

Turkish Startup Ecosystem

2024 Q2 REPORT ^{V1.0}

JULY 9, 2024

startups.watch

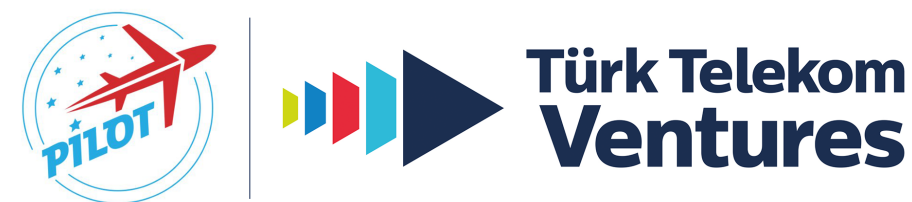
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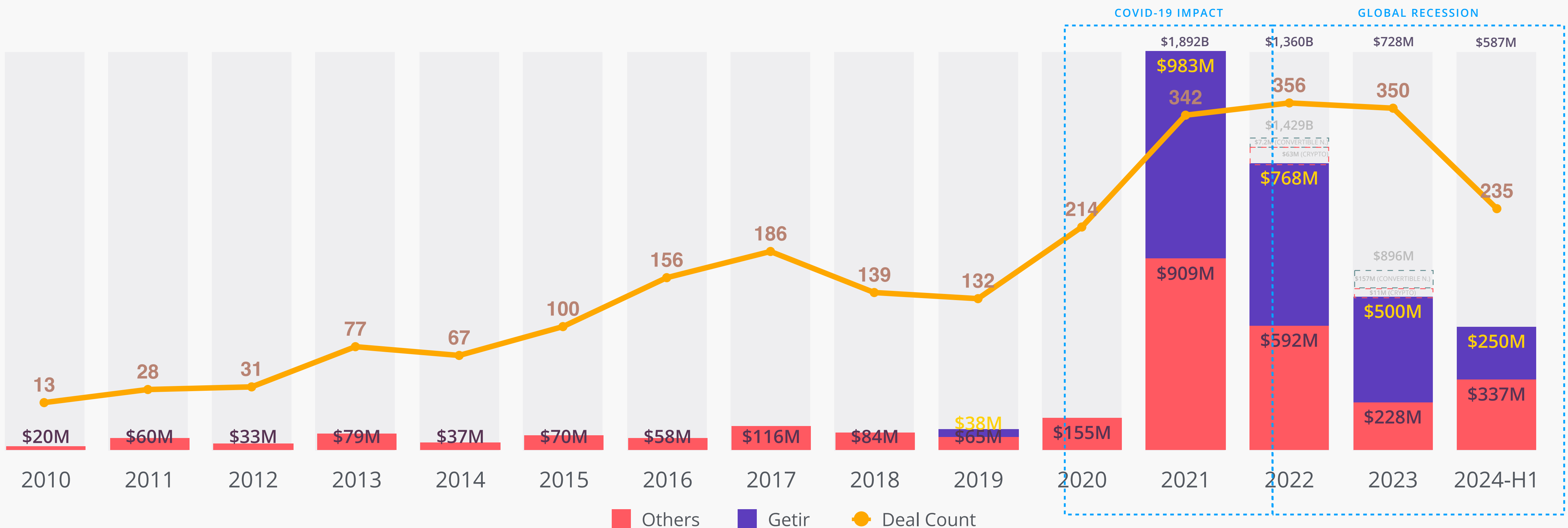
- This report has been compiled for informational purpose only and should not be construed as a solicitation or an offer to buy or sell securities in any entity.
- Historical funding data is subject to change as our team explore new data.
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METHODOLOGY & DATA

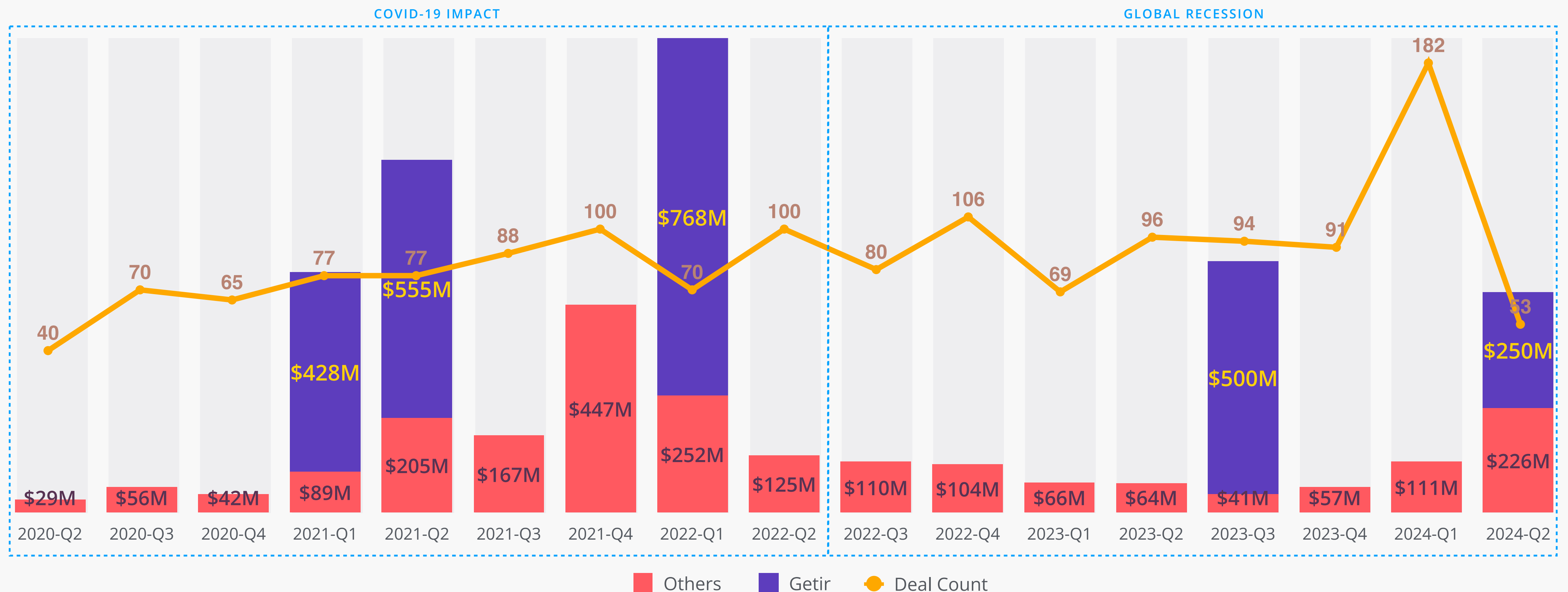
- Only verifiable fundings are included. Fundings are verified via Chamber of Commerce, direct confirmation with startup or investor, or press release.
- If a funding is directly or indirectly listed in Chamber of Commerce data, then it's added to Turkish funding data, regardless of where they are currently 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.

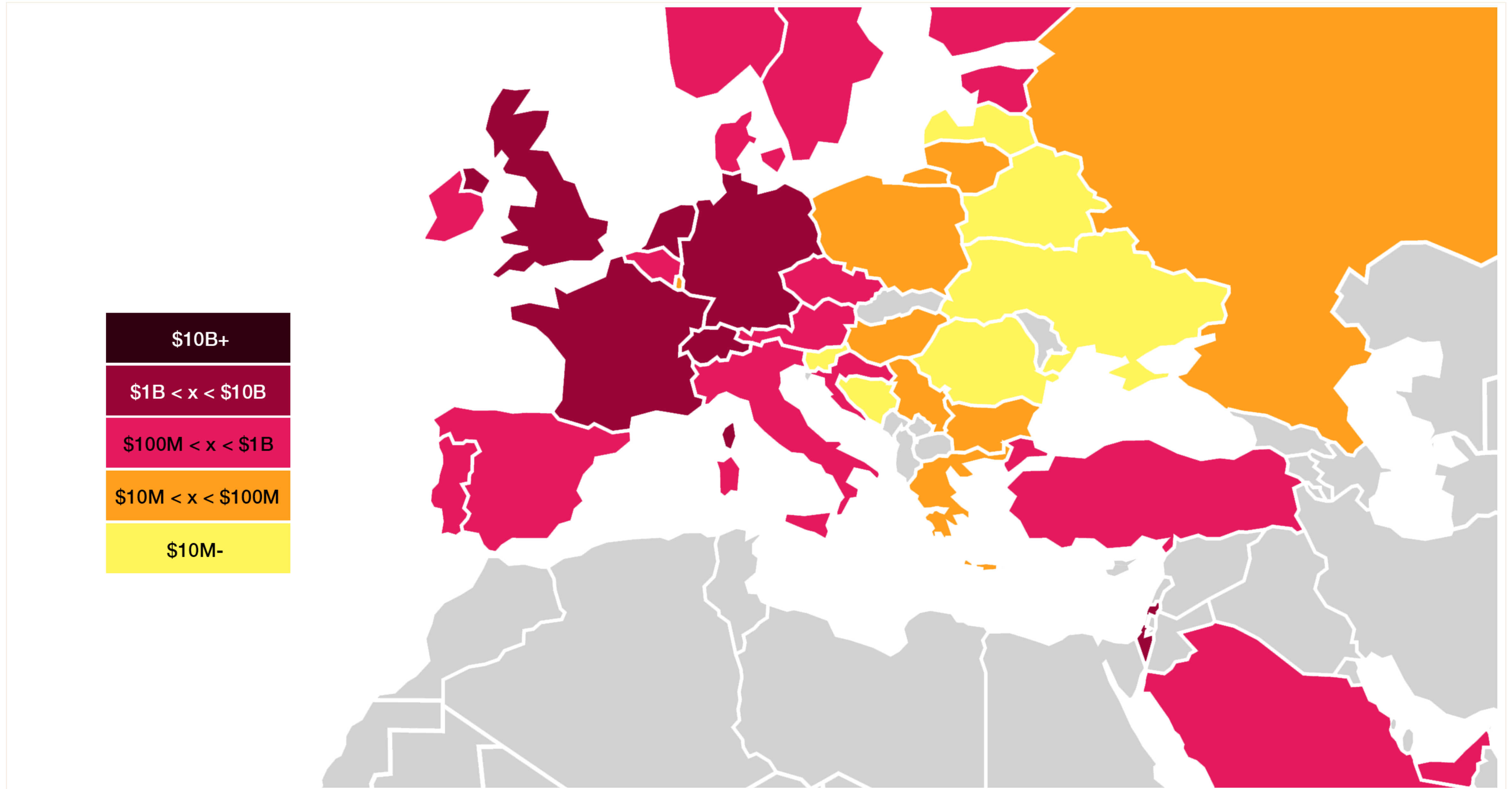
- **\$587M** were invested across **235 deals** in seed, early and later vc stages in the first half of 2024.
- **\$476M** were invested across **53 deals** in seed, early and later vc stages in the second quarter of 2024.
- Thanks to TÜBİTAK BiGG Fund, Türkiye became the **2nd country** with the highest number of pre-seed investments in Europe in the first half of 2024.
- In Türkiye, only **3.4%** of those who received seed investment were able to receive Series A investment. This rate is **15.8%** in the UK and **21%** in Germany.
- Colendi, Dgpays, Midas and Sipay received \$15M+ investments, bringing **fintech** deals to an **all-time high**.
- **Artificial Intelligence** was the vertical with the highest number of investments in the first half of 2024.
- Türkiye ranked **2nd** in Europe in terms of the gaming deal size and the gaming deal count. (1st was UK)
- **Spyke Games** became the **2nd** most invested game startup in Europe in the first half of 2024.
- The number of VCIF (GSYF) authorized for establishment reached **380** (15 of them are not active). More than half of these funds were established after 2022.
- As of the end of the first half of 2024, there are **85** CVCs in Türkiye.
- In the first half of 2024, **12 out of 235** investments had a foreign investor among the investors.
- The decline in the number of crowdfunding campaigns continued in Q2.
- In the 2019-2024/H1 period, **346 VCIF (GSYF)** with a size of **\$887M** and **63 traditional funds** with a size of **\$1.4B** were established, creating a total pool of **\$2.3B**.
- In the first half of 2024, **66 out of 235** investments involved women entrepreneurs, reaching **28%**, the highest rate in the last 5 years.

