



# **Q3 – 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** are not included in the investment data.
- Only the data of **Unicorn 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.
- 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.

# Data & Methodology

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

- 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.
- Last date of data included: September 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.



# 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, Q3-2021 Turkey Startup Ecosystem Investments Report, you can find information from industries to funding stages of funded startups. Also, headquarter of startups and investors. In order to support technology and innovation in all areas of life, we also included the works of artists such as Refik Anadol and Kirell Benzi who transform data into art in our report.

Turkey's startup ecosystem has been growing rapidly since mid-2020. Mega investments (\$100M+) and exits came one after the other in the approximately 1-year period from the summer of 2020 to the summer of 2021. When we came to the third quarter of 2021, we did not see transactions close to these amounts, but the impact of these investments on the ecosystem is much better understood in this quarter. Let's examine the effects of mega investments on the ecosystem in detail in our report.

StartupCentrum



# \$109M

Q3-2021 Total Amount of  
Fundings\*

(46 out of 80 rounds announced  
the amount of funding they  
received.)

# 80

Q3-2021 Total Number  
of Funded Startups

(76 startups funded in 80 funding  
rounds)

# \$2.4M

Average amount per  
startup\*

# %12.7

Rate of Increase in the Number  
of Investments Compared to the  
Previous Quarter

\*Only disclosed investment amounts are taken into account.

Artwork Machine Memoirs : Space –  
Refik Anadol



# Summary

**\$3,252M**

Total investment amount in 2021,  
including mature stage companies and  
unicorns\*

**224**

Total number of investments in 2021,  
including mature stage companies and  
unicorns\*

**\$825.3M**

Total investment amount in 2021  
excluding mature stage companies and  
unicorns\*

**220**

Total number of investments in 2021,  
excluding mature stage companies  
and unicorns\*

\*Mature stage companies and unicorns: Getir, Trendyol, BluTV, Vektora

# Most Funded Startups



Colendi is comprehensive decentralized credit scoring protocol and microcredit platform with blockchain and machine learning Technologies.

**Amount:** \$30 M

**Post-Money Valuation:**  
\$150M



Akinon is a Cloud-based omnichannel commerce platform, a next-generation application.

**Amount:** \$20 M

**Post-Money Valuation:** -



Intenseye is an AI-Powered Workplace Safety Platform.

**Amount:** \$25 M

**Post-Money Valuation:**  
\$ ~\$1,875 M



Tarabios is developing a mobile device to monitor blood clot times (PT / INR) for Warfarin Therapy patients.

**Amount:** \$3.5 M

**Post-Money Valuation:** -



# Most Funded Startups



Fazla Gıda is a technology solutions company that prevents food waste.

**Amount:** \$3 M

**Post-Money Valuation:** -



AloTech is the 1st and only Cloud Call Center in the world running on Google.

**Amount:** \$3 M

**Post-Money Valuation:** -



TikTak is an online app that provides rental car services throughout Istanbul.

**Amount:** \$3 M

**Post-Money Valuation:** -



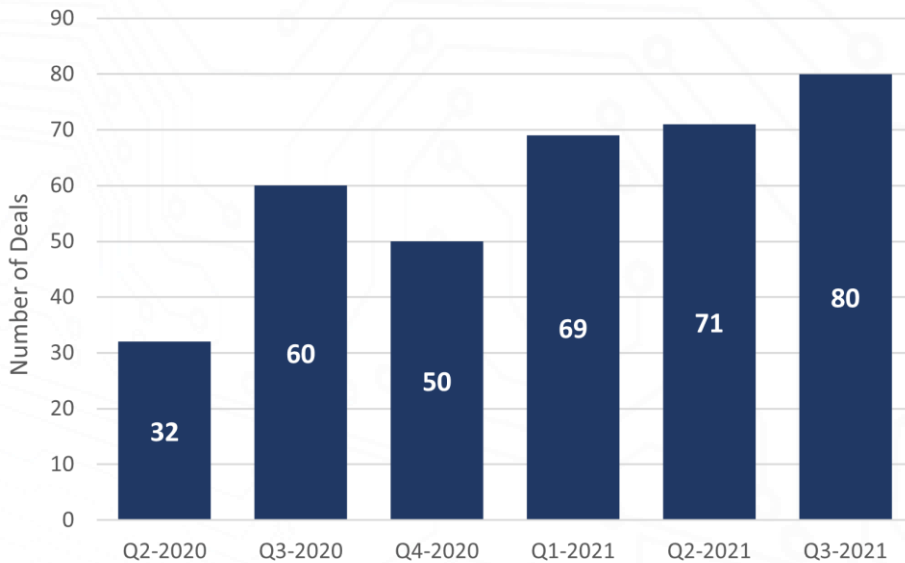
Büyütech is an R&D company specializes in developing products and solutions in the fields of camera design, production & image processing.

