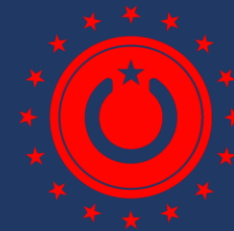




Türkiye

Destination for Early Stage Investments



PRESIDENCY OF
THE REPUBLIC OF TÜRKİYE
**INVESTMENT
OFFICE**

January 2023

What makes Türkiye an attractive country for early stage investments?

- A supportive ecosystem
- Investments and successful exits
- New investment opportunities

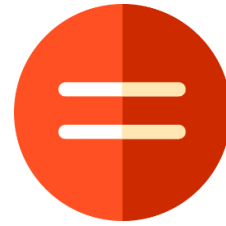
Supportive Ecosystem

Foreign Direct Investment Law

Law No: 4875
June 5, 2003



International investors are free to make foreign direct investments in Türkiye



International investors are subject to equal treatment with local investors



Foreign direct investments cannot be expropriated or nationalized



International investors may freely transfer abroad; net profits, dividends etc.



Acquisition of real estate



International investors can apply either to the authorized local courts, or to national or international arbitration



Employment of expats

Ongoing Reform Process in Türkiye



TÜBİTAK

Tübitak 1514 Tech-InvesTR
"Venture Capital Funding
Program" V.1

Tax Incentive
Program for
Angel
Investors

Crowdfunding
legislation
was passed

The Law on
Supporting
R&D
Activities
updated

Tübitak 1514 Tech-
InvesTR "Venture
Capital Funding
Program" V2



**KALKINMA
YATIRIM
BANKASI**

Techno-
Investment
Fund
established
by
Development
Investment
Bank of
Türkiye

Istanbul
Finance
Center Law



Establishment
of the Türkiye
Wealth Fund

Growth and
Innovation
Fund
established by
Development
Investment
Bank of Türkiye
(TGIF)

300 \$M
Tech Fund
by
Türkiye
Wealth Fund

Law on
Industrial
Property
Rights went
into force
(L.No:6769)

Tax Incentive
Program for
Companies
investing in
VC Funds

Establishment
of Istanbul
Arbitration
Center

New
Obligations
Law
(L.No:6098)

New
Commercial
Law
(L.No:6102)

Introduction of
VC Funds by
the Capital
Markets Board

New Capital
Markets Law
(L.No:6362)

New
Investment
Incentive
Scheme

The Law on
Supporting
R&D
Activities
(L.No:5746)

First angel
investor network
"Metutech-Ban"

First fund of the
funds in Türkiye
"IVCI"



Establishment
of Invest in
Türkiye Agency
(L.No:5523)

New Labor Law
(L.No:4857)

Foreign Direct
Investment
Law (L.No:4875)

The Law on
Technology
Development
Zones
(L.No:4487)

The first
venture
capital
trust
offered to
the public



Establishment of
the Competition
Board
(L.No:4054)

Technology
Development
Foundation of
Türkiye

Issuance
of the first
mutual
fund



Establishment
of the Istanbul
Stock Exchange

Capital
Markets Law
(L.No:2499)



Establishment
of the Capital
Markets Board

January 24 Decisions in 1980
Türkiye switched to free market
economy. Liberalization process
of the Turkish economy through
structural reforms started.

1980 1981 1982 1985 1987 1991 1994 2000 2001 2003 2006 2007 2008 2009 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022

Turkish Startup Ecosystem in 2023

BUSINESS ANGEL NETWORKS (Accredited+Non-Accredited)



BUSINESS ANGELS

674
Accredited Business Angels
(including non-accrued as of Sep. 2023)

CROWDFUNDING (Equity)



CROWDFUNDING (Reward / Donation)



FI/DFI



SEED & EARLY STAGE INVESTORS (Reside in Turkey)



SEED & EARLY STAGE INVESTORS (Reside outside Turkey)



LATE & MATURITY STAGE INVESTORS (Reside in Turkey)



ACCELERATORS (With Investor Pitching Event)



PRE-INCUBATION & INCUBATION*



ACCELERATION & INNOVATION PLATFORMS



VENTURE BUILDER



LOCAL PLATFORMS



COMMUNITY CENTERS



LIVING LABS



MENTOR PLATFORMS



DEAL ROOMS & INVESTMENT PLATFORMS



TECHNOPARKS



NGOS & ORGANIZATIONS



GOVERNMENT



MEDIA



INVESTOR ANALYTICS

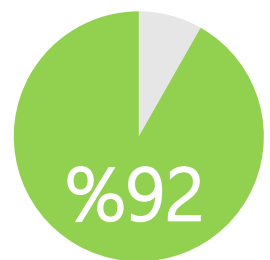


Large and young population with high tech penetration rates



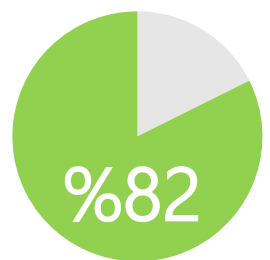
59.6 Million e-Government users

Cellular Mobile Connections



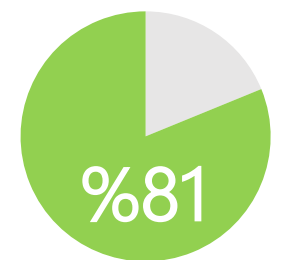
78 Million People

Internet Users



70 Million People

Active Social Media Users



69 Million People

Average Daily Time Spent Using the Internet

8h 00m

Average Daily Time Spent Using Social Media

2h 59m

Average Daily TV Viewing Time

3h 31m

Average Daily Time Spent Listening to Streaming Music

1h 46m



6th Largest User Base for INSTAGRAM



7th Largest User Base for TWITTER



14th Largest User Base for FACEBOOK



14th Largest User Base for LINKEDIN

One of the Largest Talent Pools in Europe and MENA Region

Number of graduates from universities during the 2020-2021 academic year in Türkiye

1,167,119

80,799

university graduates from
Engineering and Engineering Trades

25,905

university graduates from
Information and Communication Technologies (ICT)



