

Turkish Startup Ecosystem

2024 Q3 REPORT V1.0

OCTOBER 8, 2024

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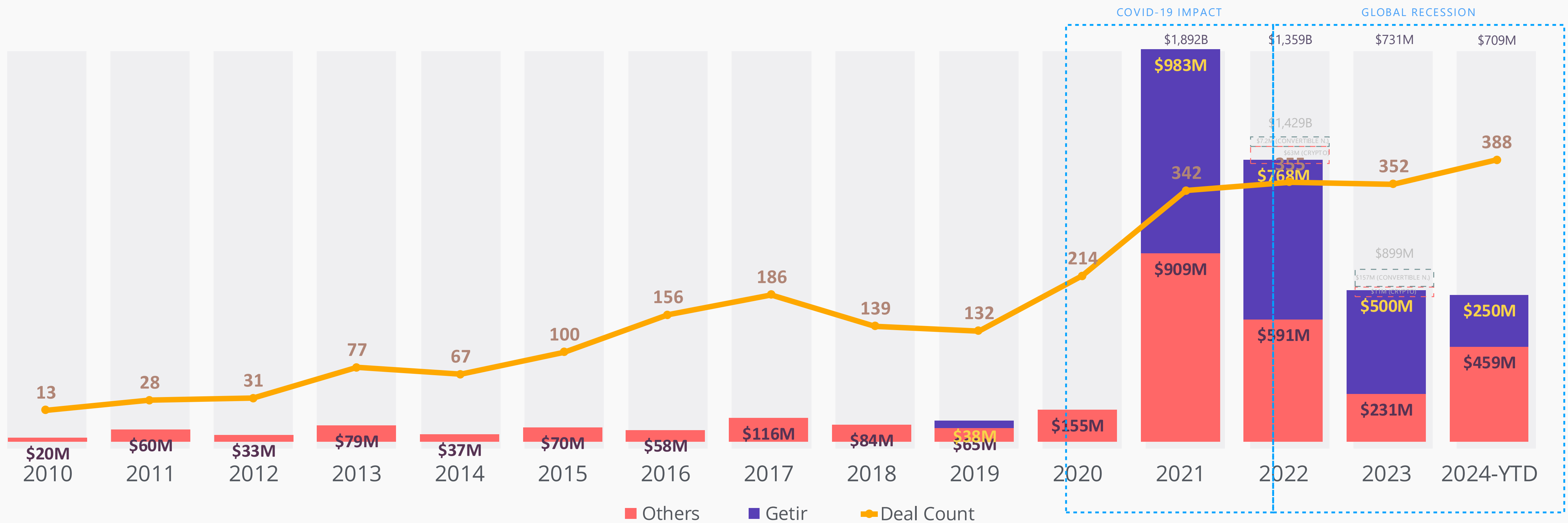
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- Historical funding data is subject to change as our team explore new data.
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METHODOLOGY & DATA

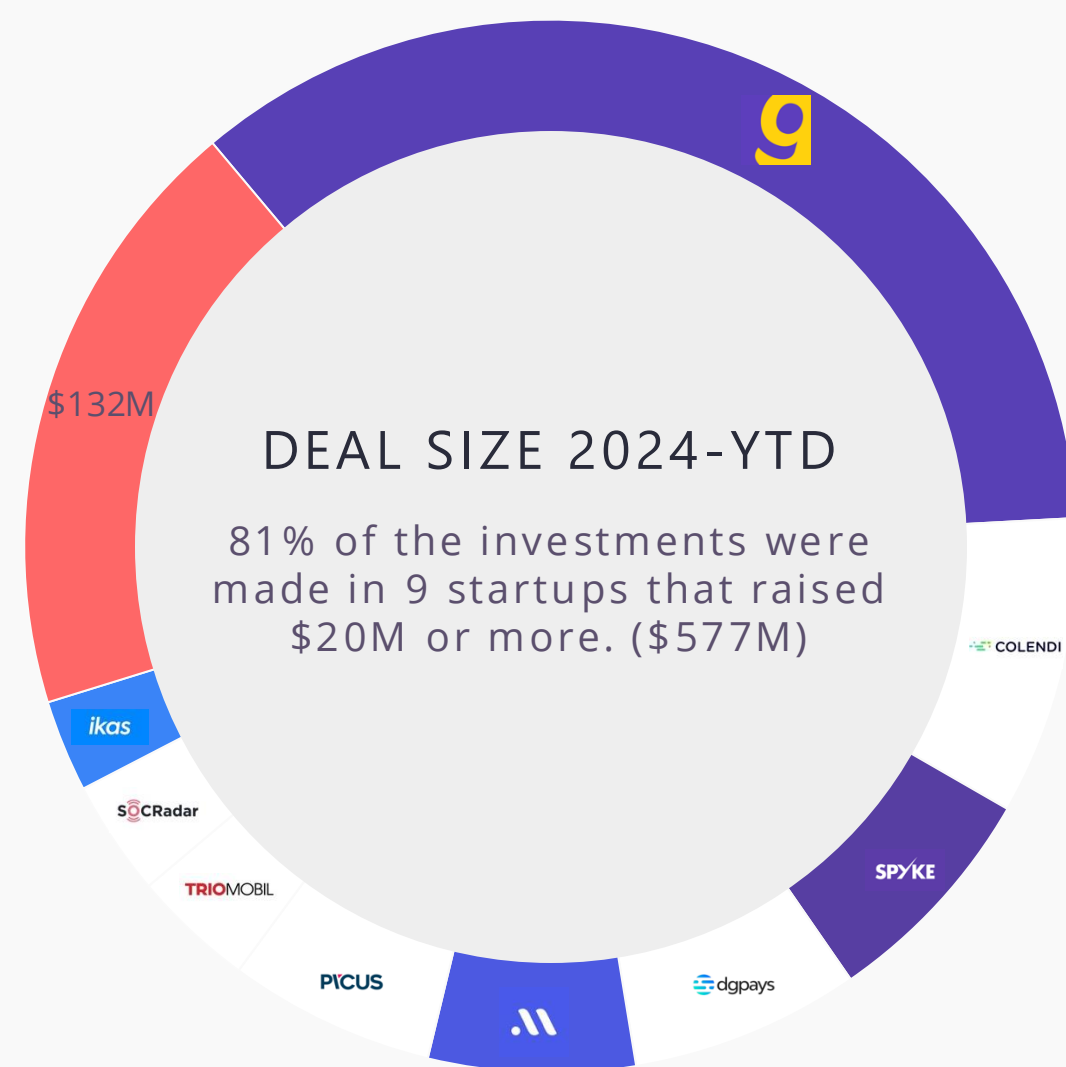
- Only verifiable fundings are included. Fundings are verified via Chamber of Commerce, direct confirmation with startup or investor, or press release.
- If a funding is directly or indirectly listed in Chamber of Commerce data, then it's added to Turkish funding data, regardless of where they are currently registered.
- Buyouts, M&A and secondary transactions are treated as exits and excluded from funding data.
- If there is a tranced 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.

- **\$709M** were invested across **388 deals** in seed, early and later vc stages in the first nine months of 2024.
- **228** of the **247 pre-seed deals** were from the TÜBİTAK BiGG Fund, which used to be a grant and is now a pre-seed fund.
- 81% of the investments were made in **9 startups** that raised \$20M or more.
- Thanks to TÜBİTAK BiGG Fund, Türkiye became the **1st country** with the highest number of pre-seed investments in Europe in the first nine months of 2024.
- **Grocery delivery** and **fintech** were the most invested verticals in terms of deal size.
- **Biotech** and **artificial intelligence** were the most invested verticals in terms of deal count.
- A **quantumtech** startup received investment for the first time in Türkiye. (**ACT Venture Partners** → **Qubitrium**)
- In the first nine months of 2024, **55 out of 388** investments had a corporate or a CVC among the investors.
- The number of CVCs in Turkey reached **89**.
- The number of VCIF (GSYF) authorized for establishment reached **412** (15 of them are not active). **64%** of these funds were established after 2022.
- Gaming startups in Türkiye raised **\$70.9M** across **16** deals in the first nine months of 2024. Türkiye ranked **2nd** in Europe in terms of the gaming deal size and the gaming deal count. (1st was UK)
- Fintech startups broke an **all-time record** in terms of deal size.
- Tübitak BiGG Fund, which made a total of **25 AI investments** in 2024, **8 of which were made in the 3rd quarter**, is the fund that has made the most AI investments so far this year.
- In the nine months of 2024, **111 out of 388** investments involved female entrepreneurs, reaching **29%**, the highest rate in the last 5 years.
- Although the number of equity based crowdfunding platforms has been increasing every year, the number of campaigns has been on a **downward trend**.
- In the first nine months of 2024, **18 out of 388** investments had a foreign investor among the investors.
- In the 2019-2024-YTD period, **378 VCIF (GSYF)** with a size of **\$951M** and **57 traditional funds** with a size of **\$1.3B** were established, creating a total pool of **\$2.2B**.
- Q3's most notable acquisitions were Koç Holding's acquisition of **Stembio**, Borançılı Teknoloji's acquisition of **n11.com** and DxBV's acquisition of **Bulutistan**.
- 212's fund-**secondary transaction** with Isomer Capital, delivering over 2x returns to participating investors in its first fund, is a pivotal step in pioneering the Turkish VC ecosystem and showcasing alternative exit options.

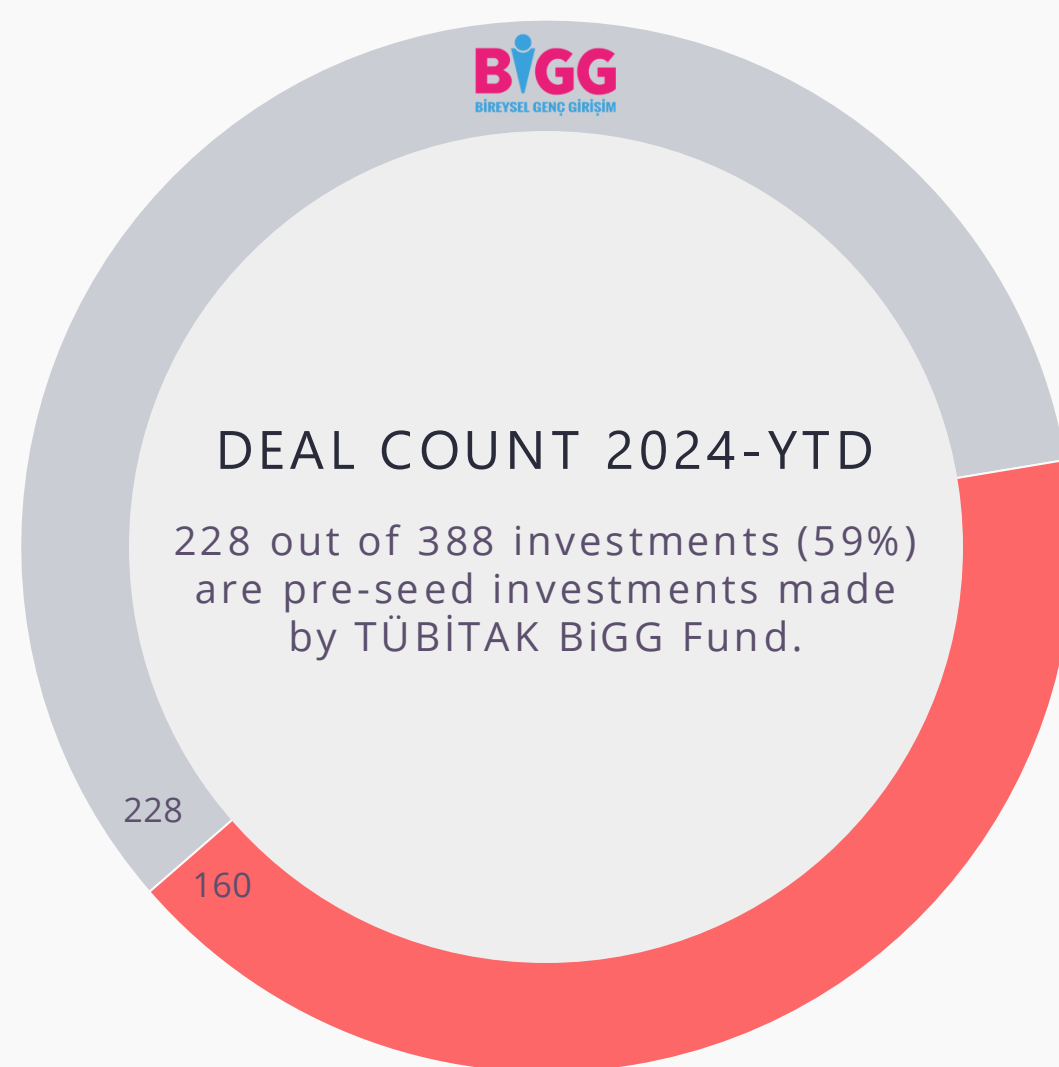
- \$709M were invested across 388 deals in seed, early and later vc stages in the first nine months of 2024.
- Excluding the Getir deal, \$459M was invested in the first nine months of 2024.
- 228 of the 247 pre-seed deals were from the TÜBİTAK BiGG Fund, which used to be a grant and is now a pre-seed fund.



