

TURKISH STARTUP ECOSYSTEM

2022 H1 REPORT

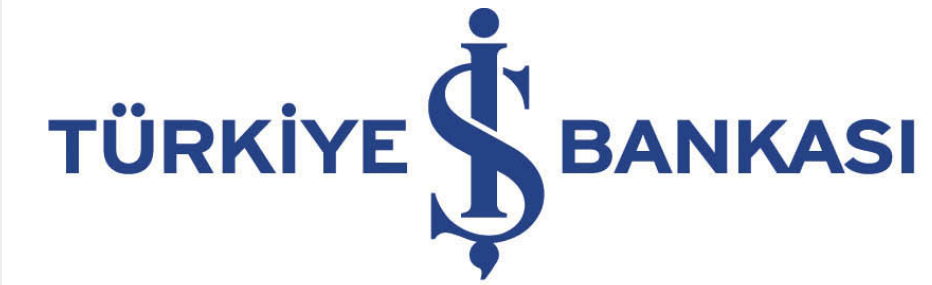
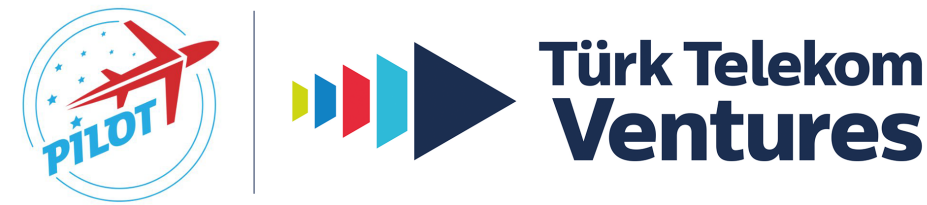
V1.1 - JULY 19, 2022

startups.watch

Powered by 212



Our 2022 Q2 Event Supporters



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.

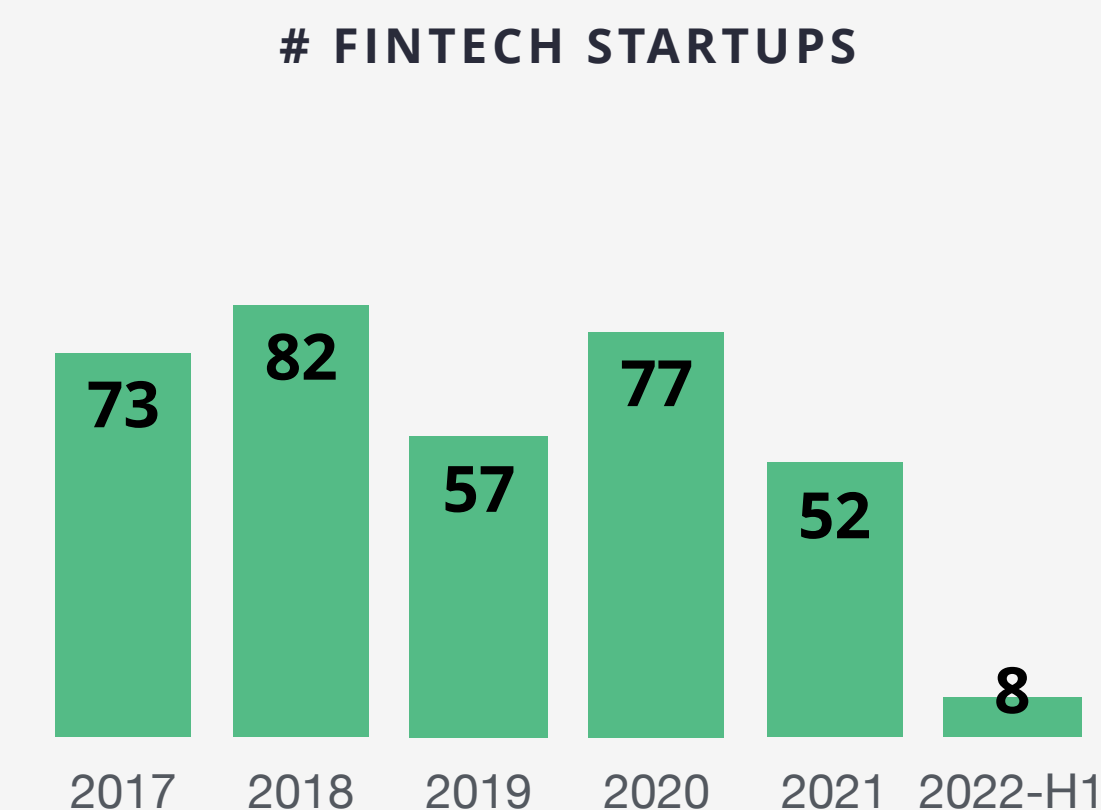
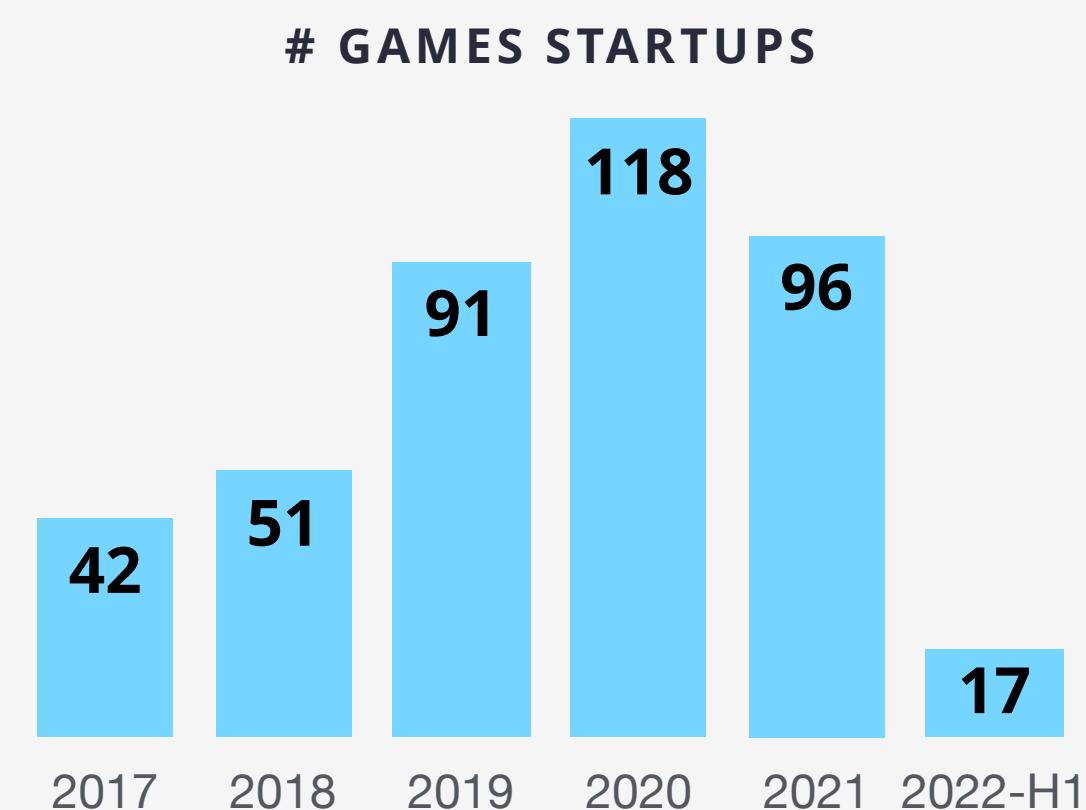
METHODOLOGY & DATA

- 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.
- 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 t., 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.

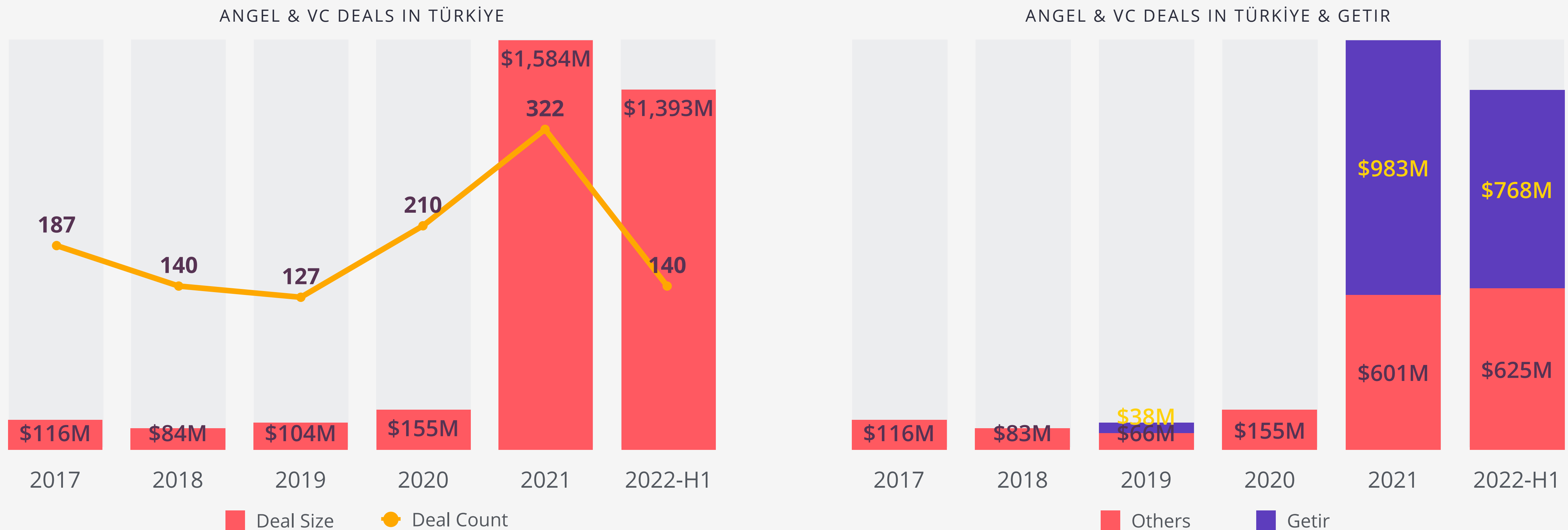
- Although fewer gaming startups were founded compared to previous years, gaming was again the vertical with the most startups this year.
- In the first half of 2022, **1 billion 393 million dollars** were invested across **140 deals** in seed, early and later vc stages.
- Second quarter of 2022 was the **least invested quarter** since the first quarter of 2021. (**\$114 million dollars** across **79 deals**)
- The number of seed stage deals decreased in the first half of this year, although there were also **equity based crowdfunding deals** this year.
- In terms of deal size; grocery delivery, game, AI, SaaS and marketingtech were hot topics of first half of 2022.
- In terms of deal count; fintech, SaaS, AI, Game and eCommerce were hot topics of first half of 2022.
- In the first half of 2022, foreign investors participated **1 out of every 4 deals**.
- In the first half of 2022, **51 out of 140** investments had a company or a CVC among the investors.
- In the first half of 2022, Türkiye not only **broke its own record** in gaming deals, but also became the country with the highest amount of gaming deals in Europe.
- In the first half of 2022, **36 out of 140** investments had female founders.
- In the first half of 2022, Türkiye was ranked in the **super league** in Europe, above the Netherlands, Estonia, Austria.
- In the MENA region, Türkiye was ranked just above the UAE in the super league.
- Istanbul ranked **4th** among European cities in the first half of 2022.
- Since the beginning of the pandemic, **65 funds** worth **\$866 million** have been established in Türkiye.

