



# **H1-2021 TURKEY STARTUP ECOSYSTEM INVESTMENT REPORT**



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# Data & Methodology

\* It is recommended to read the Data & Methodology section before reviewing the report.

- Investment data presented in the report **do not include** public offering, debt financing, growth equity round, private equity round, grants and crowdfunding.
- **VC investments** made by **Private Equity companies** are included in the investment data.
- Investments received by companies that started their life as a startup and reached the **maturity stage** (e.g. Trendyol) are not included in the investment data.
- Only the data of **Unicorns rounds** are taken into account. Investments made **after** the Unicorn round **were not included**.
- Before a company was considered a startup, each company was examined one by one by our team. It was counted as a startup considering factors such as growth potential, finding a solution to a problem, technology, and age. The companies referred to as 'scale-up' are also included in the data. In our definition of "startup", there are also companies that started their lives as a startup.



# Data & Methodology

**\* It is recommended to read the Data & Methodology section before reviewing the report.**

- The total investment amount and the average investment per startup information only belong to the rounds in which the investment amount is announced. No estimates have been made for rounds for which the investment amount is not disclosed, or for the amounts of rounds whose only valuation is announced.
- In the report, the number of funding rounds and the number of startups receiving investments differ. The word 'startup' was used when talking about the number of startups, and the words 'investment' and 'funding' were used when talking about the number of funding rounds.
- Investment data includes investments made between January 1, 2021 and June 30, 2021.
- Startups serving in more than one industry are included in every industry in which they are located.
- Investments made in different currencies are converted into Dollars (\$) at the exchange rate on the date the investment was announced. 'Investments worth in millions are shown with the letter 'M'. (e.g.: \$1.000.000 = \$1M)
- In the Funding Stages section, the stages described in the funding rounds are used.
- In the Turkish Diaspora part, startups that have Turkish founders but not meeting the criteria of Turkey-focused startups are examined.

# Introduction

As Startupcentrum, a global startup community, we aimed to meet the need for information and analysis of all stakeholders of the startup ecosystems. We prepare reports that examine different startup ecosystems in the World. We prepare our reports in order to contribute to the development of the ecosystem by creating an accurate and reliable resource for the ecosystem. In this report, H1-2021 Turkey Startup Ecosystem Investments Report, you can find information from industries to funding stages of funded startups. Also, information about investments that directly accounted in Turkey and indirectly accounted in Turkey. In order to support technology and innovation in all areas of life, we also included the works of artists such as Refik Anadol and Ferdi Taker (founder of Ouchhh) who transform data into art in our report.

Turkey Startup Ecosystem had closed 2020 with ecosystem records. These records continue to be broken in 2021. In recent years, both overseas investors' and Turkish investors' interest in the Turkey Startup Ecosystem increasing rapidly due to exit and mega investments of Startups such as Peak Games, Rollic, Getir, and Dream Games. This increased interest is also reflected in the investments made.

StartupCentrum



# \$704M

H1-2021 Total Amount of  
Fundings

(68 out of 124 rounds announced  
the amount of funding they  
received.)

# 124

H1-2021 Total Number  
of Funding Round

(121 startups funded in 124  
funding rounds)

# \$10.7M

Average amount per  
startup\*

# %13

Rate of Increase in the Number  
of Investments Compared to the  
Previous Half-Year

\*Only disclosed investment amounts are taken into account.

# Summary

## \$1,610M

Total investment amount  
(including maturity stage startups  
and unicorns)

According to official records:  
106 startups  
Headquartered in Turkey  
received  
\$268M (38% of the total  
investment amount)

## 4,3

Average age of startups  
that received investment

## %14

Tourist investor ratio among  
all investors in the first half  
of 2021

According to official records:  
15 startups  
Not headquartered in Turkey  
received  
\$436M (62% of the total  
investment amount)

## %27

The ratio of  
entrepreneur(investors) among  
all investors in the first half of  
2021

\*\$555M received by Getir in June 2021 and \$350M received by Trendyol in April 2021 are included.



# Featured Startups



## Dream Games

Dream Games was founded in 2019 by Soner Aydemir, İkbâl Namlı, Hakan Sağlam, Eren Şengül and Serdar Yılmaz, the experienced names of the gaming industry. Dream Games, which produces mobile games in the puzzle genre, has received 3 investments so far. The company received an investment of \$ 7.5M in November 2019, \$ 50M in February 2021, and \$155M in June 2021. The startup, whose valuation was \$1,000M with the last investment, became the 4th Unicorn of Turkey in a short period of 2.5 years!

## Yolda



The digital logistics startup Yolda was founded in Istanbul in 2020 by Volkan Özkan and Murad Özsert. Yolda, which digitizes logistics operation processes and provides partial transportation services to businesses, has received 2 investments so far. In May 2020, it received an investment of \$0.83 M in the pre-seed round, a figure well above Turkey's average. Then, they received an investment of \$1.9 M at the seed stage in June 2021. The valuation of the company was not disclosed during these rounds. They are preparing to open up to the global market with its latest investment. If it continues to show high performance in the global market, it will enter the list of successful startups from the country, maybe the Unicorn list.