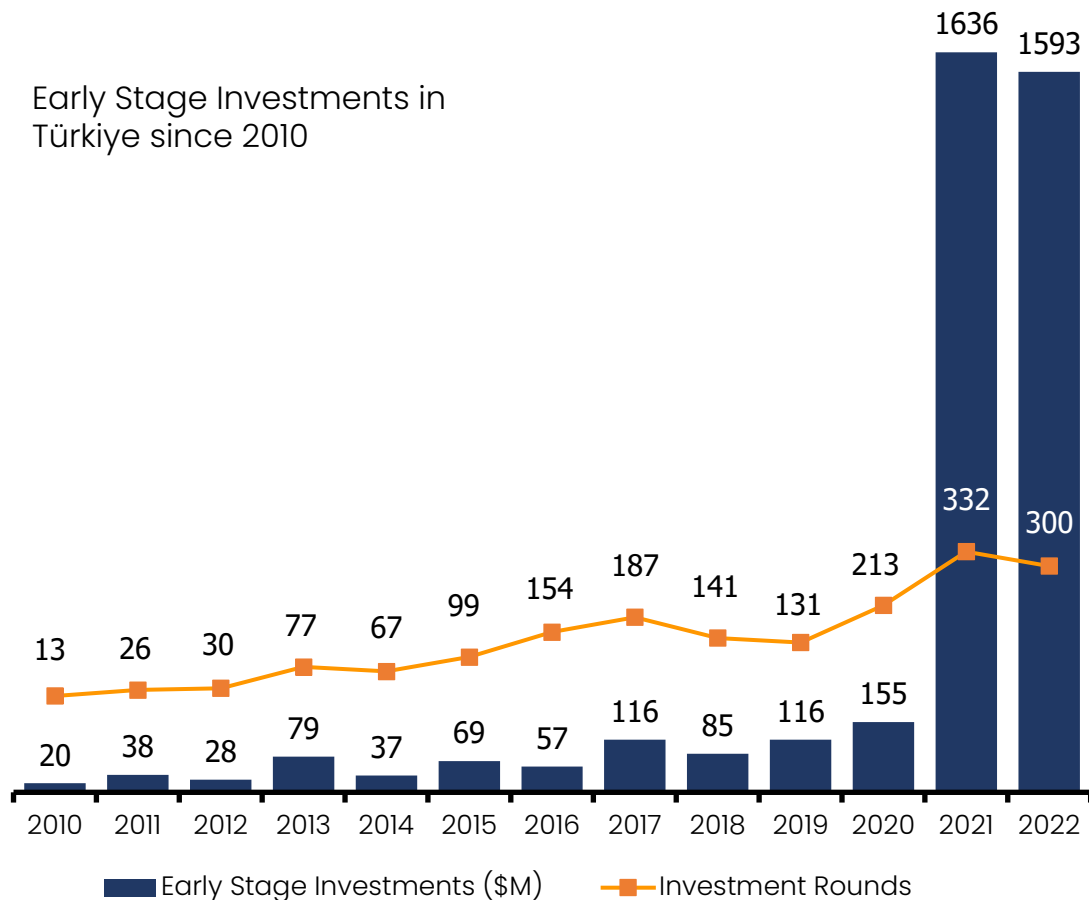
Investments and Successful Exits

Early Stage Investments in Türkiye since 2010

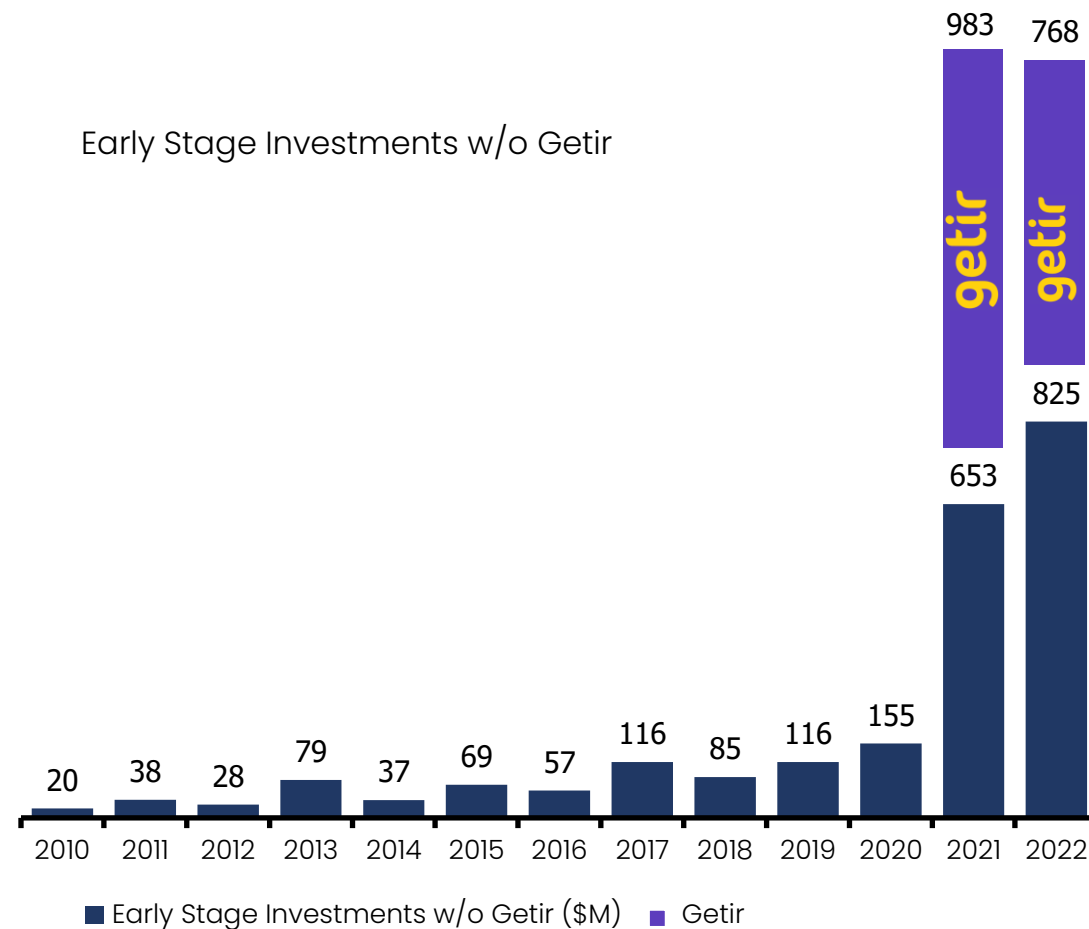
Early stage investments in Türkiye have shown a significant increase in the recent period. 2021 was a record year in Türkiye with an investment figure of 1 billion 636 million dollars. In 2022, early stage investments maintained almost the same level with 1 billion 593 million dollars, across 300 deals in seed, early and later VC stages.

Turkish grocery delivery platform Getir made a significant amount of contribution to the investment figures in Türkiye, in the last 2 years. When Getir deals were excluded, there is still a remarkable increase in numbers. Last year the all-time record was broken with 825 million dollars, up from 653 million dollars in 2021.

