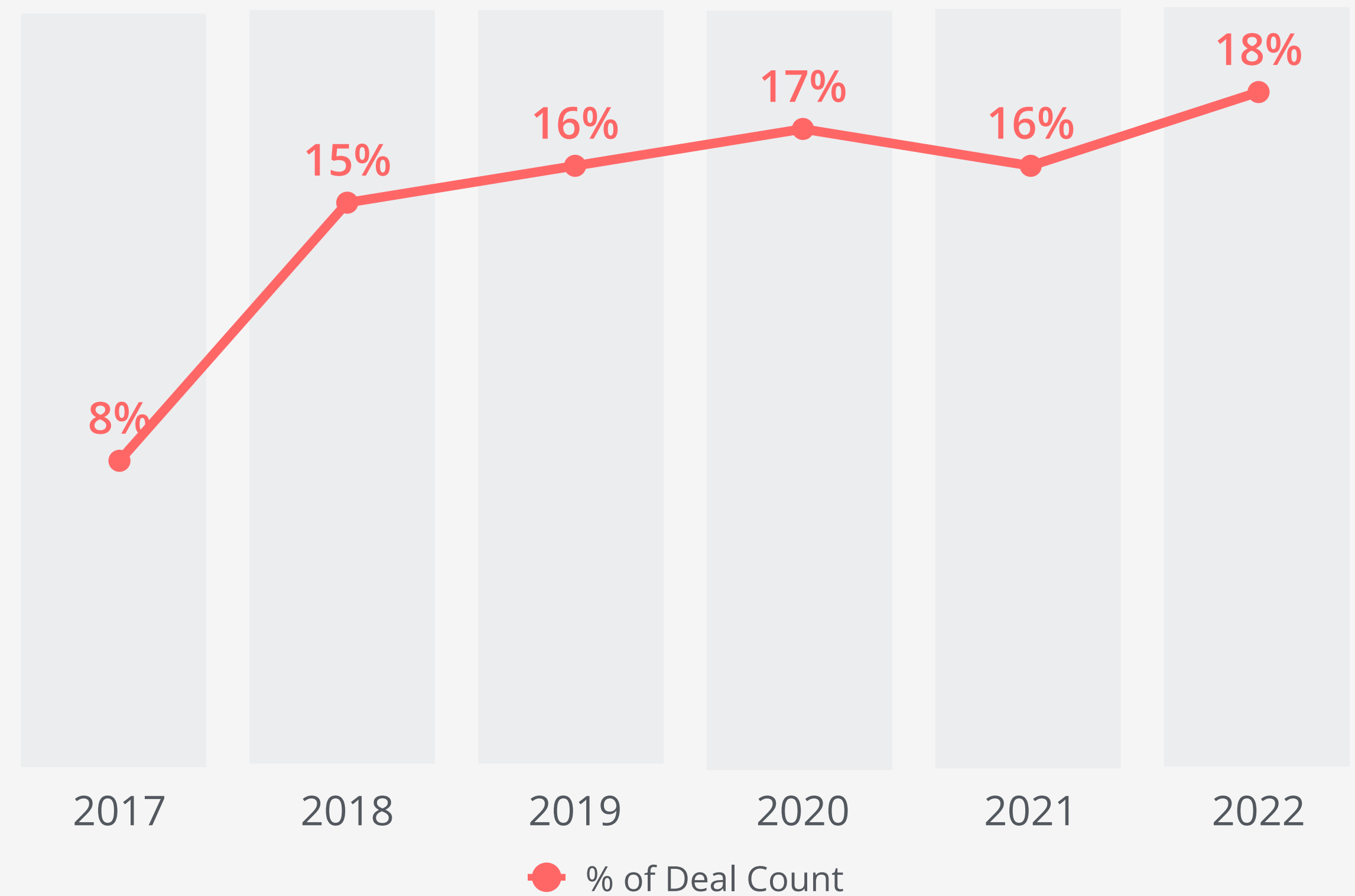


TOP 5 COUNTRIES IN GAMING DEALS IN 2022



- In 2022, foreign investors participated in approximately **1 out of every 5 transactions**.
- Accel, Balderton Capital, Ceecat Capital, EBRD, Hummingbird, Felix Capital, Goodwater Capital, Goldman Sachs, Index Ventures, Qatar Investment Authority, Sequoia Capital, Startup Wise Guys, Tiger Global, Wamda Capital are just some of the globally known foreign investors investing in Turkish startups in 2022.