# Analysis of H1

Reaching the first unicorn startup in the 2020-H2, the Turkish startup ecosystem continued to grow rapidly over the past year. In the last 1.5 years since the second half of 2019, when there was no pandemic yet, the number of investments has almost doubled. The average amount of investment per startup in 2019-H2 has increased by 7 times in 2021-H1 despite the currency fluctuations in the country!

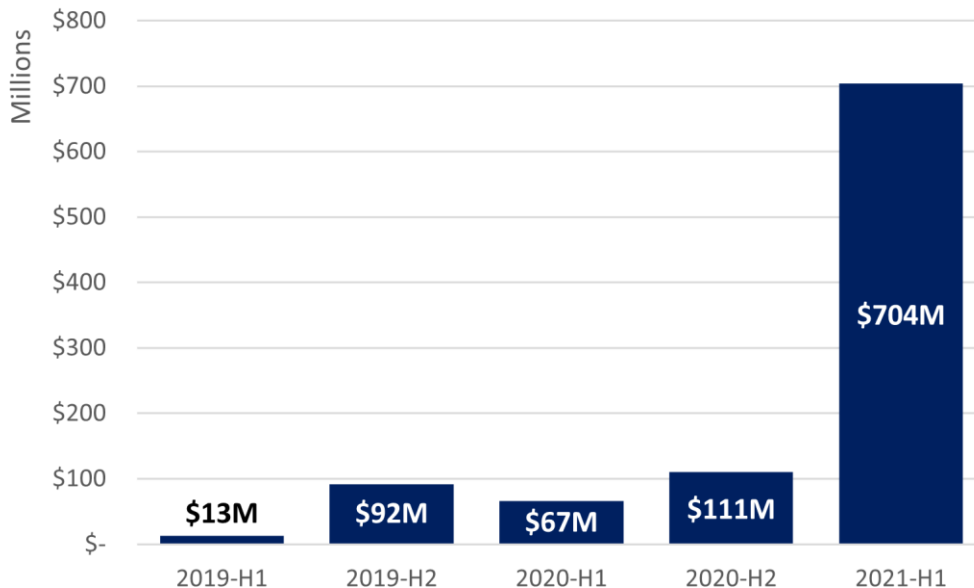


Figure2. Distribution of the investment amount on a half-year basis

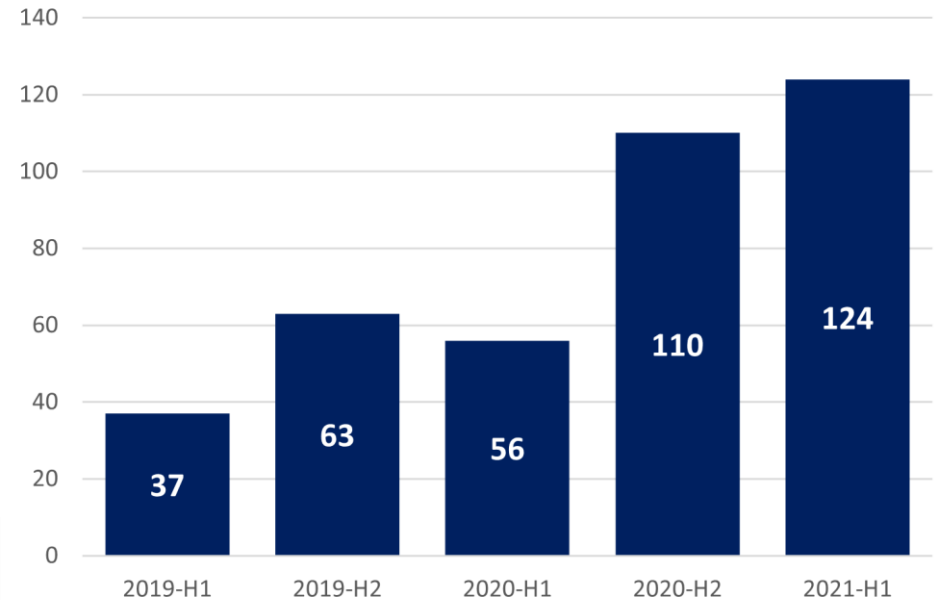


Figure1. Distribution of the number of investments on a half-year basis

When the investment amounts are examined, it is seen that there is 7 times increase compared to the previous half which is the highest investment amount in the one semester in ecosystem history.! The largest factor in this increase was unicorn startups. The total investment received by Getir and Dream Games, which became unicorns in 2021, was \$633M. These two startups constitute 90% of the investments made in the ecosystem.

Since Vivense's \$130M investment in Q3-2020 was a Private Equity round, BluTV's \$20M investment in Q1-2021 was Growth Equity Round, both have excluded.

# Analysis of Q2

It is shown in the graph on the right that the number of investments made in each quarter is fixed at the 60. A similar number of investments in the last 4 quarters proves that the trend in the third quarter of 2020 is not temporary. This graph shows that the ecosystem, which attracted the attention of investors in the past quarters, continues to get investments and grow thanks to its qualified startups.