**Amount:** ~\$2.9 M

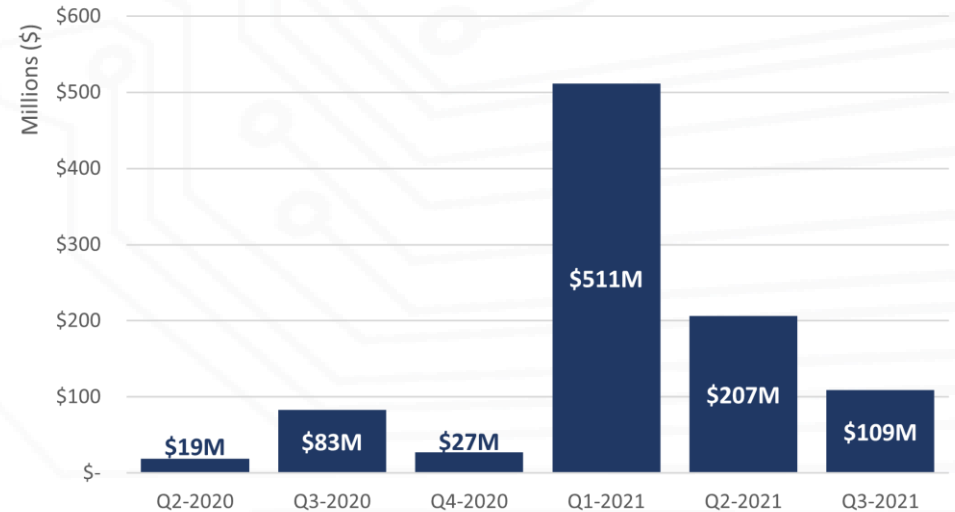
**Post-Money Valuation:** -

# Quarter Analysis

A total of \$109M was invested in the Q3-2021. There is a decrease in investments by almost half compared to the previous quarter, but this decrease is mainly due to the \$155M investment that Dream Games received in Q2-2021. Considering that no investment of more than \$100M was made in the third quarter, it can be said that there was an increase in the total amount of investment compared to the previous quarter. While the amount of investment made this quarter reached \$109M, about 70% of that amount comes from three investment rounds: Colendi (\$30M), Intenseye (\$25M) and Akinon (\$20M).