- In the last 5 years, the verticals with the highest number of startups established were **game** and **fintech**. In terms of technology and infrastructure, **SaaS** and **AI** were hot topics for entrepreneurs.
- While the gaming vertical has created its own ecosystem with success stories from previous years, fintech has always been a hot vertical where innovative work has emerged with the support of regulations.
- While the gaming vertical has produced global champions, the fintech vertical, although lagging behind, seems to have the potential to produce global champions in the coming years.
- Deeptech and healthtech will make a serious leap in the coming period with the newly established structures of technology parks.

TOP 5	2017	2018	2019	2020	2021	2022-H1
1	FINTECH	FINTECH	GAME	GAME	GAME	GAME
2	SAAS	SAAS	AI	AI	FINTECH	AI
3	DEEPTECH	AI	SAAS	HEALTHTECH	AI	FINTECH
4	HEALTHTECH	DEEPTECH	FINTECH	FINTECH	SAAS	SAAS
5	ECOMMERCE	HEALTHTECH	HEALTHTECH	SAAS	HEALTHTECH	HEALTHTECH

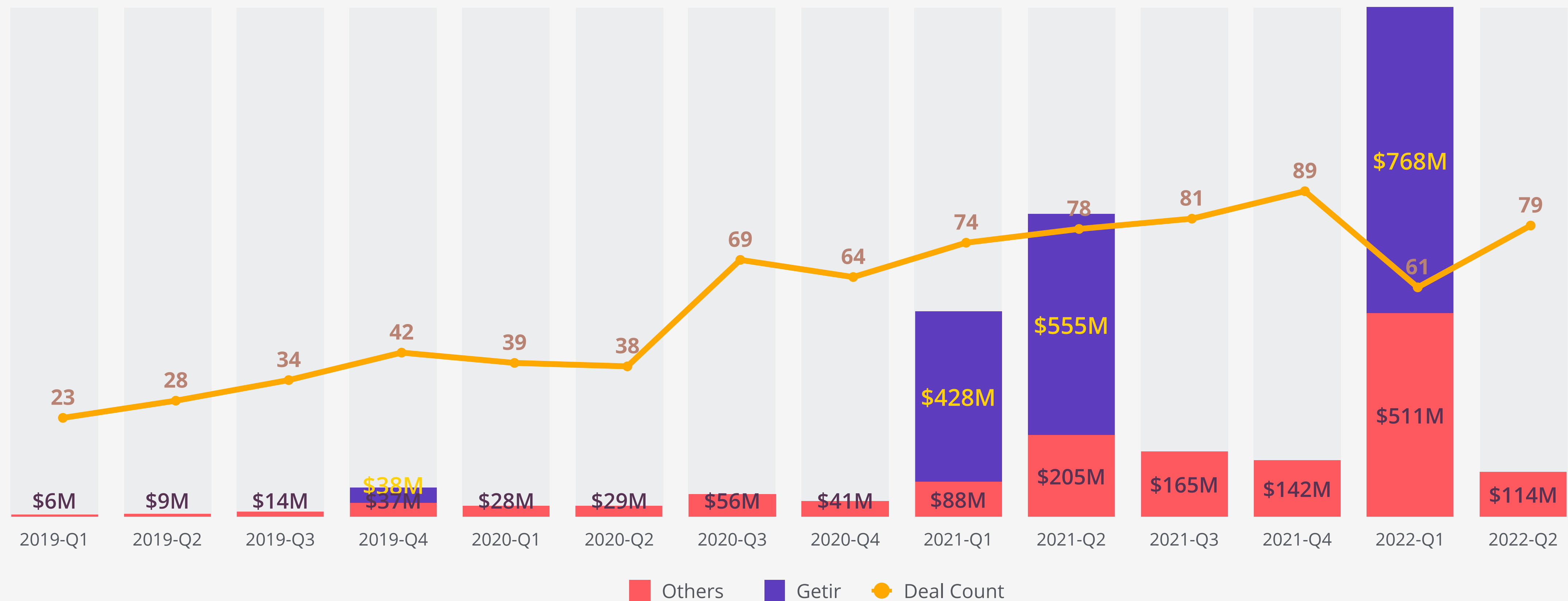


- In the first half of 2022, **1 billion 393 million dollars** were invested across **140 deals** in seed, early and later vc stages.
- **1 billion 252 million dollars**, which corresponds to **90%** of the total investment, was made for 6 startups. **Getir** (\$768M), **Dream Games** (\$255M), **Insider** (\$121M), **Spyke** (\$50M), **Param Group** (Not Disclosed) and **Rubibrands** (\$23M).
- On a half-year basis, a **record** was broken in the first half of 2022 in terms of amount invested. (Even when Getir deal was excluded)



- There were only 2 deals above \$10M deal size in the second quarter of 2022.
- **Param Group** (Not Disclosed) and **Rubibrands** (\$23M) were the top deals excluding the maturity stage deals.
- Second quarter of 2022 was the least invested quarter since the first quarter of 2021.

QUARTERLY ANGEL & VC DEALS IN TÜRKİYE



- On a half-year basis, a **record** was broken in the first half of 2022 in terms of amount invested in seed stage.
- In the first half of 2022, **168 million dollars** were invested across **124 seed stage deals**. (2021-H1 was **59 million dollars** across **139 deals**)
- The number of seed stage deals decreased in the first half of this year, although there were also equity based crowdfunding deals this year. **17 of the 124** seed stage deals were **equity based crowdfunding deals** (14%) in this year. (Equity based crowdfunding deals began in Q3 2021 in Türkiye)
- We can correlate the decrease in seed stage deals to the fact that investors started to hesitate to invest in new startups due to the **global downturn**.

ACTIVE EQUITY BASED CROWDFUNDING PLATFORMS



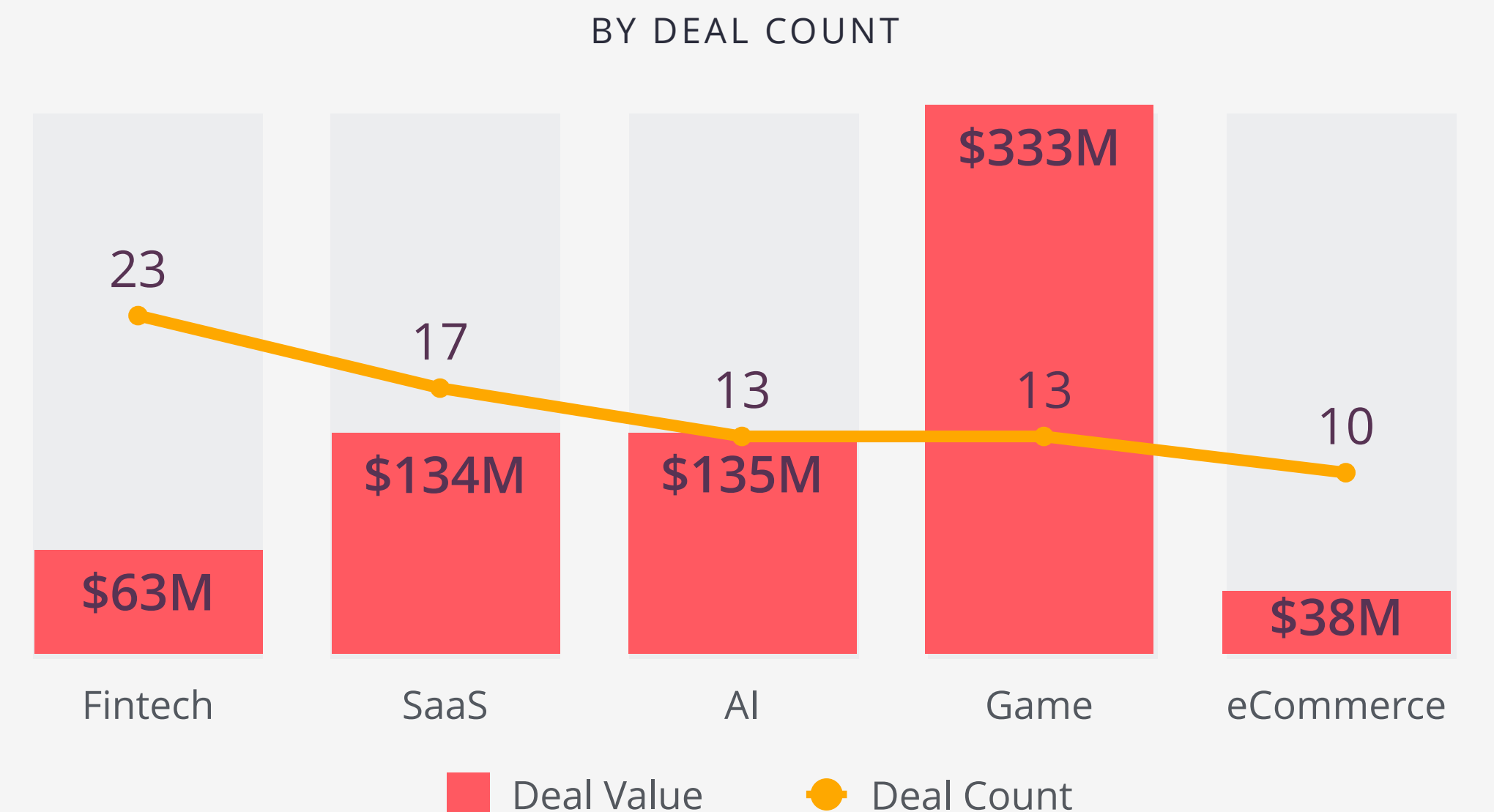
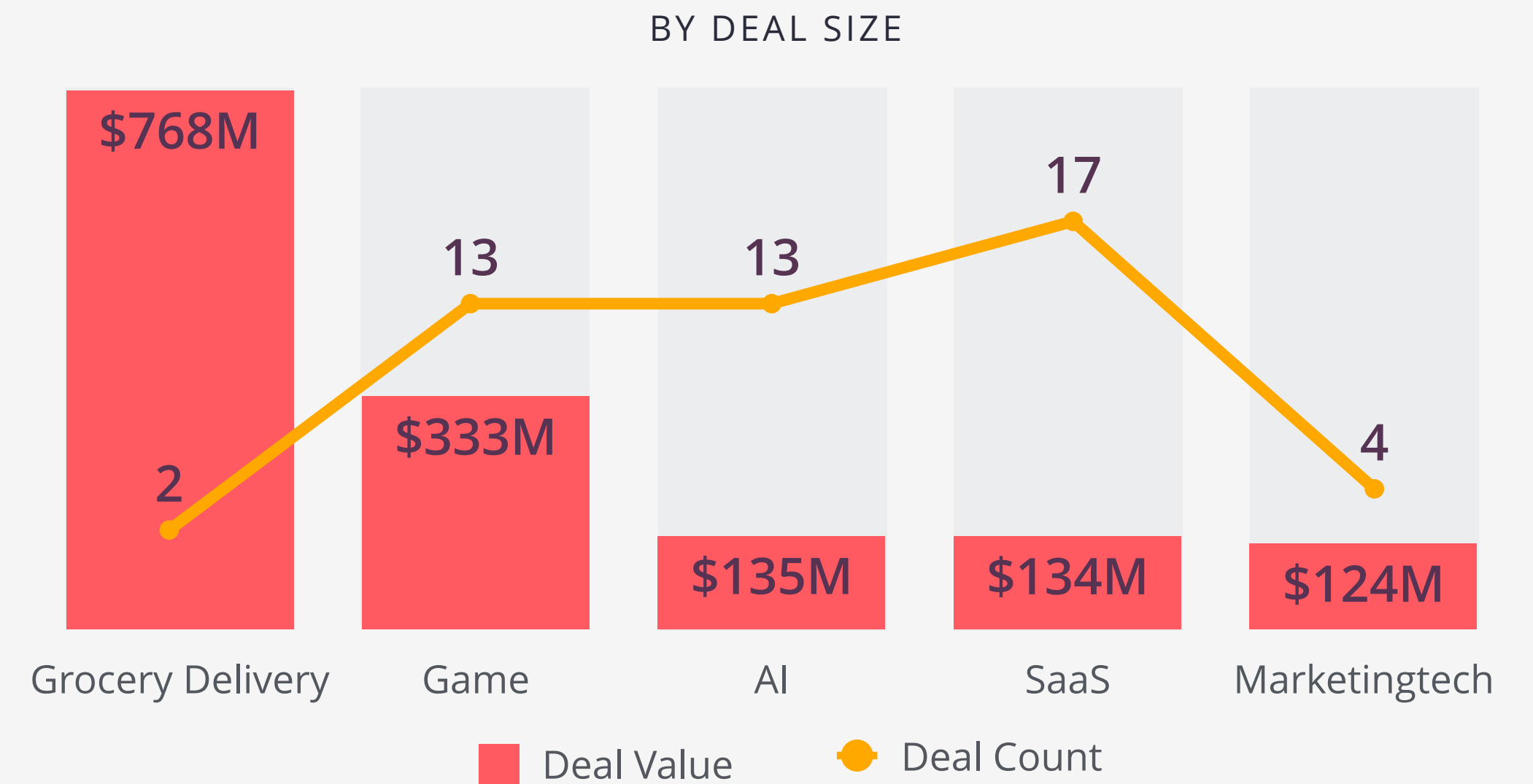
TÜRKİYE YEARLY DEAL (\$) ACTIVITY BY STAGES