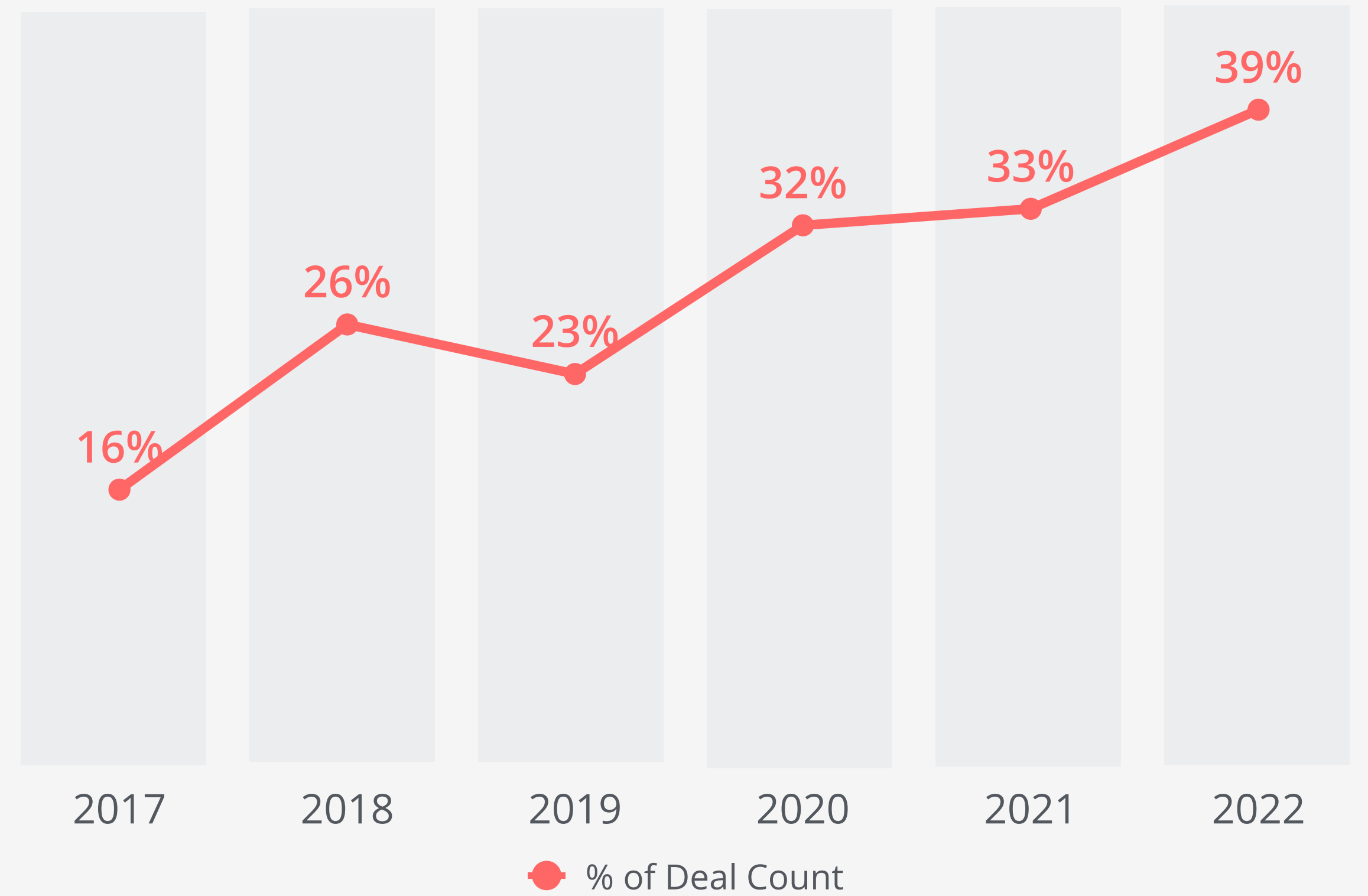
FOREIGN INVESTOR PARTICIPATION (ANGEL & VC DEALS)



	2017	2018	2019	2020	2021	2022
DEALS PARTICIPATED (#)	15	21	21	36	52	54
TOTAL DEAL COUNT	187	141	131	213	332	300

- In 2022, **116 out of 300** investments had a company or a CVC among the investors.
- An **all-time record** was broken in terms of the number of deals with CVC participation..