Grafik2. Number of investments by quarter

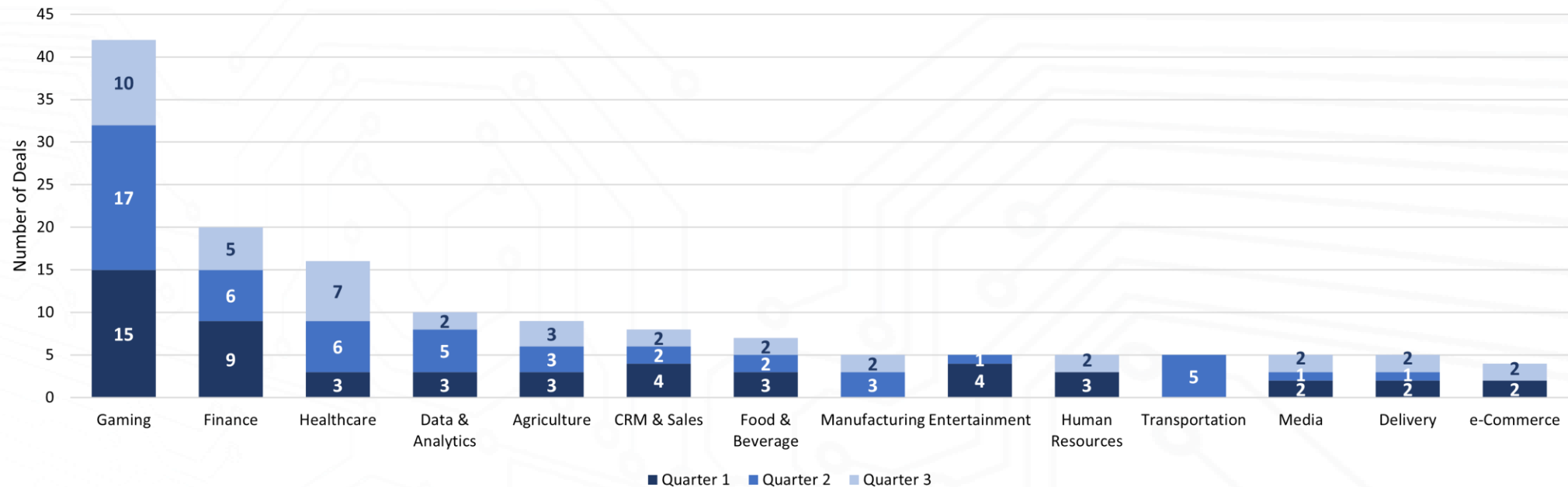


Grafik1. Quarterly distribution of investment amount

In addition to the increase in the total amount of investments in the third quarter, excluding the \$100M+ investment rounds, the increase in the number of investments in this quarter is proof that the third quarter was more successful than the previous quarter in terms of investments. With 80 investments in the last quarter, a total of 220 investments were made in the first 9 months of the year. With the investments received by Getir in the first quarter of 2021, the total investment amount for 2020 was exceeded. In this quarter, the record number of investments in 2020 was exceeded, too. 166 investments made in 2020 were exceeded in August in the light of the data we have.

# Industries

The gaming industry, which attracts attention in the summer of 2020 in Turkey, continues to grow without slowing down. Gaming startups, which received 10 more investments in this quarter, became the industry that received the most investment with a total of 42 investments. So much so that in the first 9 months of 2021, at least 1 game startup was invested every week. After the gaming industry, finance is the second most invested industry with 20 investments. The financial industry was followed by the healthcare industry with 16 startups. Since the finance and healthcare industries are very comprehensive industries, there are many startups. This causes the number of investments to be high. While the presence of a large number of startups increases competition, being dependent on government regulations in both industries may prevent the growth of the industries. This is actually seen as a reason why, despite the fact that the finance and healthcare industries have been the top invested industries for the past 2 years, a Unicorn startup has not yet emerged from these fields in Turkey.



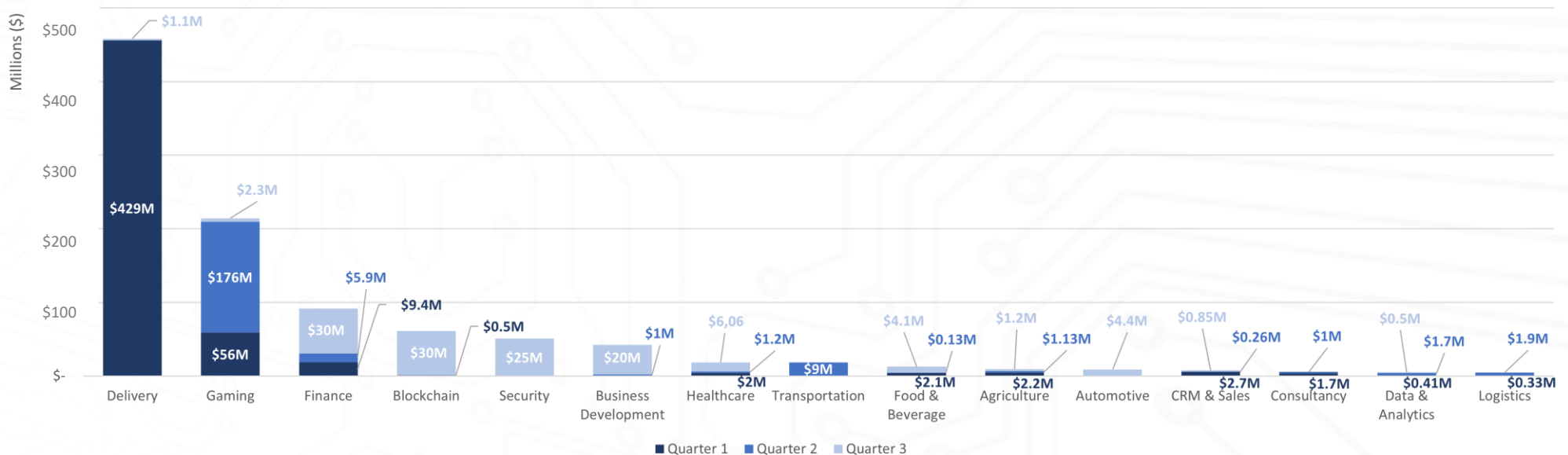
Graph3. Industry distribution of startups that have received investments YTD (number)

\*Startups in more than one industry are counted in each industry.