STAGES	2017	2018	2019	2020	2021	2022-H1
Seed Stage (\$)	59M	47M	35M	67M	137M	168M
<i>YoY Growth</i>		-21%	-25%	91%	103%	23%
Early VC Stage (\$)	33M	22M	61M	50M	592M	81M
<i>YoY Growth</i>		-35%	184%	-18%	1079%	-86%
Later VC Stage (\$)	23M	15M	7M	37M	855M	1,144M
<i>YoY Growth</i>		-35%	-52%	409%	2211%	34%

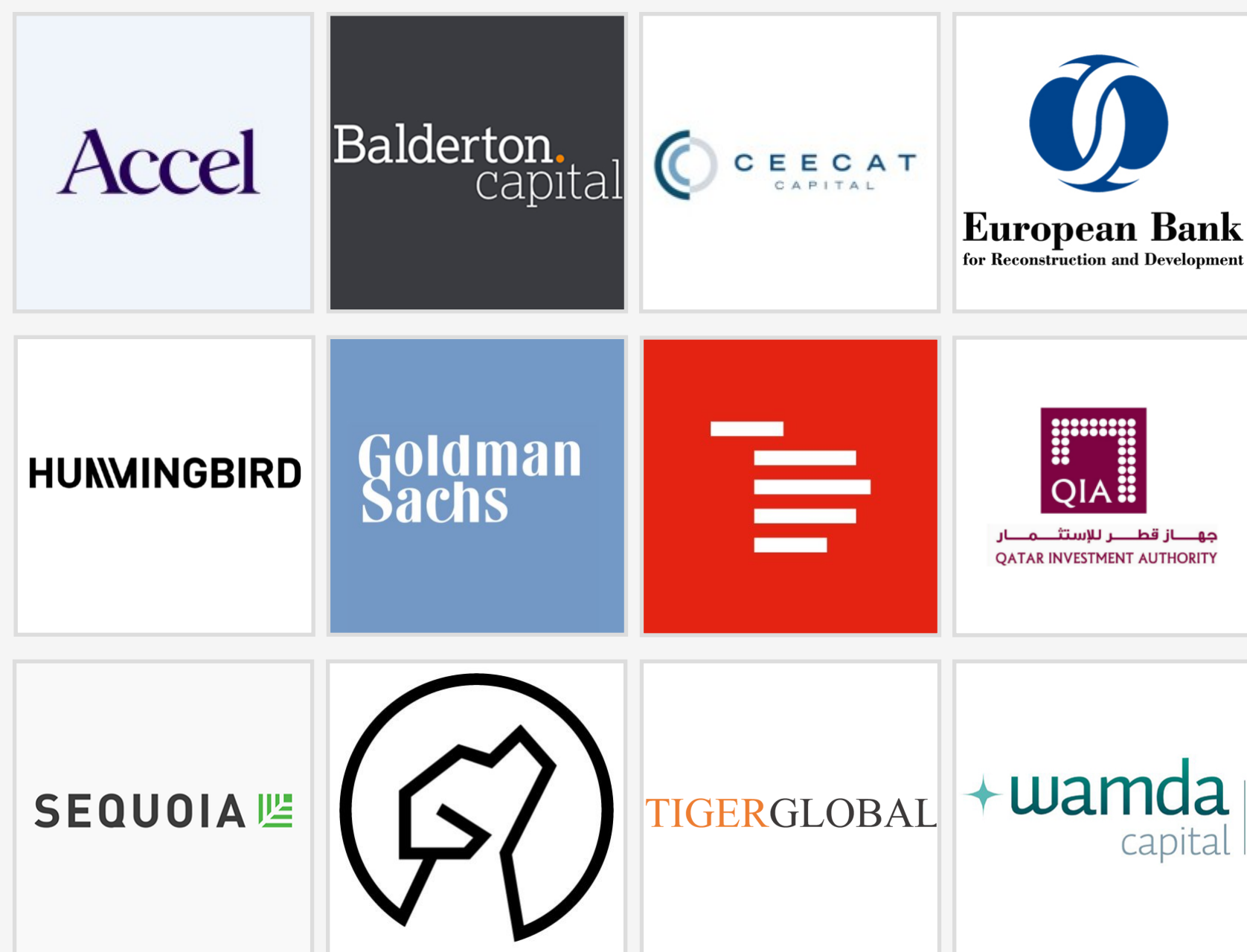
TÜRKİYE YEARLY DEAL (#) ACTIVITY BY STAGES

STAGES	2017	2018	2019	2020	2021	2022-H1
Seed Stage (#)	166	126	112	188	291	124
<i>YoY Growth</i>		-24%	-11%	68%	55%	-57%
Early VC Stage (#)	19	9	12	20	29	13
<i>YoY Growth</i>		-53%	33%	67%	45%	-55%
Later VC Stage (#)	2	5	3	2	2	3
<i>YoY Growth</i>		150%	-40%	-33%	0%	50%

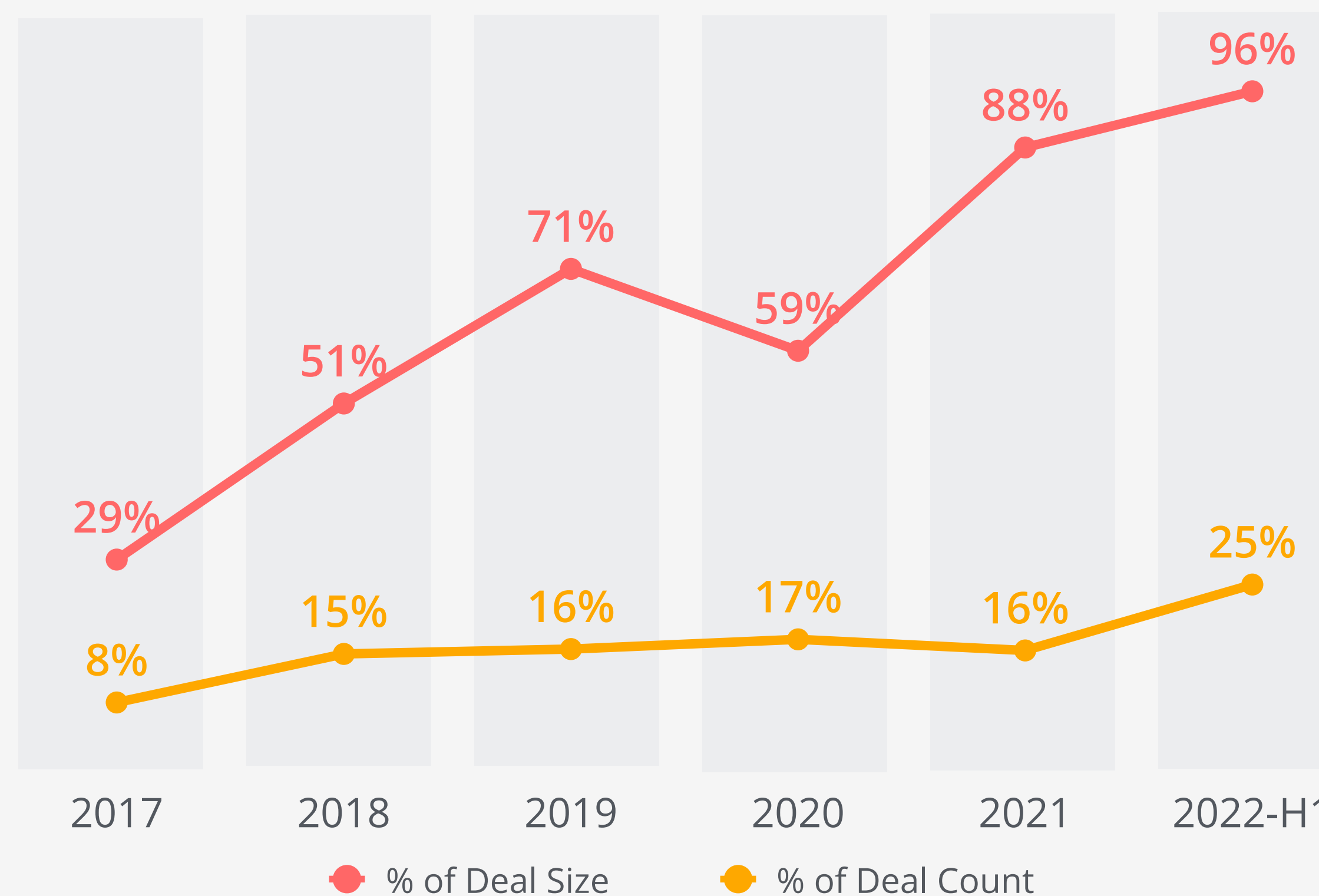
- In terms of deal size; grocery delivery, game, AI, SaaS and marketingtech were hot topics of first half of 2022.
- In terms of deal count; fintech, SaaS, AI, Game and eCommerce were hot topics of first half of 2022.
- Unlike previous years, we started to see investments in **NFT** and **Metaverse** for the first time this year. In total, **5 startups** raised money in these verticals. Funds such as **Elliptical GSYF** (BtcTurk) , **Paribu Ventures** (Paribu) and **Domino Ventures**, which were established specifically to invest in these verticals, are the biggest clues that we will see even more deals in the coming months.
- We observed an increase in number of deals in **logistics**, **cybersecurity** and **developer tools** verticals, even if they were not in the top 5.