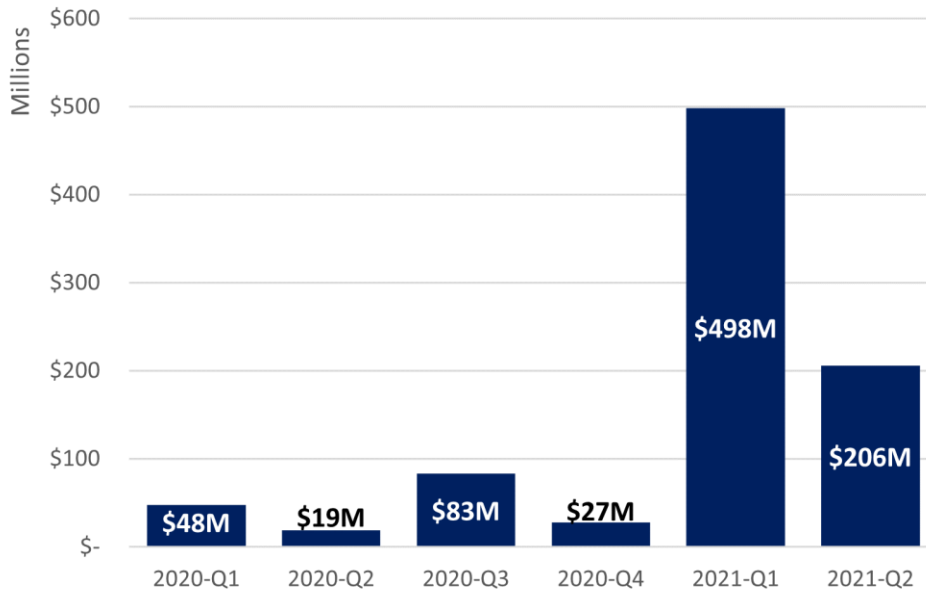


Figure4. Distribution of the investment amount on quarterly basis

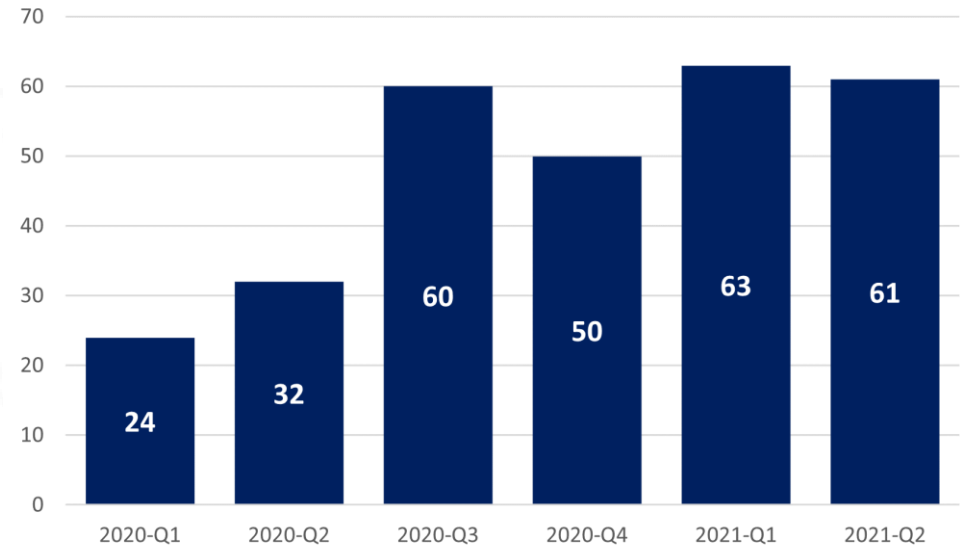


Figure3. Distribution of the number of investments on quarterly basis

It is observed that there was decreased in the last quarter in terms of investment amounts. As you might remember, in the first quarter, Getir had invested a total of \$428M and Dream Games had invested \$50M. Moreover, there is an investment of \$155M by Dream Games in the second quarter. When these mega investments are removed and the data is analyzed again, the investment amount, which was \$20M in the first quarter of 2021, became \$50M in the second quarter of 2021. On the other hand, it is possible to say that the amount of investment in this quarter is more homogeneous in the ecosystem.

# Industries

The finance sector was seen as the strongest sector in Turkey Startup Ecosystem until the summer of 2020, however with the investments made in last year, gaming has also managed to become one of the strongest sectors . When the Turkey startup ecosystem is mentioned today, the first thing that comes to mind is startups working in the games and finance sectors. In addition, some startups are candidates for global success in the fields of health, CRM & sales, data & analytics and agriculture. In the coming years, a rapid increase can be seen as in the game industry thanks to successful startups from these areas. The total number of startups that received investments in the first half of 2021 and their quarterly distribution is shown in the table below. Investments in gaming startups decreased in the second quarter of 2021 compared to the previous quarter, while investments in finance, healthcare, and data & analytics startups increased significantly.