# Industries

The industry that has received the most investment so far in 2021 is the delivery industry, with a total of 428M\$(128M\$, 300M\$) received by Getir in the first quarter. In the gaming industry, which received a total investment of 238M \$, 2.3M \$ was invested in 10 startups in the last quarter. It was followed by the finance industry with a total of \$45.3M. Although the amount of investment seems low in the table, there are industries that attract attention by receiving investments in every quarter. Startups working in the food & beverage, agriculture, CRM & sales, and data & analytics industries received investment each quarter of 2021. This is an indication that these industries are developing. Although the startups in these industries found less funding in 2021, the fact that they receive investments in every quarter shows that there is some activity in these areas and that experience is increasing. Investments in these industries may increase rapidly after a few transactions with large amounts like a butterfly waiting in a cocoon. Just like the game industry met with incredible interest after the sale of Peak Games for \$1.6 Billion.



Graphic4. Industry distribution of startups that have received investment YTD (\$M)

\*Startups in more than one industry are counted in each industry.

# Cities



## Istanbul

51 Startups

\$42M



## Ankara

8 Startups

\$4.2M



## Izmir

2 Startups

\$420.000



## Bursa

1 Startup

Amount not disclosed



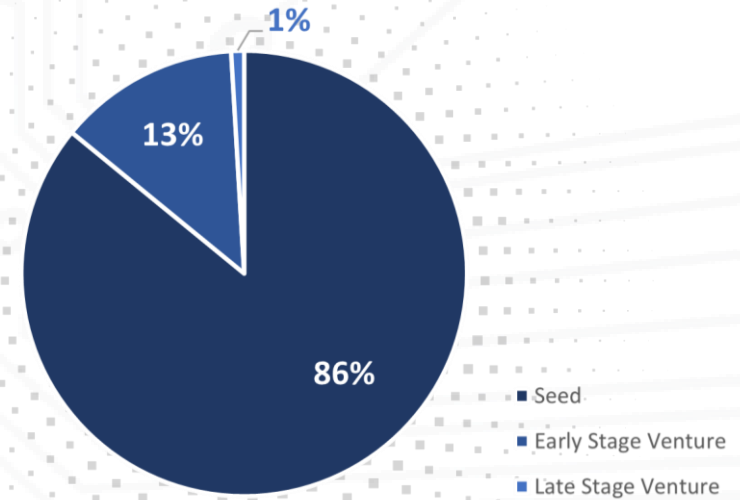
## Kocaeli

1 Startup

Amount not disclosed

# Funding Stages

86% of the investments made in the first 9 months of the year consist of seed/angel investments. In the first half of the year, this rate was 81%, but as 91% of the investments made in the third quarter were seed/angel stage investments, there was an increase in the average for the year. It is seen that the investment stages are distributed as 60% seed, 30% early-stage, 10% late-stage investments in the startup ecosystems of countries such as UK and Germany\*. This distribution actually provides a perspective on the adequacy of investments in the ecosystem. Although the number of investments made at the seed stage is sufficient in Turkey, early-stage and late-stage investments definitely need to increase.



Graphic5. Funding stage distribution of startups receiving investment in 2021-YTD

## Seed

**\$114.1M**

**\$2.5 M**  
per startup

**No. of seed  
investments in the H1**

**114**

**No. of seed  
investments in the Q3**

**70**

## Early Stage

**\$279.2M**

**\$18.7 M**  
per startup

**No. Of early-stage  
investments in the H1**

**21**

**No. of early-stage  
investments in the Q3**

**7**

## Late Stage

**\$428M**

**\$93.2 M**  
per startup

**No. of late-stage  
investments in the H1**

**2**

**No. of early-stage  
investments in the Q3**

**-**

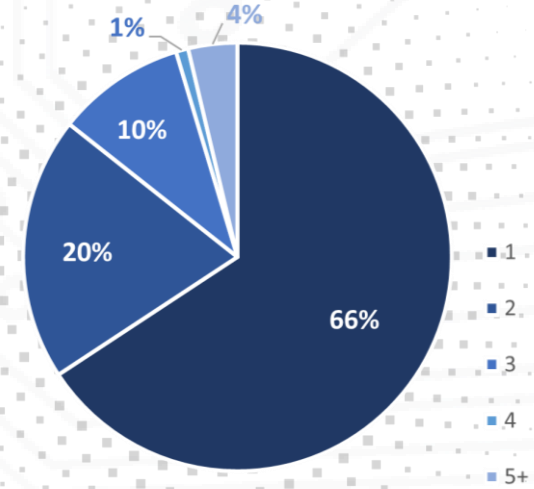
\*Source: StartupCentrum H1-2021 UK Startup Ecosystem Investment Report, StartupCentrum H1-2021 Semester Germany Startup Ecosystem Investment Report

\*\*Only rounds whose stages are announced are included. The investment stage was taken as announced in the round.