Early Stage Investments in Türkiye since 2010



Early Stage Investments w/o Getir














Europe Deals League in 2022

Champions League

1		United Kingdom	\$24.3B (1790)
2		France	\$11.7B (591)
3		Germany	\$11B (910)






Super League

4		Sweden	\$3.5B (205)
5		Switzerland	\$3.4B (325)
6		Spain	\$3.4B (356)
7		The Netherlands	\$2.3B (330)
8		Ireland	\$2.2B (132)
9		Italy	\$1.7B (155)
10		Türkiye	\$1.6B (300)
		Estonia	\$1.5B (100)
		Finland	\$1.3B (124)
		Belgium	\$1.2B (96)
		Norway	\$1.2B (84)
		Austria	\$1.1B (94)
		Denmark	\$1.1B (102)

1.League

	Croatia	\$694M (11)
	Czechia	\$435M (38)
	Poland	\$406M (103)
	Iceland	\$294M (31)
	Russian Fed.	\$291M (29)
	Lithuania	\$247M (35)
	Luxembourg	\$223M (25)
	Portugal	\$200M (48)
	Hungary	\$150M (20)
	Greece	\$134M (19)

2.League

	Romania	\$67M (30)
	Bulgaria	\$50M (19)
	Serbia	\$45M (3)
	Slovenia	\$43M (12)
	Ukraine	\$17M (16)




MENA Deals League in 2022

Champions League




1		Israel	\$8.3B (435)
2		United Arap E.	\$2.5B (157)
3		Türkiye	\$1.6B (300)

Super League

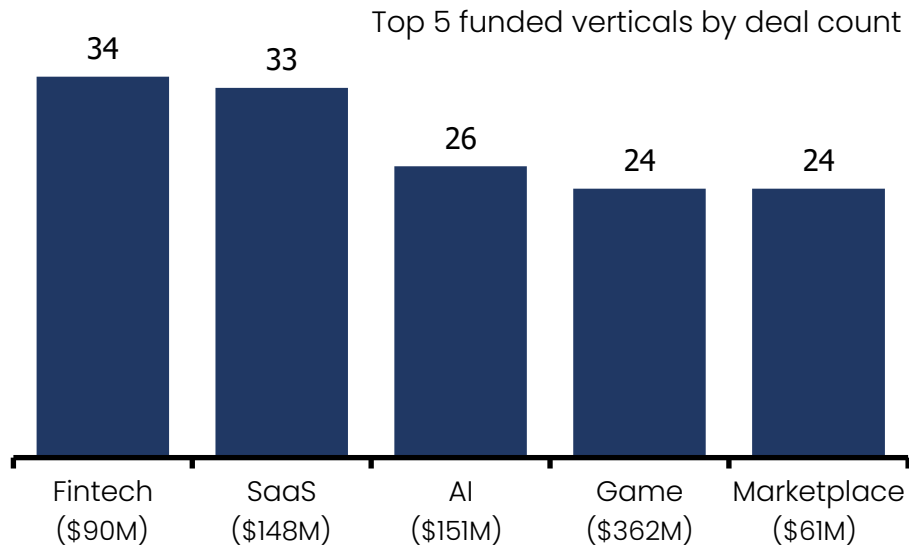
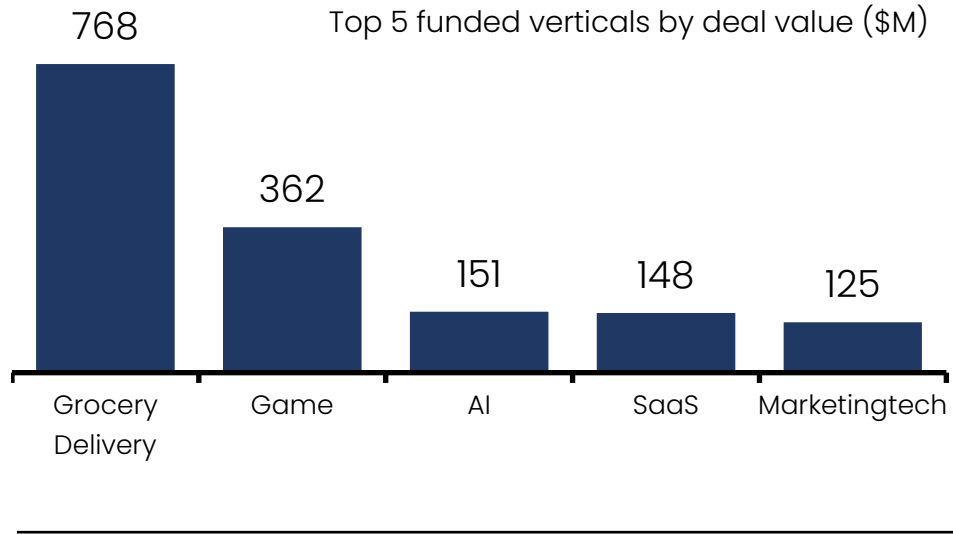
1.League

	Saudi Arabia	\$669M (70)
	Egypt	\$615M (132)
	Bahrain	\$136M (6)

2.League

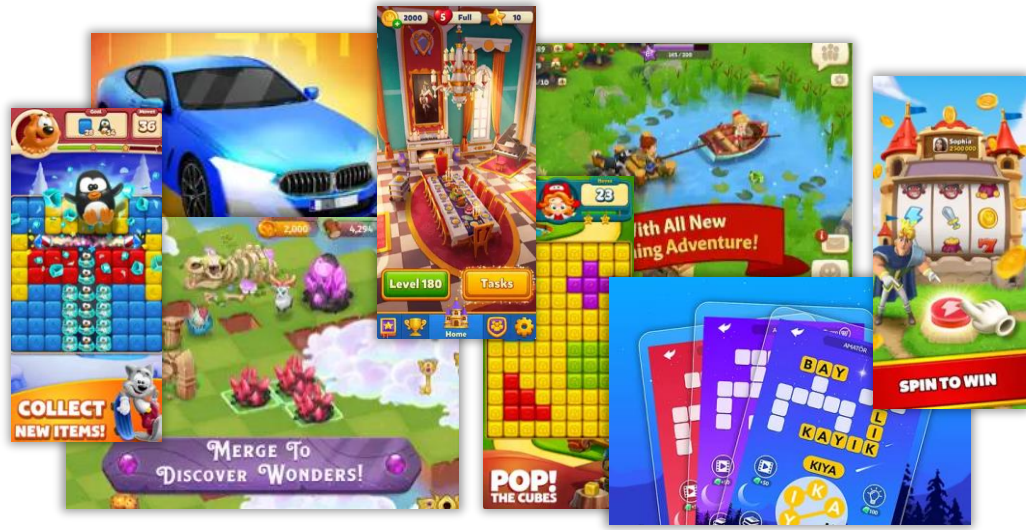
	Jordan	\$41M (17)
	Lebanon	\$26M (8)
	Georgia	\$15M (7)