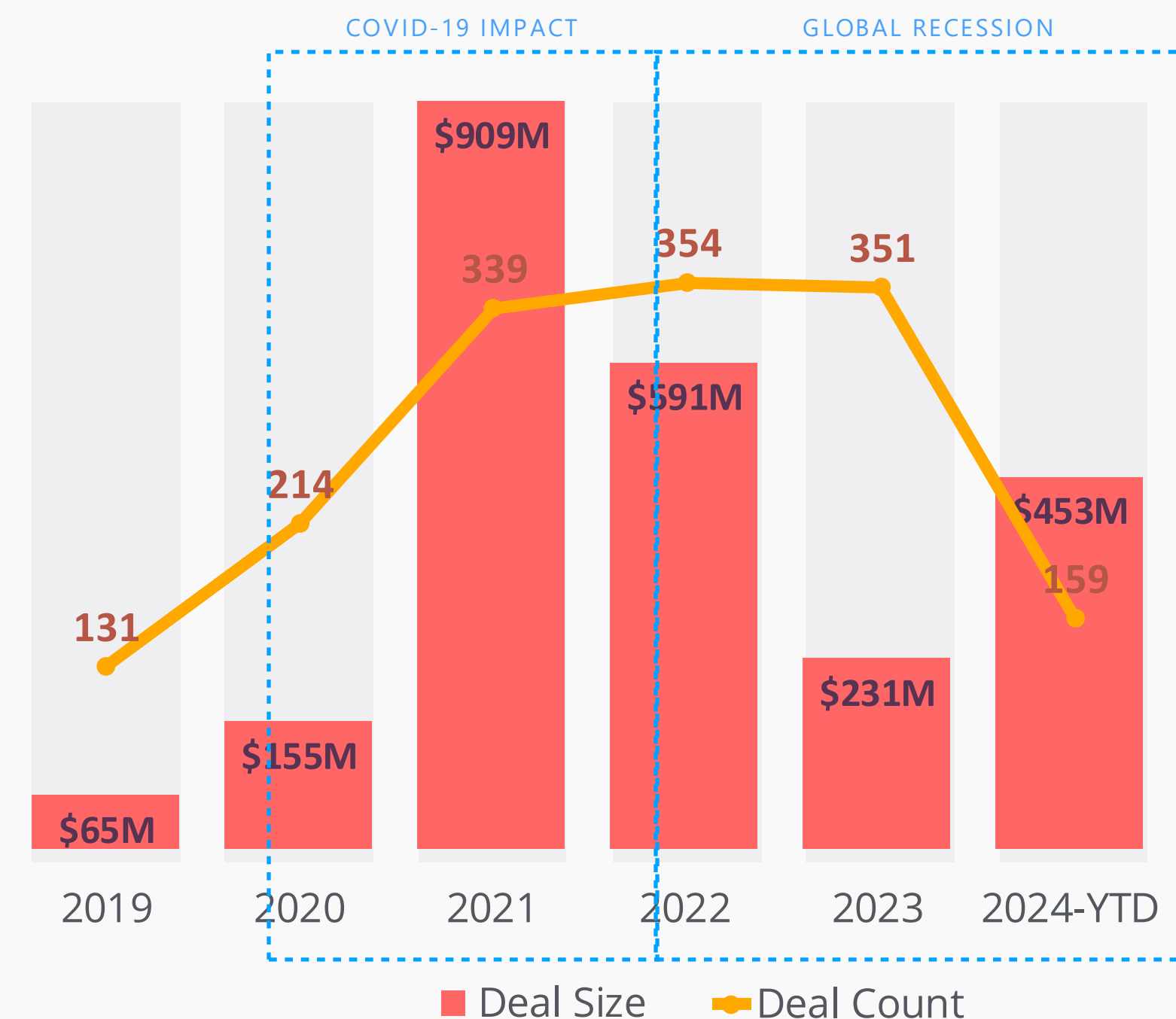
TOP DEALS IN 2024



TUBITAK BIGG FUND EFFECT IN DEAL COUNT

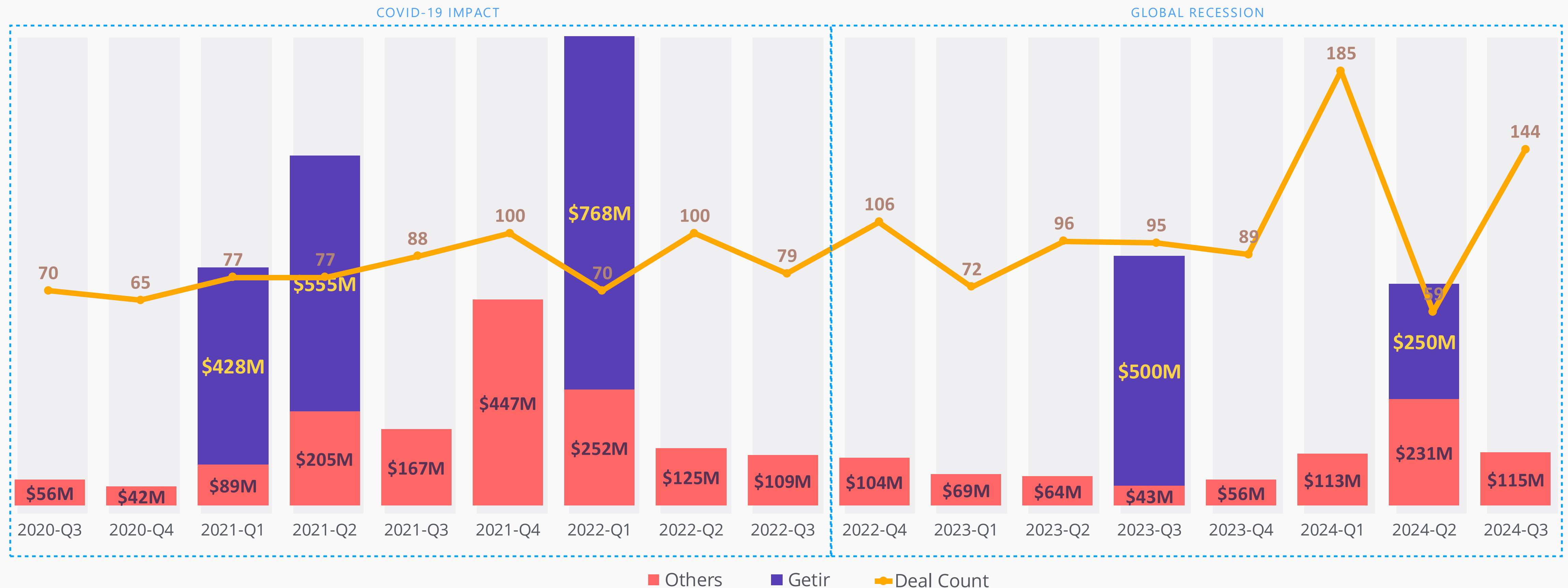


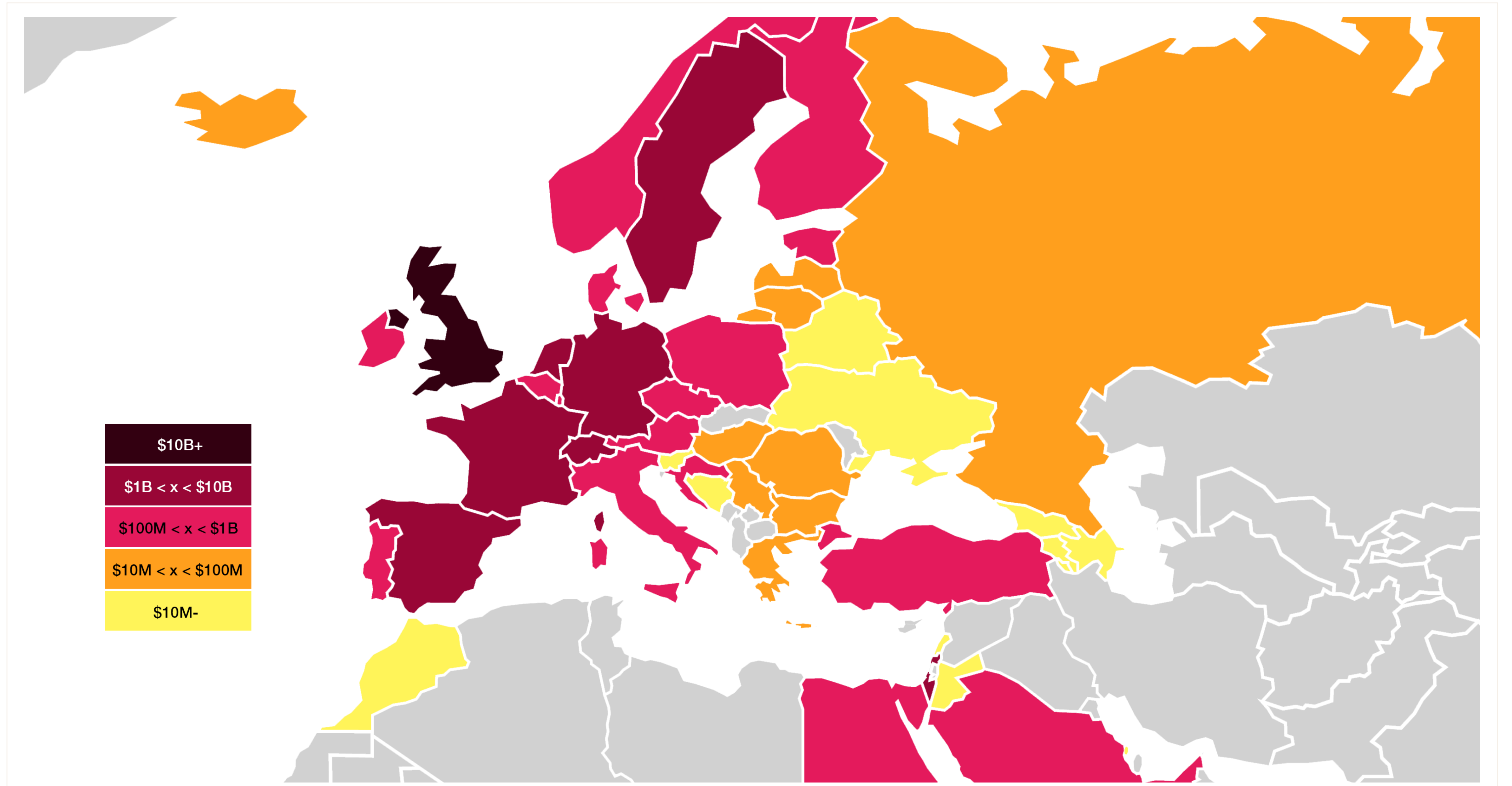
DEALS (GETIR & TÜBİTAK BIGG FUND EXCLUDED)



- 81% of the investments were made in 9 startups that raised \$20M or more. The total amount of money raised by these 9 startups is \$577M. \$132M was invested in the remaining 379 startups. If we subtract the 228 pre-seed investments made by Tübitak BiGG fund from this number, the remaining 151 startups raised \$126M. This means \$834K per startup for the remaining startups.

- \$115M were invested across 144 deals in seed, early and later vc stages in the third quarter of 2024.
- 92 of the 144 deals in the third quarter were from the TÜBİTAK BiGG Fund. (136 of the 185 deals in the first quarter were also from the TÜBİTAK BiGG Fund.)
- Excluding TÜBİTAK BiGG Fund investments, 2024 quarterly investment numbers **fell by 40% on average** compared to 2023 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

	United Kingdom	\$13B (1166)
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Super League

	France	\$6.4B (462)
	Germany	\$6.2B (471)
	Switzerland	\$2B (218)
	The Netherlands	\$1.9B (208)
	Sweden	\$1.1B (136)
	Spain	\$1B (245)

1. League

	Italy	\$830M (158)
	Denmark	\$810M (89)
	Belgium	\$767M (66)
	Türkiye	\$709M (388)
	Ireland	\$650M (93)
	Finland	\$501M (80)
	Norway	\$391M (45)
	Austria	\$346M (55)
	Czechia	\$332M (31)
	Portugal	\$246M (33)
	Estonia	\$243M (58)
	Luxembourg	\$136M (12)
	Croatia	\$127M (6)
	Poland	\$102M (39)

2. League

	Iceland	\$60M (9)
	Lithuania	\$59M (26)
	Bulgaria	\$43M (18)
	Greece	\$39M (8)
	Serbia	\$37M (2)
	Hungary	\$30M (14)
	Russian Fed.	\$24M (26)
	Romania	\$23M (18)
	Latvia	\$18M (13)


Champions League

Super League

1. League

2. League

	Israel	\$2.2B	(148)
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	United Arap E.	\$721M	(137)
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	Türkiye	\$709M	(388)
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	Saudi Arabia	\$452M	(63)
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	Egypt	\$268M	(38)
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	Bahrain	\$20M	(4)
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	Morocco	\$15M	(9)
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	Armenia	\$15M	(2)
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	Jordan	\$10M	(2)
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Thanks to TÜBİTAK BiGG Fund, Türkiye became the **1st country** with the highest number of pre-seed investments in Europe in the first nine months of 2024.

TÜBİTAK BiGG Fund made **228 of 247** pre-seed investments in Türkiye in the first 9 months.