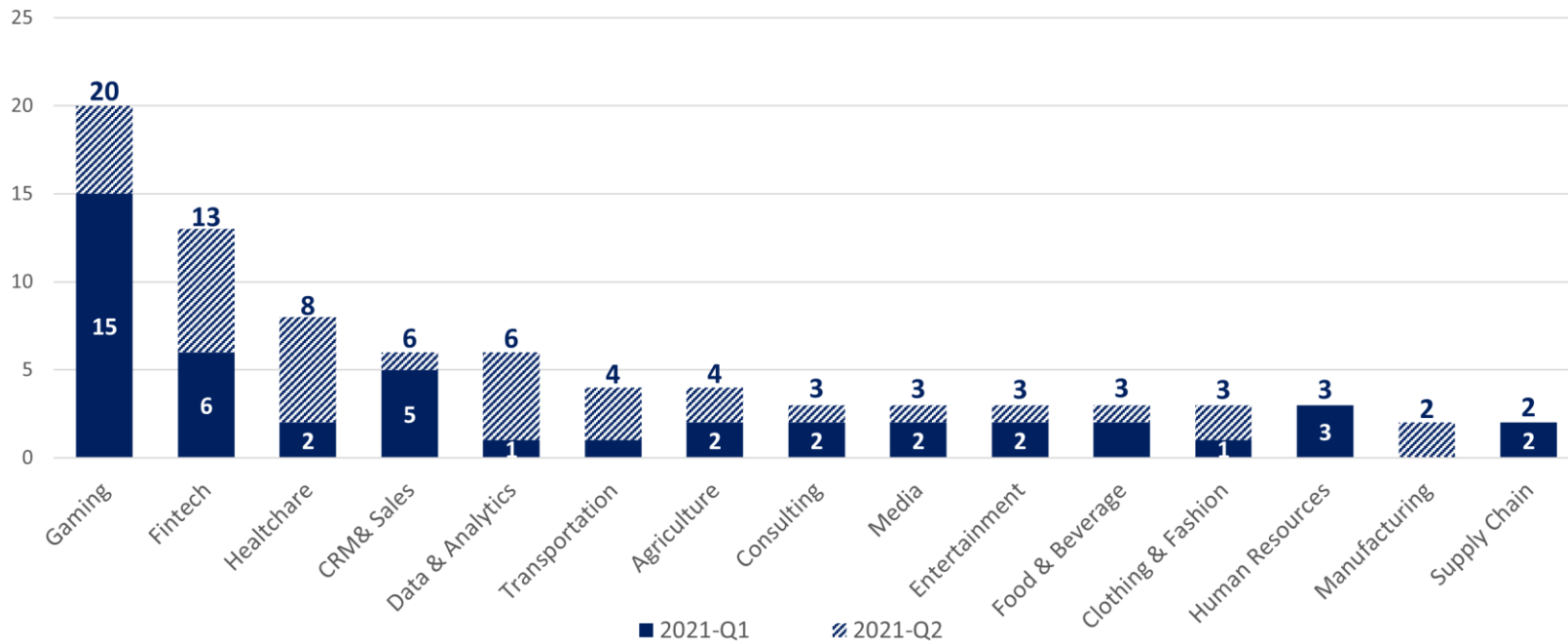


Figure5. Industry distribution of startups that funded in 2021-H1



# Industries

The half-year and quarterly distributions of the investments made in the sectors are shown in the chart below. The sector that gets the most of the total investment in the first half of 2021 was the delivery sector but this just belongs to Getir which received funding in the first quarter. The ranking of the 5 sectors following the delivery sector and the number of investments remained the same while the gaming industry constituted 34% of the investments made in this semester and 85% of the investments made in the second quarter. The investments made in the financial sector, which followed the gaming sector, constituted 1% of the investments made in the first half-year of 2021 and 4% of the last quarter. When the number and amount of investments made in the sectors are examined as a whole, it is seen that the amount of investment has increased in the areas that have successfully launched globally.