- In the first half of 2022, foreign investors participated **1 out of every 4 deals**.
- Foreign investors were mostly participated in **gaming** and **fintech** deals. Artificial intelligence, SaaS, NFT, metaverse were the other verticals they participated in.
- The following funds are just some of the globally known foreign investors investing in Turkish startups in the first half of 2022.

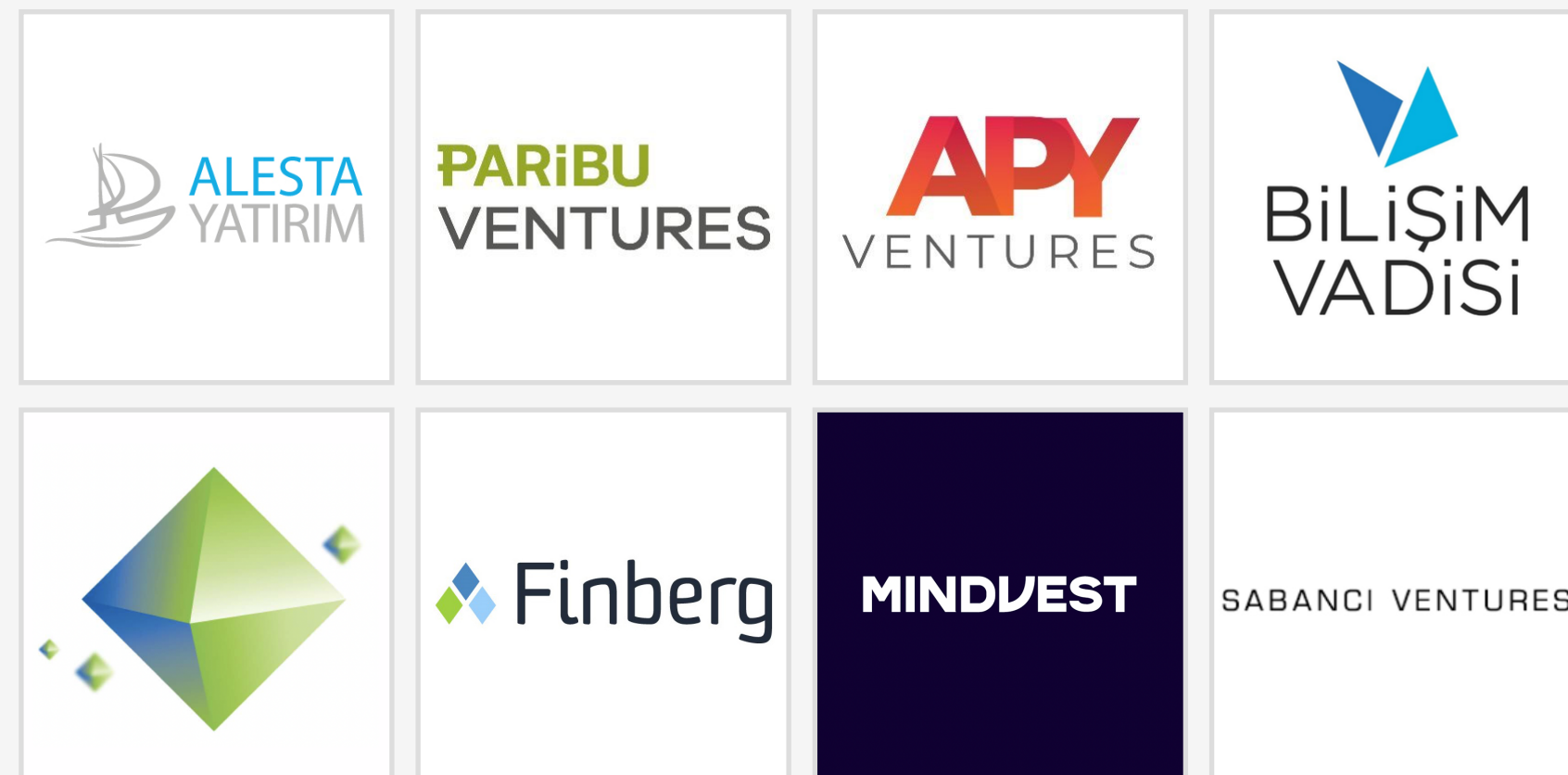


FOREIGN INVESTOR PARTICIPATION (ANGEL & VC DEALS)

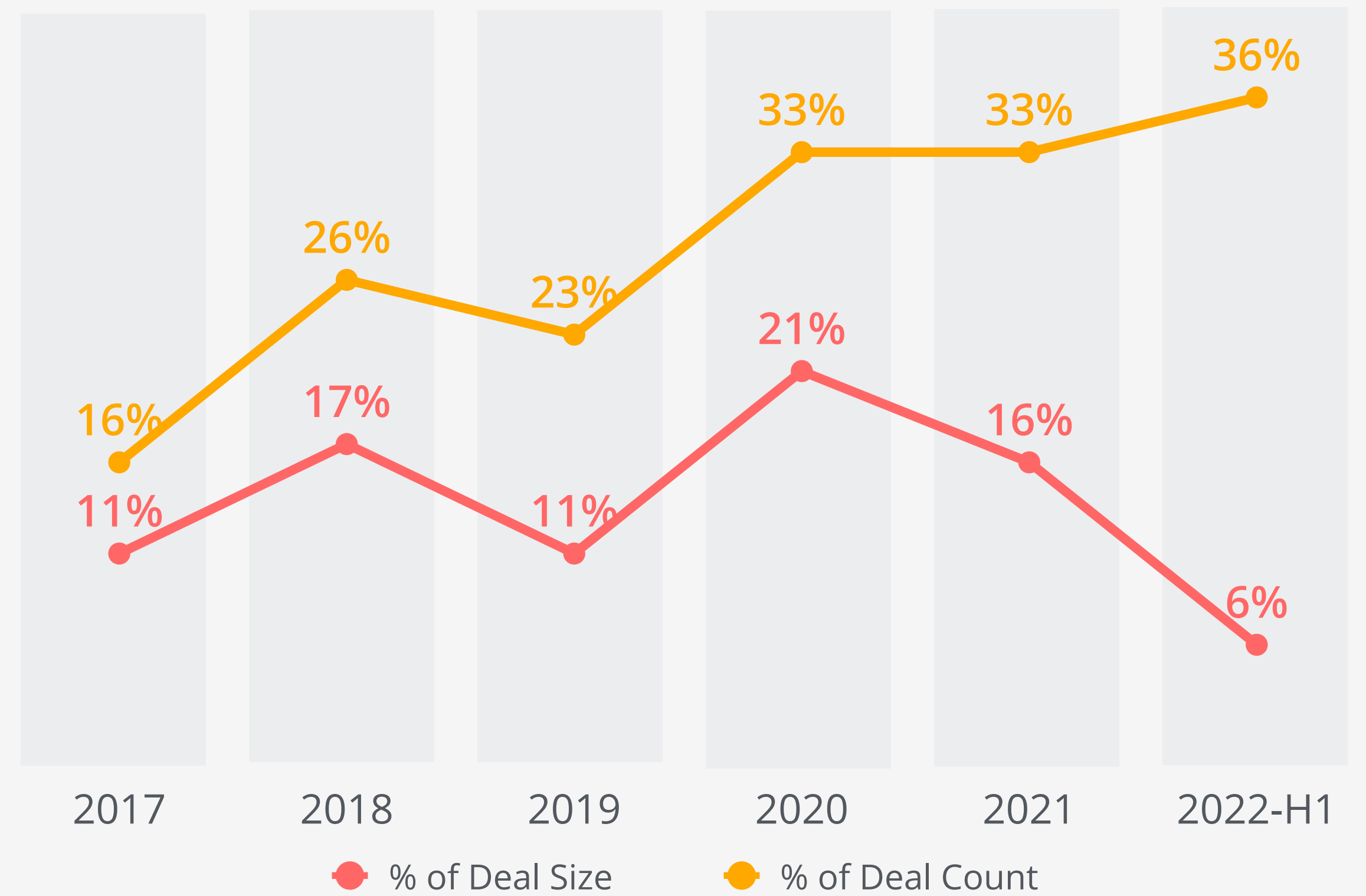


	2017	2018	2019	2020	2021	2022-H1
DEALS PARTICIPATED (\$)	33M	43M	73M	91M	1,394M	1,338M
TOTAL DEAL SIZE (\$)	116M	84M	104M	155M	1,584M	1,393M
DEALS PARTICIPATED (#)	15	21	20	36	50	35
TOTAL DEAL COUNT	187	140	127	210	322	140

- In the first half of 2022, **51 out of 140** investments had a company or a CVC among the investors.
- In the first half of 2022, Alesta Yatırım, Paribu Ventures, APY Ventures, Bilişim Vadisi GSYF, Fiba & Finberg, Mindvest, Sabancı Ventures were among the most active CVCs.
- We will start to see more CVCs as companies' interest in the GSYF structure increases.