DEAL COUNT 2024-YTD

	PRE-SEED	SEED	SERIES A
Türkiye	247	91	5
UK	224	372	130
Germany	72	185	70
Spain	54	84	23
France	54	180	69
Switzerland	42	76	28
The Netherlands	47	77	22
Italy	51	56	7
Sweden	30	47	12
Finland	22	20	10

DEAL SIZE 2024-YTD

	PRE-SEED	SEED	SERIES A
UK	\$184M	\$1.2B	\$2B
Germany	\$67M	\$643M	\$1B
France	\$58M	\$689M	\$1.1B
Switzerland	\$41M	\$246M	\$331M
Spain	\$33M	\$125M	\$213M
The Netherlands	\$28M	\$204M	\$269M
Italy	\$24M	\$111M	\$88M
Türkiye	\$21M	\$78M	\$132M
Sweden	\$19M	\$157M	\$216M
Finland	\$16M	\$58M	\$96M

- **Grocery delivery** and **fintech** were the most invested verticals in terms of deal size. Cybersecurity ranked 3rd thanks to Picus.
- The **game vertical** remained far below 2021 in terms of deal size.
- Even if it did not enter the top 10, there was an important investment in the third quarter and a **quantumtech** startup received investment for the first time. (**ACT Venture Partners** → **Qubitrium**)

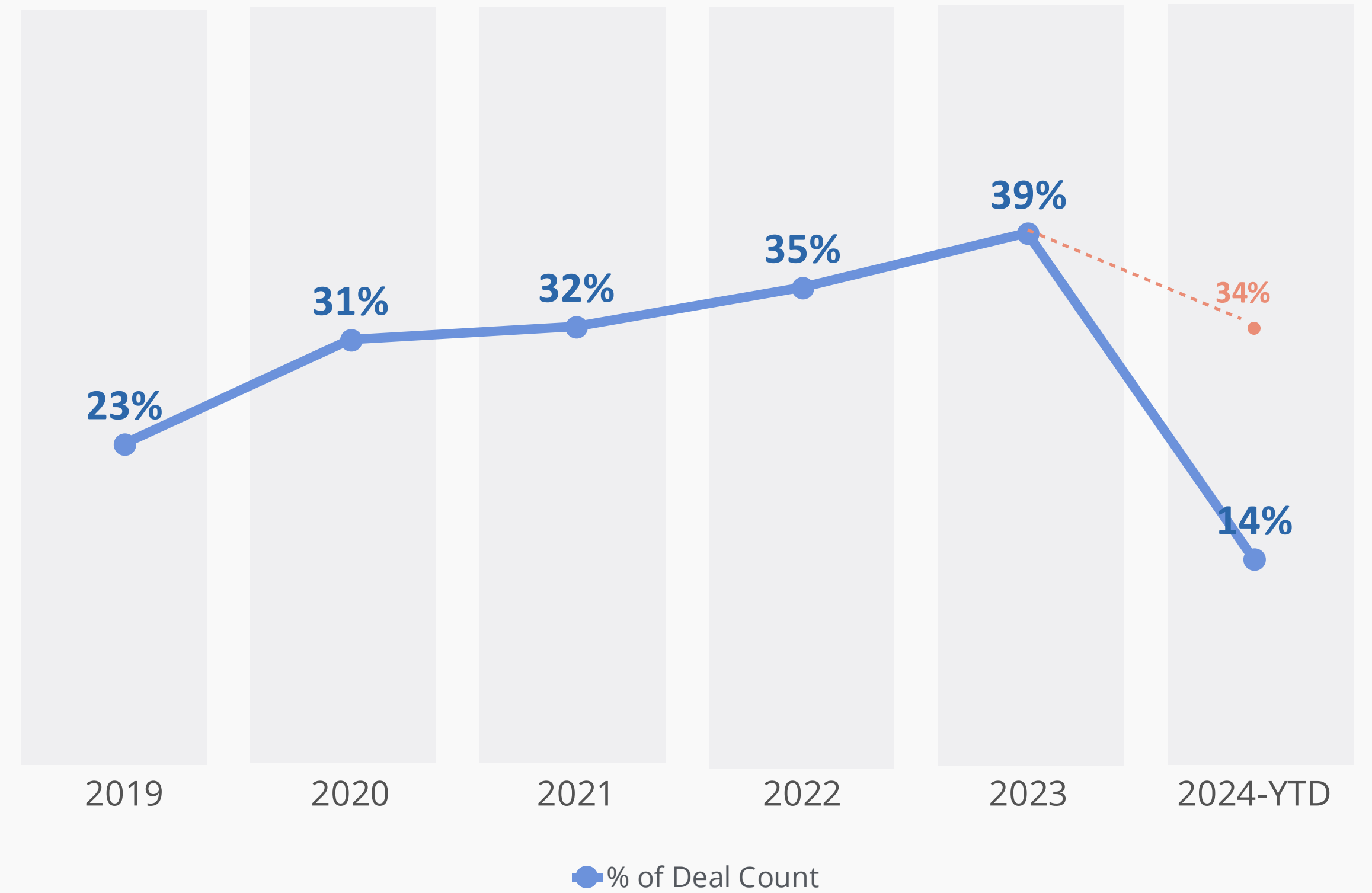
	2019	2020	2021	2022	2023	2024-YTD
Grocery delivery	\$38.1M	\$0M	\$984.4M	\$768.2M	\$500.3M	\$250M
Fintech	\$4.3M	\$25.9M	\$68.9M	\$91.5M	\$30.7M	\$182.3M
Cybersecurity	\$6.9M	\$0.4M	\$24.9M	\$14.3M	\$11.2M	\$71.9M
Gaming	\$8.4M	\$19.7M	\$520M	\$113.3M	\$31.8M	\$70.9M
Blockchain	\$0M	\$0.3M	\$39.7M	\$17.2M	\$5.3M	\$68.4M
Autotech	\$2.3M	\$3.2M	\$75.3M	\$38M	\$18.2M	\$28.3M
Internet of things	\$1.5M	\$3.9M	\$6M	\$6.7M	\$9.2M	\$28.3M
SaaS	\$5.8M	\$54.2M	\$9.7M	\$145.4M	\$40.9M	\$28.2M
Artificial intelligence	\$5.8M	\$43.3M	\$19.5M	\$152.7M	\$39.1M	\$14M
Marketplace	\$8.6M	\$4.7M	\$70.4M	\$60.1M	\$6.5M	\$8.5M

- Due to the 228 investments made by **TÜBİTAK BiGG Fund** in the first nine month and the fact that the focus areas of this fund are biotechnology, health technology and electronics, these areas came to the fore.
- Although the **artificial intelligence** vertical seems to be one of the hottest verticals, investments generally remained at pre-seed, seed levels.

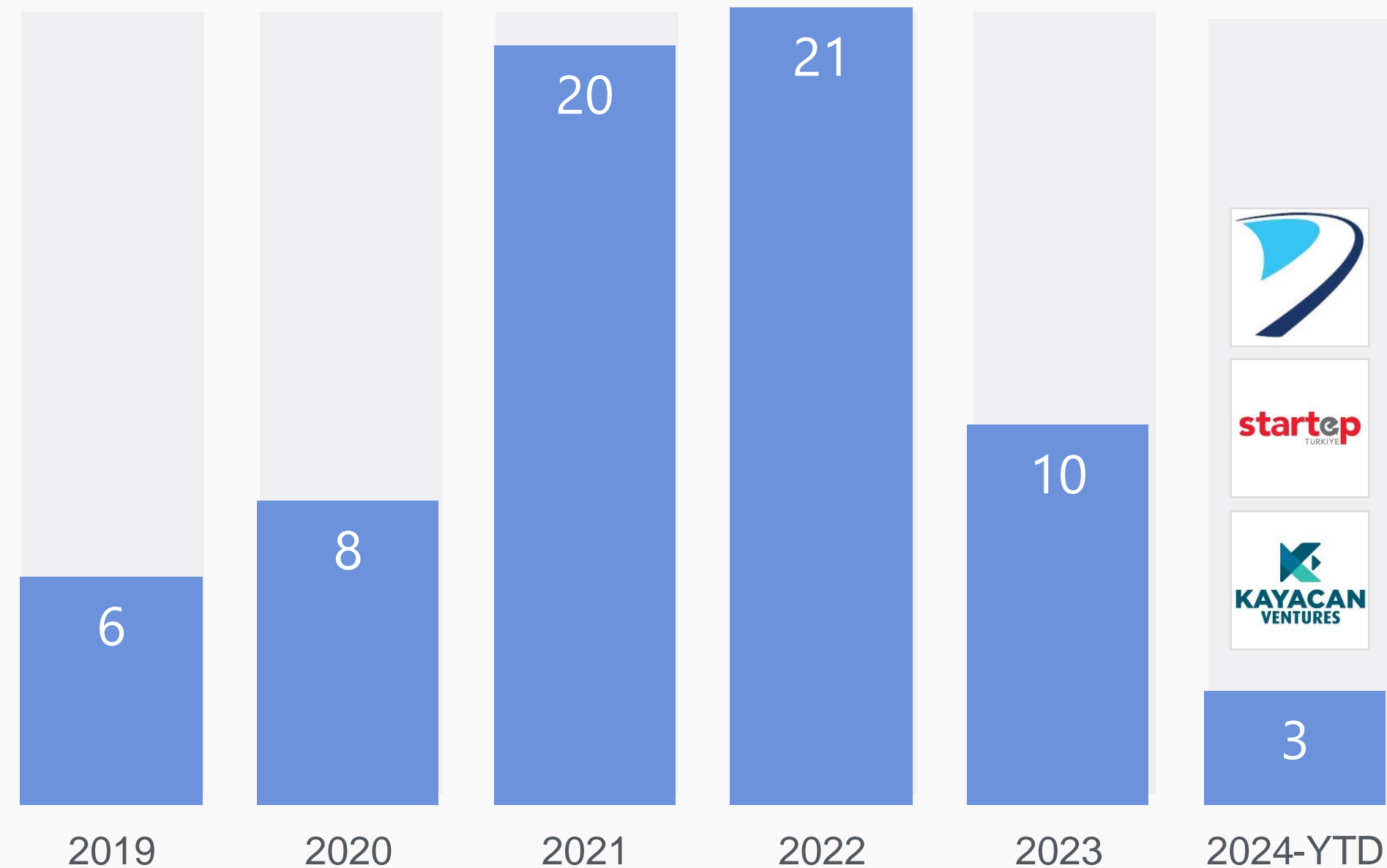
	2019	2020	2021	2022	2023	2024-YTD
Biotech	4	5	10	8	7	51
Artificial intelligence	16	19	40	37	57	48
Healthtech	7	16	23	28	19	37
Agritech	1	5	15	8	10	25
Sustainability	8	4	7	10	15	24
Fintech	19	25	40	39	40	20
SaaS	17	36	26	36	34	19
Gaming	6	19	54	28	45	16
Energy	5	9	11	13	25	16
Electronics	2	3	9	7	4	16

- In the first nine months of 2024, **55 out of 388** investments had a corporate or a CVC among the investors. Excluding TÜBİTAK BiGG Fund's 228 deals, CVC participation ratio in investments was **34%**.
- **Dinçer Lojistik GSYF, Kayacan Ventures, Startep Turkey** were announced as new CVCs in the first nine months of 2024.
- The number of CVCs in Turkey reached **89**.