- **\$587M** were invested across **235 deals** in seed, early and later vc stages in the first half of 2024.
- Excluding the Getir deal, **\$337M** was invested in the first half of 2024.
- **136** of the **142 pre-seed deals** were from the TÜBİTAK BiGG Fund, which used to be a grant and is now a pre-seed fund.
- Compared to the pre-pandemic, even excluding the Get deal, the deal size in the first half of 2024 was **417%** higher than in the whole of 2019.



- **\$476M** were invested across **53 deals** in seed, early and later vc stages in the second quarter of 2024.
- Excluding the Getir deal, **\$226M** was invested in the second quarter of 2024.
- Excluding the Getir deals, the deal size in the second quarter of 2024 was the **highest amount in the last 9 quarters**. The second quarter of 2024 was the quarter with the **lowest number of investments in the last 16 quarters**.










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















Champions League

Super League

1. League

2. League

	United Kingdom	\$9.7B	(815)
	France	\$5.1B	(332)
	Germany	\$3.6B	(303)
	The Netherlands	\$1.5B	(154)
	Switzerland	\$1.5B	(151)

	Sweden	\$891M	(92)
	Spain	\$699M	(175)
	Denmark	\$623M	(60)
	Türkiye	\$587M	(235)
	Italy	\$486M	(103)
	Ireland	\$483M	(64)
	Belgium	\$470M	(35)
	Finland	\$421M	(53)
	Norway	\$329M	(35)
	Czechia	\$316M	(22)
	Austria	\$257M	(33)
	Estonia	\$190M	(44)
	Portugal	\$162M	(25)
	Croatia	\$123M	(4)

	Luxembourg	\$72M	(8)
	Poland	\$43M	(22)
	Greece	\$38M	(7)
	Serbia	\$37M	(2)
	Bulgaria	\$35M	(15)
	Iceland	\$33M	(4)
	Lithuania	\$18M	(15)
	Hungary	\$17M	(13)
	Russian Fed.	\$13M	(16)

Champions League

Super League


1. League

2. League

	Israel	\$1.6B	(102)
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	Türkiye	\$587M	(235)
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	United Arap E.	\$399M	(91)
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	Saudi Arabia	\$254M	(40)
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	Egypt	\$71M	(26)
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	Armenia	\$15M	(2)
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Thanks to TÜBİTAK BiGG Fund, Türkiye became the **2nd country** with the highest number of pre-seed investments in Europe in the first half of 2024.

DEAL COUNT 2024-H1

	PRE-SEED	SEED	SERIES A
UK	152	267	85
Türkiye	142	58	5
Germany	44	123	46
Italy	41	32	6
Spain	38	62	15
France	38	128	47
The Netherlands	36	55	14
Switzerland	27	51	25
Sweden	21	33	7
Ireland	16	19	3

DEAL SIZE 2024-H1

	PRE-SEED	SEED	SERIES A
UK	\$112M	\$867M	\$1.1B
Türkiye	\$7M	\$46M	\$132M
Germany	\$45M	\$410M	\$630M
Italy	\$16M	\$48M	\$61M
Spain	\$22M	\$84M	\$130M
France	\$38M	\$564M	\$848M
The Netherlands	\$20M	\$171M	\$174M
Switzerland	\$24M	\$163M	\$311M
Sweden	\$17M	\$125M	\$175M
Ireland	\$8M	\$58M	\$25M



We examined the startups that received seed investment in 2021 and then we analysed what percentage of them have received Series A investment so far, the rate in the UK is **15.8%**, the rate in Germany is **21%**, and the rate in Türkiye is **3.4%**. *(Possible reasons for the low rate in Türkiye may be as follows: A. Investors are incapable of selecting startups that are likely to receive Series A investment in the future. B. Most startups did not know how to fulfil Series A requirements or did not find the necessary growth formula)*

TOP 10 FUNDED VERTICALS IN 2024-H1 (DEAL SIZE)

- Colendi, Dgpays, Midas and Sipay received \$15M+ investments, bringing **fintech** deals to an **all-time high**.
- Gaming deals have surpassed last year's total thanks to Spyke Games (Spyke Games raised \$50M in the second quarter).
- Although AI is a very hot topic, there were no mega-deals, but it still took its place in the top 10.

	2019	2020	2021	2022	2023	2024-H1
Grocery delivery	\$38.1M	\$0M	\$984.4M	\$768.2M	\$500.3M	\$250M
Fintech	\$4.3M	\$25.9M	\$68.9M	\$91.5M	\$29.5M	\$181.5M
Blockchain	\$0M	\$0.3M	\$39.7M	\$17.2M	\$5.3M	\$67.9M
Gaming	\$8.4M	\$19.7M	\$520M	\$113.3M	\$31.8M	\$57.5M
SaaS	\$5.8M	\$54.2M	\$9.4M	\$145.4M	\$40.9M	\$25.9M
Cybersecurity	\$6.9M	\$0.4M	\$24.9M	\$14.3M	\$11.2M	\$25.2M
E-commerce enabler	\$1.2M	\$7.1M	\$22.9M	\$25.8M	\$12.9M	\$21.8M
Marketplace	\$8.6M	\$4.7M	\$70.4M	\$60.7M	\$5.5M	\$8M
Ecommerce	\$0.2M	\$0.9M	\$6.2M	\$4.6M	\$5.3M	\$6.7M
Artificial intelligence	\$5.8M	\$43.3M	\$19.3M	\$152.7M	\$39.5M	\$5.8M

- **Artificial Intelligence** was the vertical with the highest number of investments in the first half of 2024.
- Due to the 136 investments made by **TÜBİTAK BiGG Fund** in the first half and the fact that the focus areas of this fund are biotechnology, health technology and electronics, these areas came to the fore.
- Although **fintech** ranked **8th** in terms of number, it stood out with large-scale deals.

	2019	2020	2021	2022	2023	2024-H1
Artificial intelligence	16	19	39	37	58	29
Biotech	4	5	10	8	6	27
Healthtech	7	16	23	28	18	22
Agritech	1	5	15	8	10	16
SaaS	17	36	25	36	34	14
Electronics	2	3	9	7	4	14
Sustainability	8	4	7	10	16	13
Fintech	19	25	40	39	39	13
Gaming	6	19	54	28	45	11
Internet of things	3	9	8	15	17	11

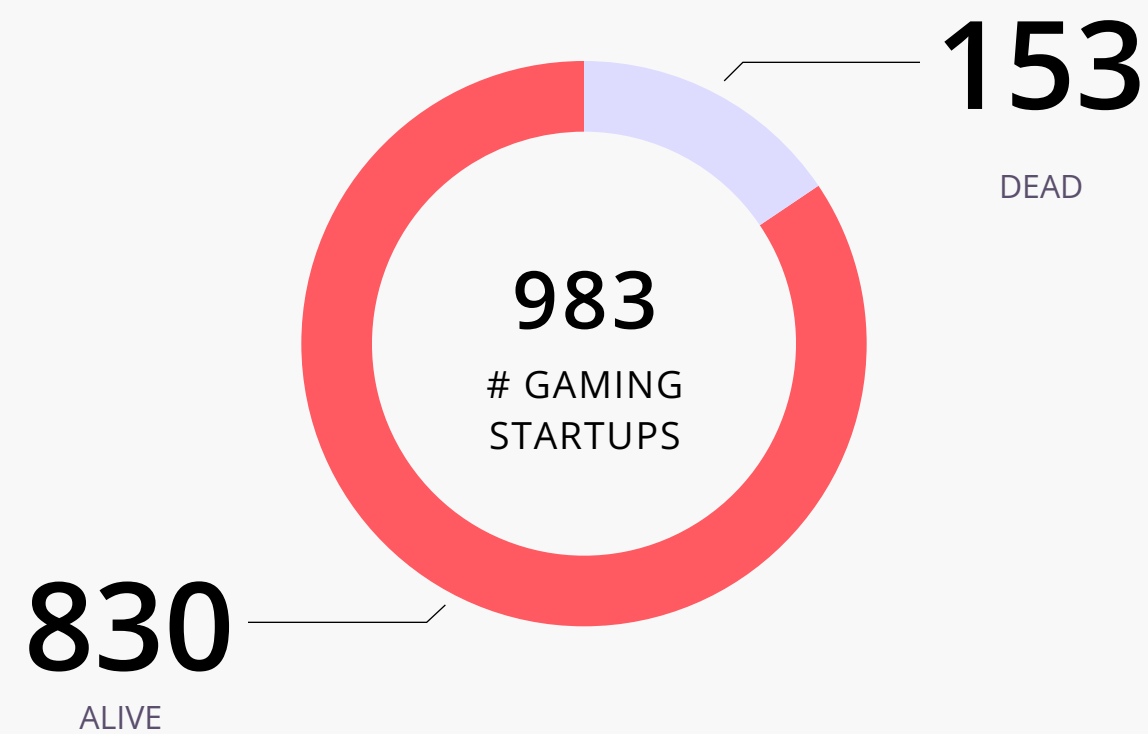


- Gaming startups in Türkiye raised **\$57.5M** across **11** deals in the first half of 2024.
- Türkiye ranked **2nd** in Europe in terms of the gaming deal size and the gaming deal count. (1st was UK)
- Türkiye ranked **1st** in MENA in terms of the gaming deal size and the gaming deal count.