TÜRKİYE VC DEAL ACTIVITY WITH CVC PARTICIPATION



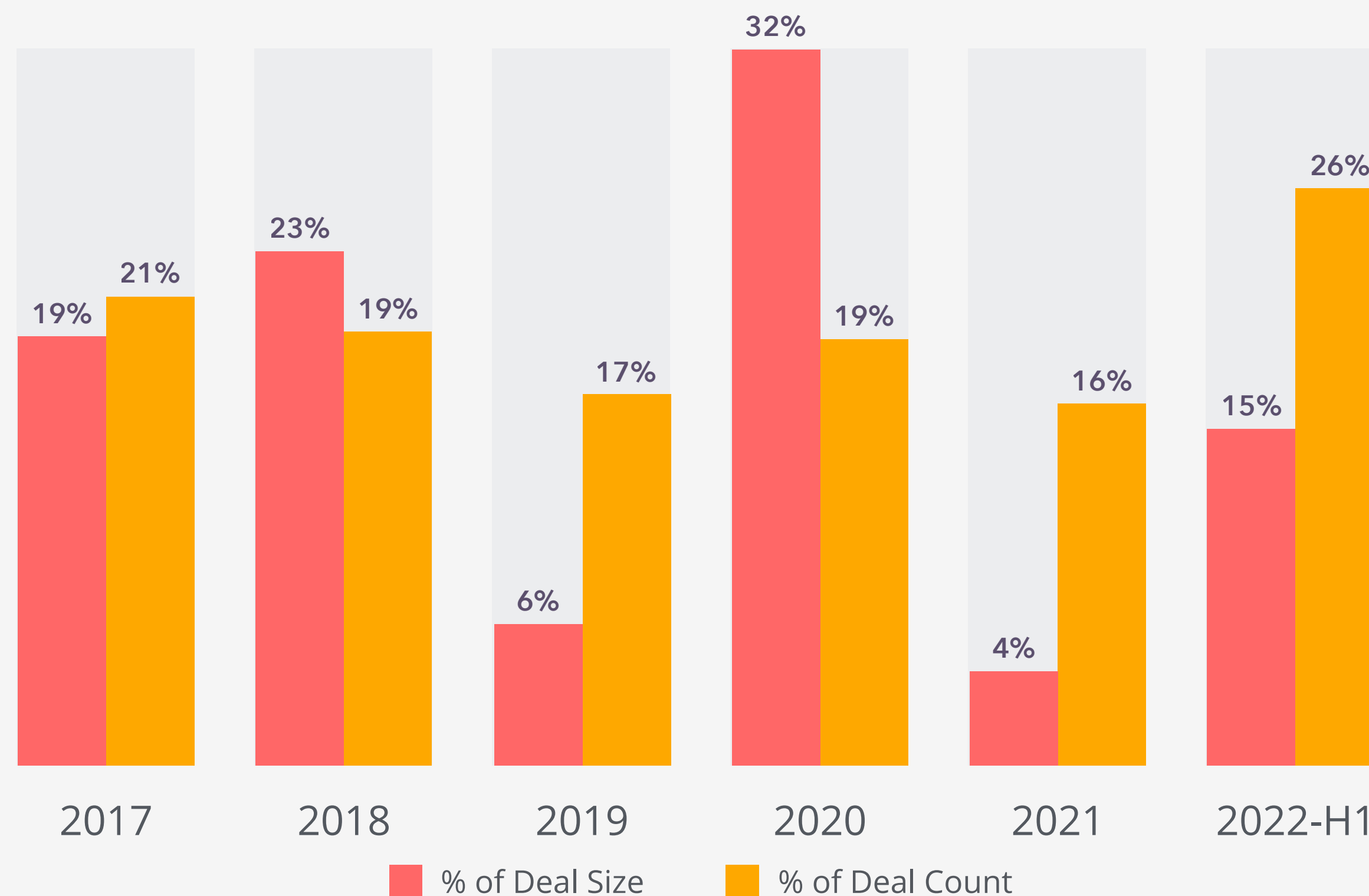
	2017	2018	2019	2020	2021	2022-H1
DEALS PARTICIPATED (\$)	13M	14M	11M	33M	247M	85M
TOTAL DEAL SIZE (\$)	116M	84M	104M	155M	1,584M	1,393M
DEALS PARTICIPATED (#)	30	37	29	70	105	51
TOTAL DEAL COUNT	187	140	127	210	322	140

- In the first half of 2022, **36 out of 140** investments had female founders. This is the highest rate in recent years, reaching 26%.
- As for deal size, the highest amount was reached thanks to Insider, which received 121 million dollars in investment this year and was co-founded by Hande Çilingir.
- Sypke Games, Space Runners, Revel Games, Düşyeri, Vispera, Kidly, Wellbees, Kolay IK and Bolt Insight were the most invested startups with female entrepreneurs.

FEMALE FOUNDERS IN TÜRKİYE

	2017	2018	2019	2020	2021	2022-H1
Female Founded Startups / Total Startups Founded in that year	17%	16%	19%	19%	22%	15%

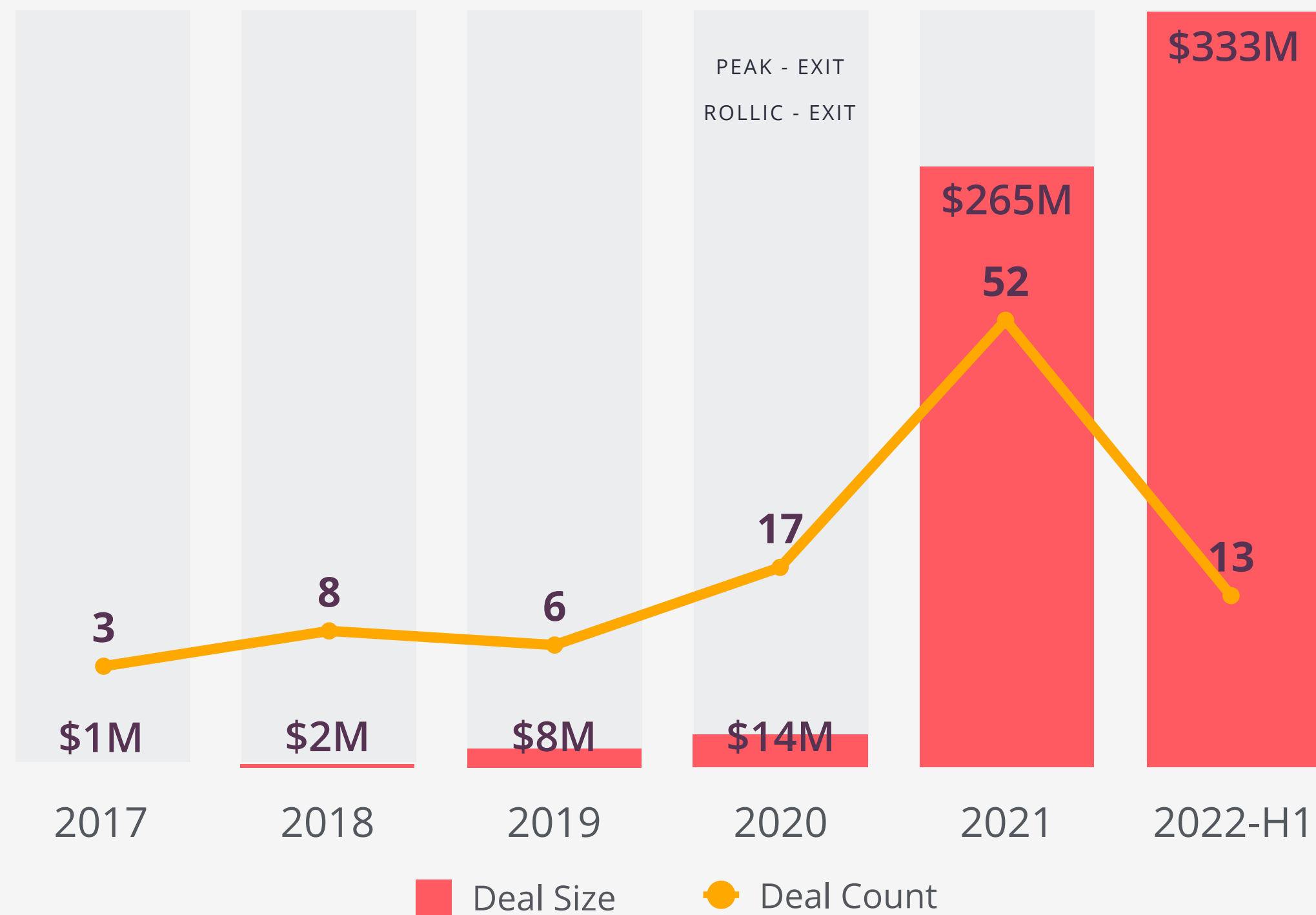
TÜRKİYE VC DEAL ACTIVITY WITH FEMALE FOUNDER



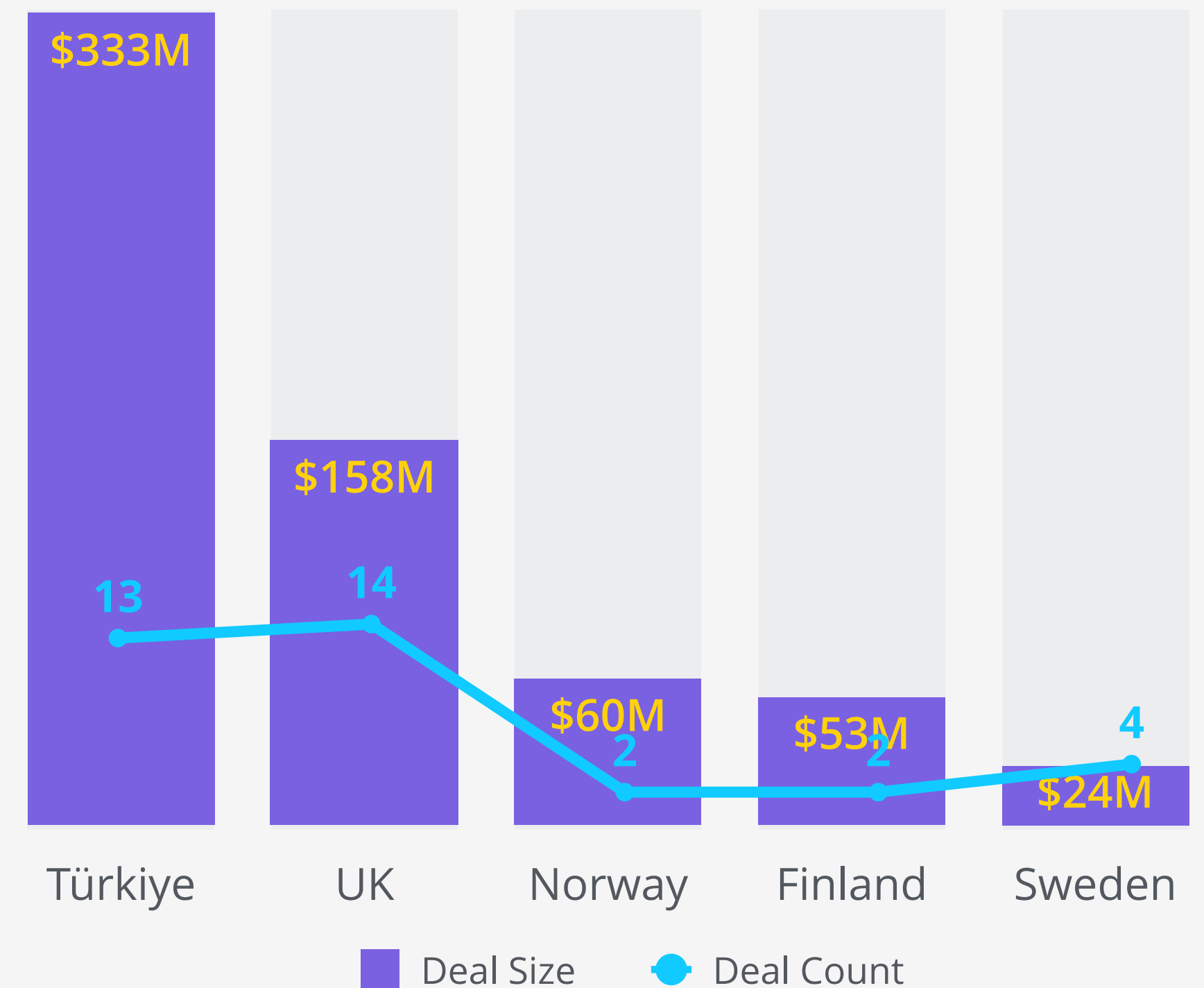
	2017	2018	2019	2020	2021	2022-H1
DEALS W/ FEMALE FOUNDER (\$)	22M	19M	7M	49M	66M	208M
TOTAL DEAL SIZE (\$)	116M	84M	104M	155M	1,584M	1,393M
DEALS W/ FEMALE FOUNDER (#)	39	27	21	40	52	36
TOTAL DEAL COUNT	187	140	127	210	322	140