TÜRKİYE VC DEAL ACTIVITY WITH CVC+CORPORATE PARTICIPATION



NEW CVCS ESTABLISHED BY YEAR

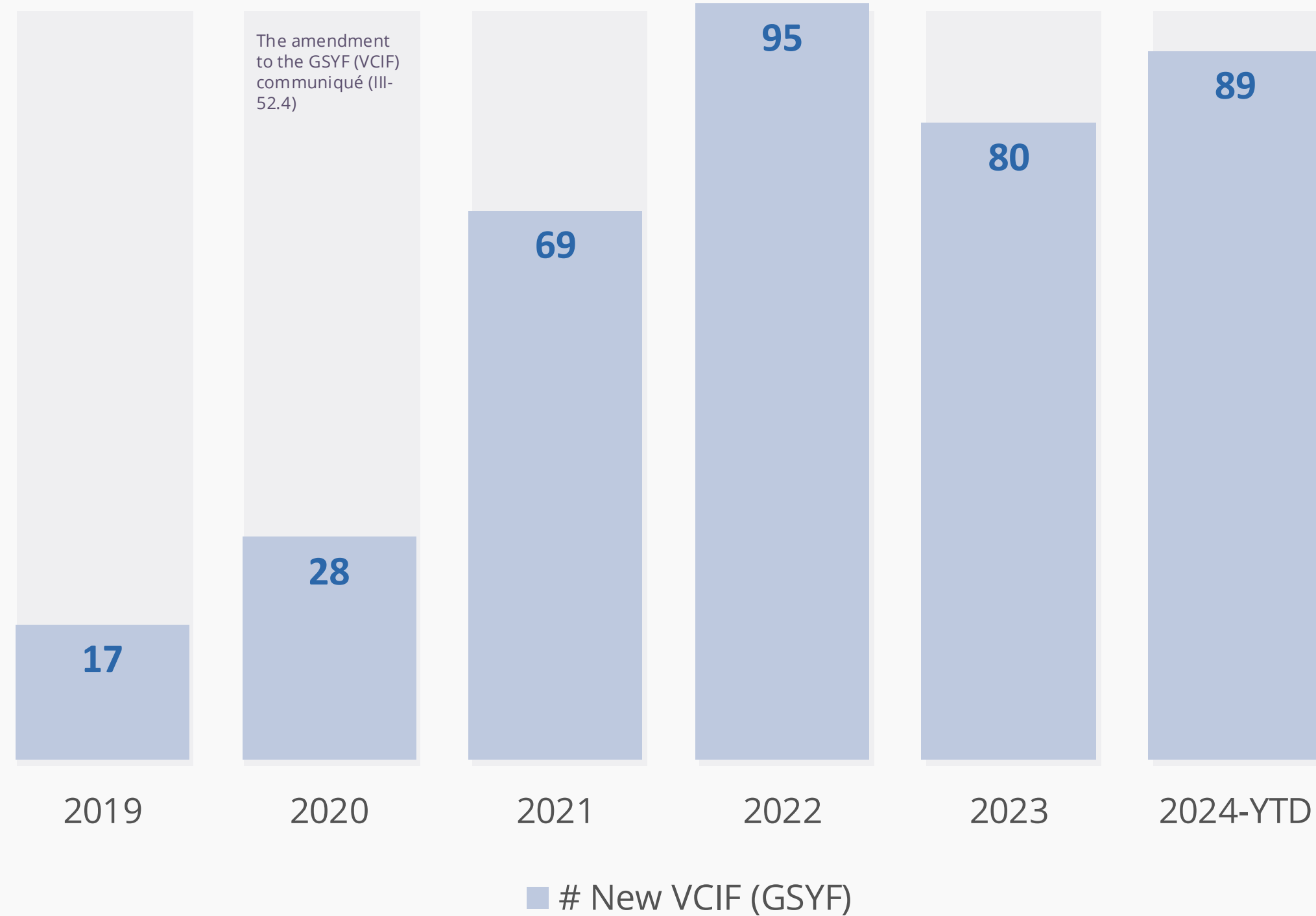


	2019	2020	2021	2022	2023	2024-YTD
DEALS PARTICIPATED (#)	30	67	109	123	139	55
TOTAL DEAL COUNT	132	214	342	355	352	388

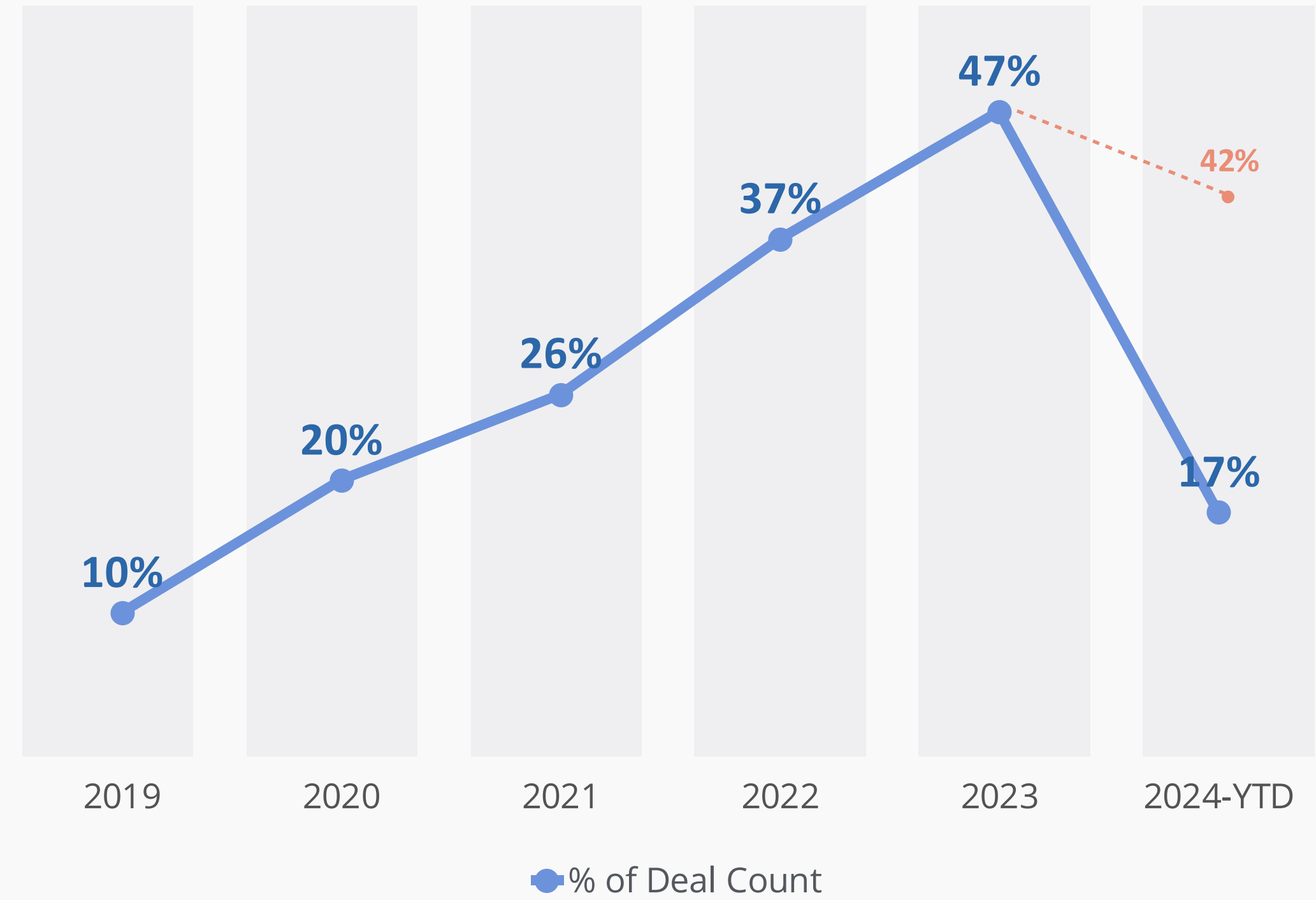
Dotted lines show the ratios when TÜBİTAK BiGG Fund deals excluded.

- The number of VCIF (GSYF) authorized for establishment reached **412** (15 of them are not active). **64%** 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 **228 deals**, the VCIF (GSYF) ratio in investments was **42%** in the first nine months of 2024.

NEW VCIF (GSYF) ESTABLISHED BY YEAR



TÜRKİYE VC DEAL ACTIVITY WITH VCIF (GSYF) PARTICIPATION

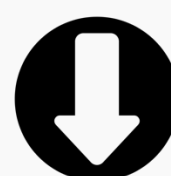




- Gaming startups in Türkiye raised **\$70.9M** across **16** deals in the first nine months of 2024.
- Türkiye ranked **2nd** in Europe in terms of the gaming deal size and the gaming deal count. (1st was UK)
- Türkiye ranked **1st** in MENA in terms of the gaming deal size and the gaming deal count.



- **Spyke Games** still the **2nd** most invested game startup in Europe in the first nine months of 2024. (1st was "Build A Rocket Boy")

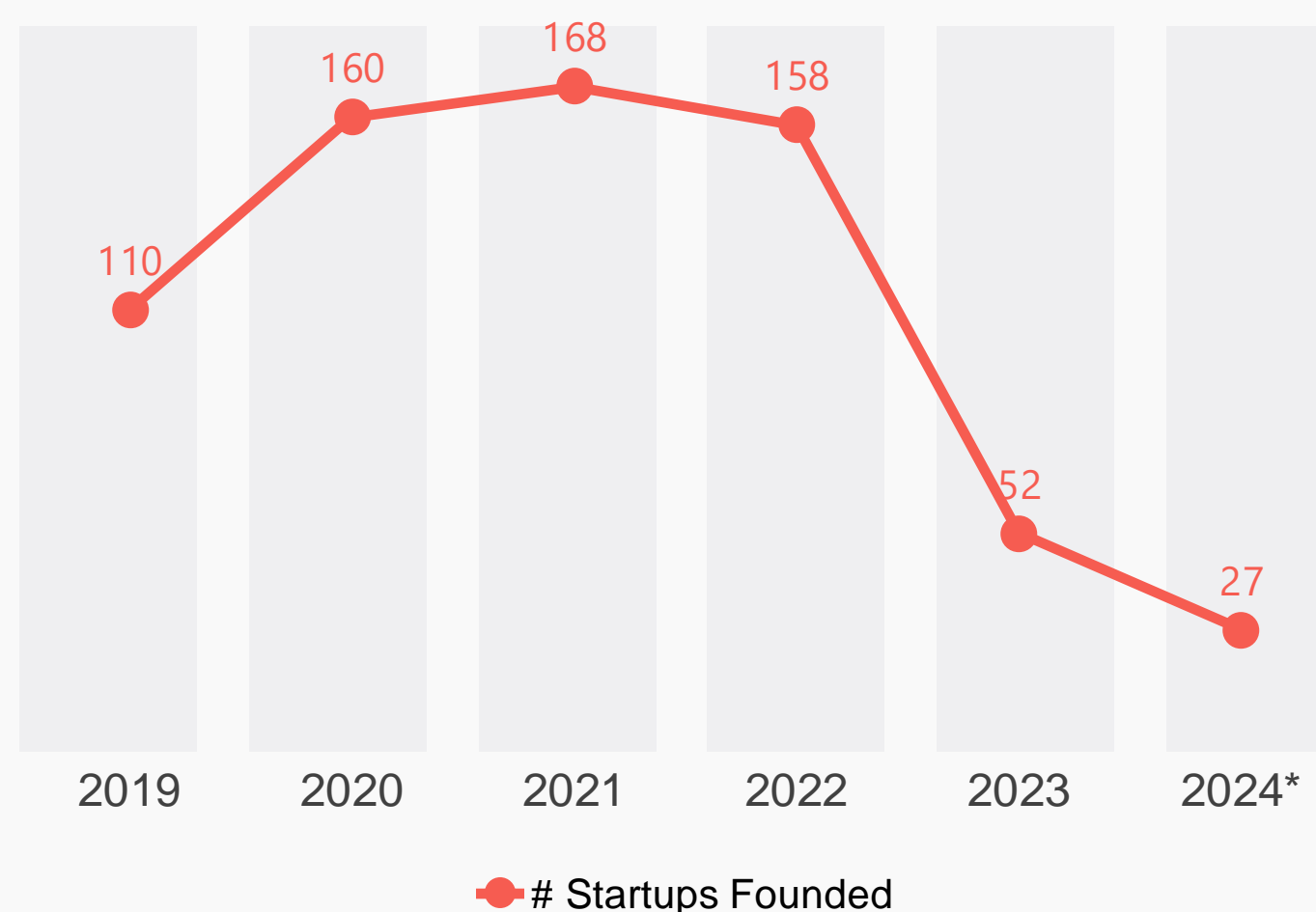


- If we exclude the investments received by **Spyke Games** and **Cypher Games**, the remaining **14 gaming startups** received a total of **\$11M** investments. The downtrend continued both in terms of gaming exits and investments.

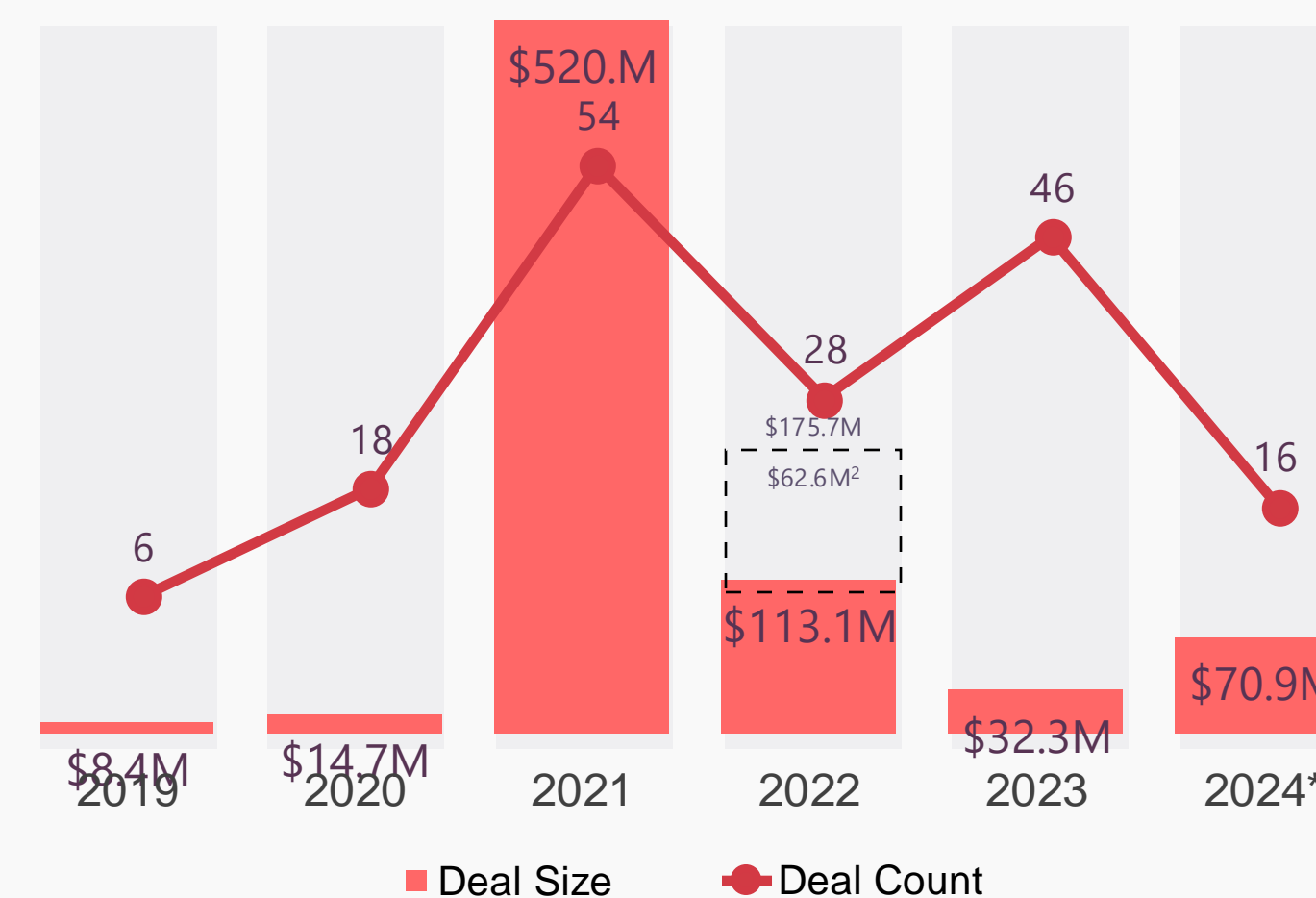
STARTUPS.WATCH DATA



NEW GAMING STARTUPS



GAMING INVESTMENTS (ANGEL & VC DEALS)¹



1: Dream games' deal in 2022 has been moved to 2021. 2: Crypto deals. *: As of September 30, 2024



- Fintech startups broke an **all-time record** in terms of deal size. The large investments received by Colendi, Dgpays, Midas and Sipay helped breaking the record.