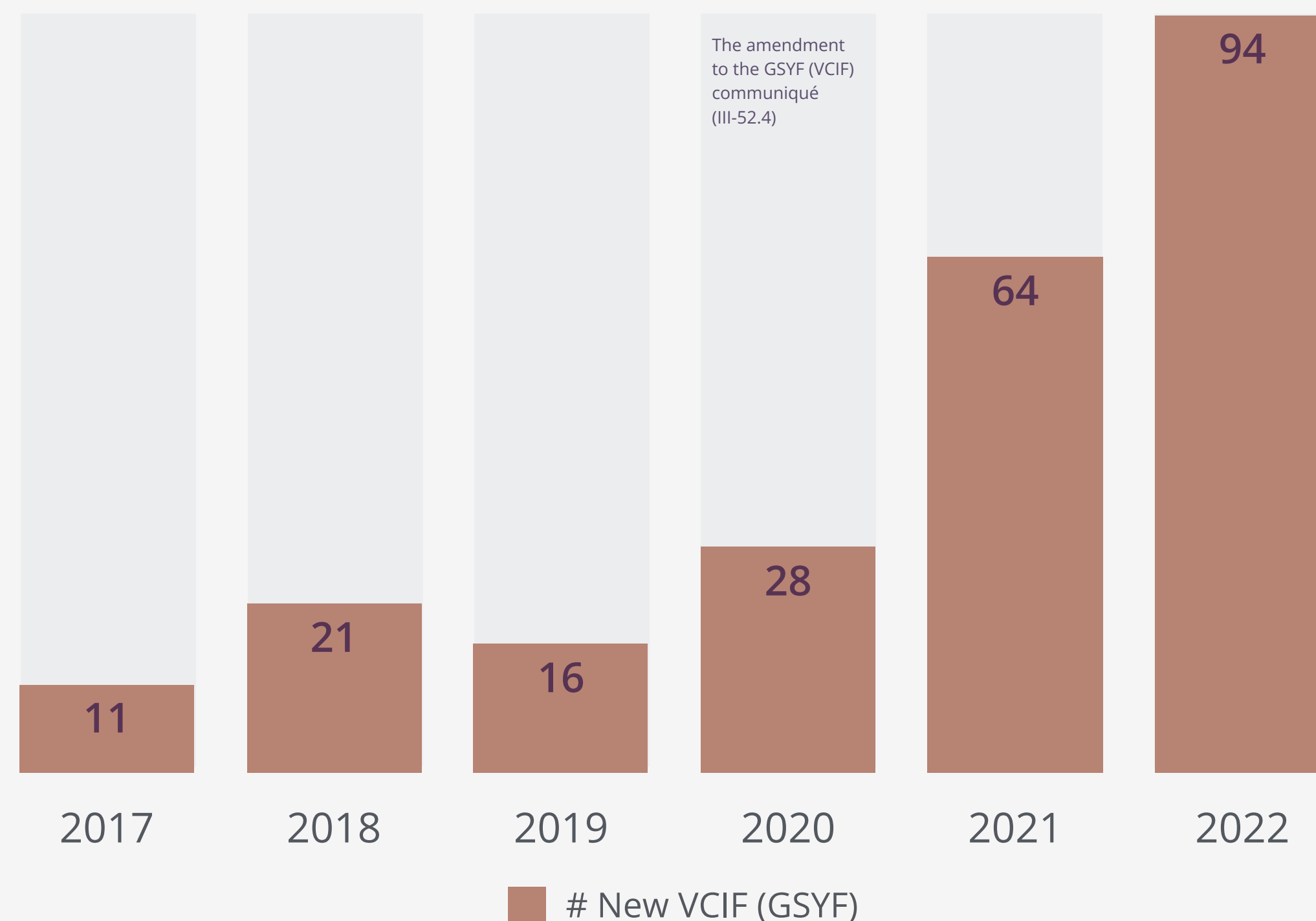
TÜRKİYE VC DEAL ACTIVITY WITH CVC PARTICIPATION



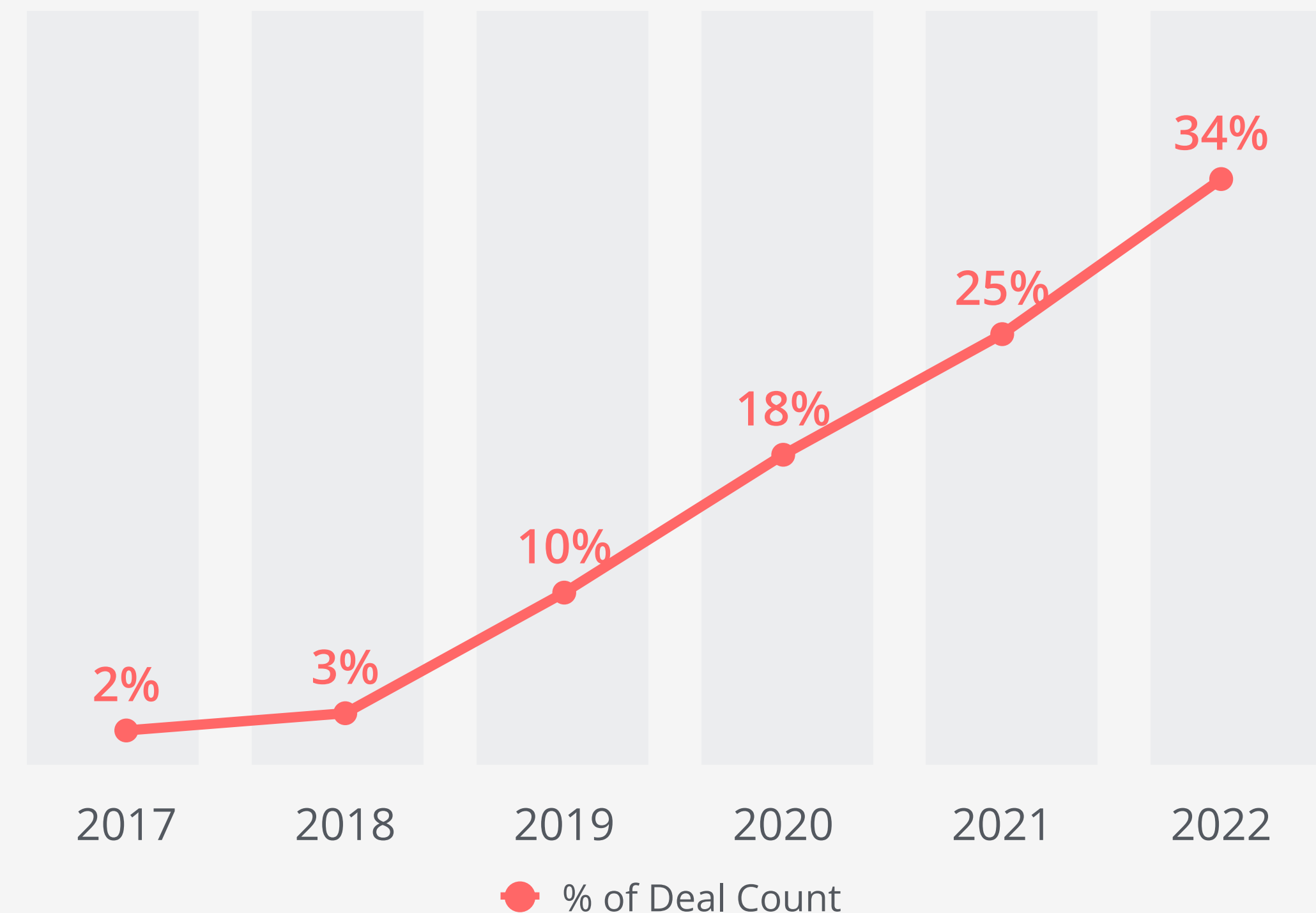
	2017	2018	2019	2020	2021	2022
DEALS PARTICIPATED (#)	30	37	30	69	108	116
TOTAL DEAL COUNT	187	141	131	213	332	300

- A record number of VCIF (GSYF) were established in 2022 with the approval of the Capital Markets Board of Türkiye. It is possible to refer to these funds as "**onshore micro funds**" as the vast majority of GSYFs have a fund size of less than \$10M and are based in Türkiye.
- In 2022, **103 out of 300** investments had at least one VCIF (GSYF) among the investors. **92** of these were at the **seed stage**.
- An **all-time record** was broken in terms of the number of deals with VCIF (GSYF) participation.