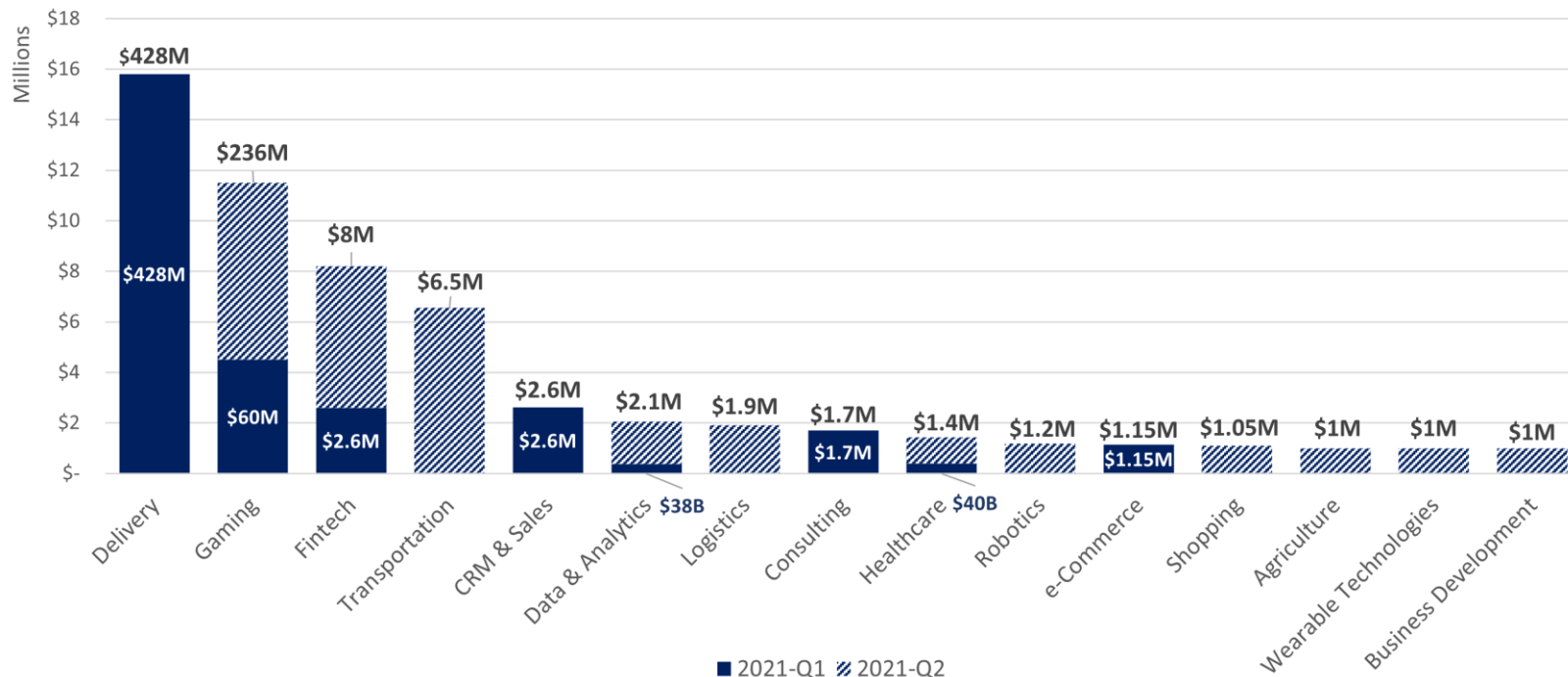


Figure6. Industry distribution of startups that funded in 2021-H1 (\$M)

# Cities



## Istanbul

79 startups

\$252M



## Ankara

17 startups

\$15M



## Izmir

4 startups

Amount not disclosed



## Kocaeli

2 startups

Amount not disclosed



## Kayseri

1 startups

\$0.2M



## Sakarya

1 startups

\$0.4M

# Funding Stages

Startups at the pre-seed/seed stage constitute 81% of startups that received investment in the first half of 2021. Although the rapid increase in the amount of investment in 2021 is due to several startups, it is seen that the seed stage startups are also affected by the atmosphere created by these mega investments. Pre-seed/seed investments, which made up 76% of the investments in the first quarter and constituted 88% of the investments in the second quarter. This data shows that the interest in the latest startups has increased.

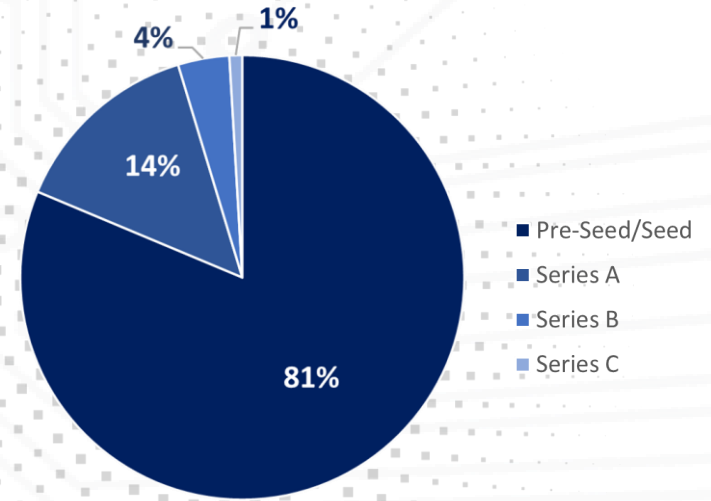
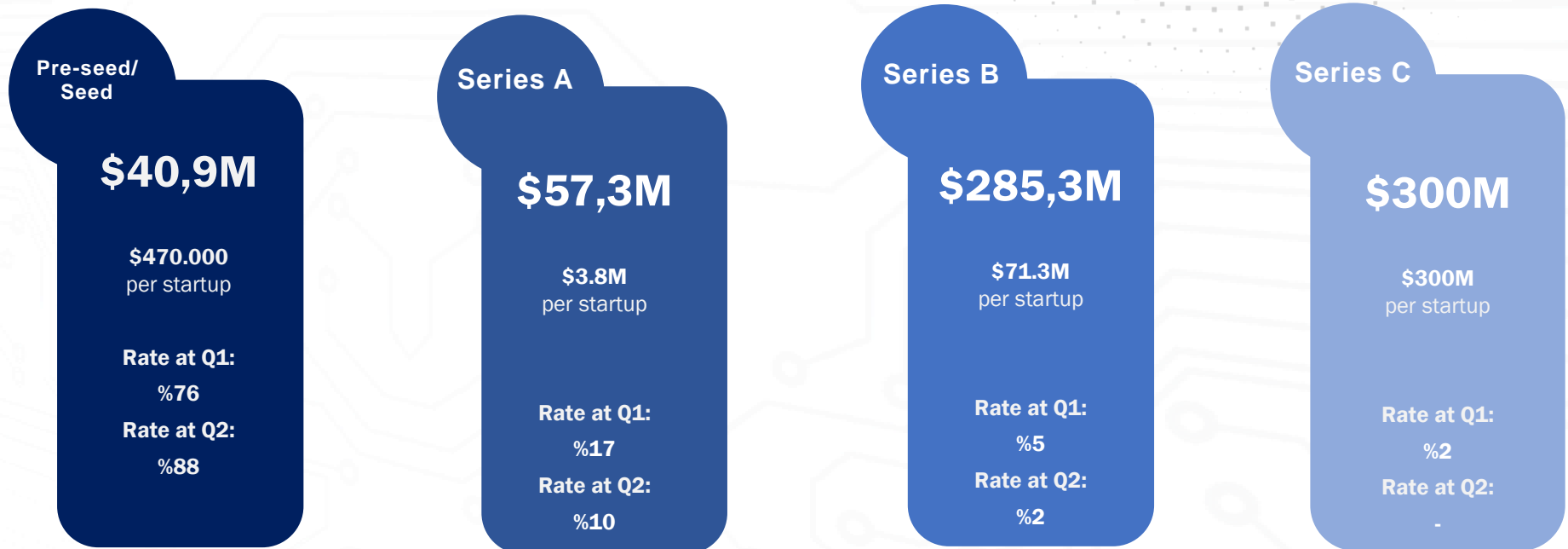