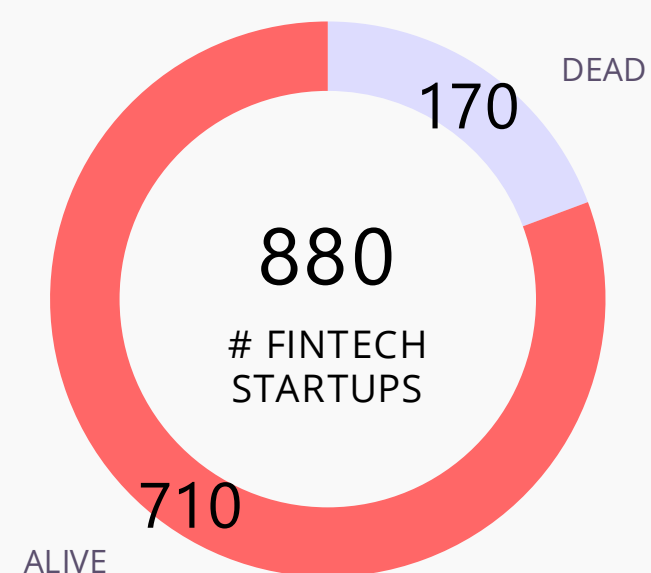


- Fintech startups continued to **grow with both domestic and international acquisitions**. (Papara's acquisition of Pakistan-based SadaPay, iyzico's acquisition of Paynet, Dgpays's acquisition of Neo Pay)

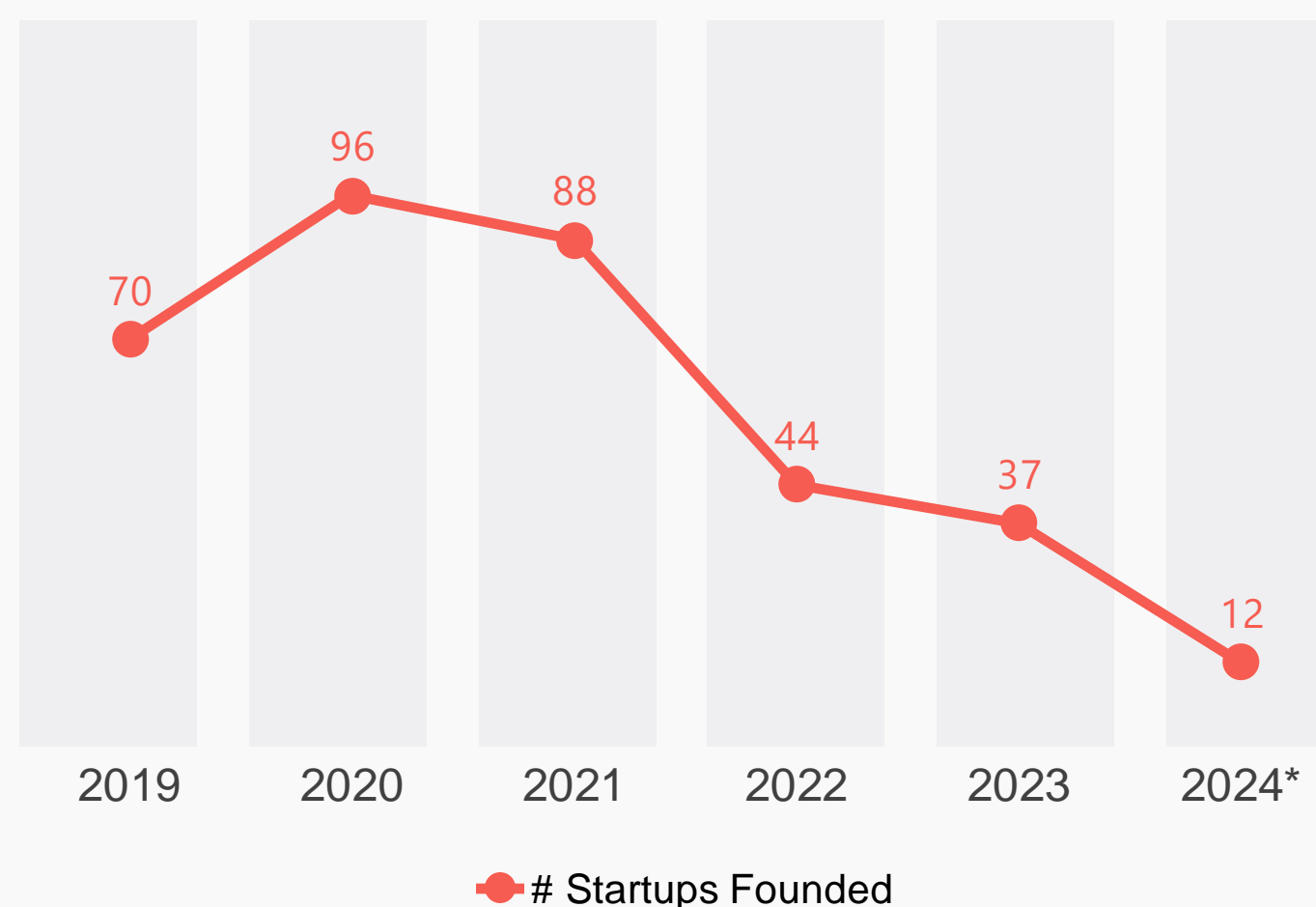


- Fintech startups raised **\$28.5B** worldwide in the first nine months. Although Türkiye has broken a record in fintech deals this year, it is **0.6%** of the world's fintech investment pie.

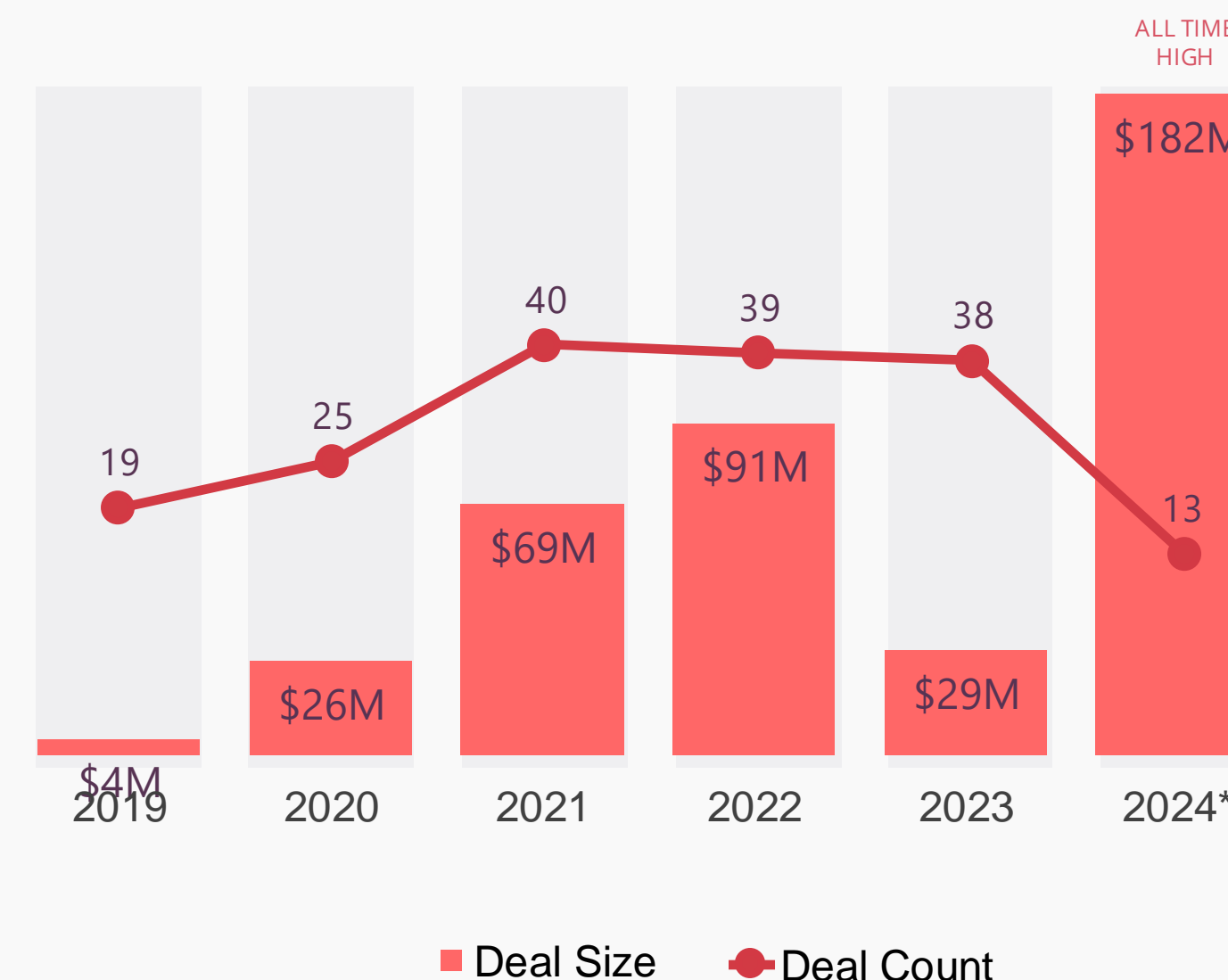
STARTUPS.WATCH DATA



NEW FINTECH STARTUPS



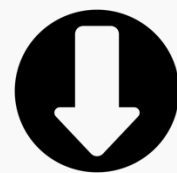
FINTECH ANGEL & VC DEALS



*: As of September 30, 2024

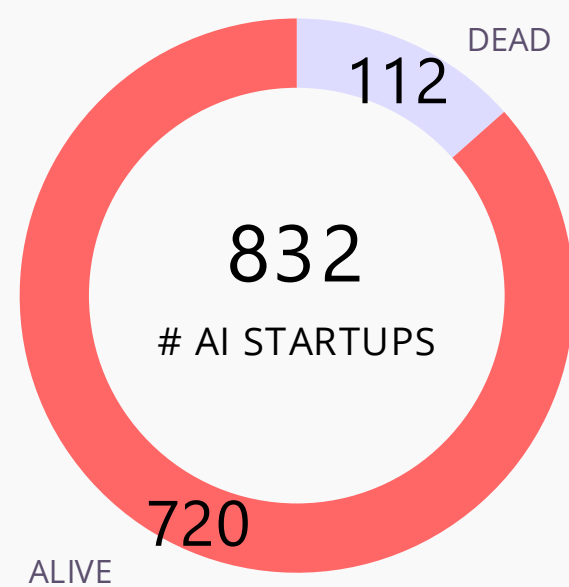


- Tübitak BiGG Fund, which made a total of **25 AI investments** in 2024, **8 of which were made in the 3rd quarter**, is the fund that has made the most AI investments so far this year.

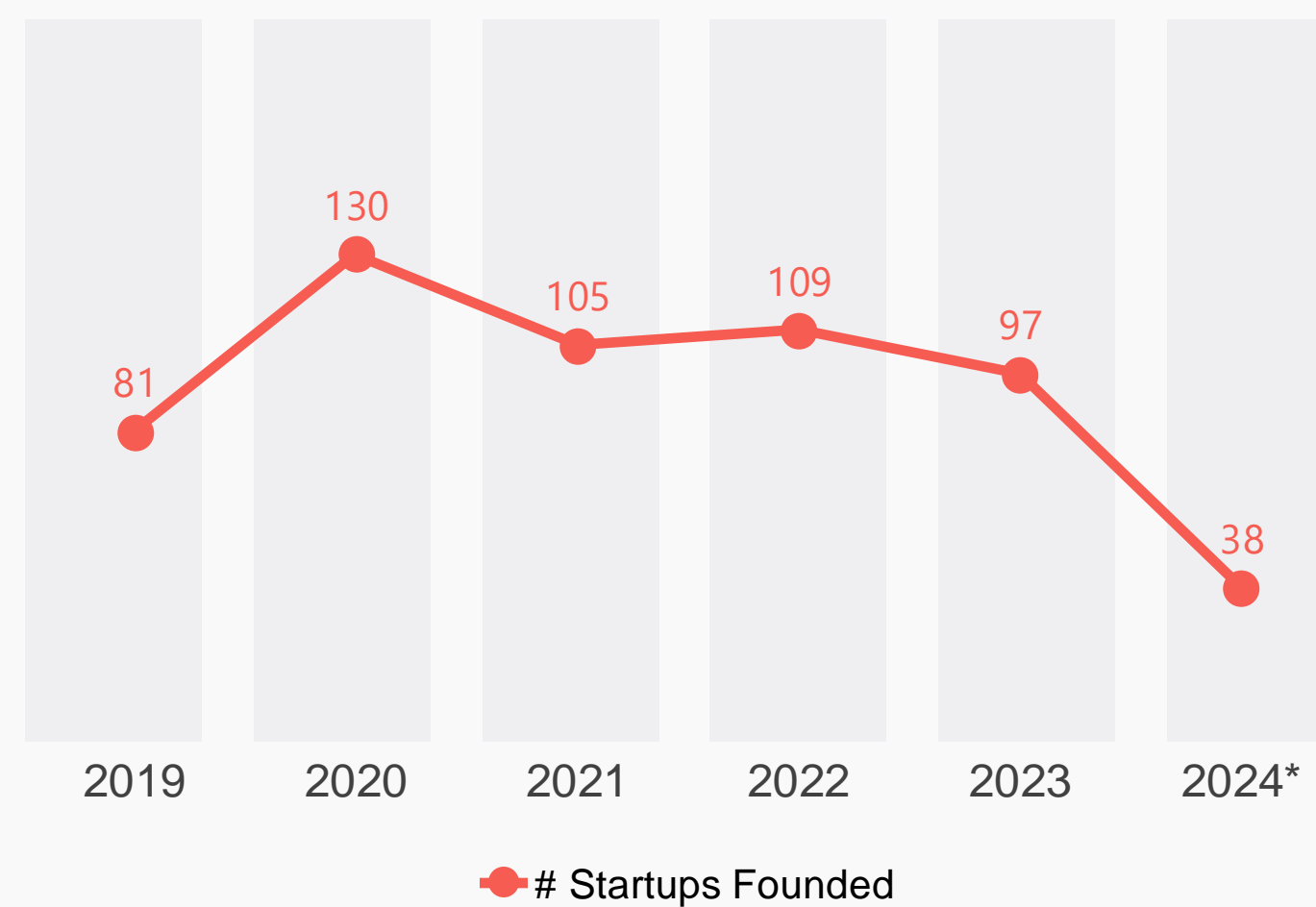


- It is difficult to distinguish between startups that use AI as a tool and those that use it as a goal. We are still in the period of sowing seeds in artificial intelligence when we take out Insider, which uses it best as a tool.