NEW VCIF (GSYF) ESTABLISHED BY YEAR

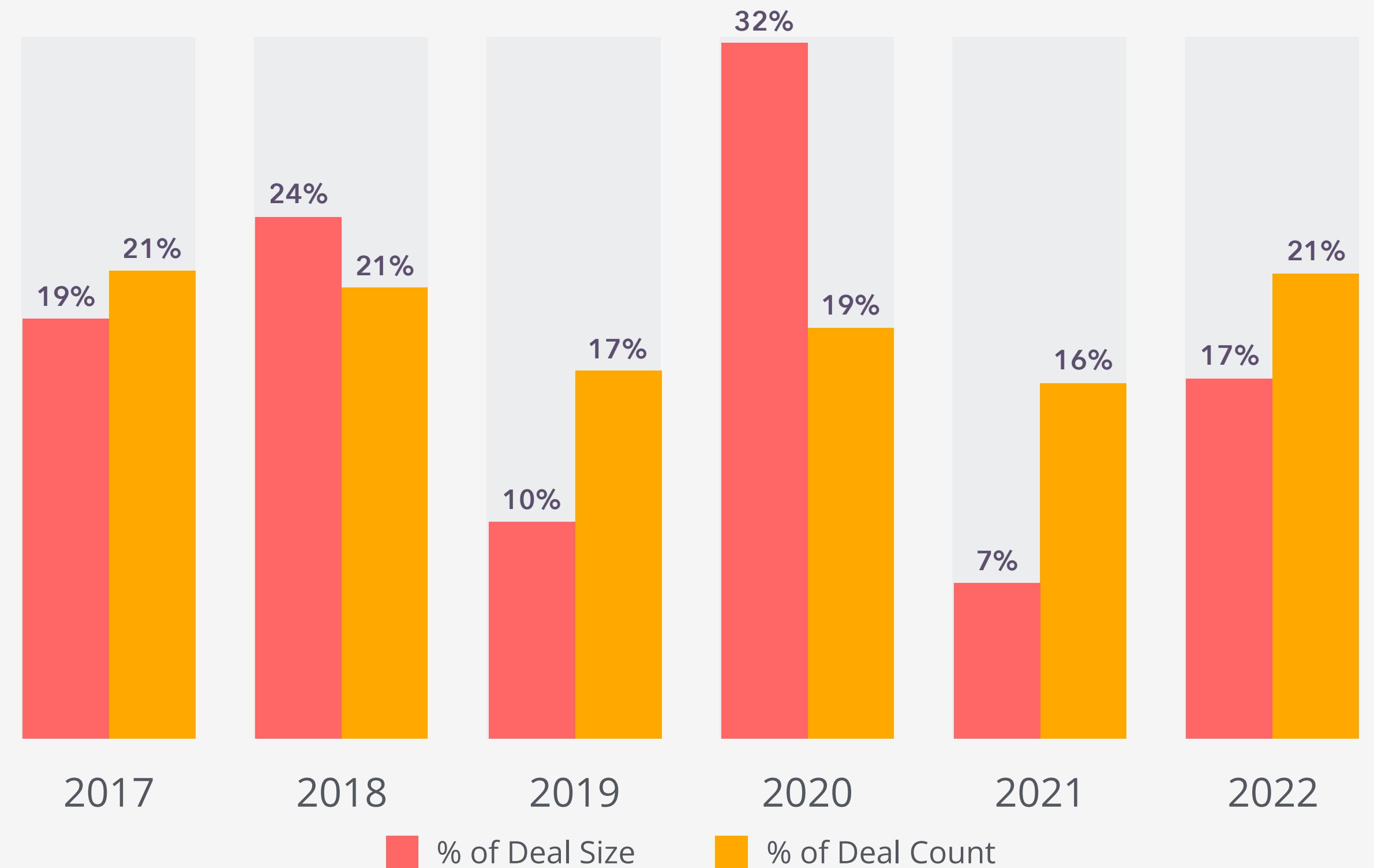


TÜRKİYE VC DEAL ACTIVITY WITH VCIF (GSYF) PARTICIPATION



- In 2022, **64 out of 300** investments had female founders.
- In 2022, similar to the previous year, **1 in every 5 startups** had a female founder.

TÜRKİYE VC DEAL ACTIVITY WITH FEMALE FOUNDER



FEMALE FOUNDERS IN TÜRKİYE

	2017	2018	2019	2020	2021	2022
Female Founded Startups / Total Startups	17%	16%	19%	19%	22%	22%

	2017	2018	2019	2020	2021	2022
DEALS W/ FEMALE FOUNDER (\$)	22M	20M	12M	49M	116M	263M
TOTAL DEAL SIZE (\$)	116M	85M	116M	155M	1,636M	1,593M
DEALS W/ FEMALE FOUNDER (#)	40	29	22	40	54	64
TOTAL DEAL COUNT	187	141	131	213	332	300

- Istanbul ranked **6th** among European cities in 2022.
- In 2022, Istanbul was the city with the highest number of game deals in Europe after London. It ranked **fifth** globally.
- Based on cities in Türkiye, Istanbul ranked first, as expected.