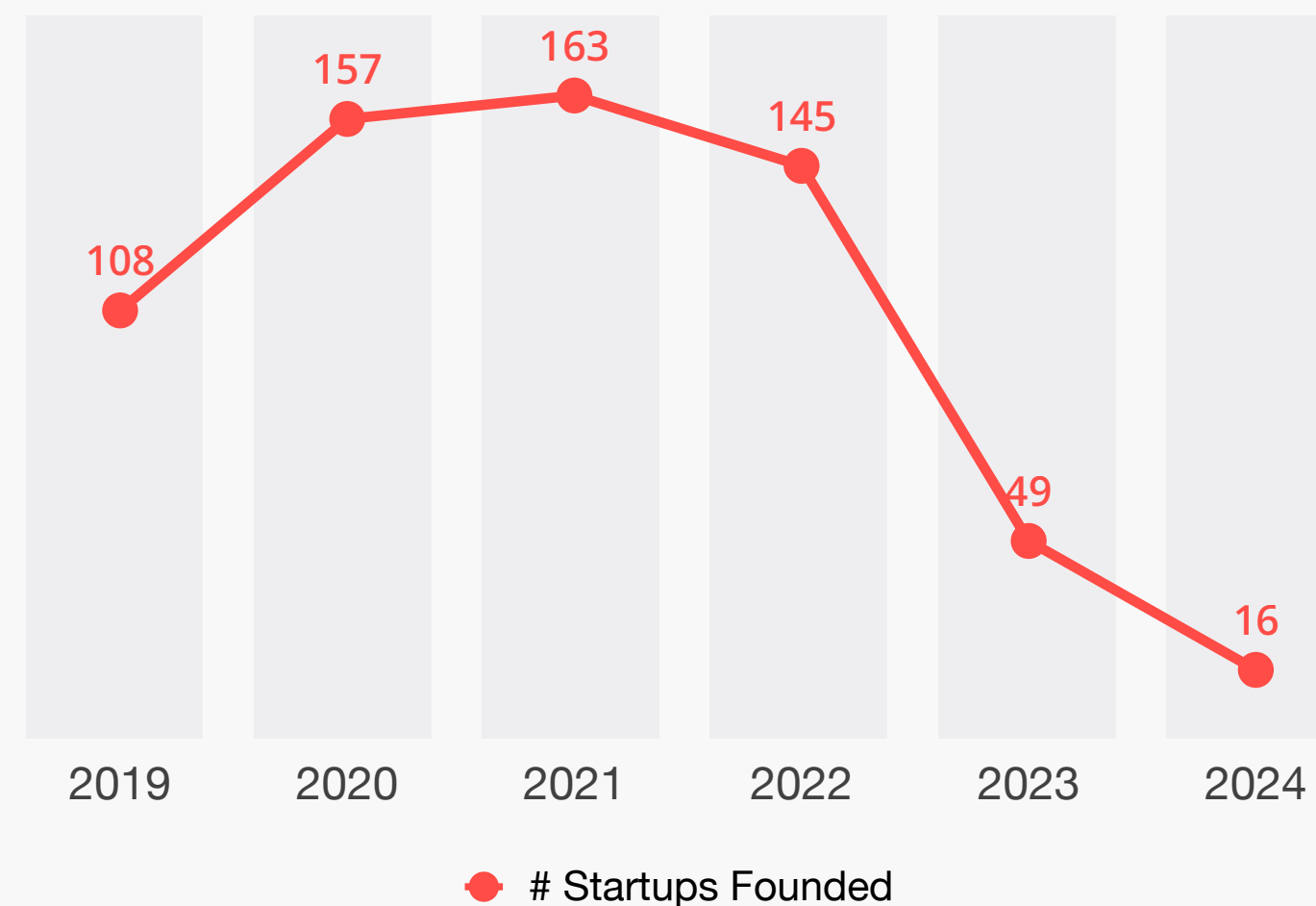


- **Spyke Games** received **\$50M** investment in the first half of 2024, both increasing the total game investment in Türkiye and becoming the **2nd** most invested game startup in Europe in the first half of 2024. (1st was "Build A Rocket Boy")

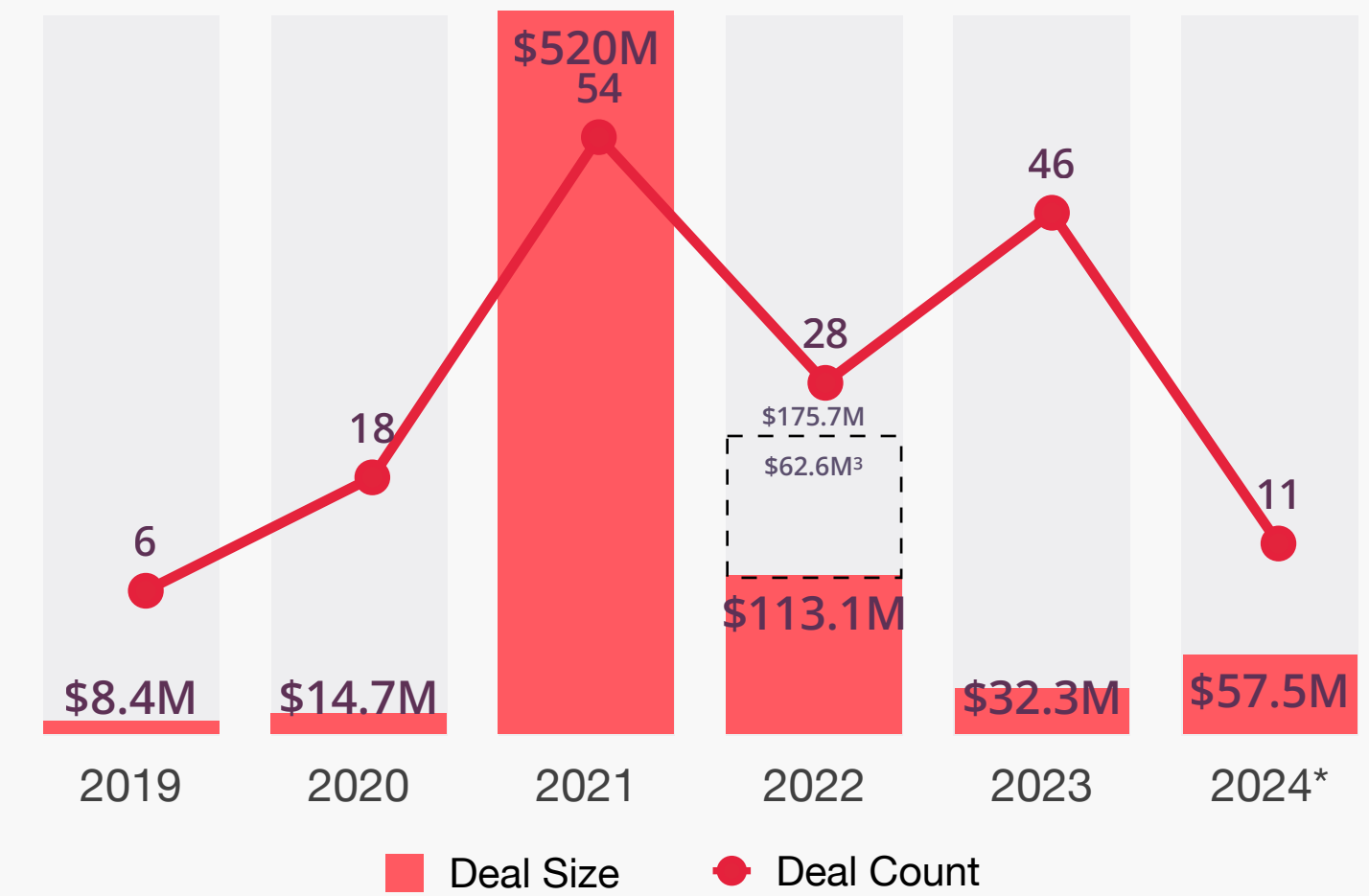
STARTUPS.WATCH DATA



GAMING STARTUPS



GAMING INVESTMENTS (ANGEL & VC DEALS)¹

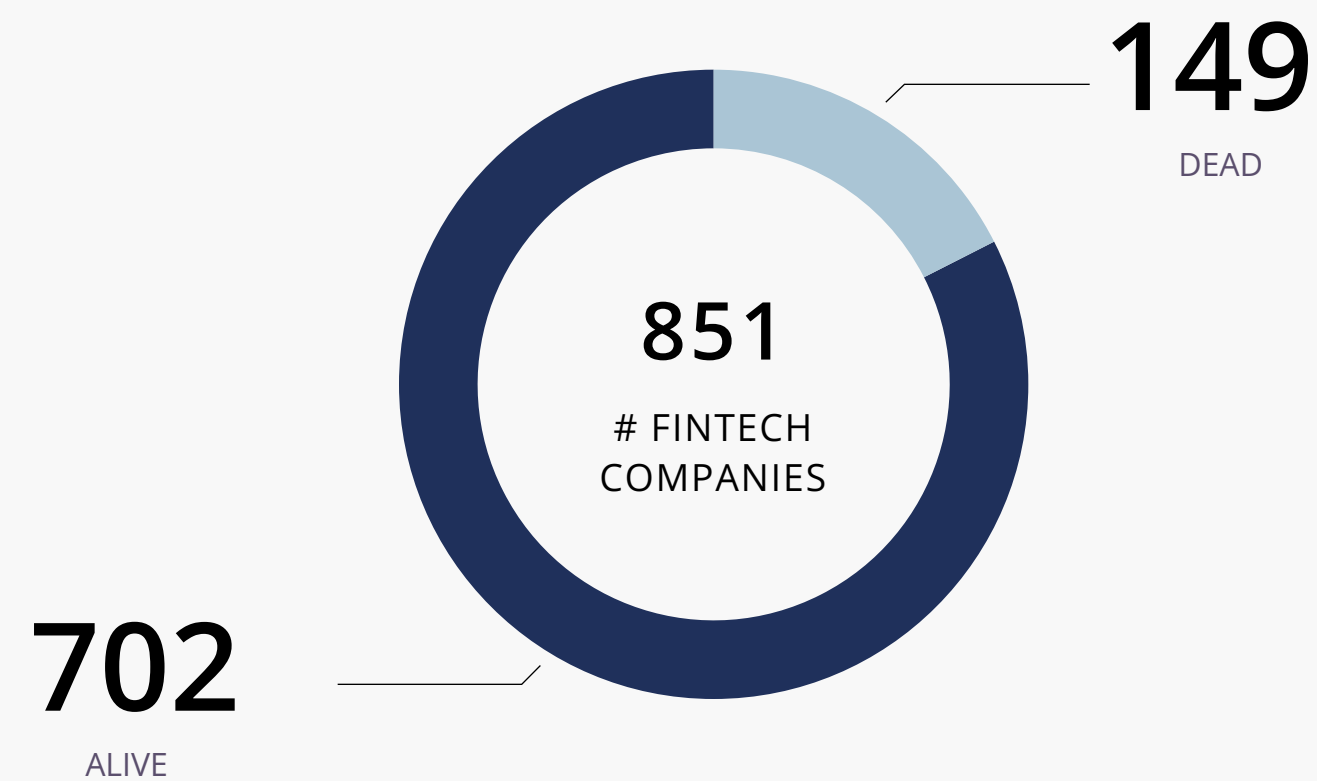


1: Dream games' deal in 2022 has been moved to 2021. 2: Crypto deals.

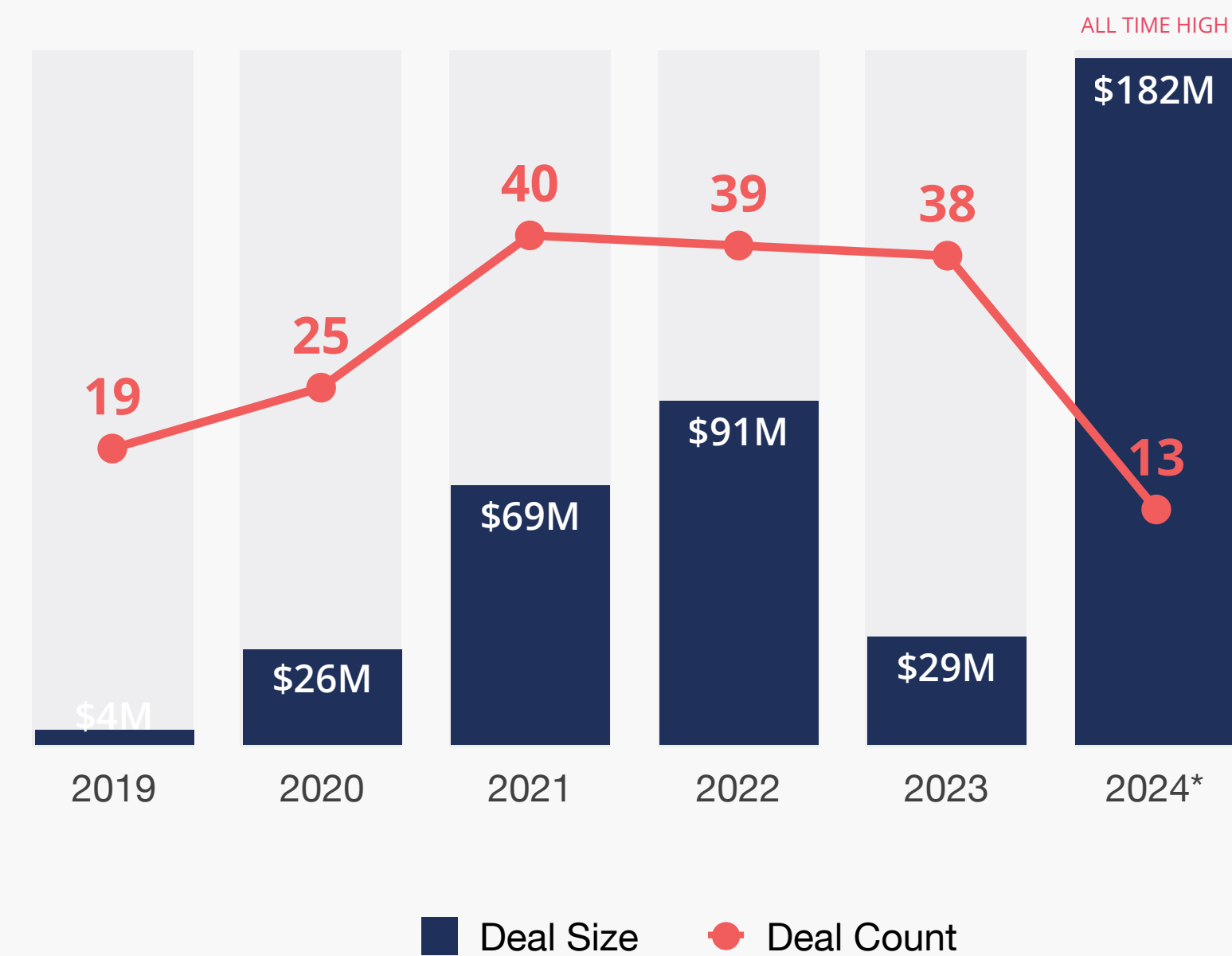


- Fintech startups broke an all-time record in terms of investment amount. The large investments received by Colendi, Dgpays, Midas and Sipay helped breaking the record.
- Fintech startups continued to grow with both domestic and international acquisitions. (Papara's acquisition of Pakistan-based SadaPay, iyzico's acquisition of Paynet)