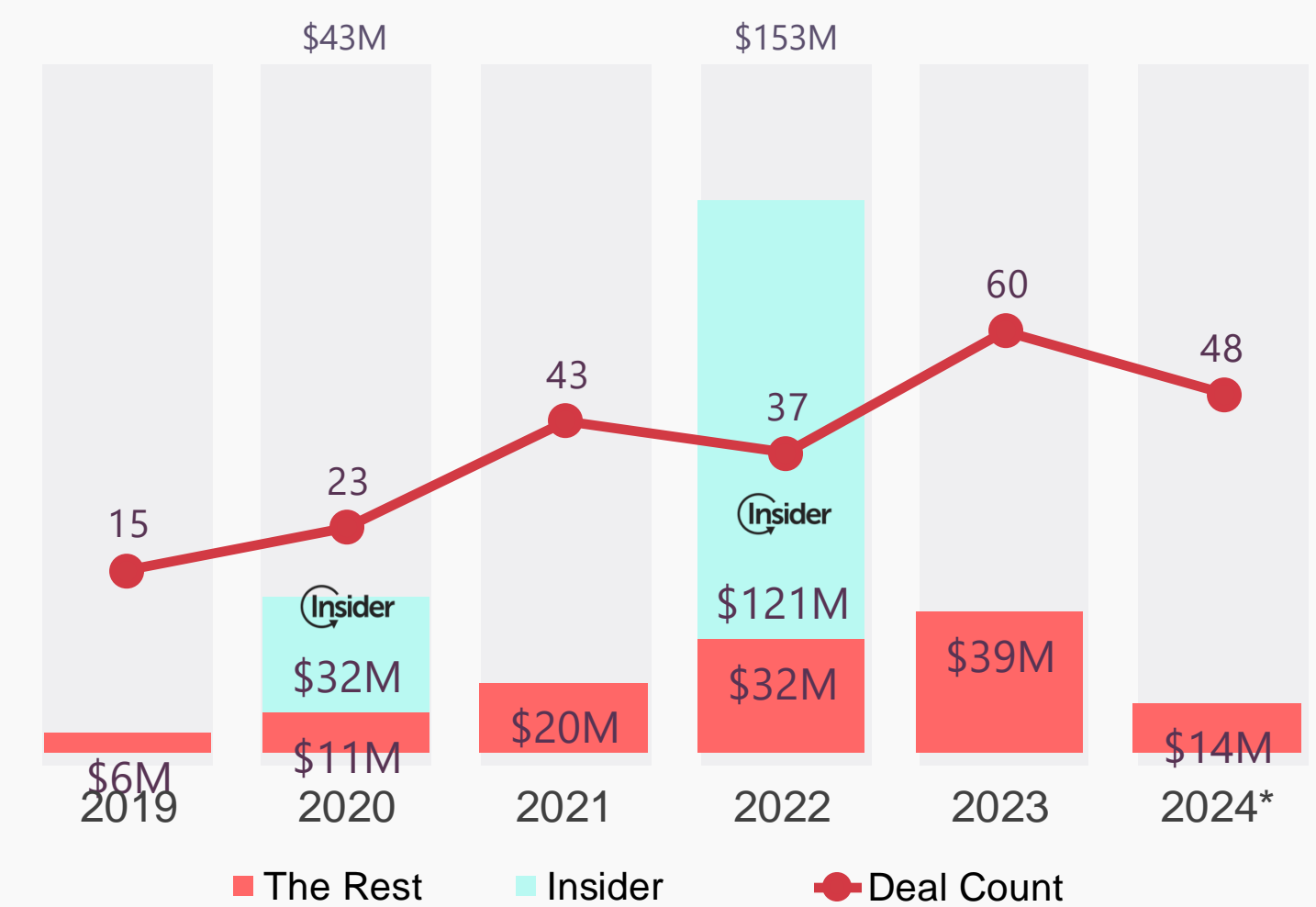
STARTUPS.WATCH DATA



NEW AI STARTUPS



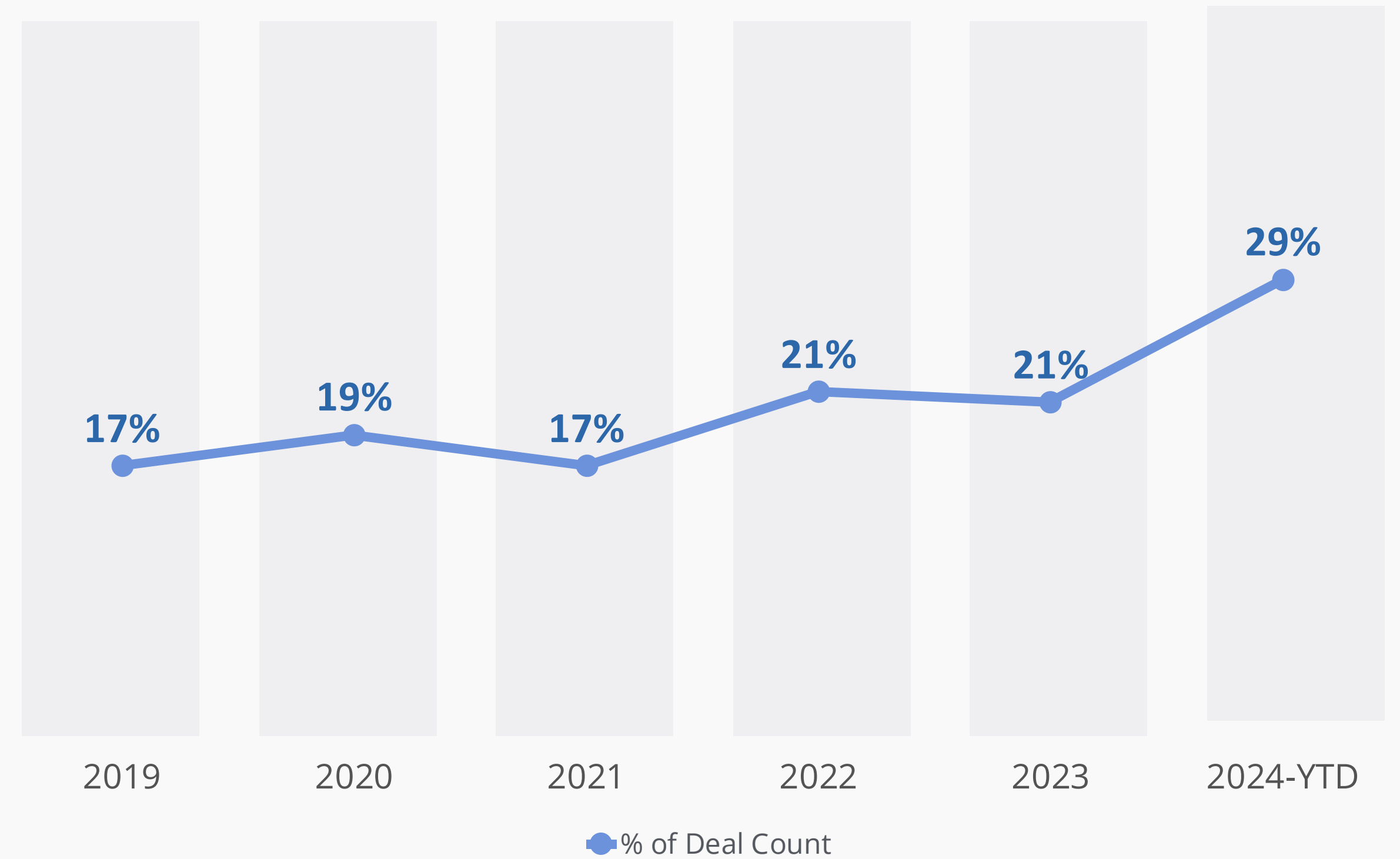
AI ANGEL & VC DEALS



*: As of September 30, 2024

- In the nine months of 2024, **111 out of 388** investments involved female entrepreneurs, reaching **29%**, the highest rate in the last 5 years.
- In the first nine months of 2024, **31%** of the startups had female entrepreneurs. The reason for the significant increase compared to previous years is due to the high number of female entrepreneurs in the startups invested by Tübitak BiGG Fund and established this year.

TÜRKİYE DEAL ACTIVITY WITH FEMALE FOUNDER



FEMALE FOUNDERS IN TÜRKİYE

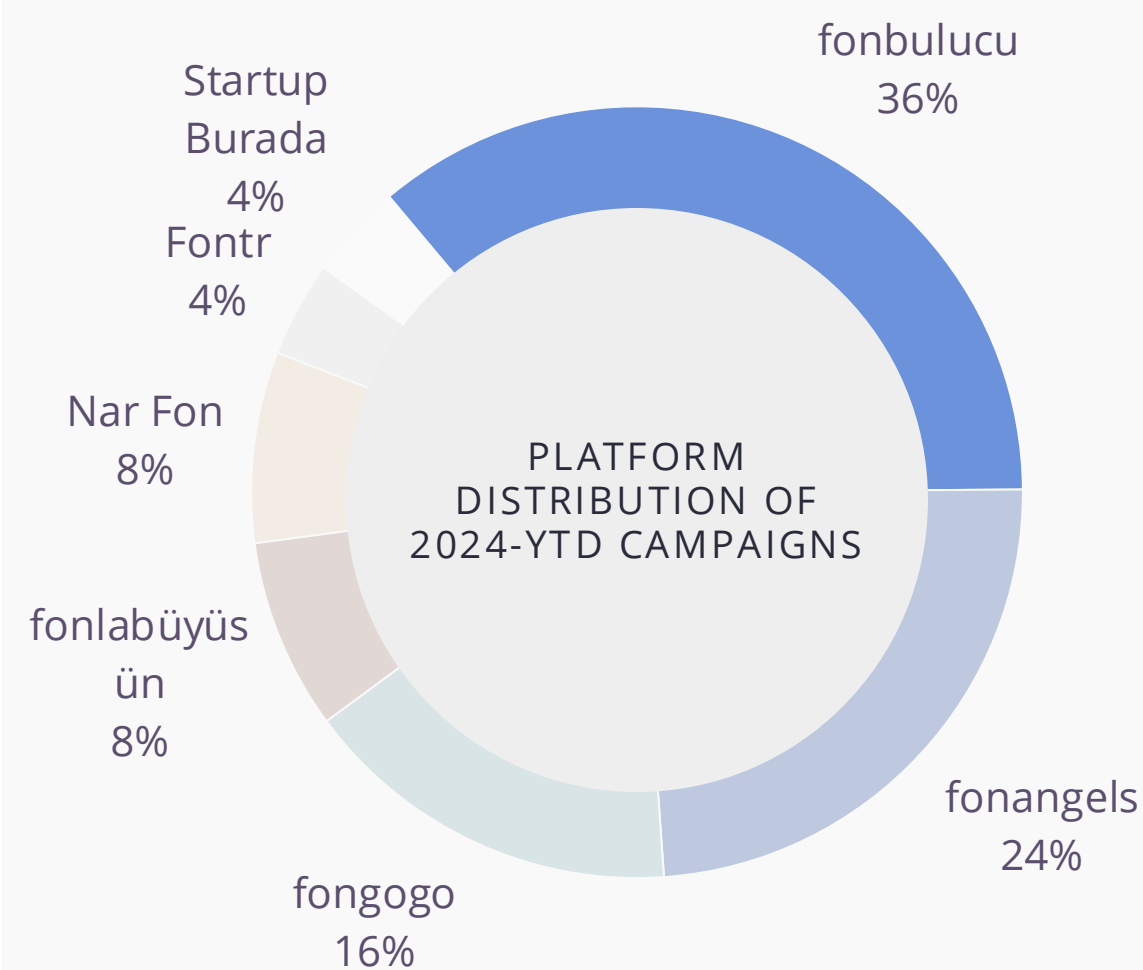
	2019	2020	2021	2022	2023	2024-YTD
Female Founded Startups / Total Startups	18%	18%	18%	18%	23%	31%