ANGEL & VC DEALS IN EUROPEAN CITIES IN 2022

RANK	CITY	DEAL SIZE (\$)	DEAL COUNT
1	London	18.5B	1,202
2	Paris	8.2B	354
3	Berlin	5.3B	350
4	Stockholm	2.6B	142
5	Munich	1.8B	122
6	Istanbul	1.5B	230

GAMING DEALS IN EUROPEAN CITIES IN 2022

RANK	CITY	DEAL SIZE (\$)	DEAL COUNT
1	London	705M	60
2	Istanbul	366M	21
3	Paris	154M	16
4	Helsinki	121M	9
5	Lisbon	92M	6

ANGEL & VC DEALS IN CITIES IN TÜRKİYE IN 2022

RANK	CITY	DEAL SIZE (\$)	DEAL COUNT
1	Istanbul	1,529M	230
2	Ankara	54M	38
3	Kocaeli	3M	6
4	Izmir	1M	7
5	Bursa	1M	3

Champions League

	United Kingdom	\$24.3B	(1790)
	France	\$11.7B	(591)
	Germany	\$11B	(910)

Super League

	Sweden	\$3.5B	(205)
	Switzerland	\$3.4B	(325)
	Spain	\$3.4B	(356)
	The Netherlands	\$2.3B	(330)
	Ireland	\$2.2B	(132)
	Italy	\$1.7B	(155)
	Türkiye	\$1.6B	(300)
	Estonia	\$1.5B	(100)
	Finland	\$1.3B	(124)
	Belgium	\$1.2B	(96)
	Norway	\$1.2B	(84)
	Austria	\$1.1B	(94)
	Denmark	\$1.1B	(102)

1. League

	Croatia	\$694M	(11)
	Czechia	\$435M	(38)
	Poland	\$406M	(103)
	Iceland	\$294M	(31)
	Russian Fed.	\$291M	(29)
	Lithuania	\$247M	(35)
	Luxembourg	\$223M	(25)
	Portugal	\$200M	(48)
	Hungary	\$150M	(20)
	Greece	\$134M	(19)

2. League




	Romania	\$67M	(30)
	Bulgaria	\$50M	(19)
	Serbia	\$45M	(3)
	Slovenia	\$43M	(12)
	Ukraine	\$17M	(16)