Top funded verticals in Türkiye in 2022



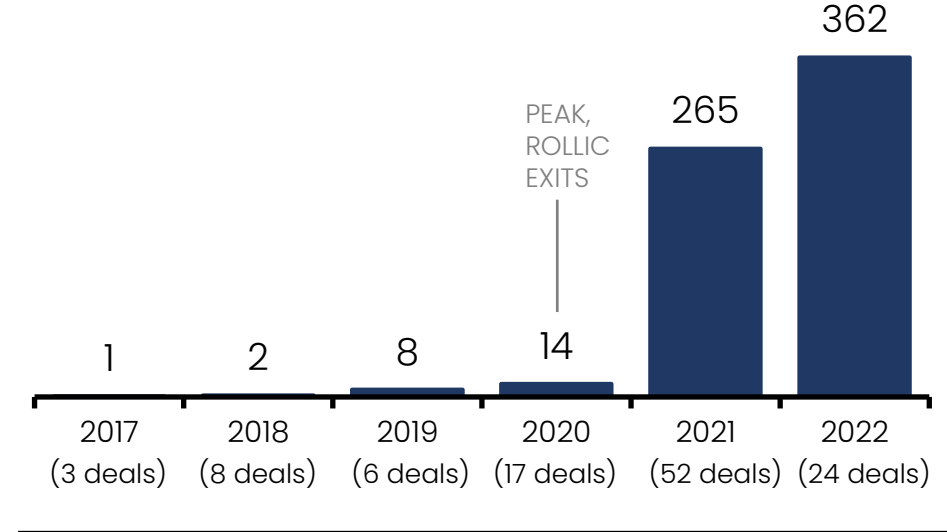
- In terms of deal size; grocery delivery, gaming, AI, SaaS and marketingtech were hot topics of 2022.
- In terms of deal count; fintech, SaaS, game, AI and marketplace were among the most funded verticals.
- Game and fintech verticals broke all-time records in their respective verticals in terms of investment amounts.
- Metaverse was the fastest growing vertical with 700% increase in deal count compared to the previous year.

Game Vertical

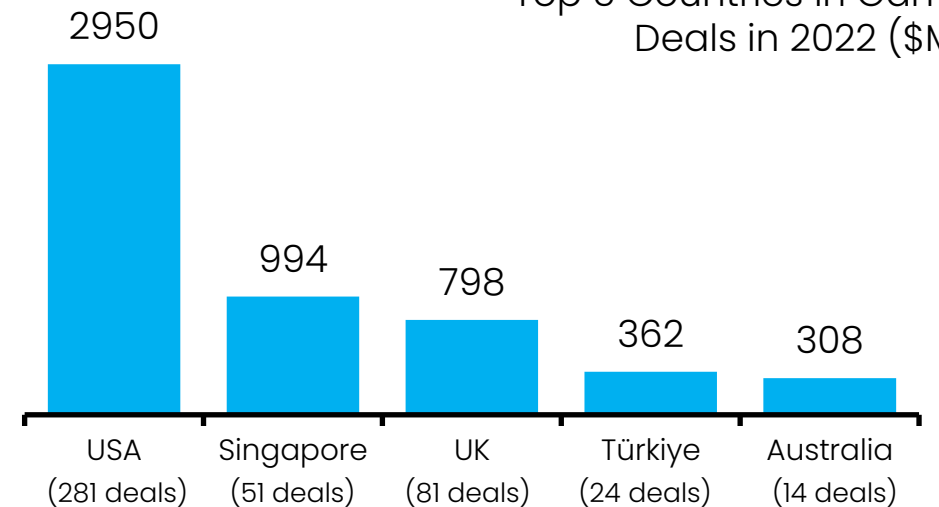


- After a record-breaking year, the game deals continued its upward trend with a new record of \$362 million in 2022.
- Dream Games and Spyke Games accounted for the majority of the gaming deals in 2022.
- In 2022, Türkiye was the fourth most invested country in the World in terms of investment in game startups.

Game deals by deal value (\$M)



Top 5 Countries in Game Deals in 2022 (\$M)



Istanbul, A Rising Star in Early Stage Investments

- For early stage investments Istanbul ranked 6th among all European cities in 2022.
- Specifically in game vertical, Istanbul came 2nd in Europe after London.

Angel & VC Deals in European Cities in 2022

#	City	Deal Size (\$)	Deal Count
1	London	18.5B	1,202
2	Paris	8.2B	354
3	Berlin	5.3B	350
4	Stockholm	2.6B	142
5	Munich	1.8B	122
6	Istanbul	1.5B	230

Game Deals in European Cities in 2022

#	City	Deal Size (\$)	Deal Count
1	London	705M	60
2	Istanbul	366M	21
3	Paris	154M	16
4	Helsinki	121M	9
5	Lisbon	92M	6

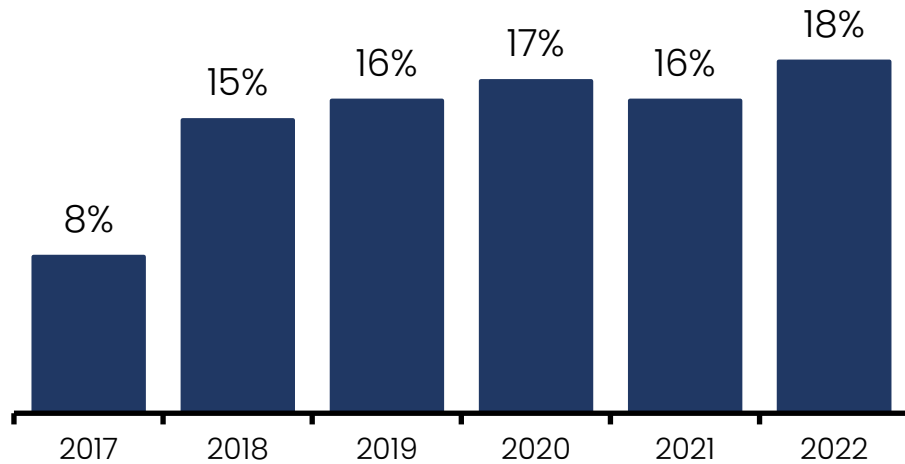
Istanbul ranks 10th in the “Rising Stars” category of Dealroom.co’s “The Next Generation of Tech Ecosystems” report, a listing that benchmarks 201 global tech ecosystems, based on startup success rates, investment, innovation and talent.



Foreign Investor Participation

In 2022, foreign investors participated in approximately 1 out of every 5 transactions.

Share of Deals with Foreign Investor Participation (Angel & VC Deals)



Accel, Balderton Capital, Ceecat Capital, EBRD, Hummingbird, Felix Capital, Goodwater Capital, Goldman Sachs, Index Ventures, Qatar Investment Authority, Sequoia Capital, Startup Wise Guys, Tiger Global, Wamda Capital are just some of the globally known foreign investors investing in Turkish startups in 2022.