- In the first half of 2022, Türkiye not only **broke its own record** in gaming deals, but also became the country with the highest amount of gaming deals in Europe.
- **Dream Games** and **Spyke Games** accounted for **92% of gaming deals** in 2022. Excluding these two deals, deal size and deal count were well below last year's figures. This can be interpreted as investors did not want to make new investments because they were waiting for the games they invested in last year to reach a certain level. A few startups that have reached certain levels are expected to receive mega deals in the remaining half of the year.

GAMING DEALS IN TÜRKİYE

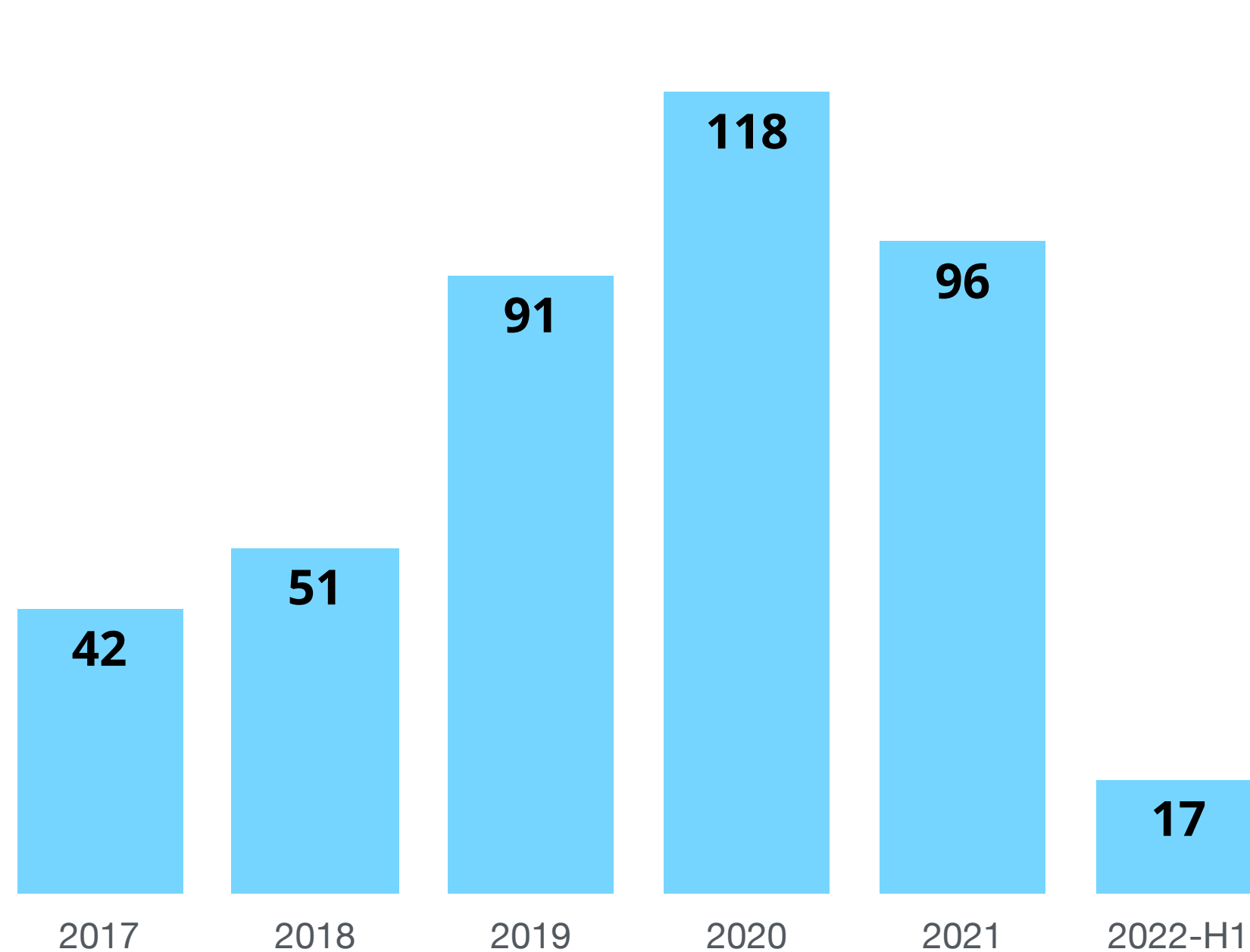


TOP 5 COUNTRIES IN GAMING DEALS IN 2022-H1

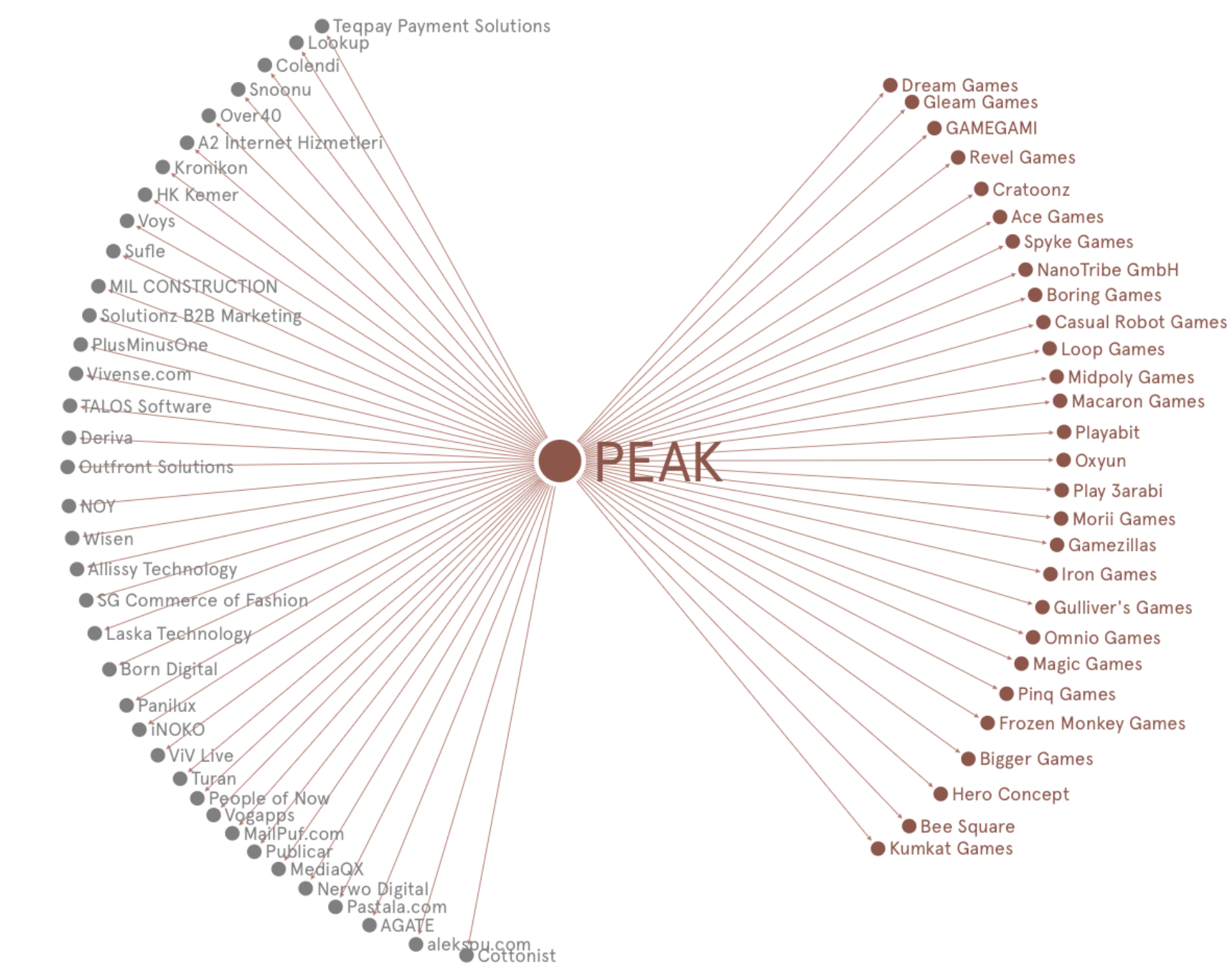


- The number of game startups established has also started to decline compared to previous years.
- People who worked at PEAK, one of Türkiye's biggest exits and the first venture to cross the billion dollar valuation mark, later founded their own startups. Peak alumni (80 people), **who founded 65 startups in total, 28 of which are games**, can be shown as the biggest example of how the game industry has grown by fragmentation.