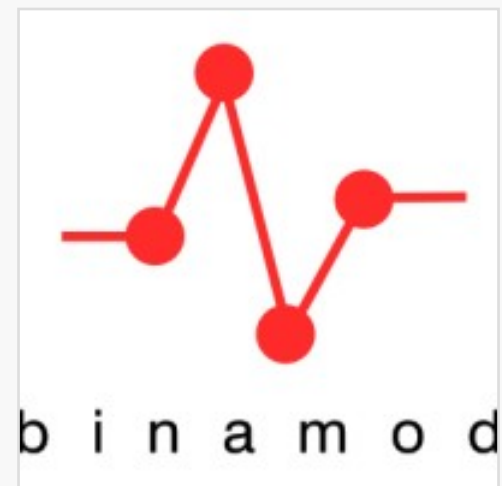
STARTUPS.WATCH DATA



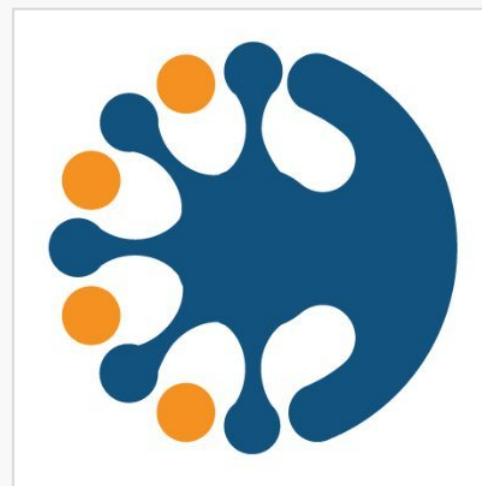
FINTECH ANGEL & VC DEALS



- Although awareness of impact investments is low, there has been an increasing investor interest in recent years, especially from investment funds such as Founder One.
- We have listed 9 impact investments in the first half of 2024 based on the declaration, but we will report in more detail in the following months.
- Looking at the data so far, we can say that 4% of the investments in the first half of 2024 are impact investments.



Binamod
Founder One



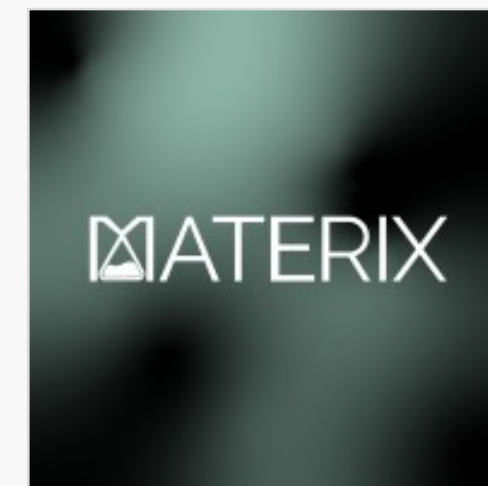
Cognitiwe
Flat6Labs Tech Accelerator Fund, TechOne, Eleven Ventures, Domino Ventures, Caucasus Ventures



Harcy
Lonca GSYF, Arz Portföy 4. GSYF, Ahu Serter



idenfit
INVEST 101, Domino Ventures, StartersHub, Pragma Capital Partners Teknoloji Fırsatları GSYF, Datassist, Ersoy Kiraz



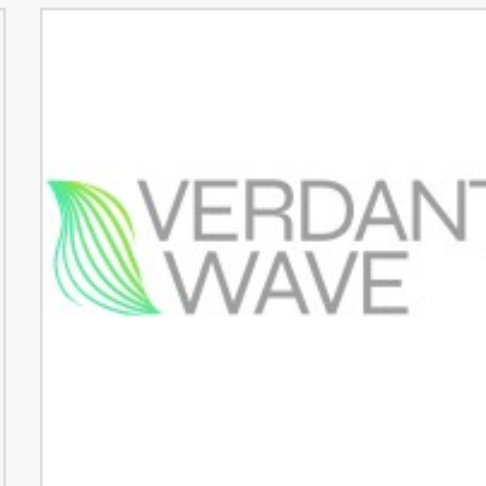
Materix
Founder One



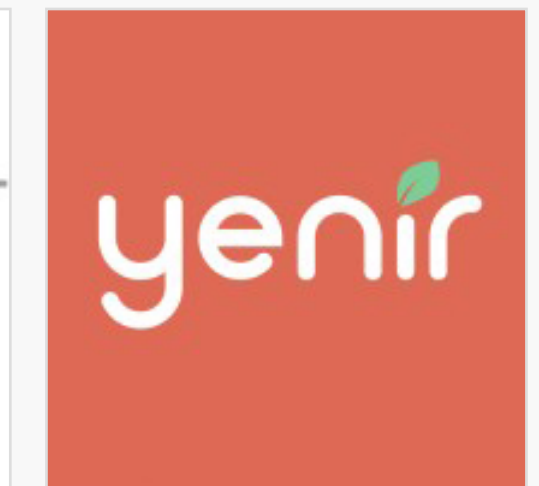
Phitech
Arya GSYF, Simya VC, Arz Portföy 4. GSYF, Gelecek Etki GSYF, Ayşe Selen Kocabaş, Münteha Adalı, Naci Topçuoğlu, Özlem Tümer Eke, Osman Alp Arlı, Şule Mene, Semahat Zeynep Bilgiç, İdil Dorsan Sezer, Cemile Ayşe Görmeli, Özge Şerbetçi, Sinan Alçın, Sanem Tatlıdil Özal