Figure7. Funding stage distribution of startups that funded in 2021-H1



\*Only tours with announced funding stages are included.



# Funding Rounds

The distribution of investment rounds closed in the first half of the year is given in the graph on the right. According to this graph, 63% of startups received their first investment in the past six months. In this period, the rate of startups that closed the 3rd, 4th or 5th investment round remained at 11%. The high number of startups that have just received their first investments is promising for the coming years, but the scarcity of advanced investments in the ecosystem that has been going on for years still continues. Although these investments have increased in the past 1 year, they have not reached a sufficient level yet. In this context, you can find the range of investments in dollar terms and the average investment amount in the range from the table\* below.

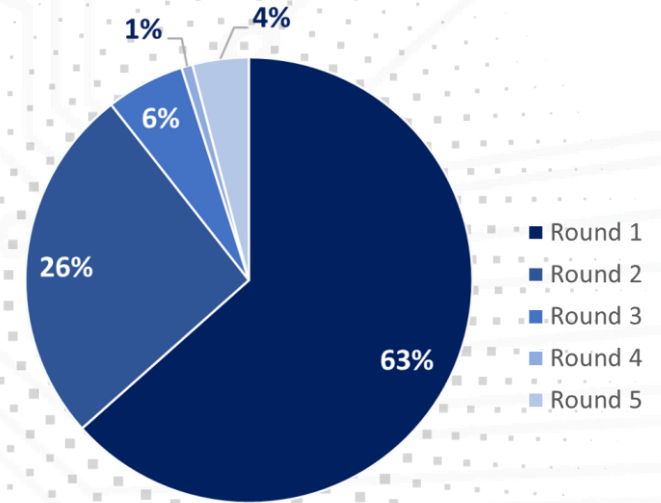


Figure8. Funding rounds distribution of startups funded in 2021-H1

Range	# of Deals	Average Amount
\$10.000 - \$100.000:	9 deals	\$0.068 M
\$100.001 - \$1M:	38 deals	\$0.490 M
\$1M - \$10M:	17 deals	\$3 M
\$10M - \$50M:	1 deals	\$50 M
\$50M - \$100M:	-	-
\$100M+:	3 deals	\$194 M

## \$4.600M

Total post-money valuation  
of startups invested in  
2021-H1\*\*

\*Only tours with announced funding amounts are included.

\*\*Only tours with announced post-money valuation are included.

# Investors

In the first half of 2021, a total of 314 investors participated in 124 funding rounds. 86% of these investors are domestic and 14% are foreign investors. While the United States of America ranked first among foreign investors with 15 investors, it was followed by the United Kingdom with 5 investors and Germany with 4 investors. It is observed that one out of every four individual investors is entrepreneur. The increase in the number of entrepreneur-investors has great importance in terms of both investment and knowledge transfer to the ecosystem.

Total:

# 315

## Investors

### Individual Investors

<b>Turkey: 201</b>	<b>N. America: 2</b>
<b>Europe: 8</b>	<b>S. America: -</b>
<b>Asia: -</b>	<b>MENA: 1</b>

In the first half of 2021, 212 individual investors invested in startups in the Turkey startup ecosystem.

### Venture Capital (VC)

<b>Turkey: 34</b>	<b>N. America: 13</b>
<b>Europe: 7</b>	<b>S. America: 1</b>
<b>Asia: 3</b>	<b>MENA: 1</b>

In the first half of 2021, a total of 59 venture capital (VC), 6 of which are corporate venture capital (CVC), invested in startups in the Turkey startup ecosystem.

# Investors

## Company

**Turkey: 21**   **N. America: 2**  
**Europe: 5**   **S. America: -**  
**Asia: -**   **MENA: -**

In the first half of 2021, 28 companies invested in startups in the Turkey startup ecosystem.

## Angel Investment Network

**Turkey: 8**   **N. America: -**  
**Europe: -**   **S. America: -**  
**Asia: -**   **MENA: -**

In the first half of 2021, 8 angel investment networks invested in startups in the Turkey startup ecosystem.