DEAL ACTIVITY WITH FEMALE FOUNDER

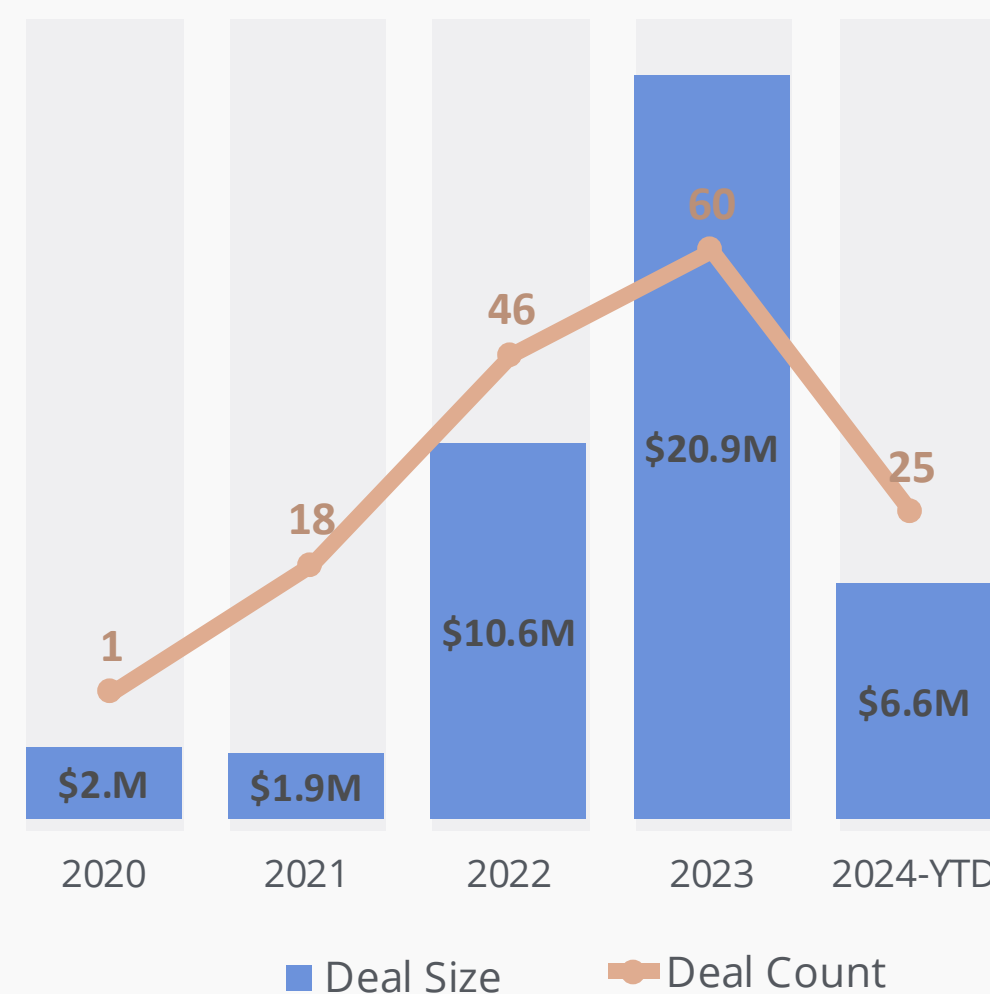
	2019	2020	2021	2022	2023	2024-YTD
Deals W/ Female Founder (#)	22	40	57	76	73	111
Total Deal Count	132	214	342	355	352	388

- 25 platforms have received permission to establish so far. 11 of them are active and 2 of them closed their business. 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 the first nine months of 2024 was **\$237K**, same amount as **\$237K** in 2023.

PLATFORM DISTRIBUTION OF SUCCESSFUL CAMPAIGNS OF 2024-YTD



YEARLY EQUITY BASED CROWDFUNDING DEALS



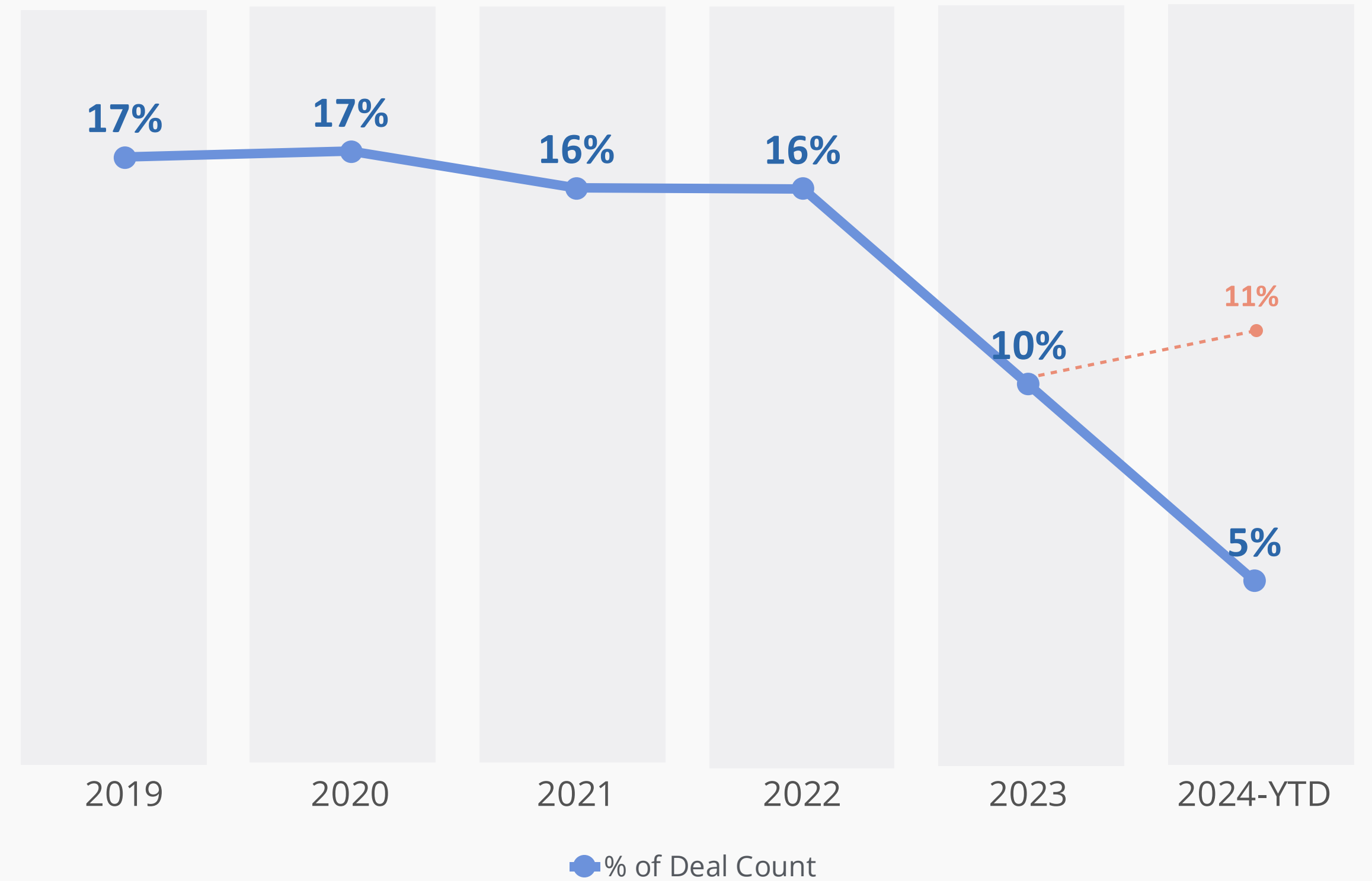
TÜRKİYE YEARLY EQUITY BASED CROWDFUNDING DEALS

	2021	2022	2023	2024-YTD
Equity Based Crowdfunding Deal Size (\$)	1.9M	10.6M	20.9M	6.6M
Seed Stage Deal Size (\$)	127M	282M	159M	92M
% of Deal Size	1%	4%	13.2%	7.2%
Equity Based Crowdfunding Deal Count	18	46	60	25
Seed Stage Deal Count*	265	298	295	127
% of Deal Count	7%	15.4%	20.3%	19.7%

Only technology-focused campaigns were considered. * : Pre-seed deals are excluded, only Seed and Post-seed deals are counted.

- In the first nine months of 2024, **18 out of 388** investments had a foreign investor among the investors. Excluding TÜBİTAK BiGG Fund’s 228 deals, Foreign investor participation ratio in investments was **11%** in the first nine months of 2024.
- If foreign investor participation does not show a significant increase in the last quarter, 2024 will be the year with the lowest number of foreign investor participation.
- Foreign investors participated in the investments received by Getmobil, Chainway, Magfi, Cognitiwe, The Good Wild, Delivers.ai, LIVZYM Biotechnologies, Getir, Trio Mobil, SOCRadar, ikas, Midas, Picus Security, Biyaku, Roamless, Dgpays, Chitosolve ve Sipay.

FOREIGN INVESTOR PARTICIPATION (ANGEL & VC DEALS)

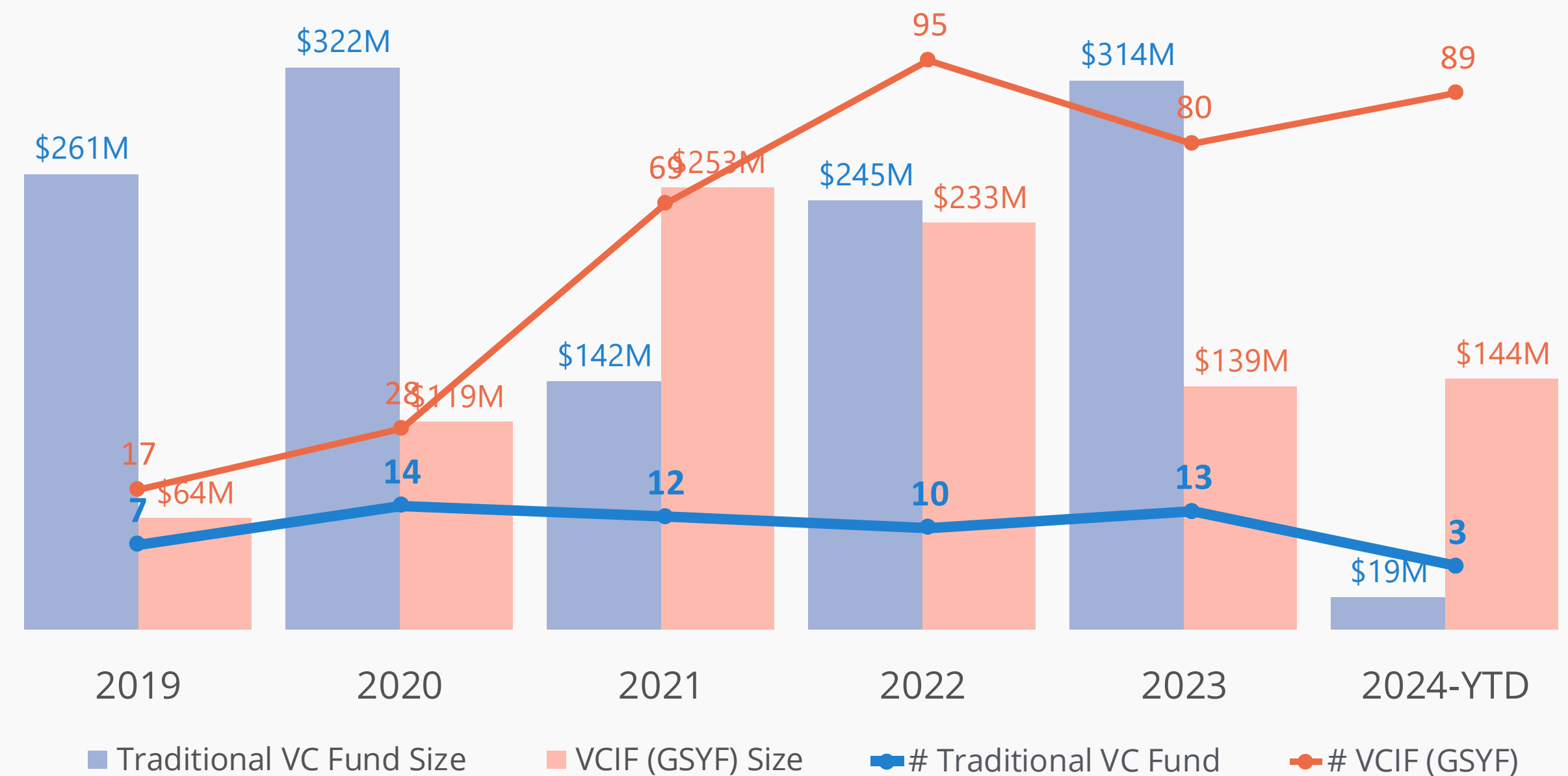


	2019	2020	2021	2022	2023	2024-YTD
DEALS PARTICIPATED (#)	22	36	54	56	36	18
TOTAL DEAL COUNT	132	214	342	355	352	388

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

- In the 2019-2024-YTD period, 378 VCIF (GSYF) with a size of \$951M and 57 traditional funds with a size of \$1.3B were established, creating a total pool of \$2.2B. *(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)*
- 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.)*