# Investment Rounds

It is seen that on the graph the rate of startups that closed their first investment in 2021-YTD is 66%. The average investment amount received by the startups that closed the first investment round is \$69,700. While 20% of the investments in the 2021-YTD were made to the startups that received their second investment, it is seen that an average of \$131,700 was invested here. When the investments are divided by the amount ranges, it is seen that 78.5% of the investments are realized under 1M \$. While the rate of investments made under \$1M in the UK in the first half of the year was 27% and 18.7% in Germany\*. The main reasons for such a difference in investment amounts are the exchange rate pressure in Turkey, the awareness and reliability of the startups, and the number of investors.



Grafik6. 2021-Yıl başından beri yatırım alan girişimlerin kapattığı yatırım turu dağılımı

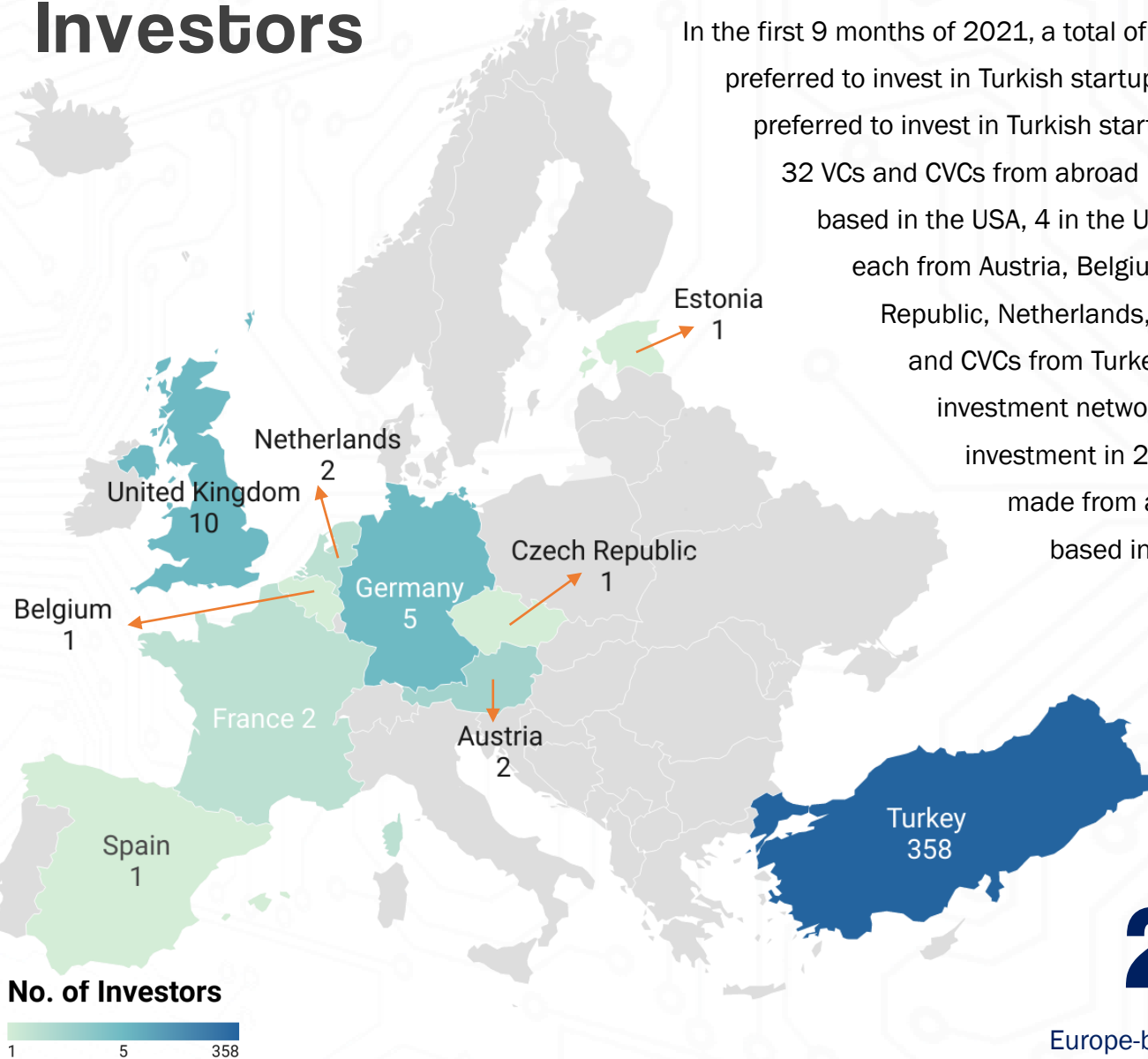
Range	No. of Deals	Total Deal Amount	Average Amount
<b>\$10.000 - \$100.000:</b>	56 (%33.3)	\$3.5 M (%0.4)	\$0.06 M
<b>\$100.001 - \$1M:</b>	76 (%45.2)	\$33.4 M (%4)	\$0.44 M
<b>\$1M - \$10M:</b>	29 (17.2)	\$82.1 M (%10)	\$2.8 M
<b>\$10M - \$50M:</b>	4 (%2.4)	\$125 M (%15.1)	\$31.5 M
<b>\$50M - \$100M:</b>	- (% -)	- (% -)	-
<b>\$100M-\$250M:</b>	2 (%1.2)	\$283 M (%34.2)	\$141.5 M
<b>\$250M+</b>	1 (%0.6)	\$300 M (%36.2)	\$300 M