GAMES STARTUPS

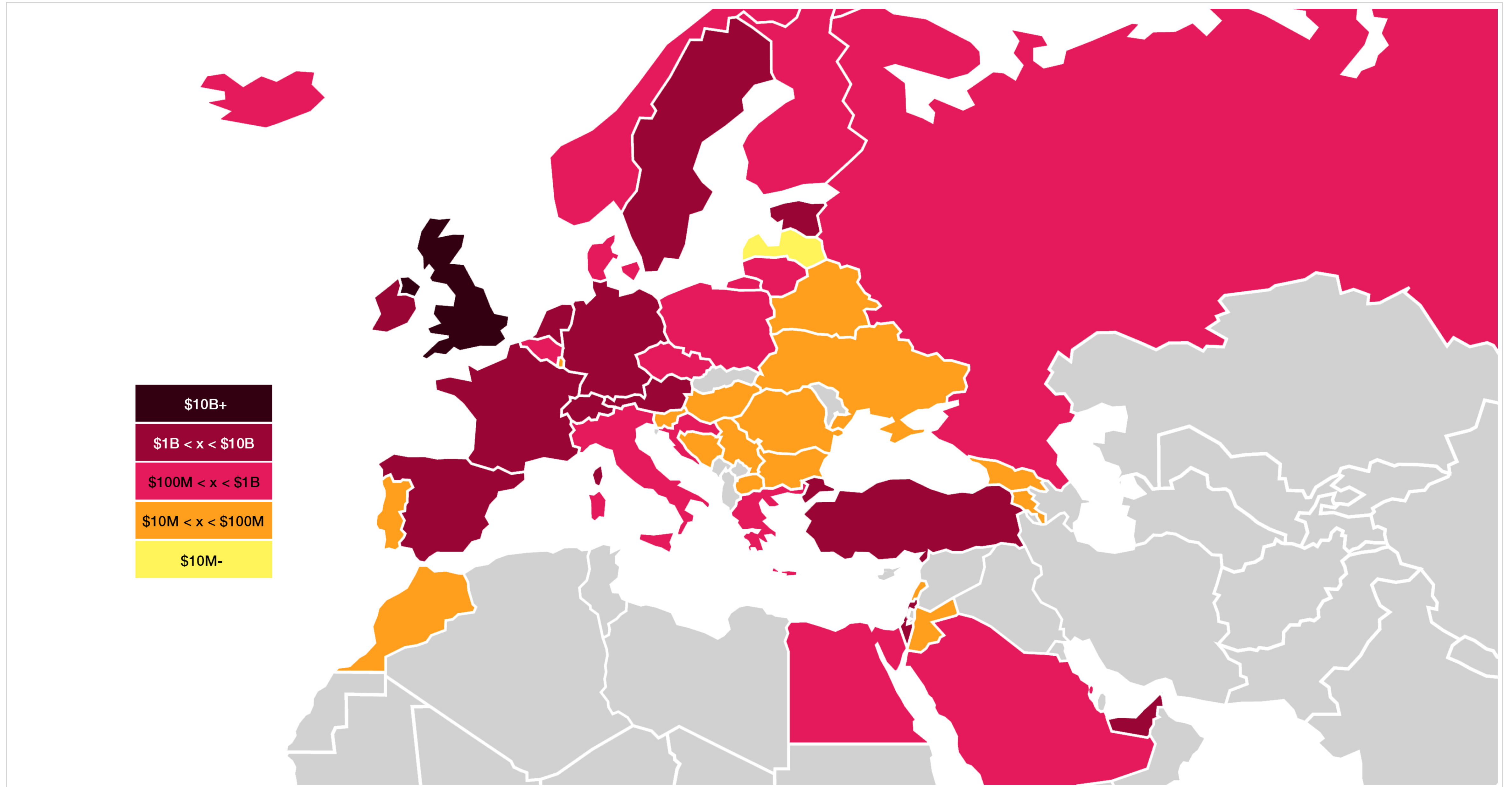


PEAK ALUMNI GRAPH



DEALS LEAGUE FOR 2022-H1

startups.watch













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	\$16.5B	(1009)
---	----------------	---------	--------











Super League

	France	\$8.4B	(291)
	Germany	\$7B	(502)
	Spain	\$2.4B	(200)
	Switzerland	\$2.1B	(155)
	Sweden	\$1.6B	(110)
	Ireland	\$1.5B	(66)
	Türkiye	\$1.4B	(140)
	The Netherlands	\$1.3B	(164)
	Estonia	\$1B	(50)
	Austria	\$1B	(50)




1. League

	Finland	\$937M	(71)
	Norway	\$680M	(40)
	Croatia	\$668M	(6)
	Denmark	\$650M	(48)
	Belgium	\$643M	(43)
	Italy	\$583M	(66)
	Czechia	\$382M	(26)
	Russian Fed.	\$261M	(21)
	Lithuania	\$216M	(16)
	Poland	\$182M	(40)
	Iceland	\$156M	(14)
	Greece	\$118M	(9)




2. League

	Hungary	\$99M	(9)
	Malta	\$81M	(5)
	Luxembourg	\$79M	(13)
	Portugal	\$74M	(19)
	Serbia	\$45	(3)
	Bulgaria	\$39M	(5)
	Romania	\$32M	(15)
	Macedonia	\$20M	(2)
	Slovenia	\$20M	(6)
	Ukraine	\$10M	(10)

Super League

	Israel	\$5.3B	(250)
	Turkey	\$1.4B	(140)
	United Arab E.	\$1B	(83)




1. League

	Saudi Arabia	\$441M	(43)
	Egypt	\$334M	(67)
	Bahrain	\$122M	(4)

2. League

	Jordan	\$32M	(11)
	Lebanon	\$22M	(5)

3. League

	Armenia	\$6M	(4)
	Morocco	\$3M	(6)
	Georgia	\$2M	(2)

- Istanbul ranked **4th** among European cities in the first half of 2022. In the second quarter of 2022, it ranked **31st**. This is why having mega rounds like Getir is so important for cities.
- In terms of game deals, Istanbul was the city with the highest number of game deals in Europe. The second quarter saw a decline in gaming deals in Istanbul, as no gaming startup raised more than \$3.2M.
- Based on cities in Türkiye, Istanbul ranked first, as expected.

ANGEL & VC DEALS IN EUROPEAN CITIES IN 2022-H1

RANK	CITY	DEAL SIZE (\$)	DEAL COUNT
1	London	13B	685
2	Paris	5.8B	186
3	Berlin	3.8B	200
4	Istanbul	1.4B	109
5	Tallinn	1B	41

GAMING DEALS IN EUROPEAN CITIES IN 2022-H1



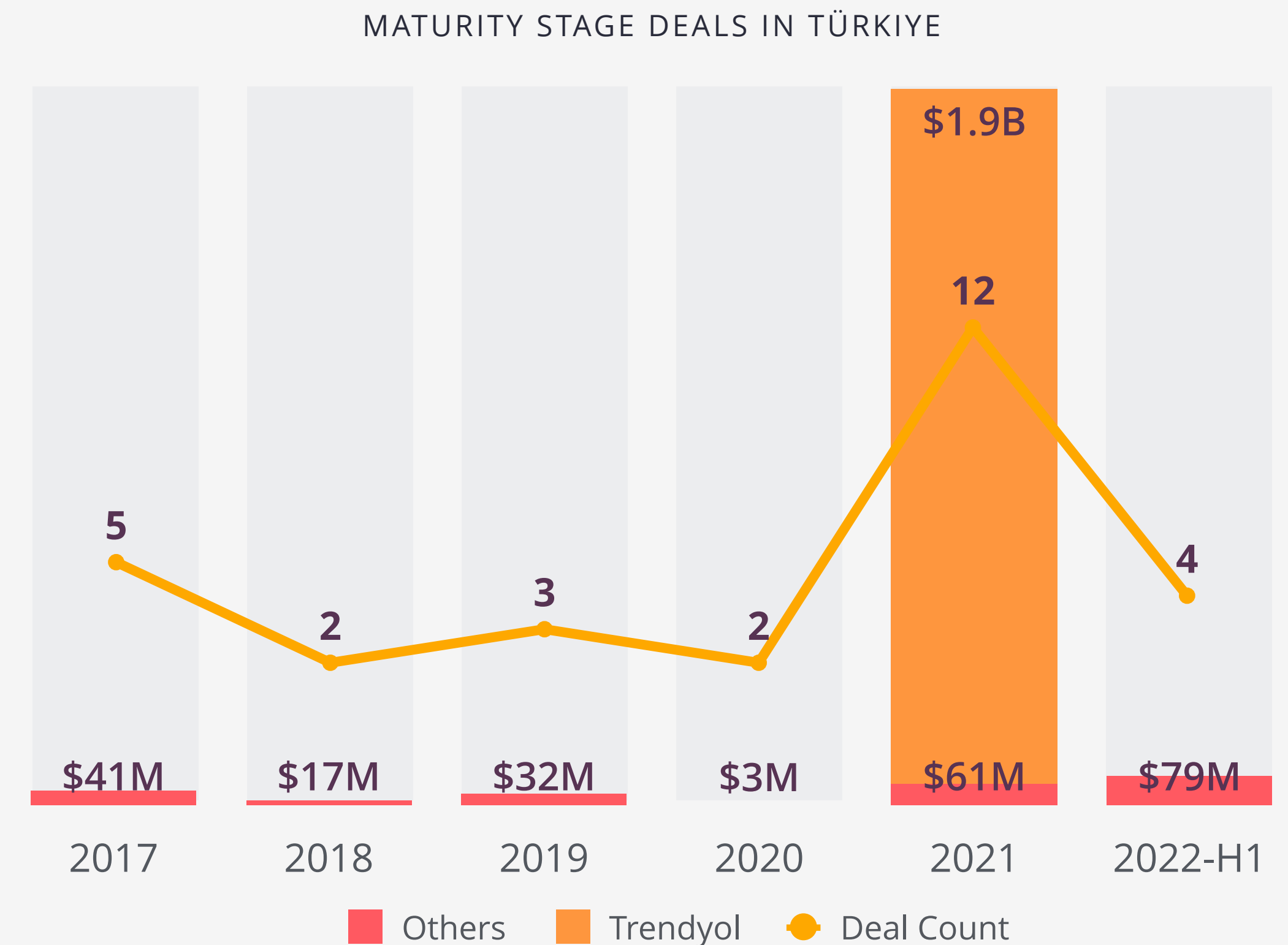
RANK	CITY	DEAL SIZE (\$)	DEAL COUNT
1	Istanbul	333M	13
2	London	138M	11
3	Oslo	60M	2
4	Helsinki	53M	2
5	Stockholm	16M	3