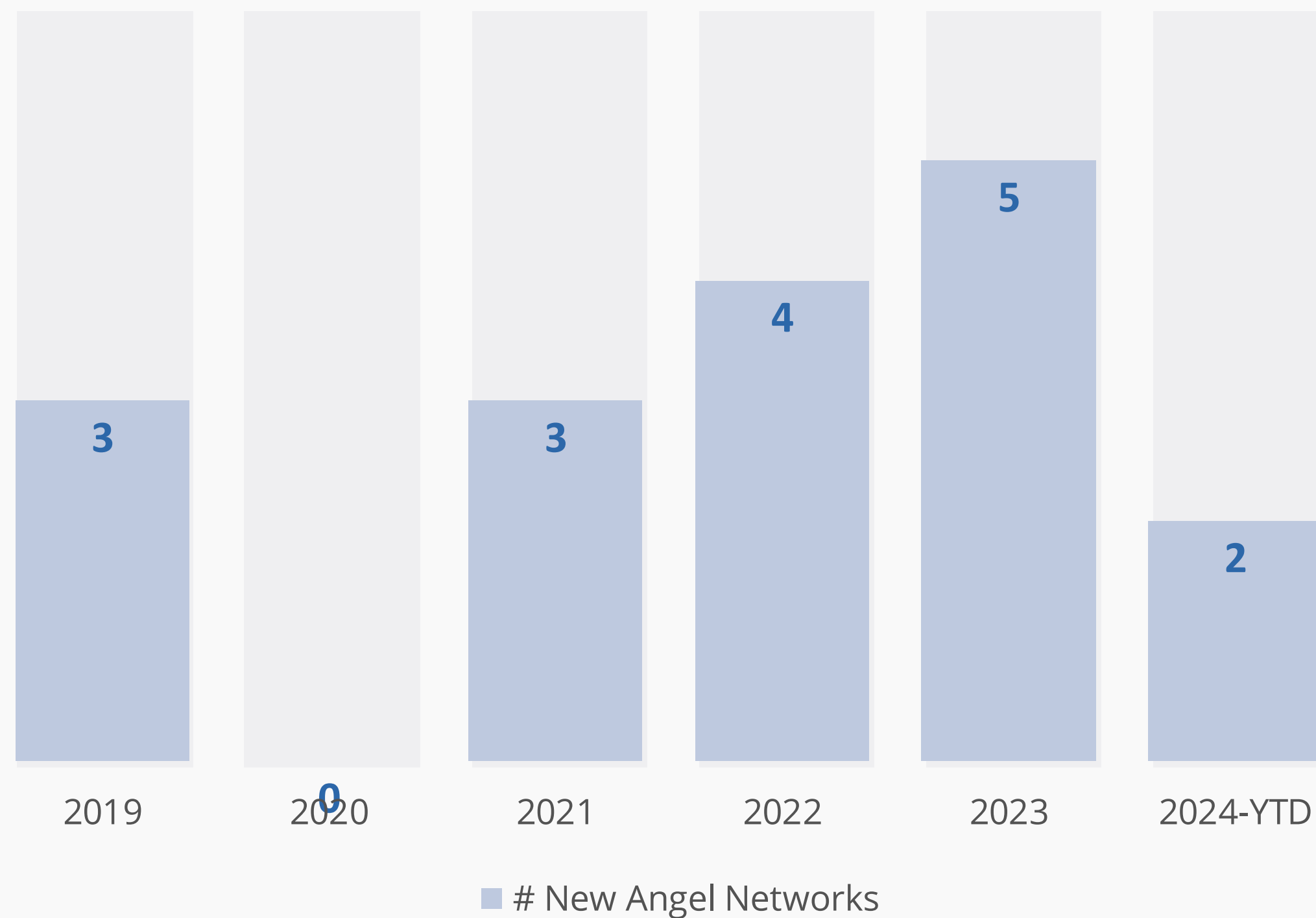
VC FUNDRAISING ACTIVITY IN TÜRKİYE



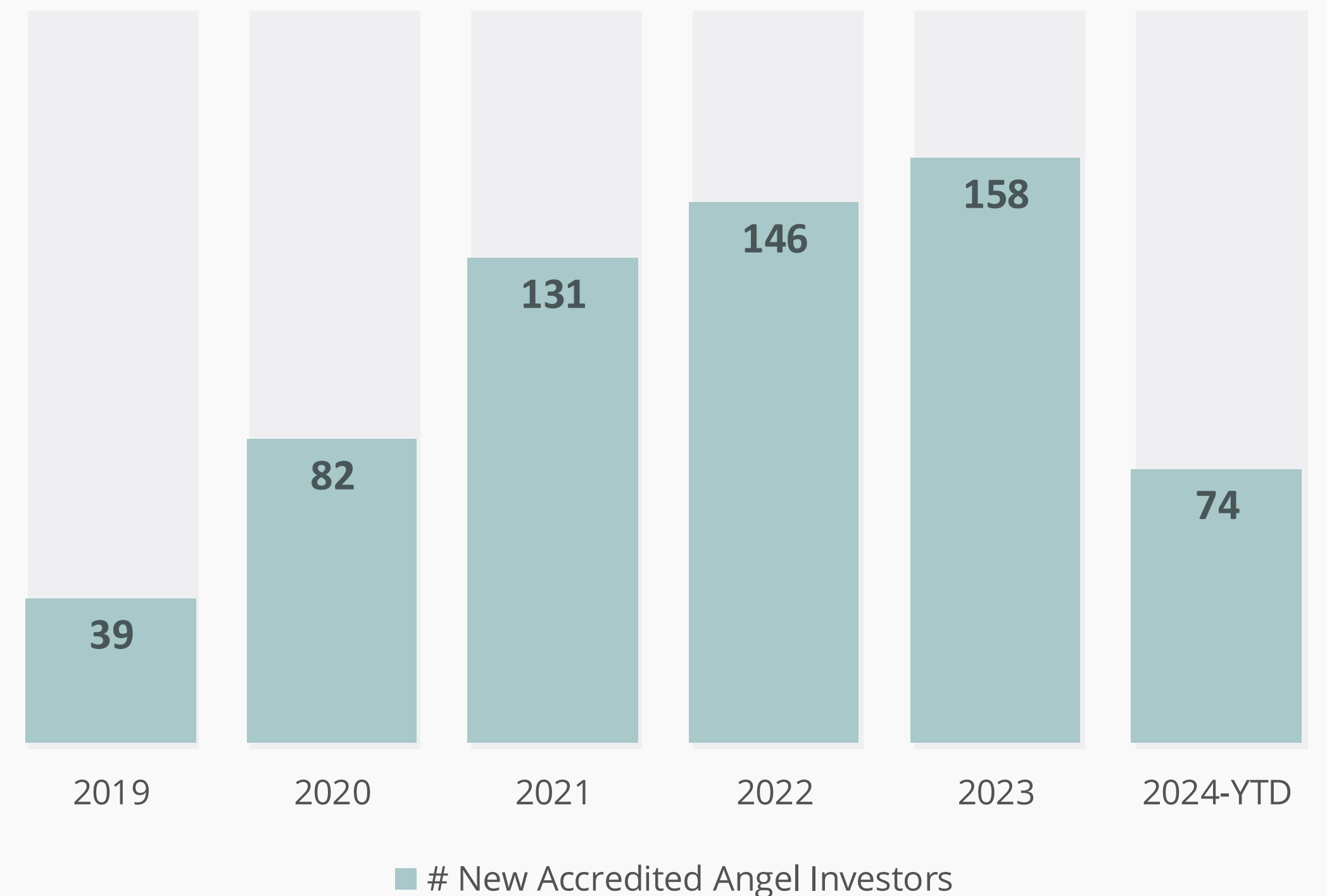
	2019	2020	2021	2022	2023	2024-YTD
# Traditional VC Fund	7	14	12	10	13	3
# VCIF	17	28	69	95	80	89
Traditional VC Fund Size	\$261M	\$322M	\$142M	\$245M	\$314M	\$19M
VCIF Size	\$64M	\$119M	\$253M	\$233M	\$139M	\$144M

- There are **26** active angel networks 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, **1098 licences** were issued and the number of angel investors with active licences reached **603** by the end of 2024-Q3.
- Although the number of angel networks seems sufficient, only **3 angel networks** participated in a total of **4 deals** in Türkiye in the first nine months of 2024. (2 angel networks invested abroad in the same period)

NEW ANGEL NETWORKS ESTABLISHED BY YEAR



NEW ACCREDITED ANGEL INVESTORS BY YEAR⁽¹⁾



1: Source : TR Ministry of Treasury and Finance - BKS Reports - 2024-Q3

- 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 2 impact investments in third quarter of 2024 based on the declaration, but we will report in more detail in the following months.



Good Sanitation
Company
Founder One, Rahmi
Faruk Eczacıbaşı



Mindsite
Gelecek Etki GSYF,
Teknoloji Yatırım (II-
Direct Investments)...



Q3's most notable acquisitions were Koç Holding's acquisition of **Stembio**, Borançılı Teknoloji's acquisition of **n11.com** and DxBV's acquisition of **Bulutistan**.

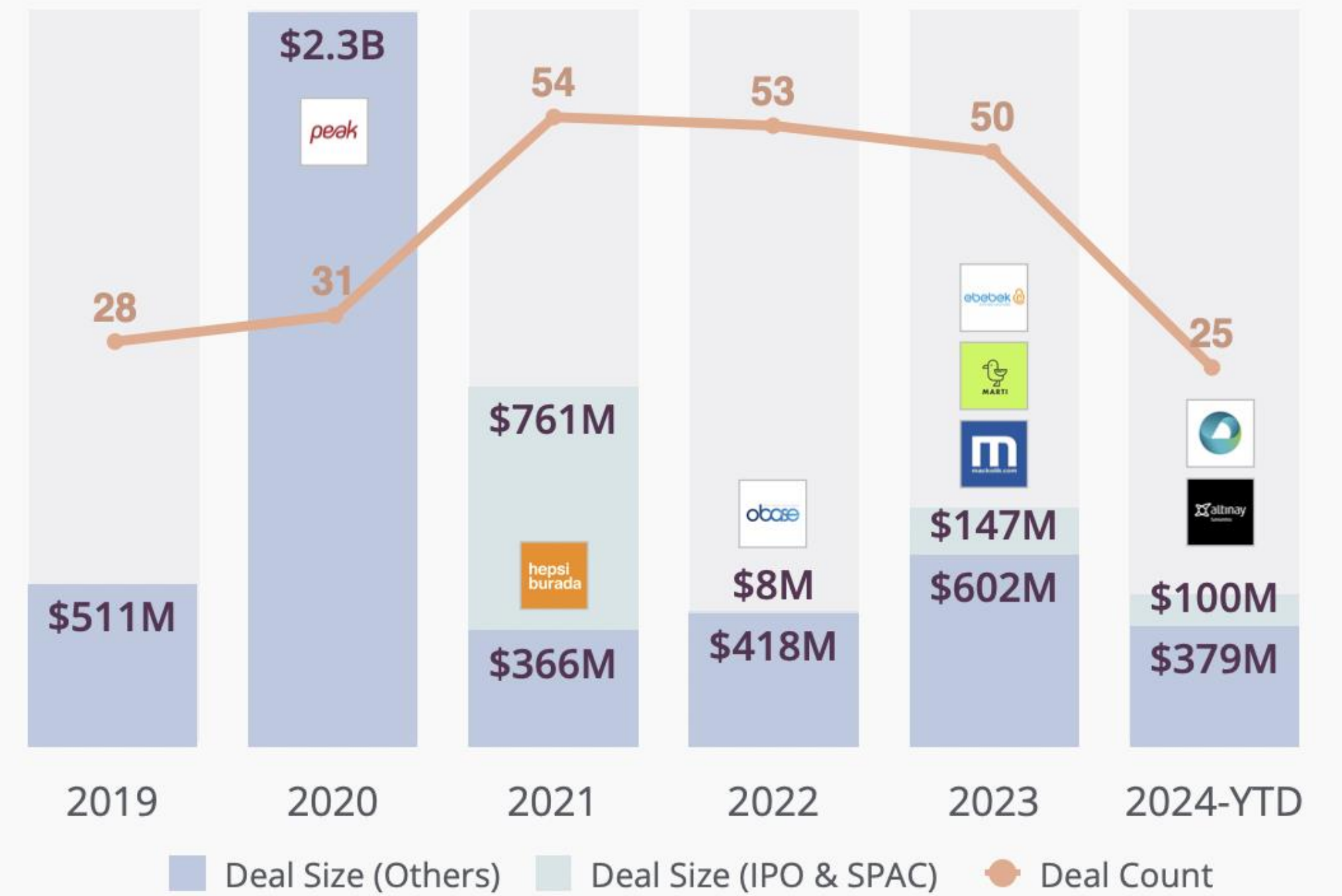


The growth strategy of fintech startups through overseas acquisitions continued in the third quarter. Dgpays, together with Arcapita, acquired a majority stake in Dubai-based Neo Pay.



212's fund-secondary transaction with Isomer Capital, delivering over 2x returns to participating investors in its first fund, is a pivotal step in pioneering the Turkish VC ecosystem and showcasing alternative exit options.

ACQUISITIONS & SEC. TRANSACTIONS IN TÜRKİYE



	2019	2020	2021	2022	2023	2024-YTD
DEAL SIZE (\$)	511M	2.3B	1.1B	426M	749M	479M
YoY Growth		349%	-51%	-62%	76%	-36%
DEAL COUNT	28	31	54	53	50	25
YoY Growth		11%	74%	-2%	-6%	-50%



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ABOUT STARTUPS.WATCH

Startups.watch is the leading market intelligence and analytics platform for investors and business development specialists who are looking for data and insights about Turkish startup ecosystem.

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/>