Swatchloop
Founder One



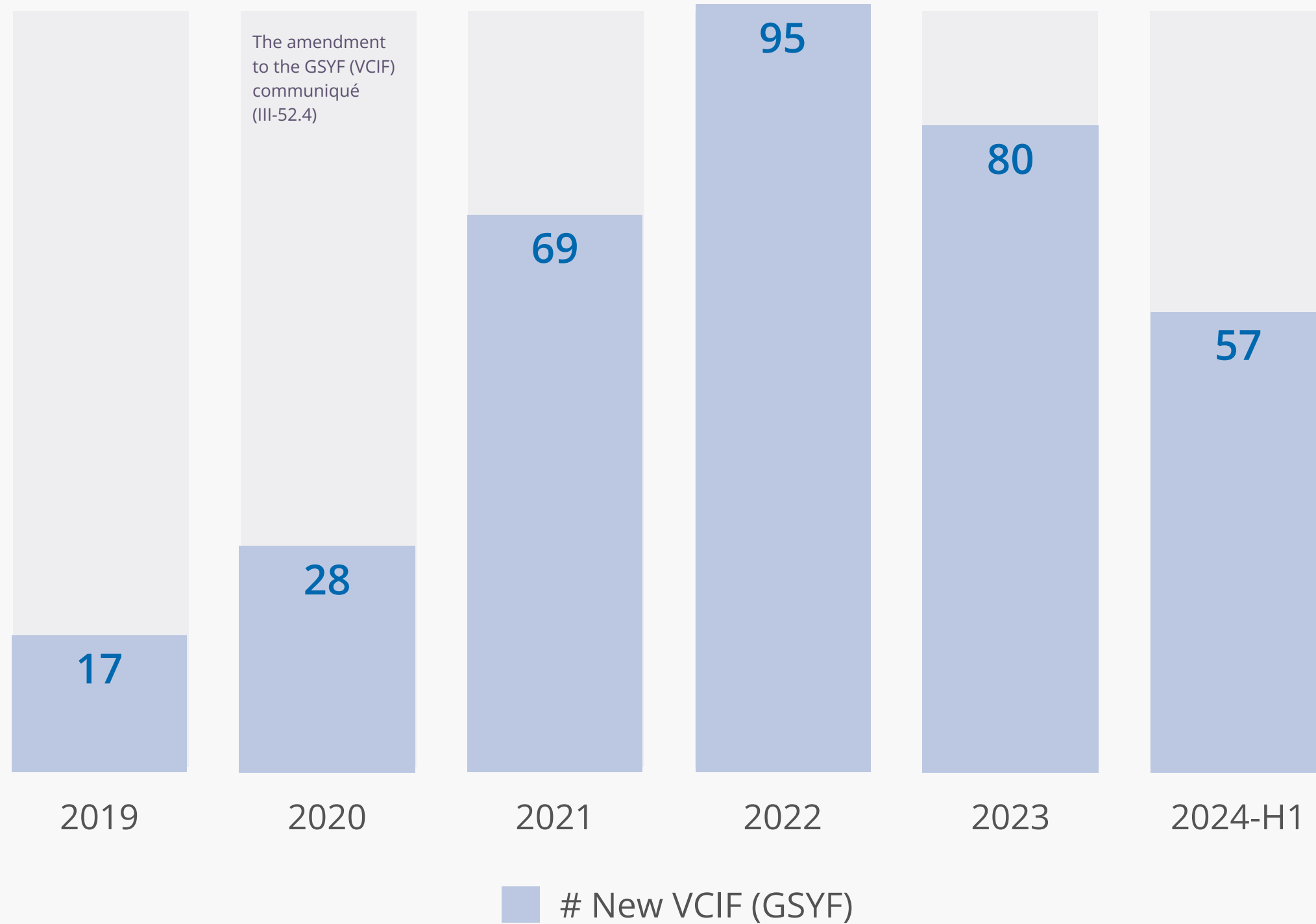
VerdantWave
Founder One



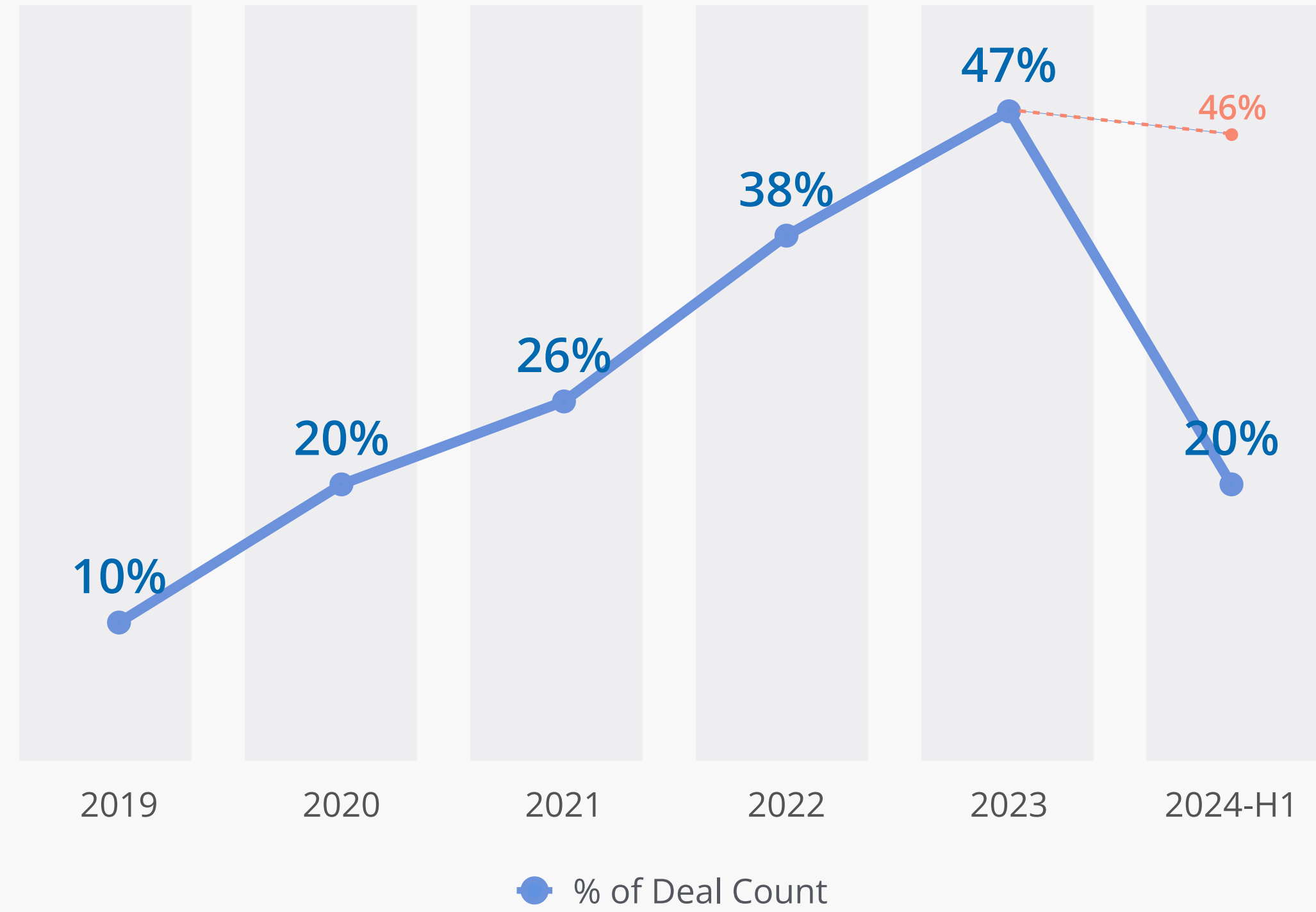
Yenir
Founder One

- The number of VCIF (GSYF) authorized for establishment reached **380** (15 of them are not active). More than half of these funds were established after 2022.
- Due to 136 TÜBİTAK BiGG Fund deals, the ratios differed in 2024 compared to previous years. Excluding those **136 deals**, the VCIF (GSYF) ratio in investments was **46%** in the first half of 2024.

NEW VCIF (GSYF) ESTABLISHED BY YEAR

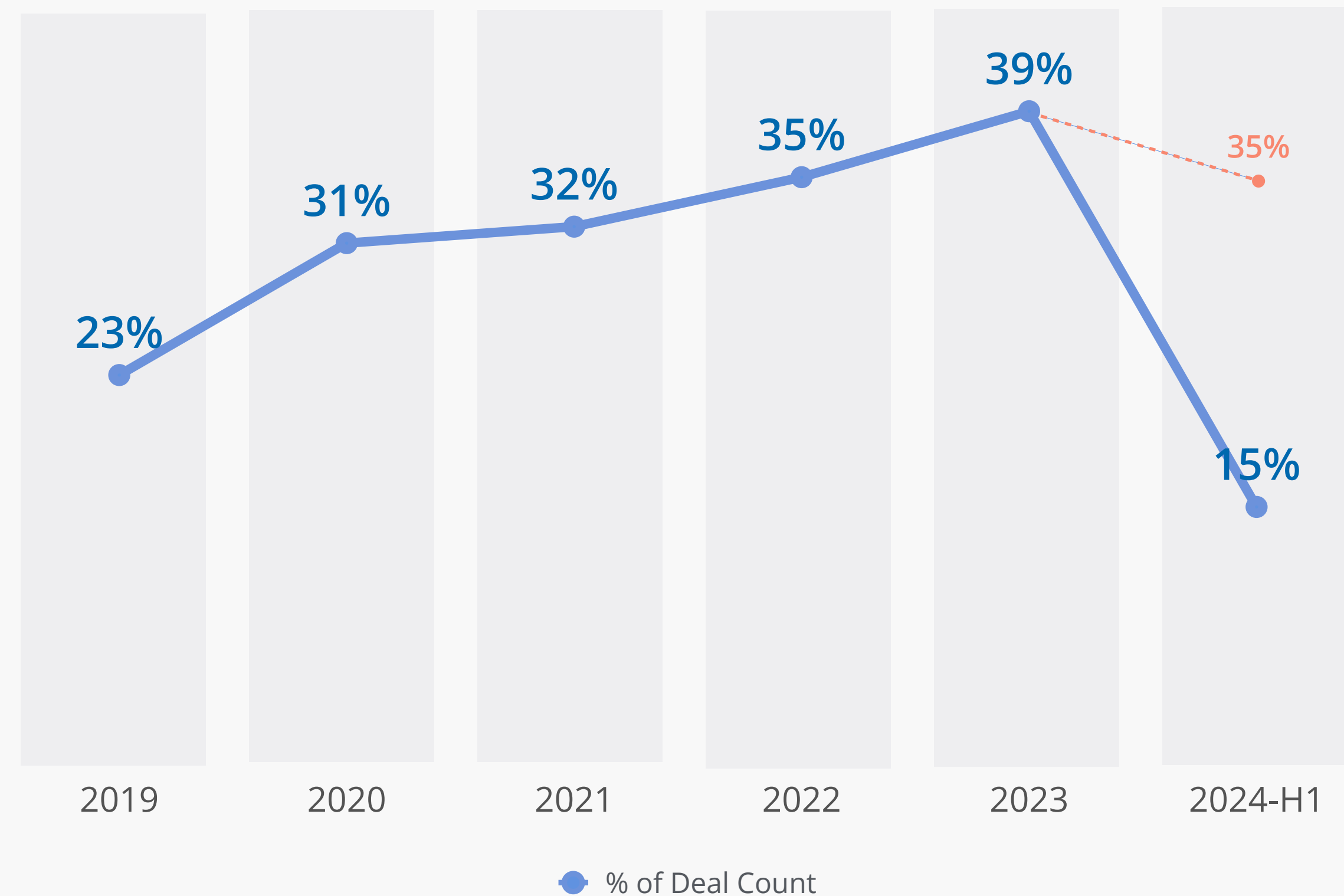


TÜRKIYE VC DEAL ACTIVITY WITH VCIF (GSYF) PARTICIPATION

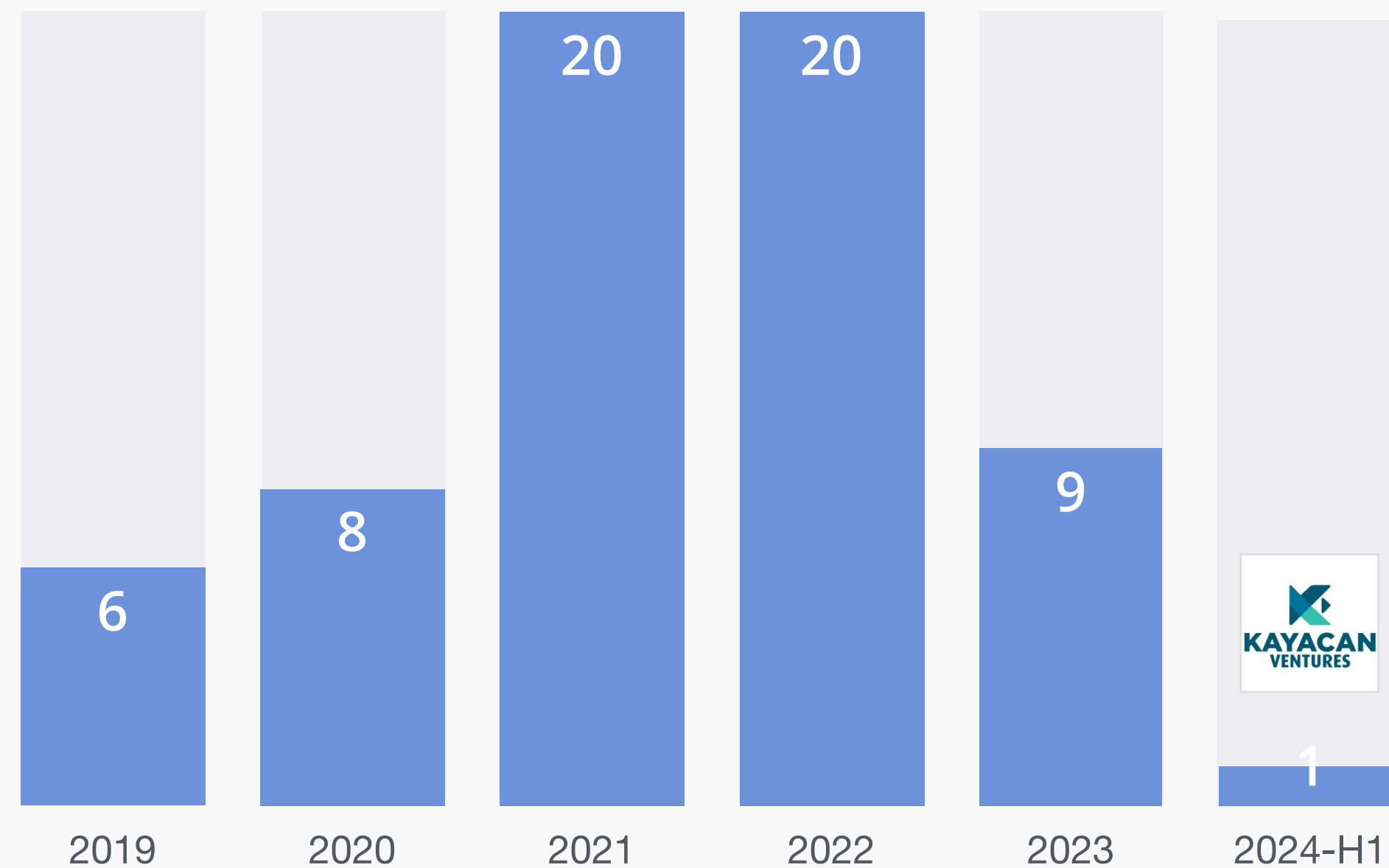


- In the first half of 2024, **35 out of 235** investments had a corporate or a CVC among the investors. Excluding TÜBİTAK BiGG Fund's 136 deals, CVC participation ratio in investments was **35%** in the first half of 2024.
- In the first half of 2024, Kayacan Ventures was announced as a new CVC.
- As of the end of the first half of 2024, there are **85** CVCs in Türkiye.