\*Source: StartupCentrum H1-2021 UK Startup Ecosystem Investment Report, StartupCentrum H1-2021 Germany Startup Ecosystem Investment Report

\*\*Only 168 rounds with the investment amount disclosed are included.

# Investors

In the first 9 months of 2021, a total of 419 investors, 61 of whom were from abroad, preferred to invest in Turkish startups. The number of Individual Investors who preferred to invest in Turkish startups reached 271. 259 are from Turkey. While 32 VCs and CVCs from abroad participate in investments, 16 of them are based in the USA, 4 in the UK, 3 in Germany, 2 in Hong Kong, while 1 VC each from Austria, Belgium, United Arab Emirates, Brazil, Czech Republic, Netherlands, and Canada participated. A total of 48 VCs and CVCs from Turkey participated in the investments. 8 angel investment networks, all based in Turkey, made at least one investment in 2021. In addition, at least one investment was made from a total of 9 accelerator funds, 4 of which were based in Turkey.



Total:

419

Investors\*

25

Europe-based Investors

25

US-based Investors

\*Investor types included: VC, CVC, Private Equity, Angel Network, Acceleration Program, Corporations and Individual Investors

\*\*Map was prepared with Datawrapper.

# Startups

## Client Focus



Grafik7. 2021-3.Ç yatırım alan girişimlerin müşteri odağı dağılımı

In the first half of the year, we saw that Consumer (B2C) oriented startups accounted for 48% of all investments and received more investment than Business (B2B) oriented startups. However, in the last quarter, the situation has changed a bit and business-oriented startups have received more investment in units. When the revenue models of B2B-oriented startups are examined, it is seen that the majority of them prefer subscription and direct product sales, while the majority of B2C-focused startups prefer commission, in-app purchases and advertising revenue models.

## Revenue Model



Grafik8. 2021-3.Ç yatırım alan girişimlerin kuruluş tarihi dağılımı

When the income models of the startups that received investment in the last quarter are examined, it is seen that direct product sales are the most preferred model. 16 of the 21 startups that generate income through Product Sales are B2B focused. Of the 18 startups that prefer the subscription model, 14 provide B2B-oriented services. Of the 15 startups that generate income with the commission model, 9 are B2C, 3 are B2B & B2C and 3 are B2B focused.