Champions League

Super League

1. League

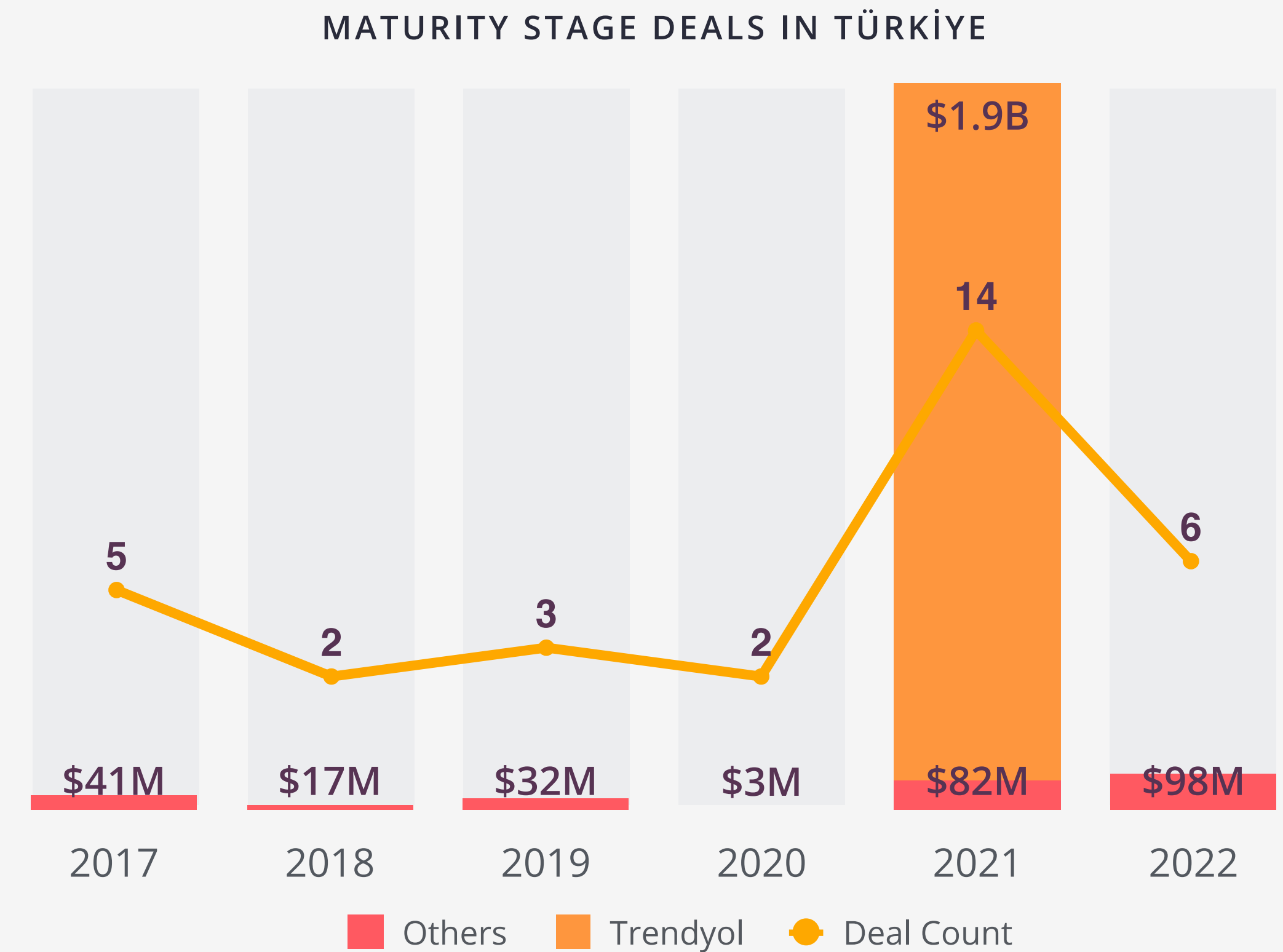
2. League

	Israel	\$8.3B	(435)
	United Arap E.	\$2.5B	(157)
	Türkiye	\$1.6B	(300)

	Saudi Arabia	\$669M	(70)
	Egypt	\$615M	(132)
	Bahrain	\$136M	(6)

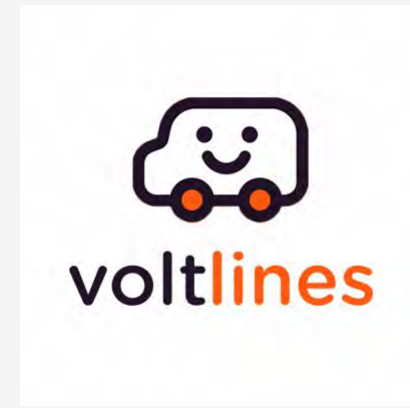
	Jordan	\$41M	(17)
	Lebanon	\$26M	(8)
	Georgia	\$15M	(7)

- As in previous years, the number of investments in the maturity stage is quite low.
- One of the main reasons for this is the relocation of startups abroad after Series A investment. In other words, startups move abroad before reaching the maturity stage. Another reason is that many startups exit before reaching the PE level.