TÜRKİYE VC DEAL ACTIVITY WITH CVC+CORPORATE PARTICIPATION



NEW CVCS ESTABLISHED BY YEAR

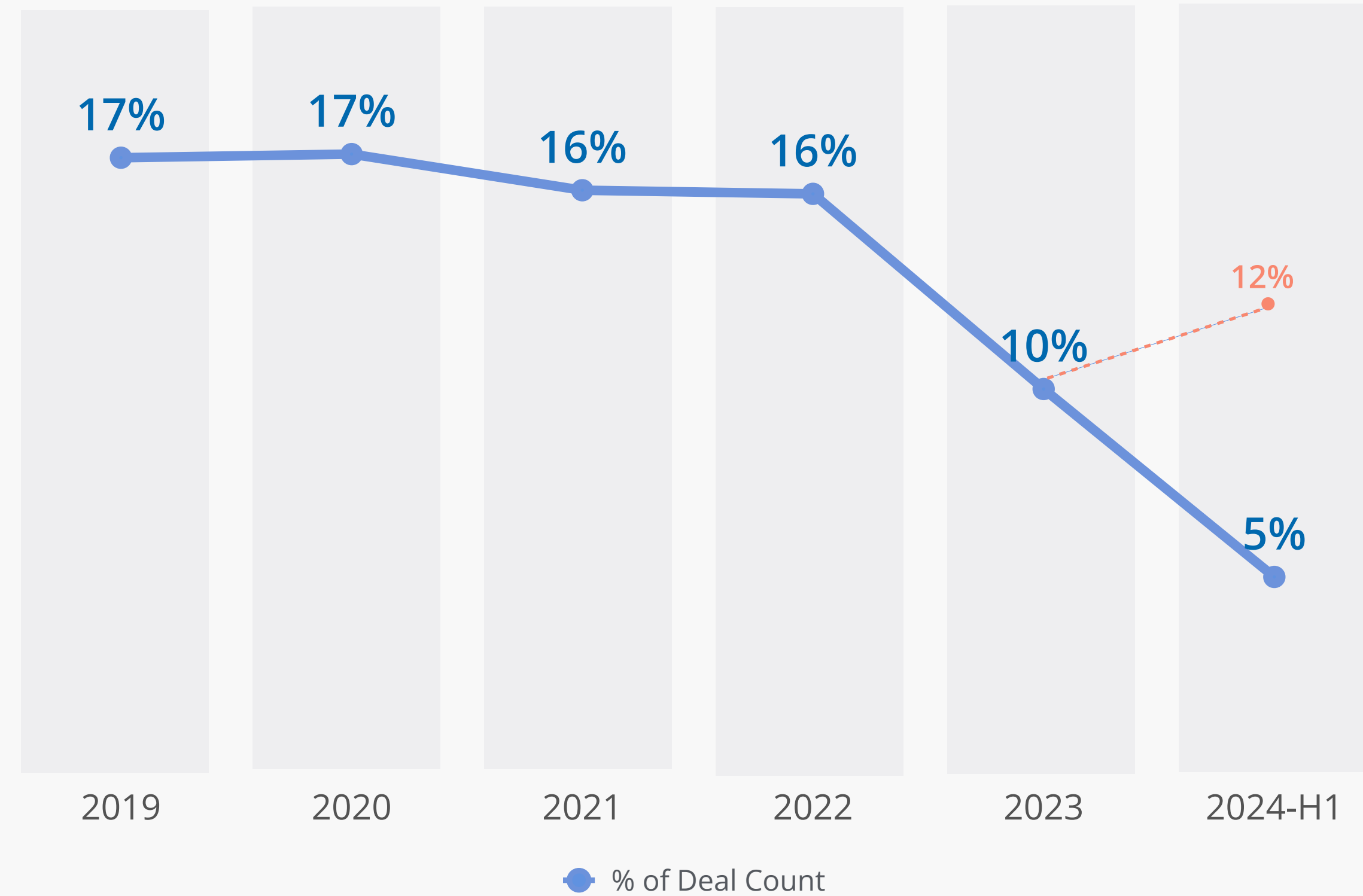


	2019	2020	2021	2022	2023	2024-H1
DEALS PARTICIPATED (#)	30	67	109	124	137	35
TOTAL DEAL COUNT	132	214	342	356	350	235

Dotted lines show the ratios when TÜBİTAK BiGG Fund deals excluded.

- In the first half of 2024, **12 out of 235** investments had a foreign investor among the investors. Excluding TÜBİTAK BiGG Fund's 136 deals, Foreign investor participation ratio in investments was **12%** in the first half of 2024.
- Biyaku, Chainway, Cognitiwe, Delivers.ai, Dgpays, Getir, Getmobil, ikas, Midas, Roamless, Sipay and SOCRadar were the startups that received investments from foreign investors in the first half of 2024.
- Anfa, Beresford Ventures, Caucasus Ventures, Delphi Ventures, Dutch Funders Fund, EBRD, Eleven Ventures, Flat6Labs Tech Accelerator Fund, IFC, Japan Post Capital, Mubadala Investment Company, Oxx, Pareto Holdings, PeakSpan Capital, Portage Ventures, Sharks&Partners, Shorooq Partners, Spark Capital, Truffle Capital, White Venture Capital were the foreign investors who invested in the first quarter of 2024.

FOREIGN INVESTOR PARTICIPATION (ANGEL & VC DEALS)

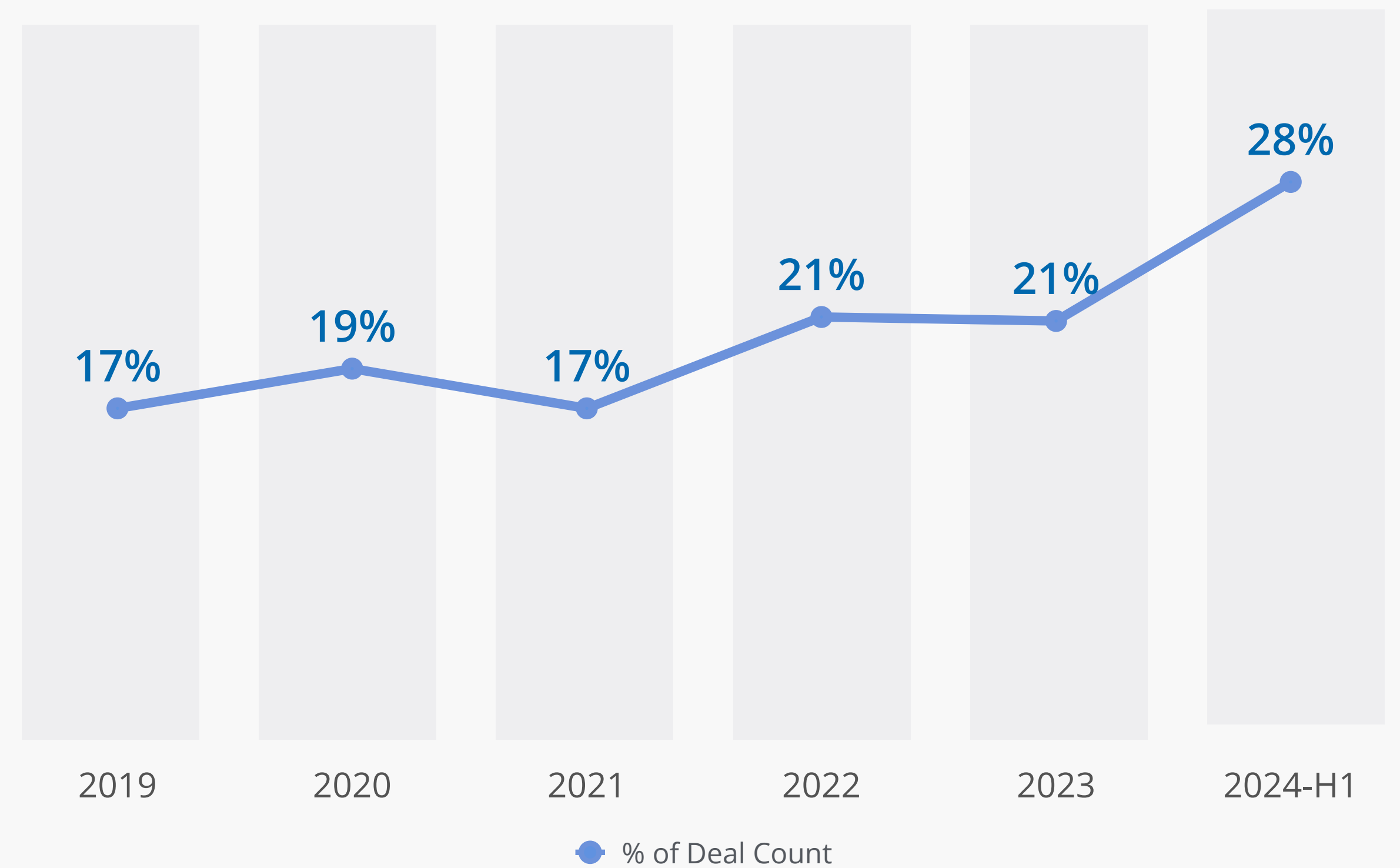


	2019	2020	2021	2022	2023	2024-H1
DEALS PARTICIPATED (#)	22	36	54	56	36	12
TOTAL DEAL COUNT	132	214	342	356	350	235

Dotted lines show the ratios when TÜBİTAK BiGG Fund deals excluded.

- In the first half of 2024, **66 out of 235** investments involved women entrepreneurs, reaching **28%**, the highest rate in the last 5 years.
- The fact that 41 of 141 TÜBİTAK BiGG Fund deals had women entrepreneurs was a factor in the increase in the rate.
- In the first half of 2024, **23%** of the startups had female founder(s).

TÜRKİYE DEAL ACTIVITY WITH FEMALE FOUNDER



FEMALE FOUNDERS IN TÜRKİYE

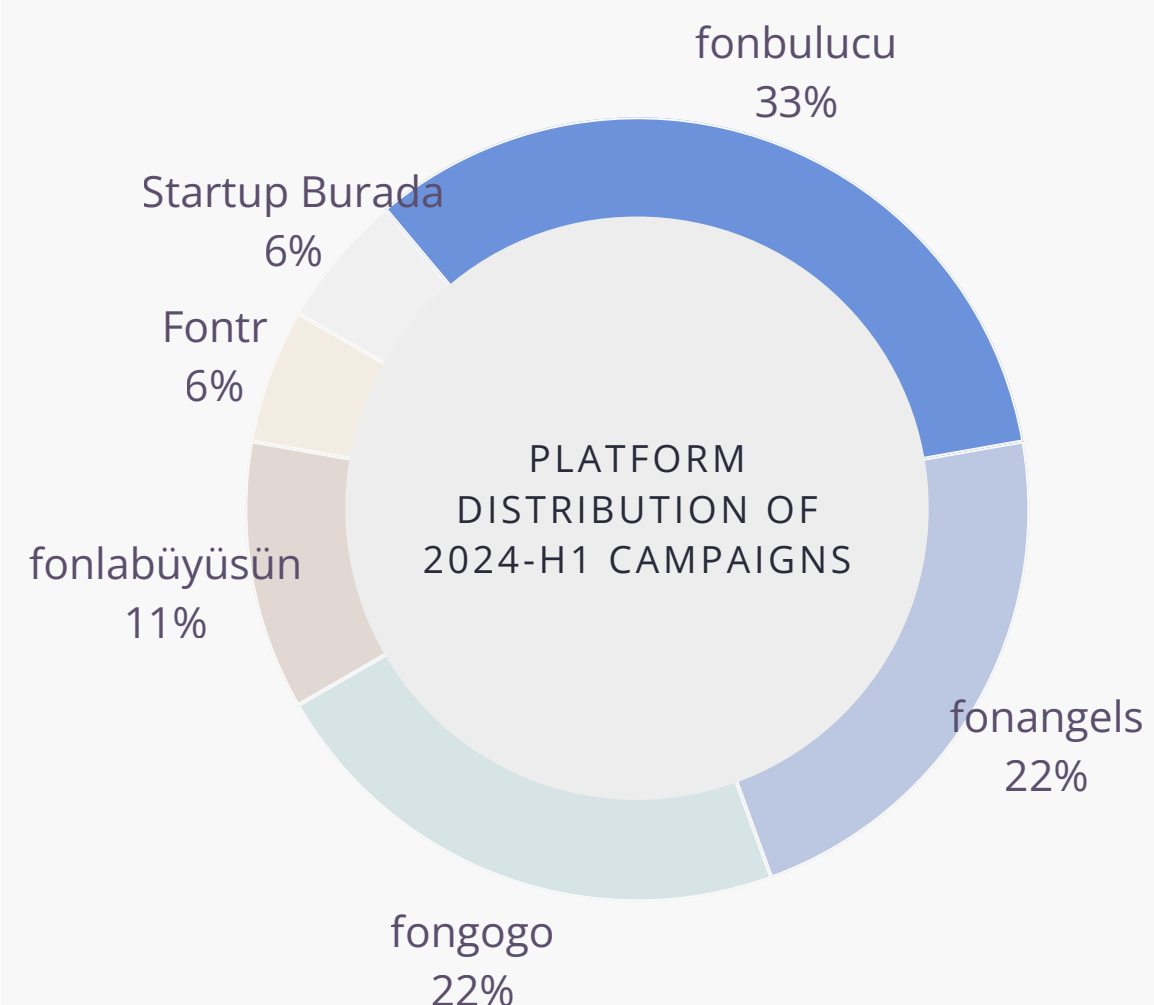
	2019	2020	2021	2022	2023	2024-H1
Female Founded Startups / Total Startups	18%	19%	19%	17%	24%	23%