## Private Equity Firm

**Turkey: 4**   **N. America: -**  
**Europe: -**   **S. America: -**  
**Asia: -**   **MENA: -**

In the first half of 2021, 4 private equity firms made VC investments in startups in the Turkey startup ecosystem.

## Accelerator

**Turkey: 4**   **N. America: -**  
**Europe: -**   **S. America: -**  
**Asia: -**   **MENA: -**

In the first half of 2021, 4 accelerators invested in startups in the Turkey startup ecosystem.



# Startups

## Client Focus



Figure9. Client focus distribution of startups funded in 2021-H1

In recent years, it has been discussed whether the ability of business-oriented startups to generate income is stronger than consumer-oriented startups. Considering the investments in the Turkish ecosystem in the light of these discussions, it is seen that there is no significant difference between the investments made in both profiles.

## Product Type



Figure10. Product type distribution of startups funded in 2021-H1

When the products of the startups are divided into two as service/software and physical product, the rates are similar to the most developed startup ecosystems. 86% of startups that have received investment in the past six months offer services/software products. The rate of startups offering physical products remained at 10%. Although service/software products come to the fore in the world, it will be very beneficial for the Turkey ecosystem to increase the number of enterprises with physical products.

## Revenue Model



Figure11. Revenue model distribution of startups funded in 2021-H1

When the income models of the startups are examined, it is seen that the number of startups that sell products directly and those that work with commission is slightly higher than the number of startups that work with the subscription model. In 2020, the ratio of income models was similar too. 'other' revenue models include in-app purchases, advertising, pay-as-you-go and startups that have not yet shared their revenue model.

# Co-founders

31% of the startups that funded in the first half of the year have a single founder while 45% have 2 co-founders. The rate of startups with 3 or more co-founders is 24. In 2020, the proportion of startups with a single founder, 2 co-founders and 3 or more co-founders was the same at 33%. This year, there is an 11-point decrease in investments to the startups with 3 or more co-founders.

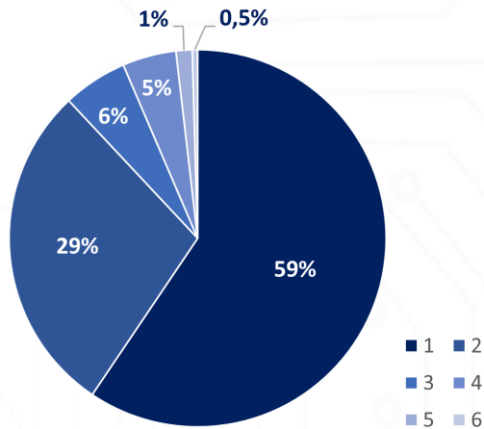


Figure13. Past startup experience of co-founders of startup that funded in 2021-H1

The previous entrepreneurial experiences of the co-founders can be found in the figure above. The rate of entrepreneurs who have established at least 2 or more ventures before is 41%. This ratio leads us to the conclusion that a person with previous founding experience has a plus point while looking for investment.

Figure12. Number of co-founders of startups funded in 2021-H1

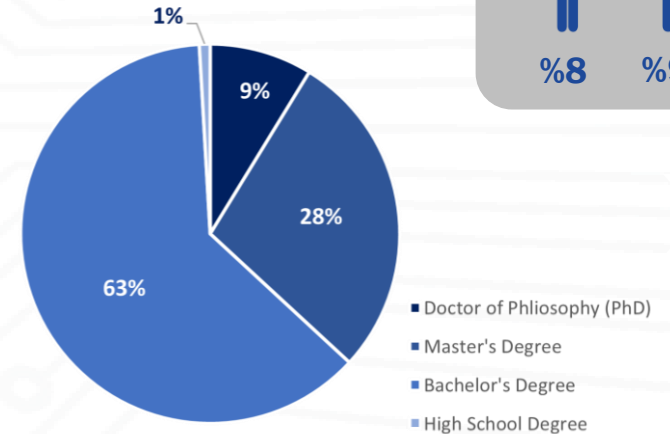
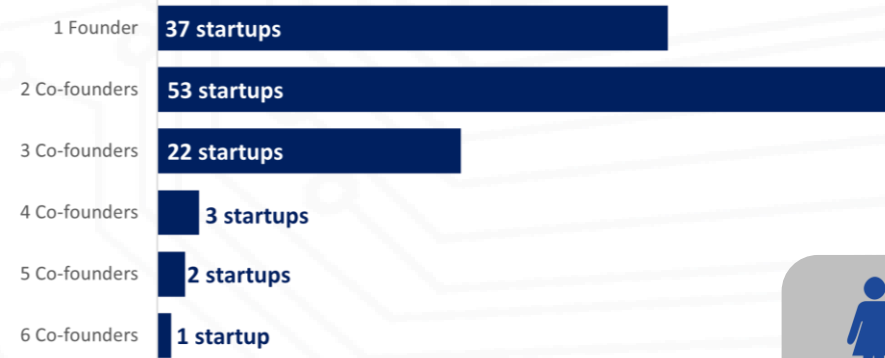


Figure14. Education level of co-founders of startups that funded in 2021-H1

The educational status of the co-founders is given in the graphic above. 8% of the co-founders continue their education life and these co-founders are included in the level of the educational institution they are in.