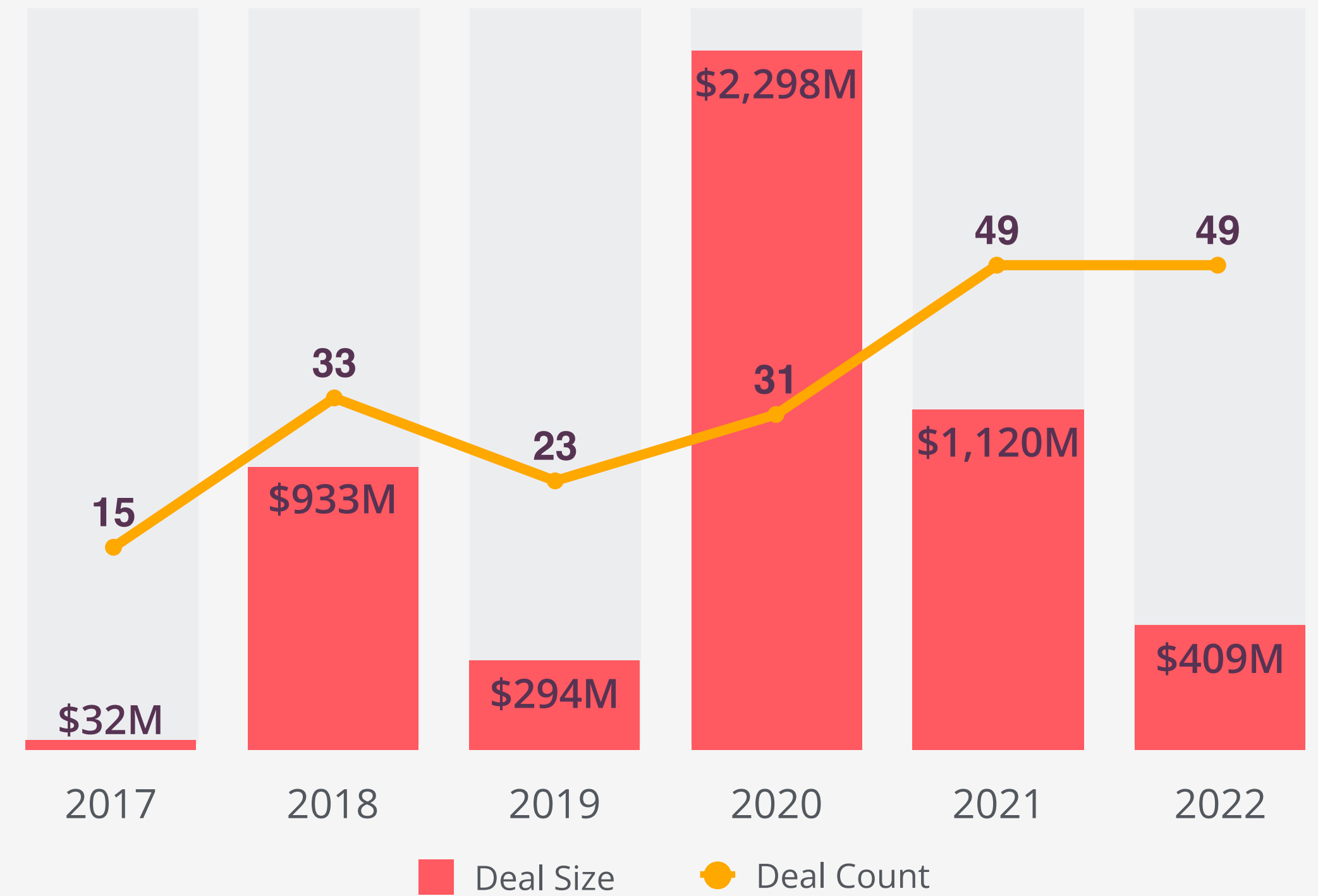


	2017	2018	2019	2020	2021	2022
DEAL SIZE (\$)	41M	17M	32M	3M	1,932M	98M
<i>YoY Growth</i>		-60%	93%	-92%	73093%	-95%
DEAL COUNT	5	2	3	2	14	6
<i>YoY Growth</i>		-60%	50%	-33%	600%	-57%

- Alictus, Airties, ZES and Volt Lines were the biggest exits of 2022.



ACQUISITIONS & SEC. TRANSACTIONS IN TÜRKİYE



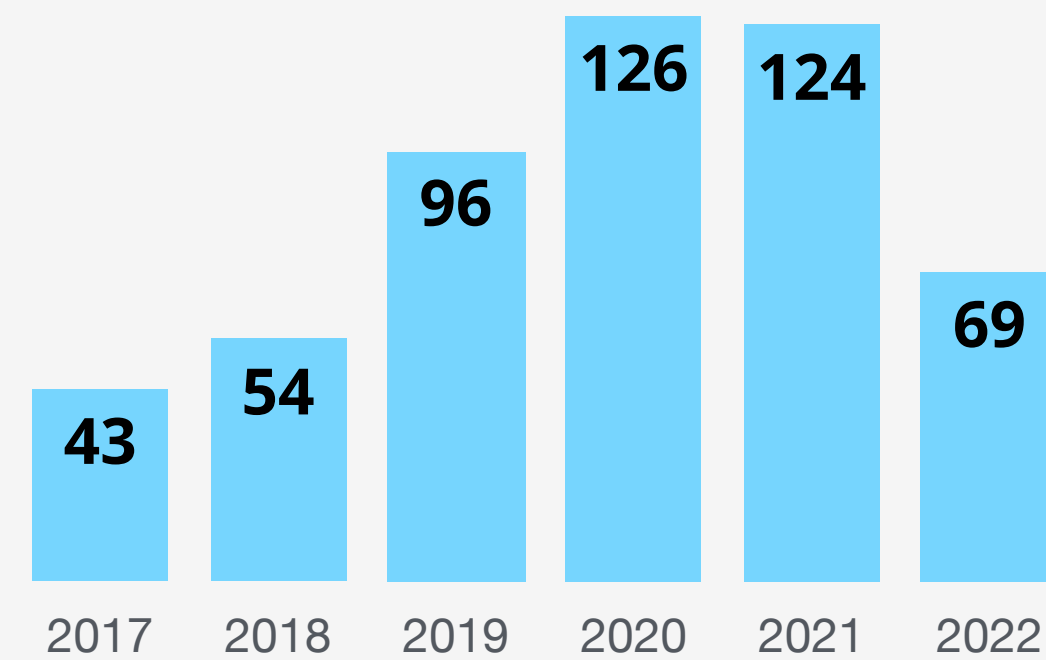
	2017	2018	2019	2020	2021	2022*
DEAL SIZE (\$)	32M	933M	294M	2,298M	1,120M	309M
<i>YoY Growth</i>		2826%	-69%	682%	-51%	-72%
DEAL COUNT	15	33	23	31	48	37
<i>YoY Growth</i>		120%	-30%	35%	55%	-23%

MOST PREFERRED (FOUNDED) VERTICALS BY ENTREPRENEURS IN TÜRKİYE

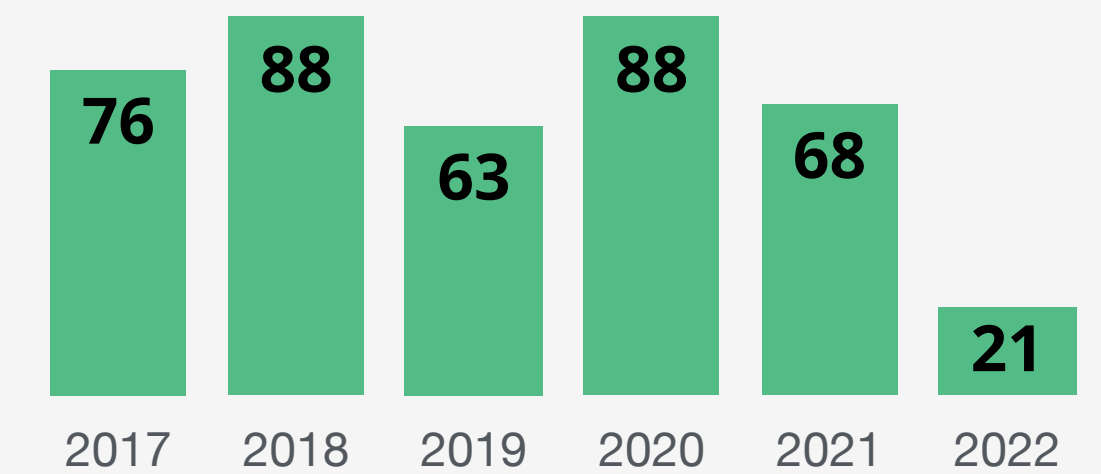
- The gaming vertical continued to be the vertical that generated the most startups. The gaming industry is also the most effective industry in terms of creating global players.
- Although the fintech vertical is behind the gaming industry in terms of producing global champions, it continues to be in the top 5.
- The 2022 figure is a bit conservative as startups don't announce themselves publicly as soon as they are founded. Therefore, it would be healthier to look at the 2022 figures in the upcoming months.