DEAL ACTIVITY WITH FEMALE FOUNDER

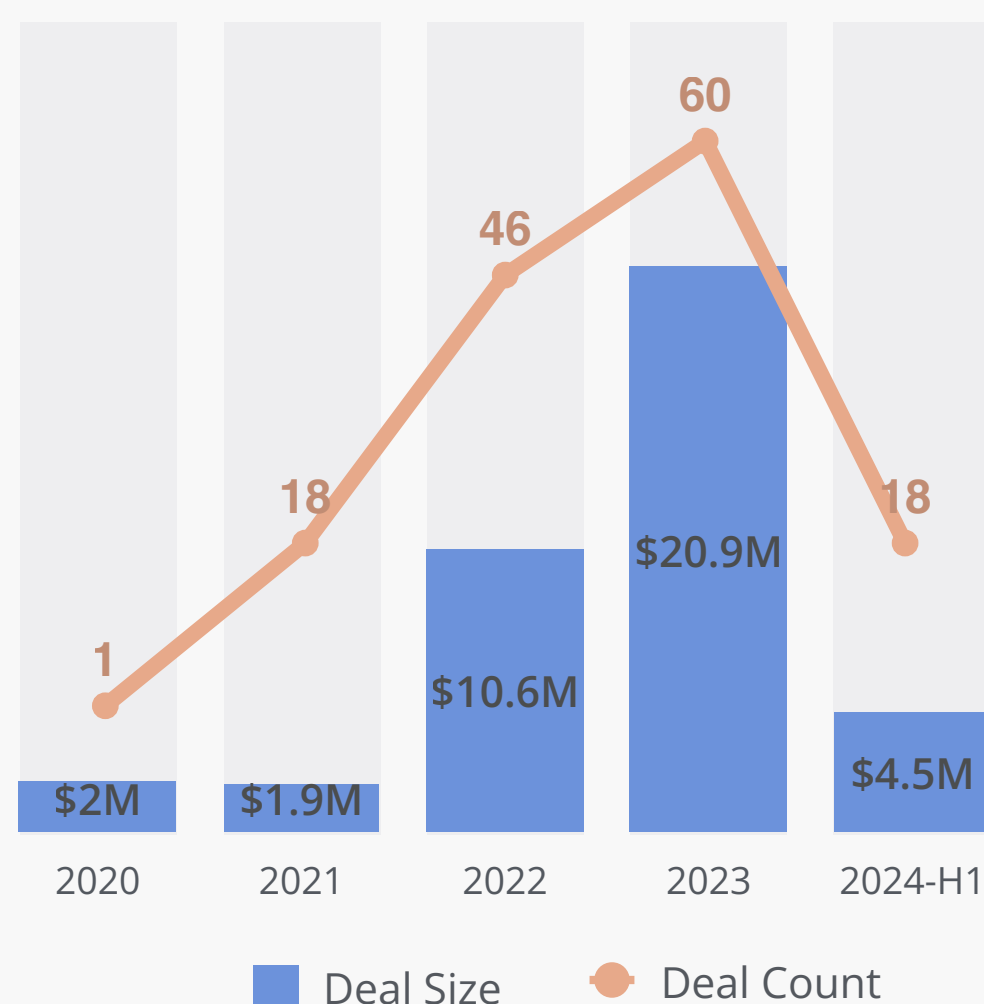
	2019	2020	2021	2022	2023	2024-H1
Deals W/ Female Founder (#)	22	40	57	76	74	66
Total Deal Count	132	214	342	356	350	235

- 24 platforms have received permission to establish so far. 12 of them are active. Although the number of platforms has been increasing every year, the number of campaigns has been on a downward trend. *(Possible reasons for the downward trend may be as follows: A. Individual investors may be less willing to make new investments without seeing the return on their investments. B. Individual investors may think that there are no good startups to invest C. Especially the increase in interest rates may have scared away individual investors.)*
- The median size in H1 2024 was **\$219K**, compared to **\$237K** in 2023.

PLATFORM DISTRIBUTION OF SUCCESSFUL CAMPAIGNS OF 2024-H1



YEARLY EQUITY BASED CROWDFUNDING DEALS

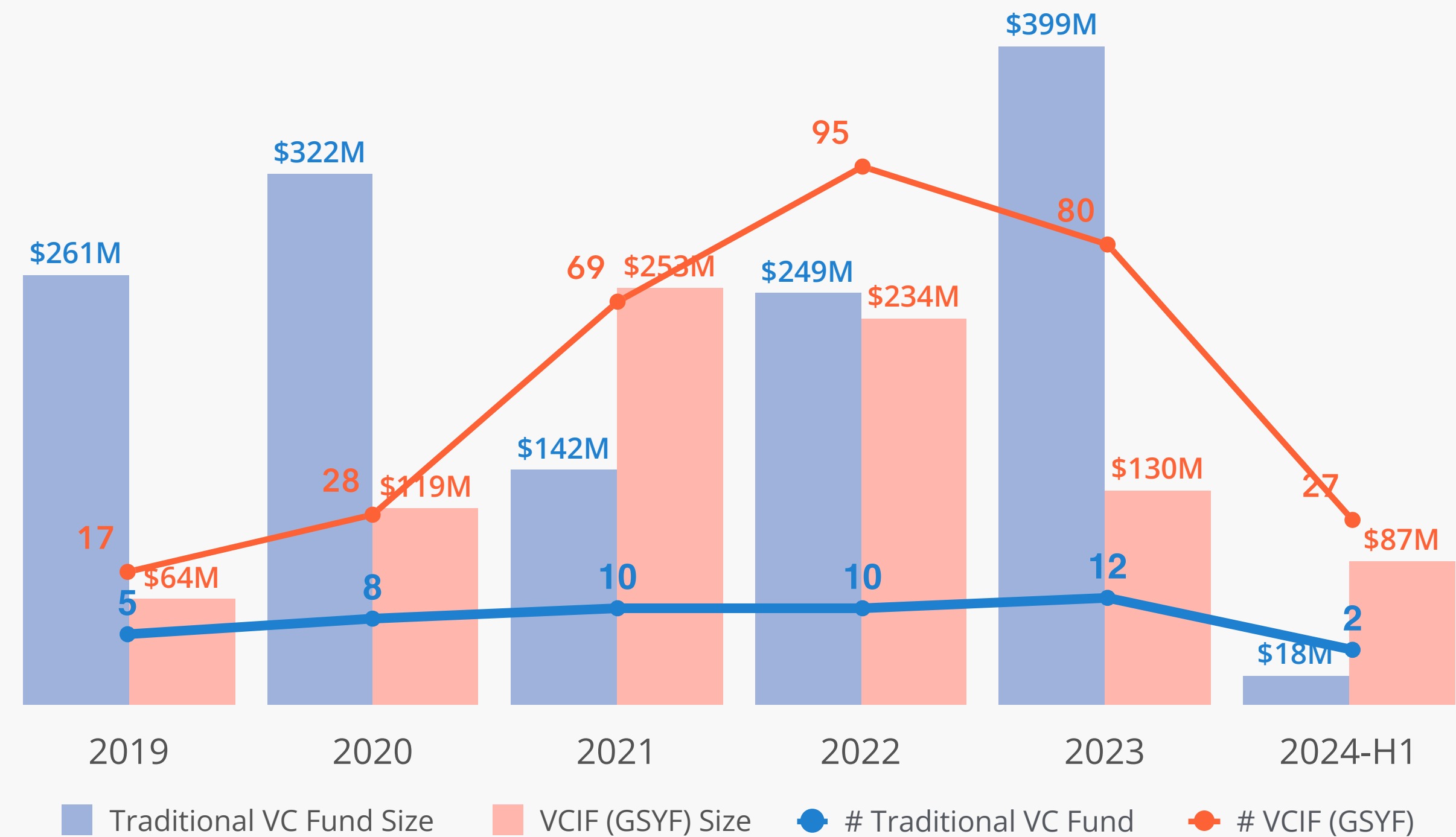


TÜRKİYE YEARLY EQUITY BASED CROWDFUNDING DEALS

	2021	2022	2023	2024-H1
Equity Based Crowdfunding Deal Size (\$)	1.9M	10.6M	20.9M	4.5M
Seed Stage Deal Size (\$)	138M	291M	165M	62M
% of Deal Size	1%	4%	12.7%	7.3%
Equity Based Crowdfunding Deal Count	18	46	60	18
Seed Stage Deal Count	307	325	329	223
% of Deal Count	6%	14.2%	18.2%	8.1%

- In the 2019-2024/H1 period, **346 VCIF (GSYF)** with a size of **\$887M** and **63 traditional funds** with a size of **\$1.4B** were established, creating a total pool of **\$2.3B**.
(There is no information on how much dry powder remains in these funds and how much of the fund is allocated to Türkiye. In some funds less than 50 per cent of the mandate is allocated to Türkiye)
- When we look at all time, there are **81** active traditional funds. The number of active GDP funds is **365**.
- Although the number of funds appears to be high, the number of funds at the Series A stage is significantly low, while the number of funds at the Series B level is almost non-existent. *(Majority of VCIFs (GSYF) in particular focus on the seed stage.)*