# Startups

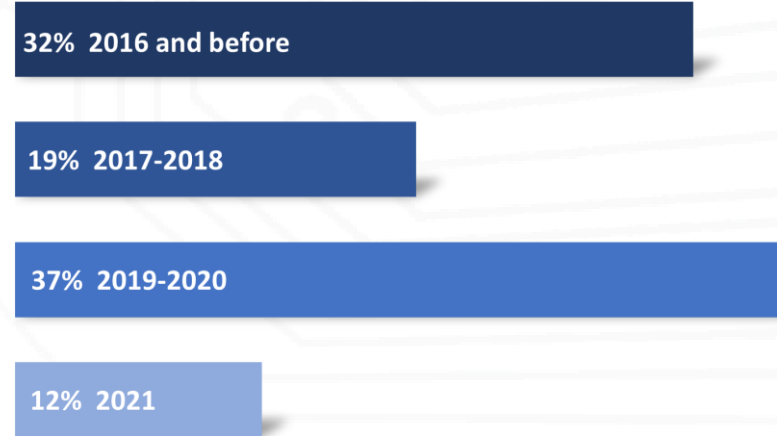
## Product Type



Grafik9. 2021-3.Ç yatırım alan girişimlerin müşteri odağı dağılımı

80.8% of startups that received investment in the last quarter offer services or software products. In the first half of the year, this rate was 86%. While the rate of startups producing physical products remained at 9.6%, this rate was almost the same in the first half of the year. The increase in this quarter compared to the first half of the year was the startups offering Services/Software and Physical Products. Some of these initiatives include Bren, Büyütech, Tridi, Rise X and GlaucoT.

## Founded Date



Grafik10. 2021-3.Ç yatırım alan girişimlerin kuruluş tarihi dağılımı

While the average age of startups that received investment in this quarter was 4.3, the rate of startups older than 5 years was

# 4.3

Yatırım alan girişimlerin  
ortalama yaşı

32%. In addition, the rate of startups that received investment in the year they were founded is 12%. Although the rate of startups older than 5 years is relatively high at 32% in the ecosystem where seed stage investments are high, it is pleasing that more than 10% of the startups that received investment in the year they were founded.

# Co-founders

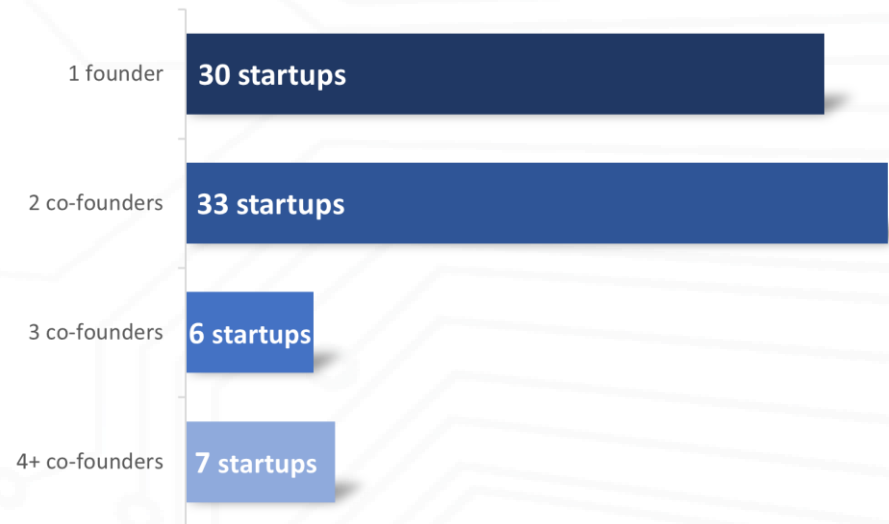
Last quarter, 76 startups had a total of 142 founders, 18 are female, while 124 are male entrepreneurs. 18.4% of 76 startups, that is, 14 startups have at least 1 female entrepreneur. This rate shows that there is at least 1 female entrepreneur in almost every 5 startups that received investment in this quarter. In addition to the gender distribution of the co-founders, startups with 2 co-founders in the Turkish startup ecosystem, as in previous quarters, received more investment in this quarter. Then comes startups with a single founder.



**%13**



**%87**



Graphic12. Distribution of the number of co-founders of the startups that received investments in Q3-2021

Graphic11. Gender distribution of the co-founders that received investments in Q3-2021