ANGEL & VC DEALS IN CITIES IN TÜRKİYE IN 2022-H1



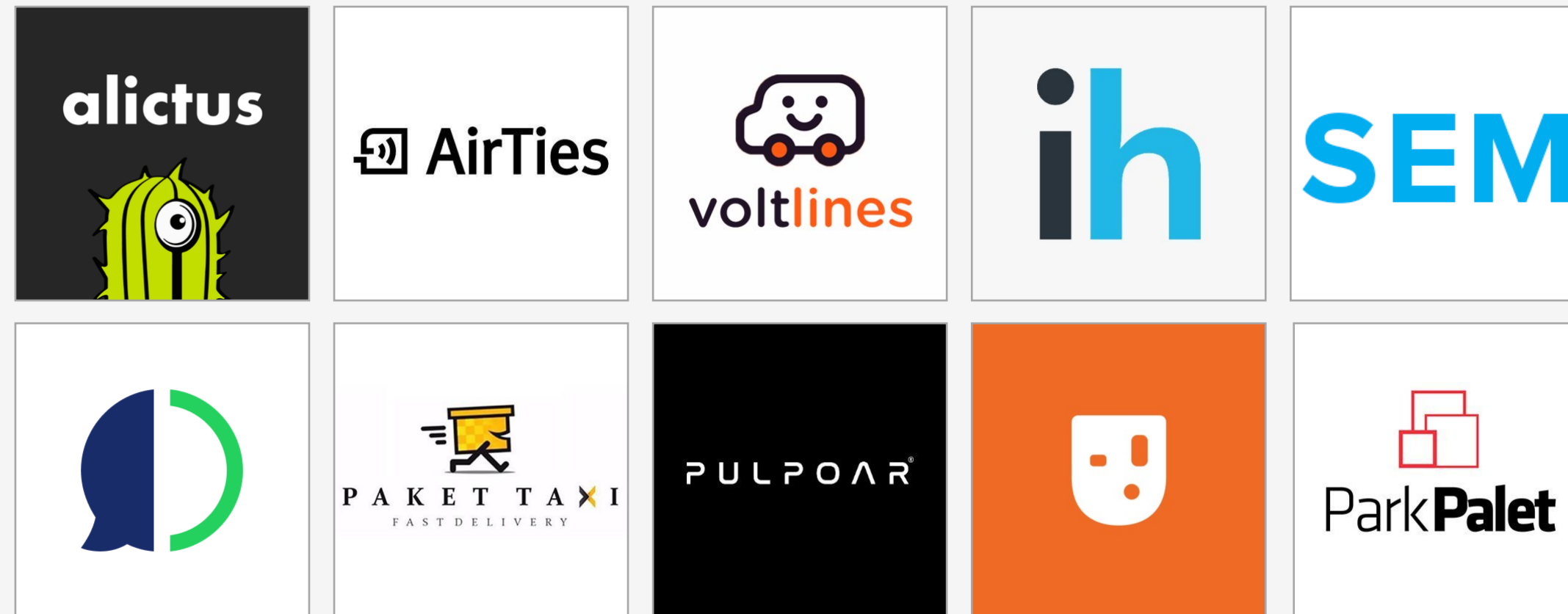
RANK	CITY	DEAL SIZE (\$)	DEAL COUNT
1	Istanbul	1,354M	109
2	Ankara	35M	20
3	Kocaeli	2M	4
4	Izmir	1M	2
5	Eskişehir	1M	2

- When the investments received by Trendyol are excluded, the amount and number of investments at the Growth Equity or Private Equity level are quite small.
- 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.

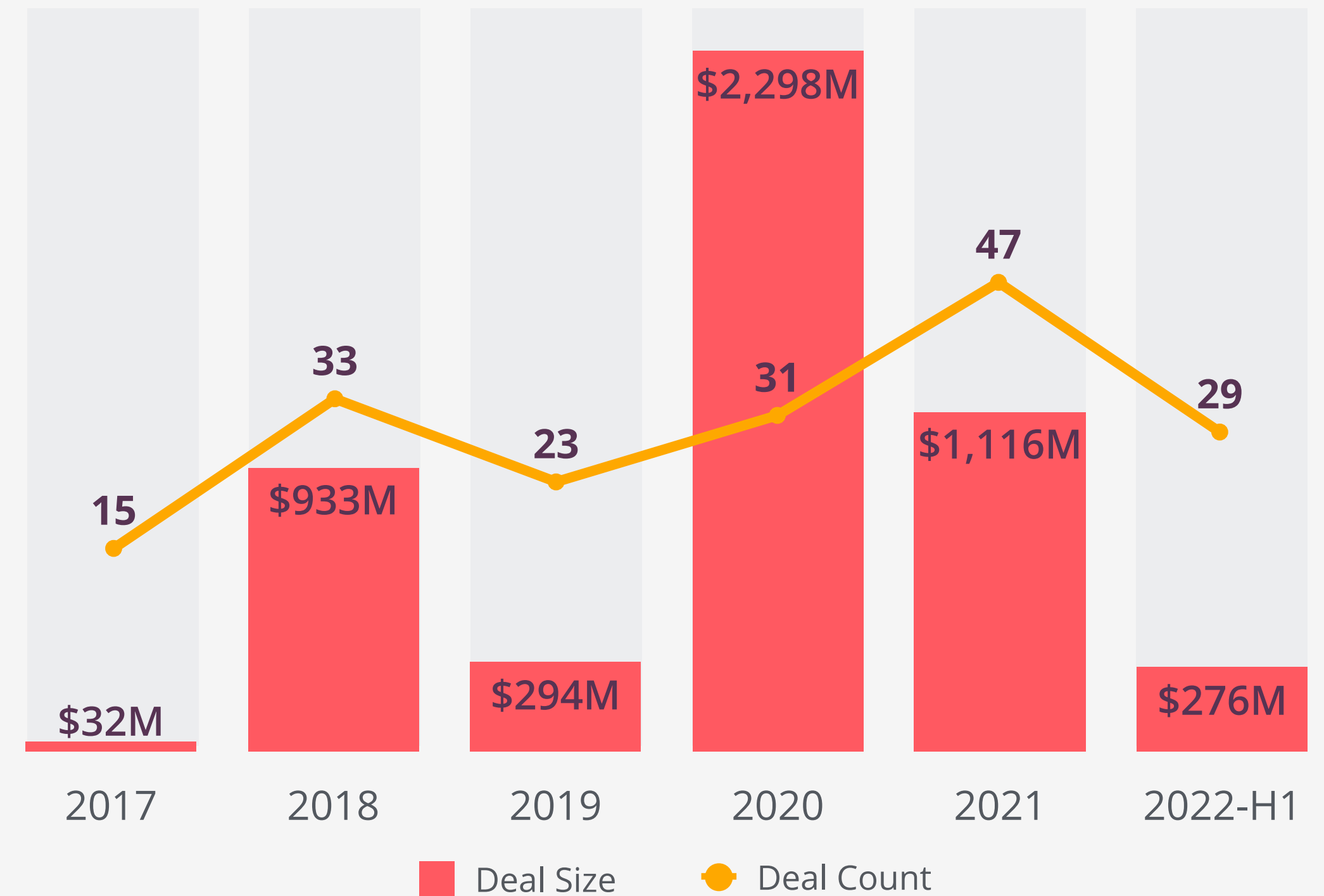


	2017	2018	2019	2020	2021	2022-H1
DEAL SIZE (\$)	41M	17M	32M	3M	1,911M	79M
<i>YoY Growth</i>		-60%	93%	-92%	72282%	-96%
DEAL COUNT	5	2	3	2	12	4
<i>YoY Growth</i>		-60%	50%	-33%	500%	-67%

- Alictus, Airties, Volt Lines, Inofab Health, SEM, Paym.es, Paket Taxi, PulpoAR, DUCKT, Park Palet are top acquisition/secondary transactions in the first half of 2022.
- Half of the exits in the first half of 2022 were previously backed by investors.



ACQUISITIONS & SEC. TRANSACTIONS IN TÜRKİYE

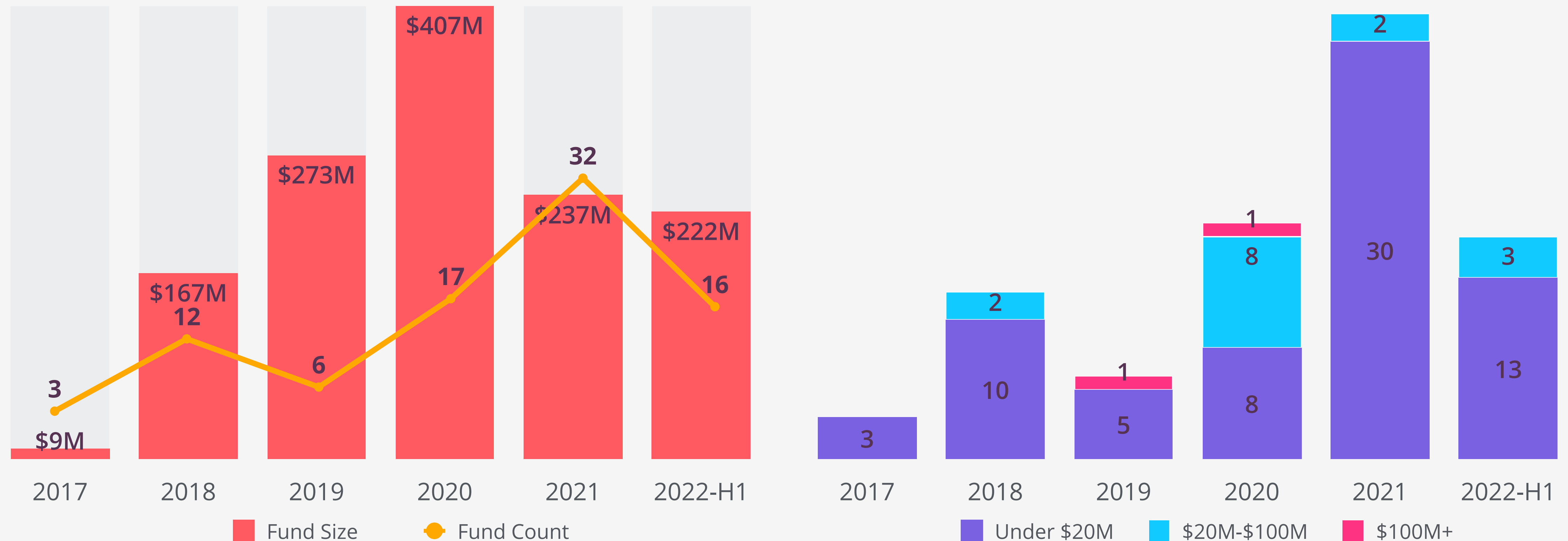


	2017	2018	2019	2020	2021	2022-H1
DEAL SIZE (\$)	32M	933M	294M	2,297M	1,114M	122M
<i>YoY Growth</i>		2826%	-69%	682%	-51%	-89%
DEAL COUNT	15	33	23	29	46	12
<i>YoY Growth</i>		120%	-30%	26%	59%	-74%

- In the last 5 years, **86 funds** worth **\$1.3 billion** have been established.
- Since the beginning of the pandemic, **65 funds** worth **\$866 million** have been established in Türkiye.
- **75%** of the funds established in the last 1.5 years were in the **GSYF/GSYO** format.
- There are only **2 active VC funds** in Türkiye with **over \$100 million fund size**. (Earlybird DEF II and Revo Capital II)

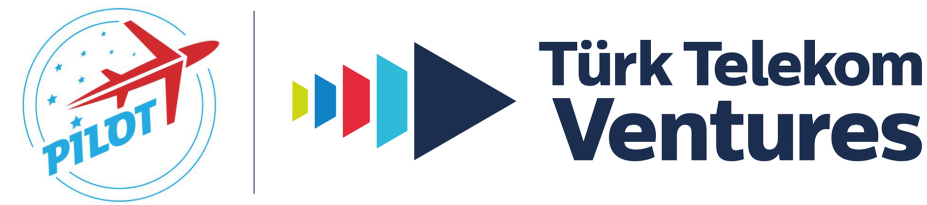
VC FUNDRAISING IN TÜRKIYE

FUNDS BY FUND SIZE





Our 2022 Q2 Event Supporters



FOR ALL DATA INQUIRIES:

support@startups.watch

OFFICE

Kolektif House Levent No:
61 Esentepe, Harman
Sokađı No:5, 34394
Şiřli/İstanbul

LINKS



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 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/>