VC FUNDRAISING ACTIVITY IN TÜRKİYE

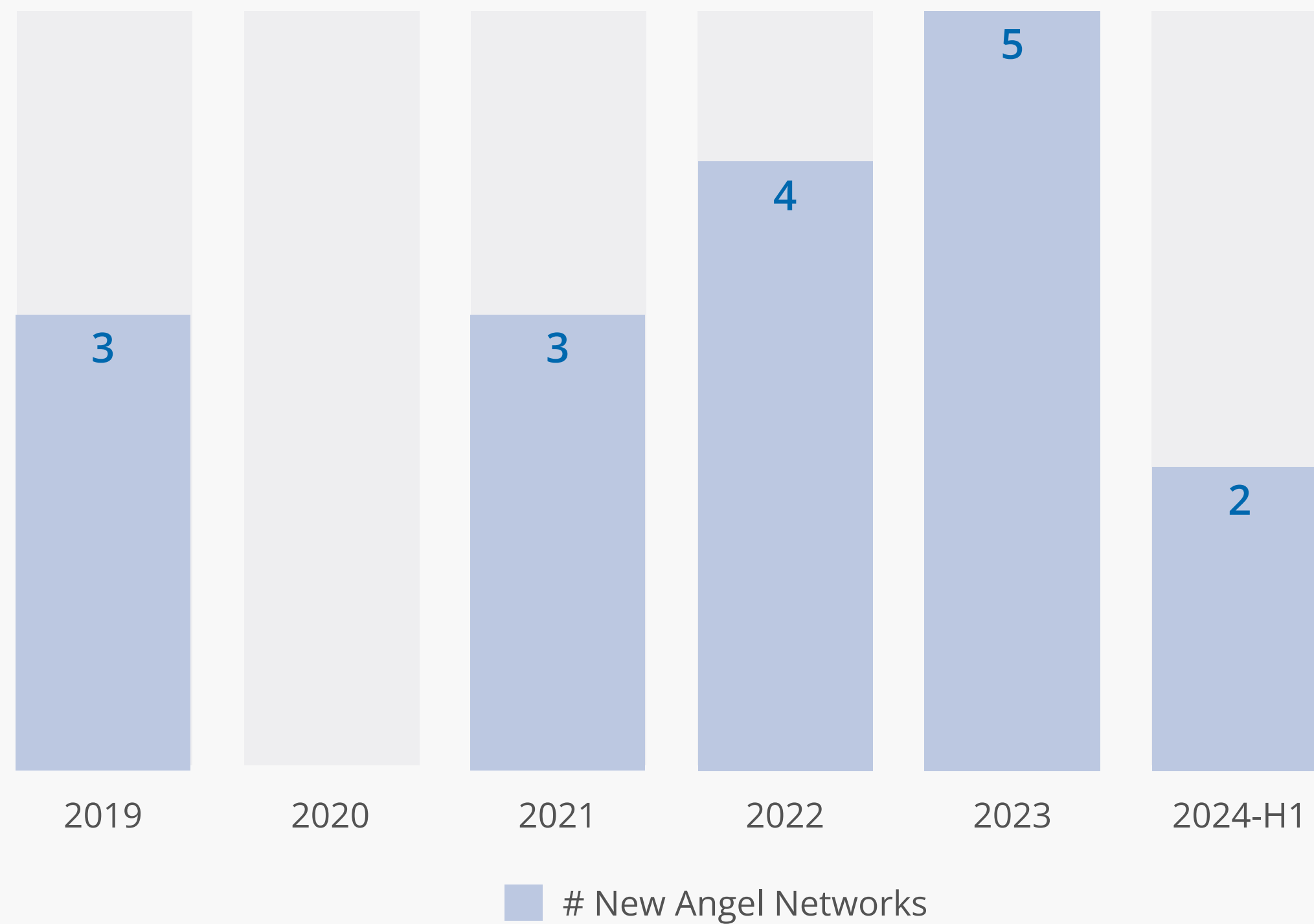


	2019	2020	2021	2022	2023	2024-H1
# Traditional VC Fund	7	14	12	13	15	2
# VCIF	17	28	69	95	80	57
Traditional VC Fund Size	\$261M	\$322M	\$142M	\$249M	\$399M	\$18M
VCIF Size	\$64M	\$119M	\$253M	\$234M	\$130M	\$87M

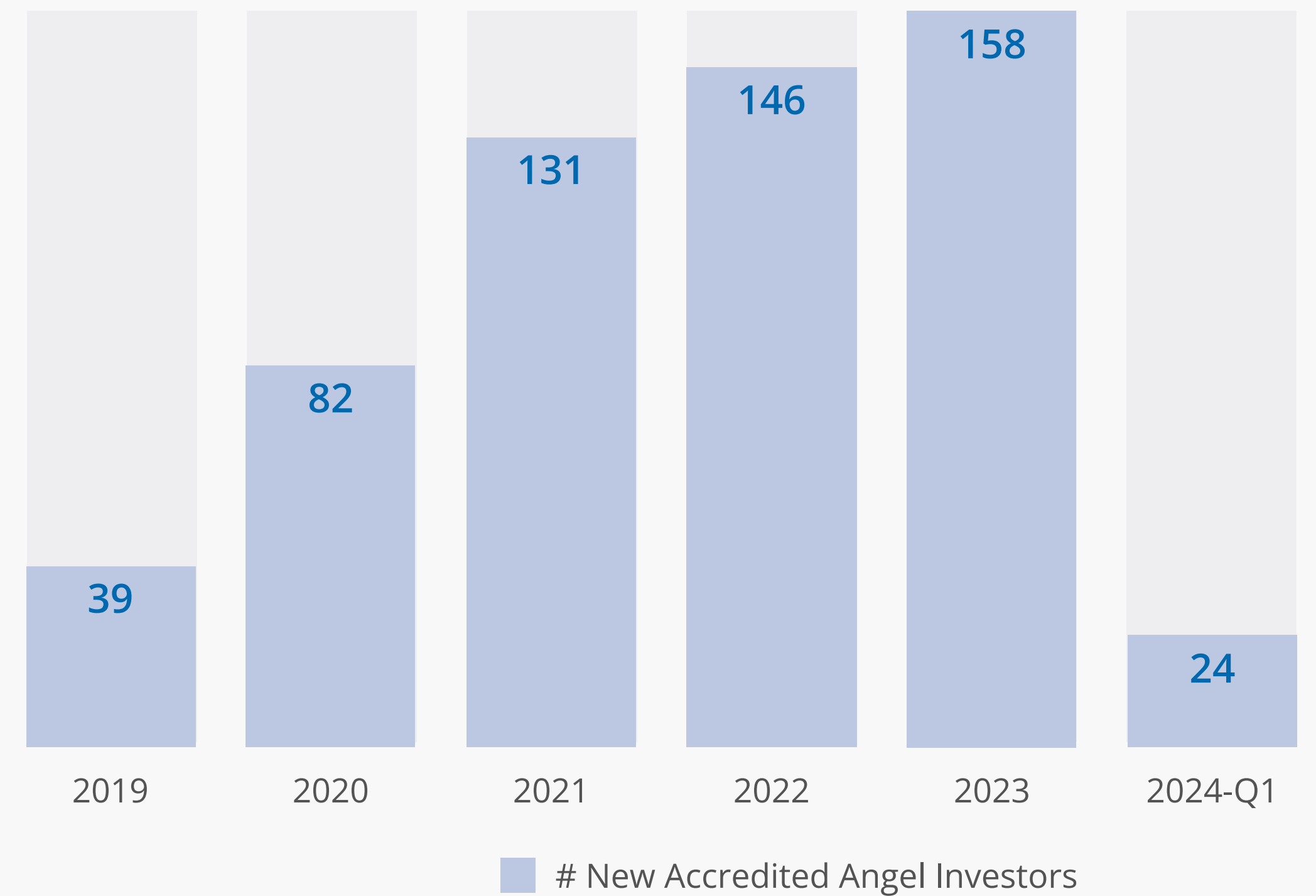
Note : The targeted amount is taken into account in VCIFs(GSYF). For traditional VCs, the target size of VCs with first-close was taken into account. The amount of funds allocated to Türkiye is not taken into account due to lack of information.

- There are **26** angel networks active in Türkiye.
- Since 2013, the Ministry of Treasury and Finance has been licensing angel investors for 5 years to benefit from tax advantages. As of 2013, 1048 licences were issued and the number of angel investors with active licences reached **576** by the end of 2024-Q1.

NEW ANGEL NETWORKS ESTABLISHED BY YEAR



NEW ANGEL NETWORKS ESTABLISHED BY YEAR





iyzico's acquisition of Paynet was the biggest M&A transaction of the second quarter of 2024.

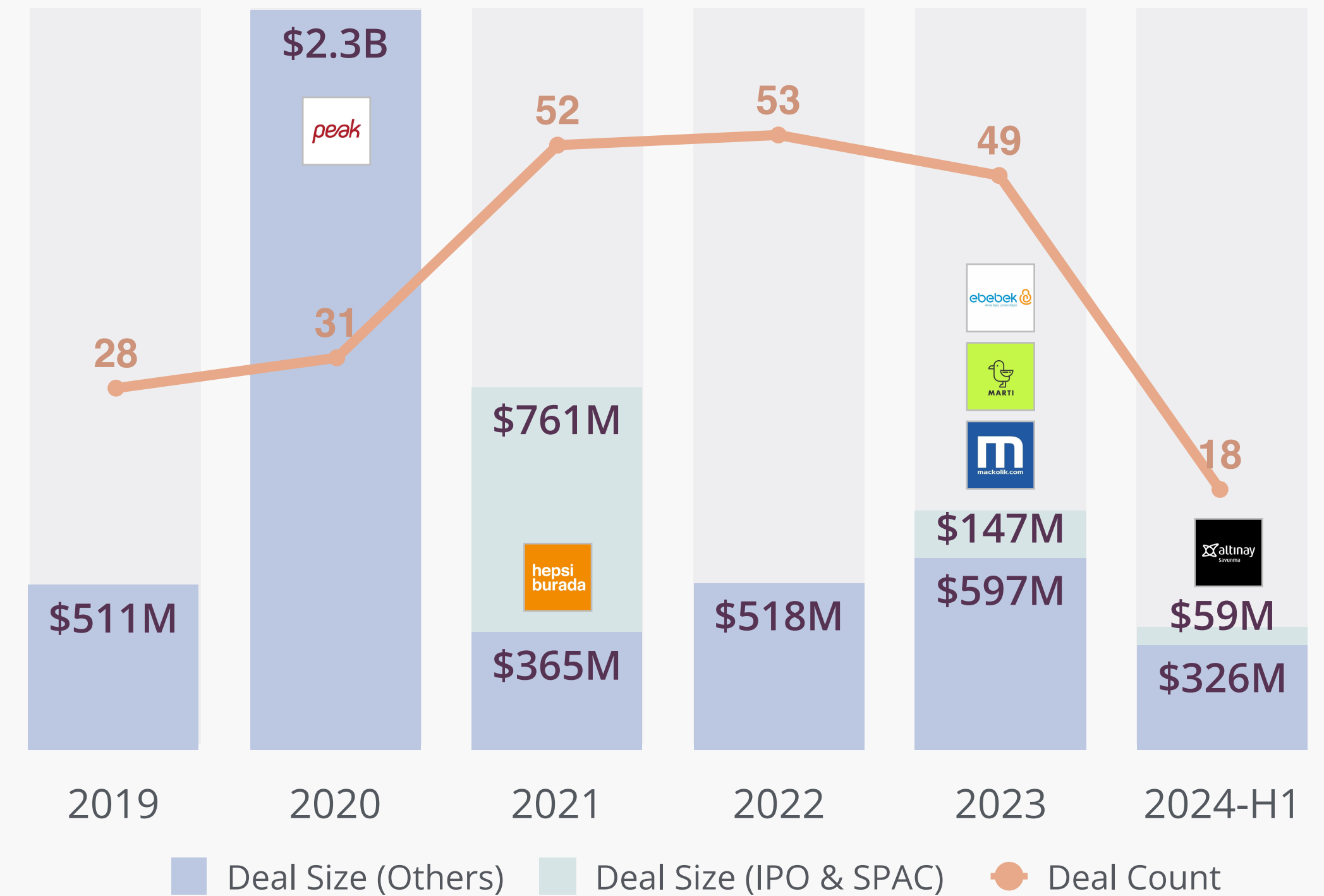


Altınay Defence's IPO was one of the most important developments.



Papara's acquisition of Pakistan-based SadaPay was also an important acquisition for Turkish startups to continue international acquisitions to globalise.

ACQUISITIONS & SEC. TRANSACTIONS IN TÜRKİYE



	2019	2020	2021	2022	2023	2024-Q1
DEAL SIZE (\$)	511M	2.3B	1.1B	518M	744M	385M
<i>YoY Growth</i>		349%	-51%	-54%	44%	-48%
DEAL COUNT	28	31	52	53	49	18
<i>YoY Growth</i>		11%	68%	2%	-8%	-63%

FOR ALL DATA INQUIRIES:

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

ABOUT 212

212 powers entrepreneurs at every stage. From regional funds fueling growth in B2B tech to Simya VC supporting early-stage innovators. In the advanced materials sector, 212 Next leads the charge. Over ten years, through five funds, 212 invested in 42 companies, managing €116 million in capital and generating over €2 billion in value. <https://212.vc/>