# Secondary Transactions & Exits



**Hepsiburada**

**Amount:** \$738M

**IPO**



**Biletall**

**Amount:** - (Acquisition)

**Acquirer:** Obilet.com



**Forgerhero**

**(& its subsidiary ByteTyper)**

**Amount:** - (Acquisition)

**Acquirer:** Rollic



**Connect Ads**

**(Gen Art Media)**

**Amount:** - (%86)

**Acquirer:** Aleph Holding



**LOKI**

**Amount:** -

**Acquirer:** Tuğrul Tekbulut (All shares of former investors were bought.)



**Supplementler.com &  
Vitamin.com**

**(Dikey Vitamin )**

**Amount:** ~36M \$ (%30)

**Acquirer:** Nestlé Global



**Palm**

**Amount:** \$5 M

**Acquirer:** Fenix



# Secondary Transactions & Exits



**Marketyo**

**Amount:** - (Acquisition)

**Acquirer:** Yemeksepeti



**Ruby Games**

**Amount:** \$10 M (%20)

**Acquirer:** Rovio



**Moov**

**Amount:** ~\$16 M (%75)

**Acquirer:** Getir



**n11**

**Amount:** - (Strategic Investment)

**Acquirer:** Getir



**Git Kargo**

**Amount:** - (Acquisition)

**Acquirer:** Kargoist



**Udentity**

**Amount:** - (%70)

**Acquirer:** Netcad



**Maçolik**

**(DAZN Türkiye)**

**Amount:** - (Acquisition)

**Acquirer:** İstanbul Portföy



**Sahadan**

**(DAZN Türkiye)**

**Amount:** - (Acquisition)

**Acquirer:** İstanbul Portföy

# Turkish Diaspora



## Tiko

**Headquarter:** İspanya

**Amount:** \$65 M

**Investors:** Btov, Rocket Internet, Joel Ayala, Noa Khamallah



## Carbon Health

**Headquarter:** ABD

**Amount:** \$350 M

**Investors:** Horizon, Atreides, Homebrew, Hudson Bay Capital, Intersect Capital, Fifth Wall, Lux Capital, Silver Lake Waterman, BlackRock, Dragoneer Investment Group, Brookfield Technology Partners, bireysel yatırımcılar



## Plentific

**Headquarter:** Birleşik Krallık

**Amount:** \$100 M

**Investors:** Mubadala Investment Company, RXR Digital Ventures, Highland Europe, Brookfield Technology Partners



## Elopage

**Headquarter:** Almanya

**Amount:** \$38 M

**Investors:** Target Global, Partech, Avid Ventures



integrated finance.

## Integrated Finance

**Headquarter:** Birleşik Krallık

**Amount:** ~\$2.7 M

**Investors:** Octopus Ventures, 500 İstanbul, Superseed Ventures

# Conclusion

The Turkish startup ecosystem continued its growth momentum in the third quarter of 2021, since mid-2020. Although we did not see mega investments (\$100M+) in this quarter, it seems the ecosystem has started to solve the problem of the low number of early-stage investments, which can be considered as one of the shortcomings of the ecosystem, with investments in the range of 20M - 30M \$.

In the first 9 months of the year, investments in data & analytics, CRM & sales, food & beverage and agriculture industries will increase further in the coming years, as well as the gaming, finance and health industries receiving the most investment for a while. Perhaps in a few years we will see mega investments in these areas.

Turkey, which has attracted the attention of foreign investors in recent years thanks to high number of exits, investments and valuations, seems to have higher valued startups and investment rounds with the support of foreign investors in the coming years. Apart from the investors coming from abroad, it is possible to see that investors from Central Anatolia, Aegean and Mediterranean regions are also included in the ecosystem.

In the last quarter of 2021, the majority of the startups that received investment are located in Istanbul and its surroundings, but a feverish work continues in Anatolia to inform investors and entrepreneurs about the ecosystem. With the cooperation of investors, incubators and accelerators outside of Istanbul, we have started to hear more startups from Anatolia. This actually means more stakeholders involved in the ecosystem and an ecosystem that will grow much faster in the coming years.



# StartupCentrum

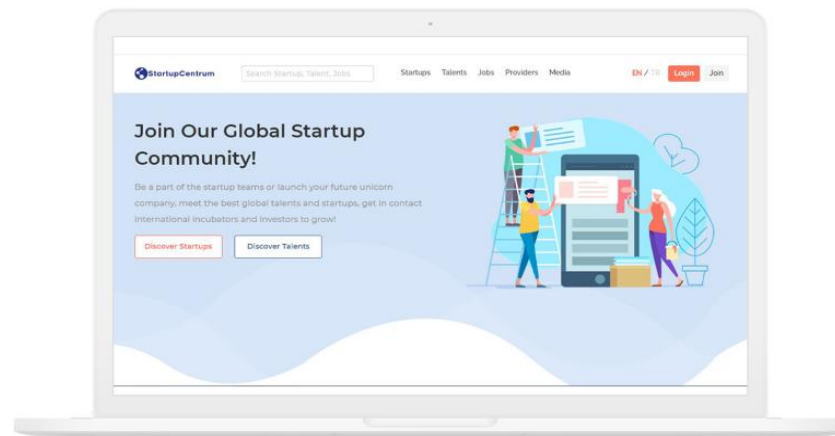
## StartupCentrum;

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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