TOP 5	2017	2018	2019	2020	2021	2022
1	FINTECH	FINTECH	GAMING	GAMING	GAMING	GAMING
2	SAAS	SAAS	AI	AI	FINTECH	AI
3	DEEPTECH	AI	SAAS	HEALTHTECH	AI	FINTECH
4	HEALTHTECH	DEEPTECH	FINTECH	FINTECH	HEALTHTECH	SUSTAINABILITY
5	GAMING	HEALTHTECH	HEALTHTECH	SAAS	SAAS	ENERGY

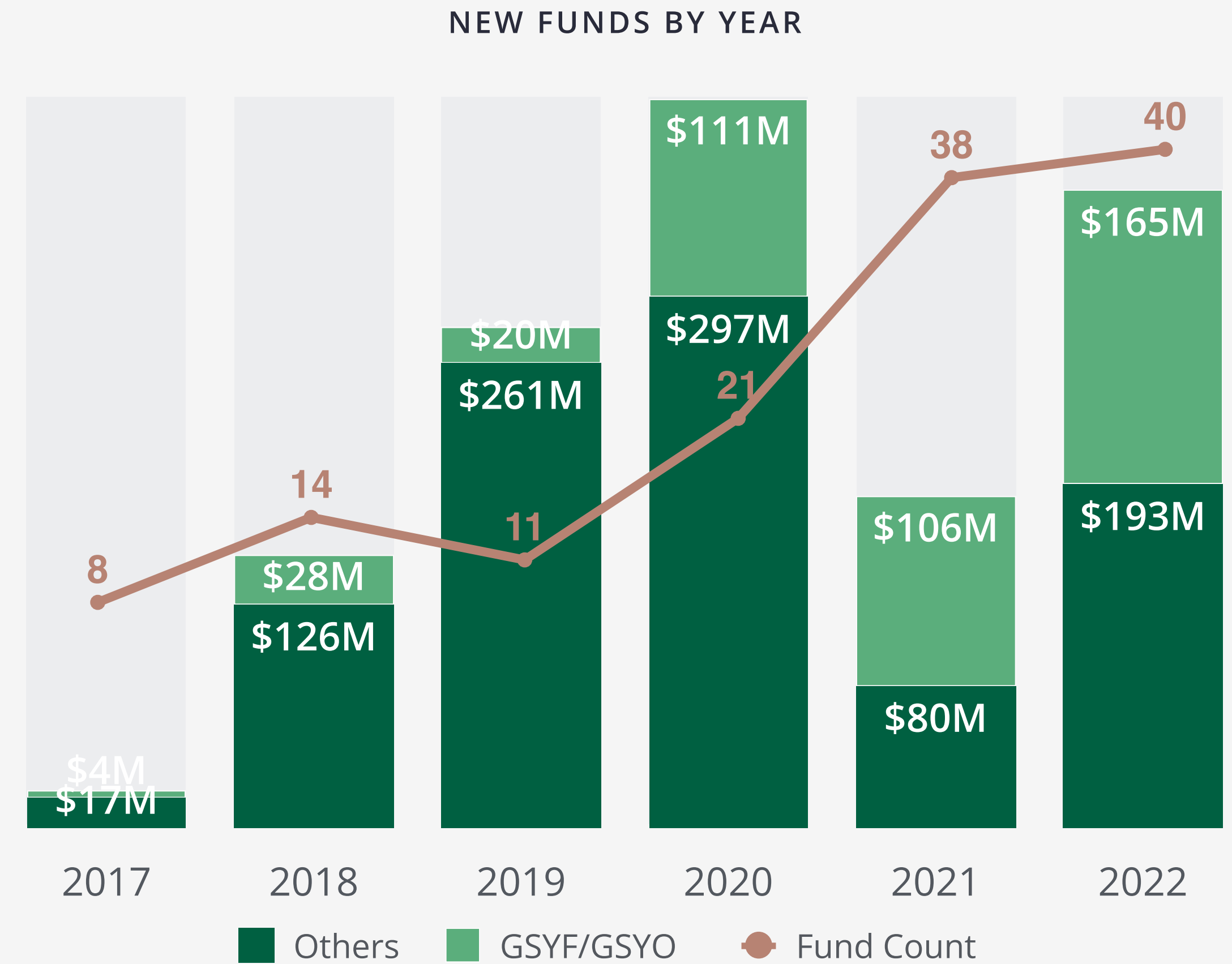
GAMING STARTUPS



FINTECH STARTUPS



- Re-Pie Ventures, Domino Ventures, Gelecek Etki GSYF, Paribu Ventures, Gözde Tech Ventures, Founder One, Simya VC, TT Ventures GSYF, Turkcell Yeni Teknolojiler GSYF, Arya GSYF, Yıldız Tekno GSYO, INVEST 101, Koç Topluluğu Şirketleri 1. Özel GSYF, Teknopark İstanbul Derin Teknoloji GSYF are some of the prominent funds established in 2022





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