# Secondary Transactions & Exits



**Mowico**

**Amount:** \$1.600.000

**Acquired by:** TMOB



**Banamama.co**

**Amount:** ~\$715.000

**Acquired by:** Tash Brothers



**Birleşik Ödeme**

**Amount:** - (%70)

**Acquired by:** OYAK Portföy Girişim  
Sermayesi



**Clay**

**Amount:** -

**Acquired by:** Plexagon



**Teknofix**

**Amount:** -

**Acquired by:** Webhelp



**Wirecard Türkiye**

**Amount:** -

**Acquired by:** Finch Capital

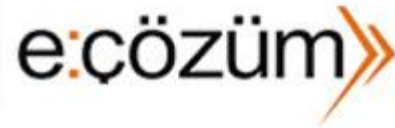
# Secondary Transactions & Exits



**Startups.watch**

**Amount:** \$50.000 (%6,6)

**Acquired by:** 212



**e:çözüm**

**Valuation:** ~\$25M  
(Acquisition)

**Acquired by:** Param



**PayCore**

**Amount:** \$50M  
(Acquisition)

**Acquired by:** Mediterra Capital



**Uncosoft**

**Amount:** -

**Acquired by:** Rollic Games



**Momento**

**Amount:** - (Partnership)

**Acquired by:** Param

# Turkish Diaspora

**18**  
startup

Total funding:

**\$481M**

USA: 9 startups  
UK: 4 startups  
Canada: 2 startups  
Switzerland: 1 startup  
Estonia: 1 startup  
Germany: 1 startup



**Gorillas**

**Amount:** \$290.000.000

**Investors:** Tencent, Coatue, DST  
Global, Atlantic Food Labs, +3



**BillionToOne**

**BillionToOne**

**Amount:** \$55.000.000

**Investors:** Hummingbird Ventures, Four  
Rivers Group, Neotribe Ventures,  
Norwest Venture Partners +2



**Tripledote Studios**

**Amount:** \$78.000.000

**Investors:** Eldridge, Access  
Industries, Lightspeed Venture  
Partners



**Striim**

**Amount:** \$50.000.000

**Investors:** Goldman Sachs Growth,  
Summit Partners, Atlantic Bridge, +2



# Conclusion

Turkey startup ecosystem has made great progress in the first half of 2021. In the year since Peak Games was sold as a unicorn in June 2020, 3 more unicorns have emerged from the Turkey ecosystem. Although 90% of the total investment which has the amount of \$704M received in this half of year belongs to two startups. When the investments are analyzed on a quarterly basis, it is possible to see that the investments are more homogeneously distributed in each quarter.

In spite of there are many efforts to increase the number of women entrepreneurs, the number of women entrepreneurs among the founding partners of startups that received investment in the last six months remained low compared to previous years. One of the main factors for this decrease in the rate is the low number of female founding partners in the gaming industry.

It is observed that more than half of the investments are taking place below 1M dollars. The main reasons behind that are the economic situation of the country and the exchange rate pressure. However, Turkey Startup Ecosystem has turned this situation into an opportunity. Moreover, that situation making easier for startups to attract foreign investors as they move forward by increasing the quality of newly established or early stage startups. Bringing together qualified startups and foreign investors not only increases the appetite of foreign investors in Turkey, but also contributes to the inclusion of these startups in the ecosystem as investors. If the ecosystem focuses more on increasing the quality of startups, it is possible to say that investments will increase proportionally in the coming years

Turkey Startup ecosystem has a very good opportunity. If the ecosystem, which attracts attention both in the national and international arena continues to take the right steps in the coming years it will quickly catch up with the developed ecosystems in every field. Moreover, if the ecosystem continues its performance in the past year, it can push the amount of investment of \$2B in 2022.

# StartupCentrum

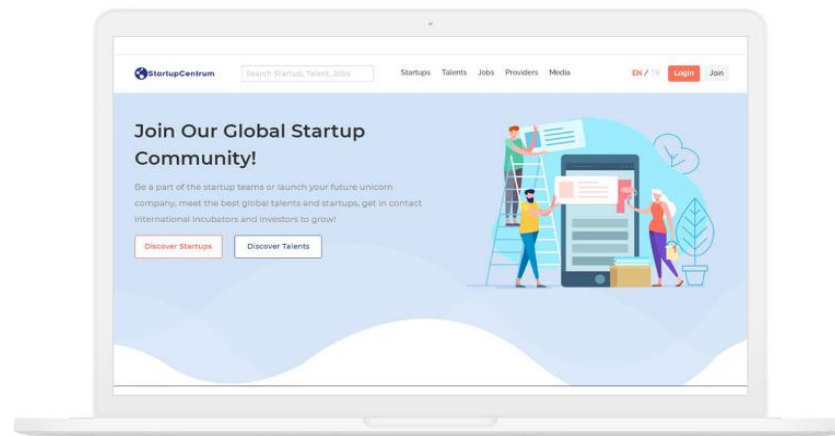
## StartupCentrum;

is a digital platform where you can easily reach technology companies both globally and in your country, have the opportunity to work in the companies of the future, if you have a startup, find international and local talents, and communicate with Incubation centers and investors.

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