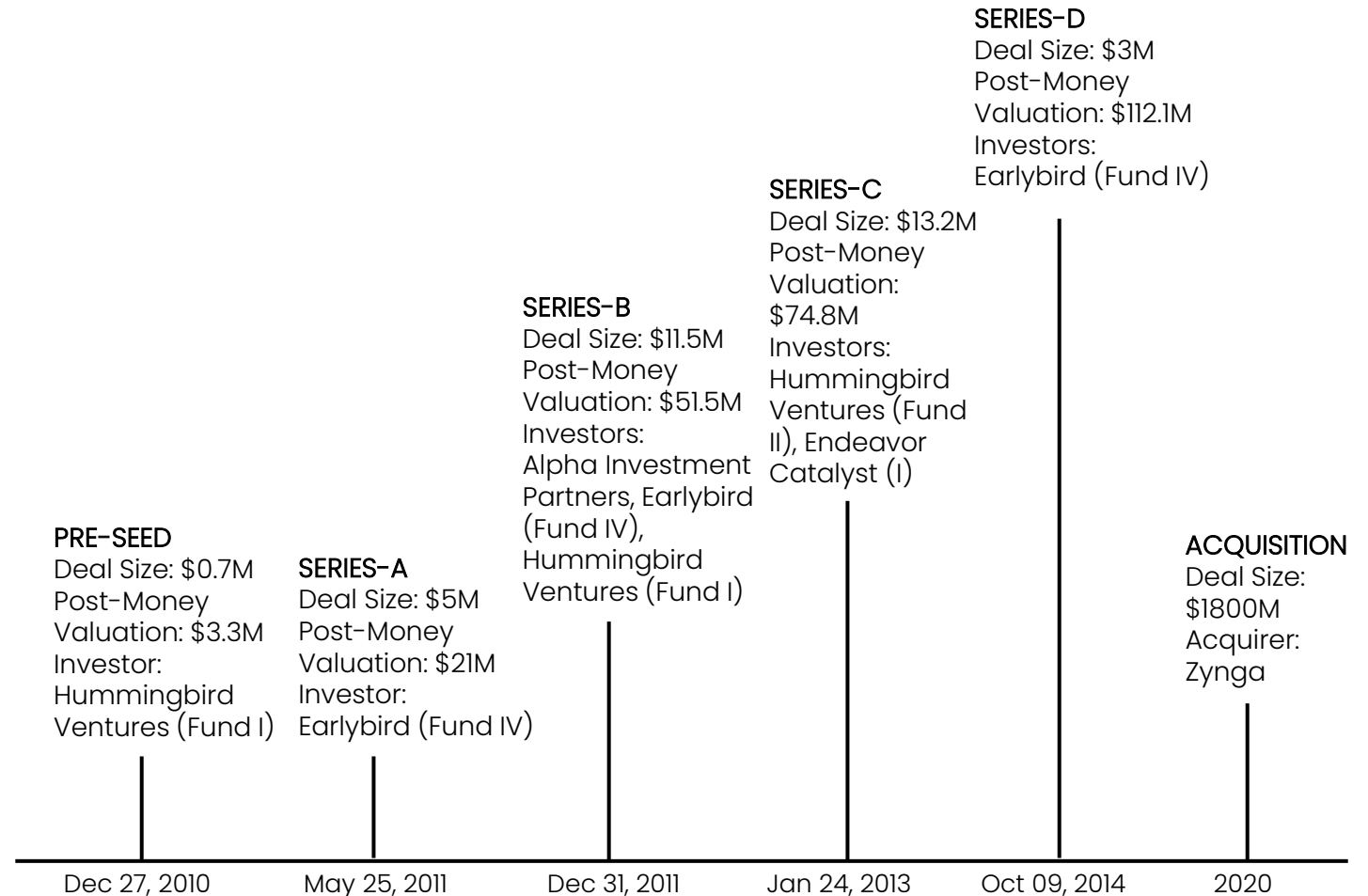
Peak Games



Turkish mobile game developer. Peak Games was established by Sidar Sahin in Istanbul, in 2010. Peak was acquired by the US-based Zynga for \$1.8B, in 2020 and had become Türkiye's first unicorn.

Hummingbird Ventures, Earlybird, Alpha Investment Partners, Endeavor Catalyst were among the financial investors of Peak before the acquisition.

Peak Games Investment Rounds and Company Valuation



Dream Games



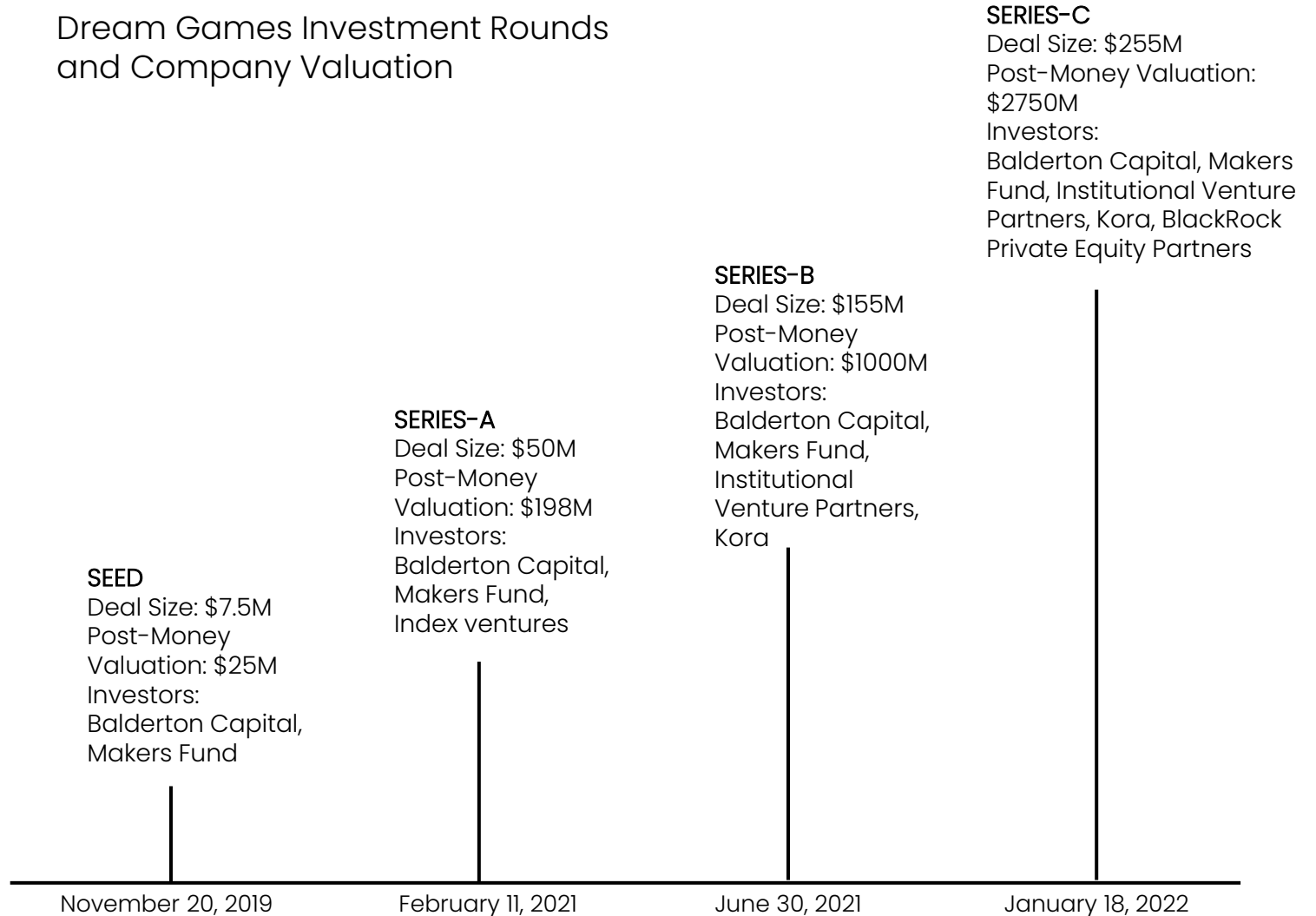
Turkish mobile puzzle games developer.

Dream Games was established by Soner Aydemir in Istanbul, Türkiye in 2019.

It became unicorn in June 2021.

Balderton Capital, Makers Fund, Institutional Venture Partners, Kora and BlackRock Private Equity Partners invested in Dream Games

Dream Games Investment Rounds and Company Valuation



SERIES-C
Deal Size: \$255M
Post-Money Valuation: \$2750M
Investors: Balderton Capital, Makers Fund, Institutional Venture Partners, Kora, BlackRock Private Equity Partners

SERIES-B
Deal Size: \$155M
Post-Money Valuation: \$1000M
Investors: Balderton Capital, Makers Fund, Institutional Venture Partners, Kora

SERIES-A
Deal Size: \$50M
Post-Money Valuation: \$198M
Investors: Balderton Capital, Makers Fund, Index ventures

SEED
Deal Size: \$7.5M
Post-Money Valuation: \$25M
Investors: Balderton Capital, Makers Fund

Insider



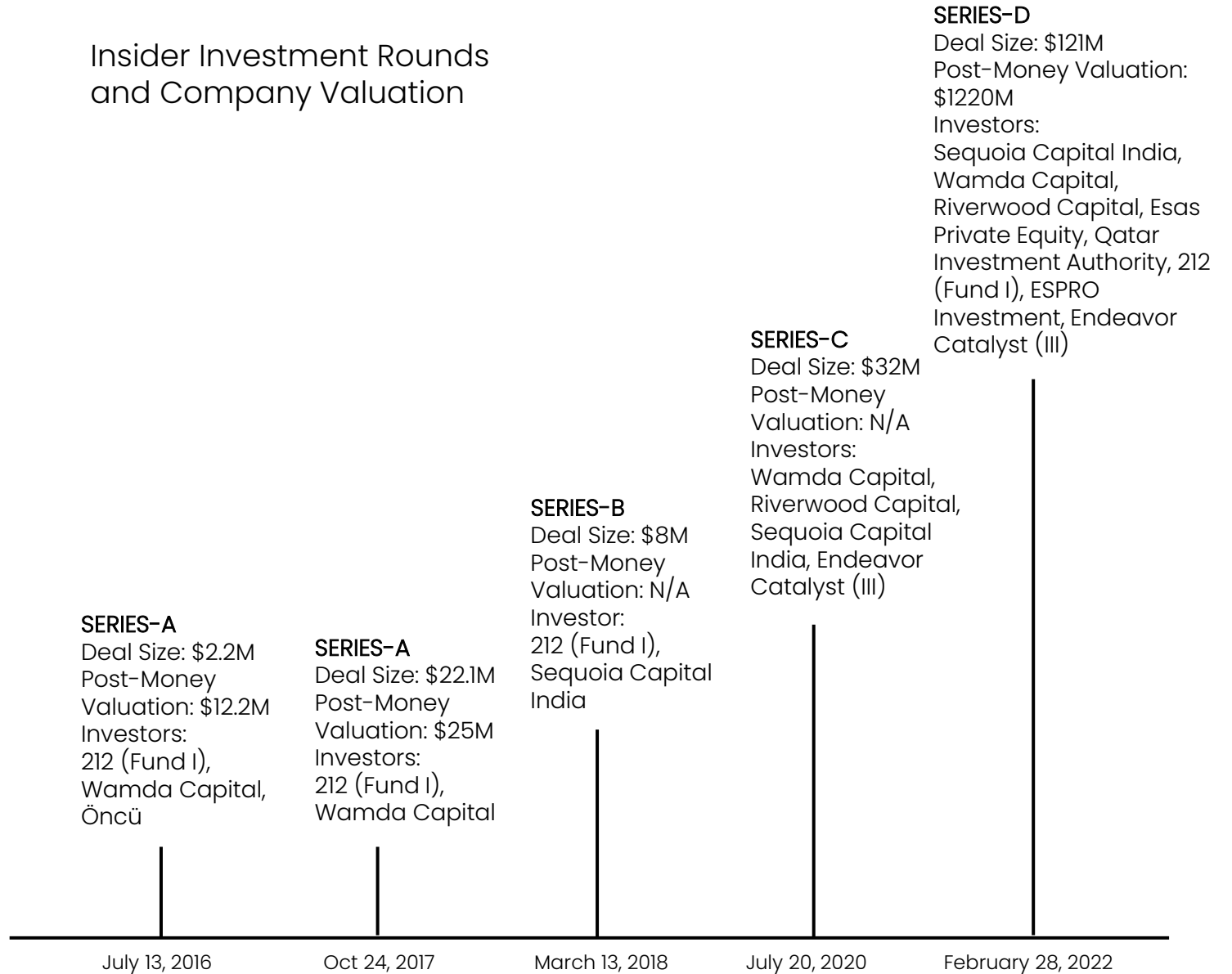
Turkish B2B software-as-a-service (SaaS) platform.

Insider was established by Hande Cilingir and her five fellow co-founders in Istanbul in 2012.

It became unicorn in February 2022.

212, Wamda Capital, Öncü, Sequoia Capital India, Riverwood Capital, Endeavor Catalyst, Esas Private Equity, Qatar Investment Authority and ESPRO Investment invested in Insider

Insider Investment Rounds and Company Valuation



Trendyol



Turkish e-commerce platform.

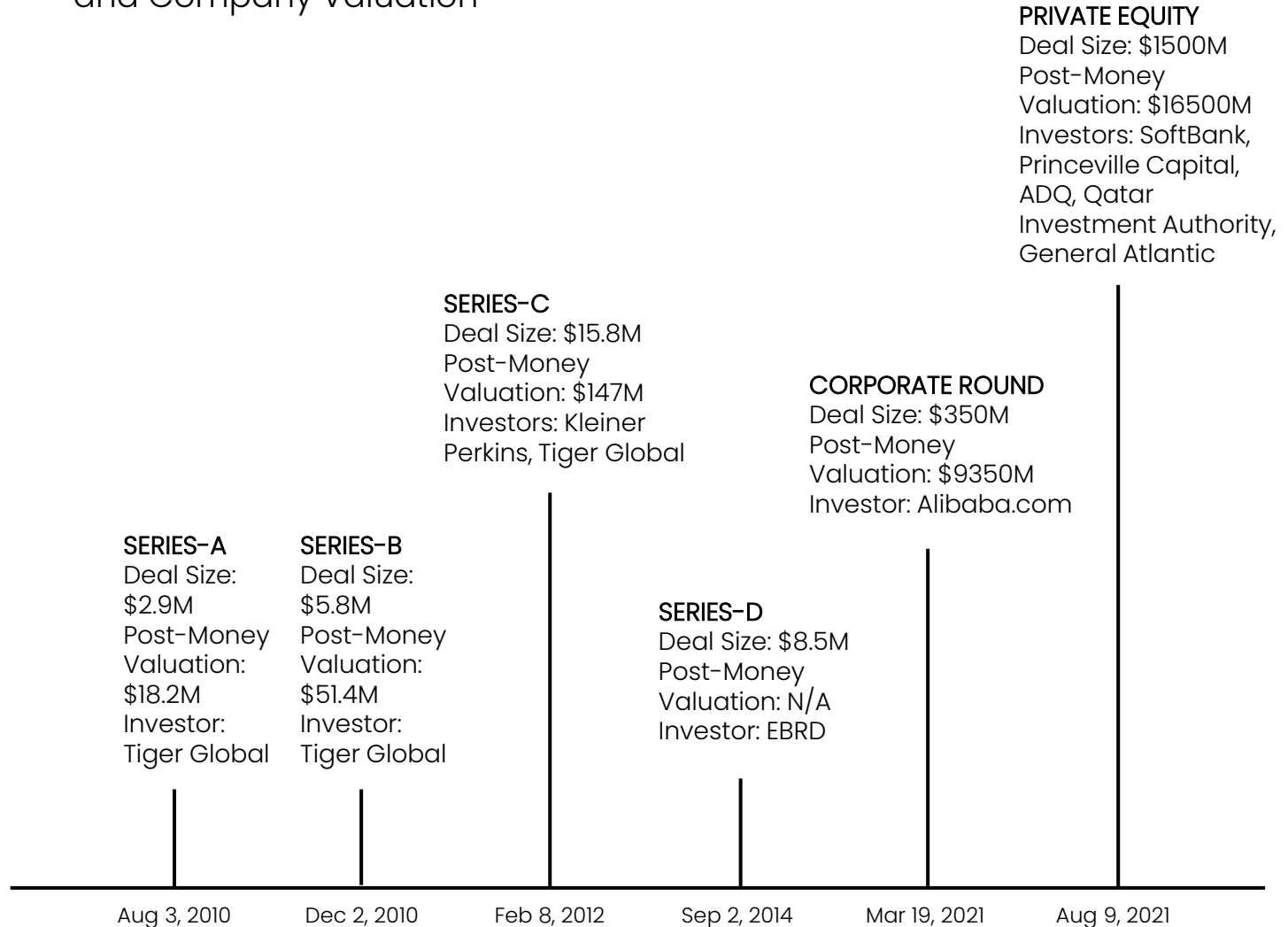
Trendyol was established by Demet Mutlu in Istanbul, in 2010.

Alibaba of China acquired %82 stake of Trendyol for \$782M in 2018.

It later became unicorn in March 2021, and then decacorn in August 2021.

Tiger Global, Kleiner Perkins, EBRD, Softbank, Princeville Capital, ADQ, Qatar Investment Authority and general Atlantic are among the financial investors in Trendyol.

Trendyol Investment Rounds and Company Valuation



Getir



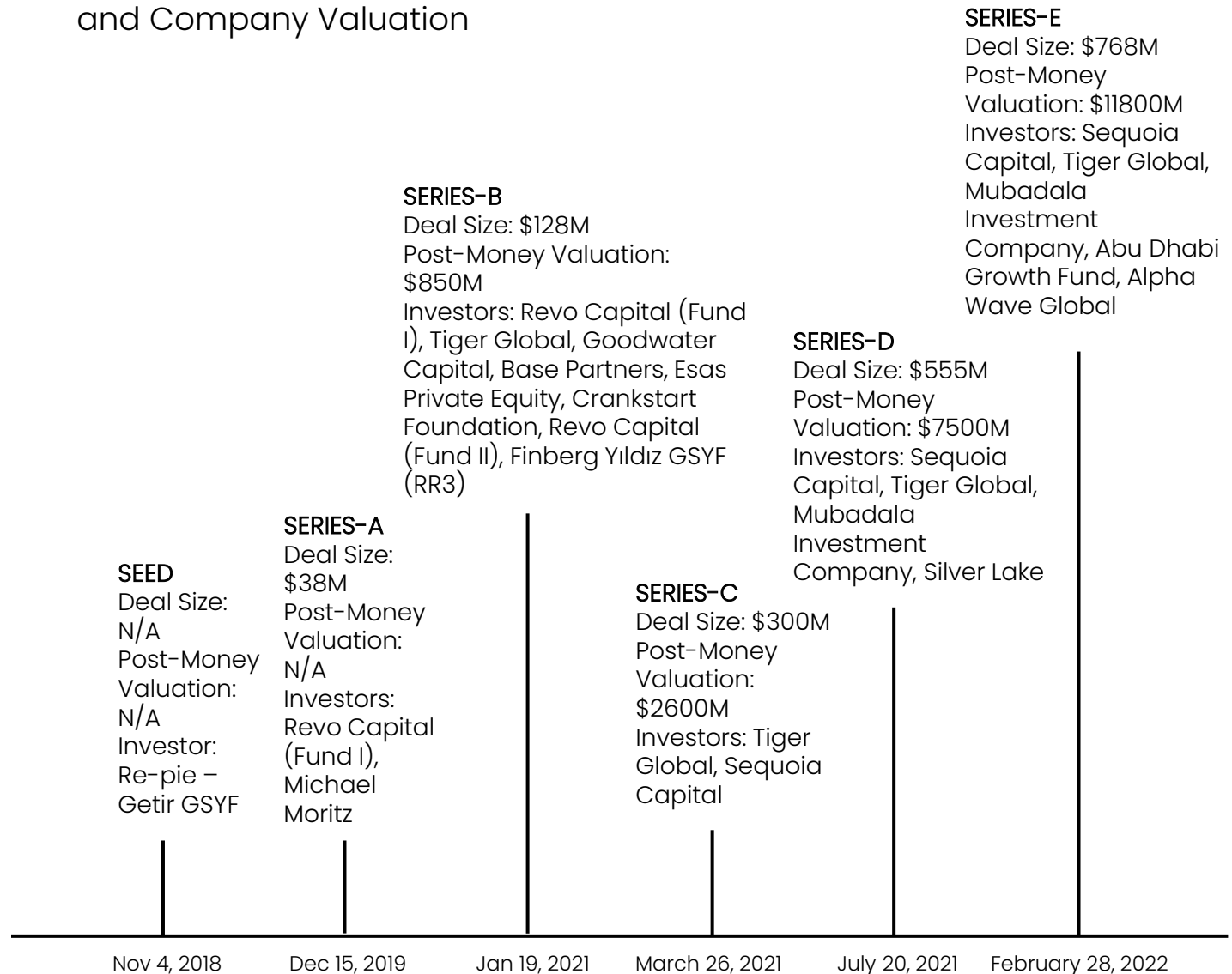
Turkish grocery delivery company.

Getir was established by Nazim Salur in Istanbul in 2015.

It became unicorn in March 2021, and decacorn in March 2022.

Tiger Global, Sequoia Capital, Mubadala Investment Company, Silver Lake, Abu Dhabi Growth Fund, Alpha Wave Global, Goodwater Capital, Base Partners, Crankstart Foundation and Revo Capital are among the investors of Getir.

Getir Investment Rounds and Company Valuation



International Investors in Türkiye (2021 - 2022)



International Investors in Türkiye (2021 - 2022)

BlackRock

Balderton. **ivp**



KORA

 Index
Ventures



Dream Games

SEQUOIA 

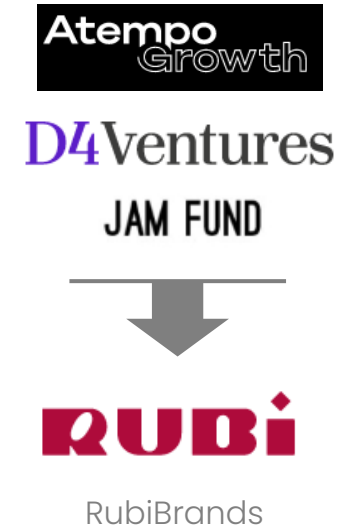


 **wamda**
capital



Insider

International Investors in Türkiye (2021 - 2022)



New Investment Opportunities

State Supported VC Funds in Türkiye

LIMITED PARTNERS

Ministry of Treasury and Finance
TUBITAK - Scientific and Technological Research Council of Türkiye
Universities

GENERAL PARTNERS



FUND SIZE

Total Size:
~ TL 1 Billion

INVESTMENT MODEL

Direct Investment in technology startups

LIMITED PARTNERS

Ministry of Industry and Technology

GENERAL PARTNERS



FUND SIZE

TL 350 Million

INVESTMENT MODEL

Investment in VC funds who invests in technology startups,
Co-Investment in Series-C level technology startups

LIMITED PARTNERS

Istanbul Development Agency

GENERAL PARTNERS

Due diligence is ongoing with 17 VC Funds as of January 2022

FUND SIZE

TL 400 Million

INVESTMENT MODEL

Investment in VC funds who invests in technology startups

LIMITED PARTNERS

Vakif Katilim
Albaraka
Bilisim Vadisi
KOSGEB

GENERAL PARTNERS



FUND SIZE

TL 100 Million

INVESTMENT MODEL

Direct Investment in technology startups based in Bilisim Vadisi (IT Valley)

LIMITED PARTNERS

Türkiye Wealth Fund
Abu Dhabi Developmental Holding (ADQ)

GENERAL PARTNERS



FUND SIZE

\$ 300 Million

INVESTMENT MODEL

Investment in VC funds & Direct investment in technology startups

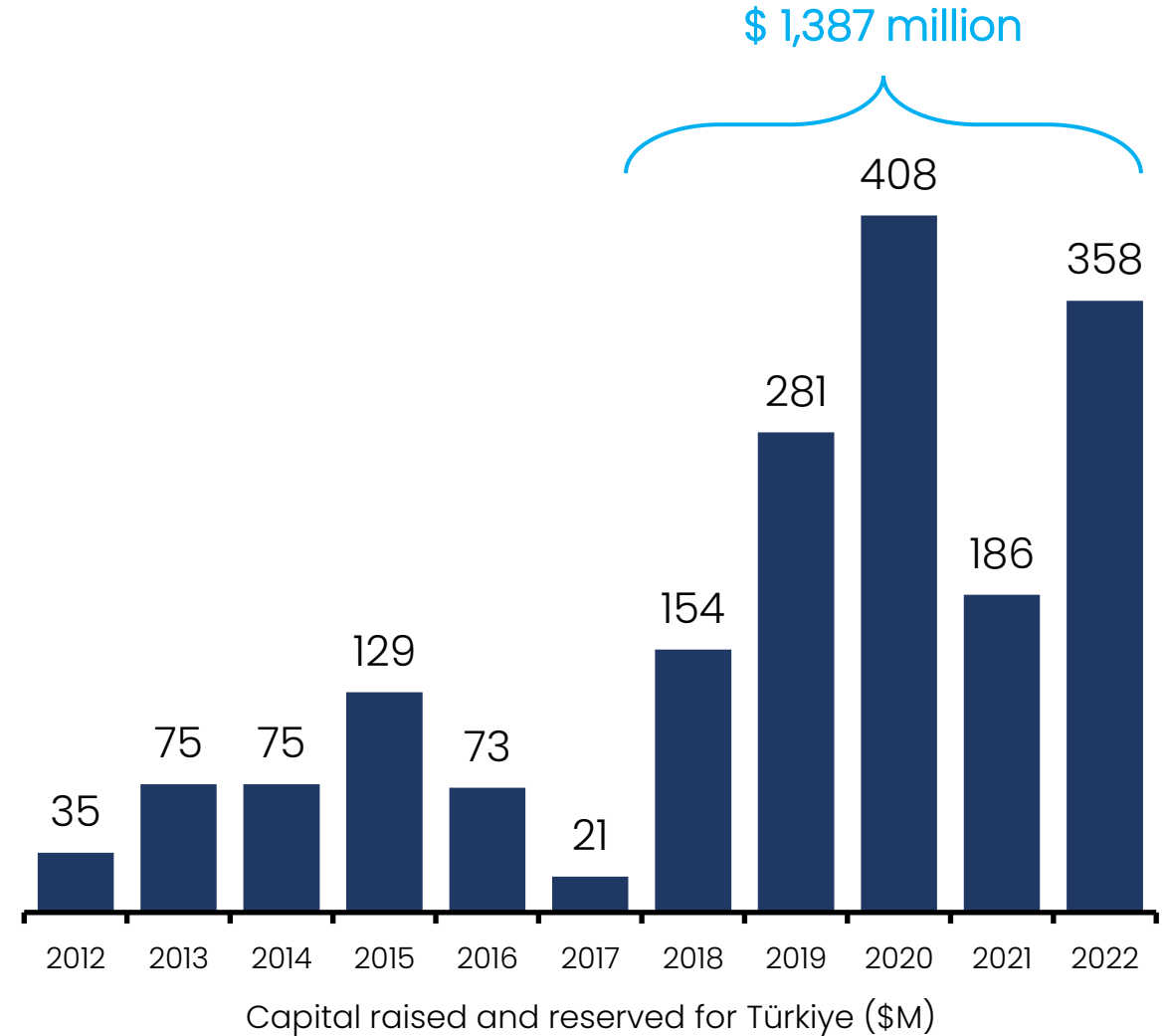
VC Fundraising Activity in Türkiye

In the last 5 years, 124 VC funds raised \$1.4 billion worth of funds in Türkiye.

For the same time period, the share of the VCIF/VCIT's* was \$430M, approximately one third of the total funds were raised.

With the approval of Capital Markets Board of Türkiye (SPK) a record number of 94 new VCIF were established in 2022. It is possible to refer to these funds as "onshore micro funds" as the vast majority of VCIFs have a fund size of less than \$10M and all are based in Türkiye.

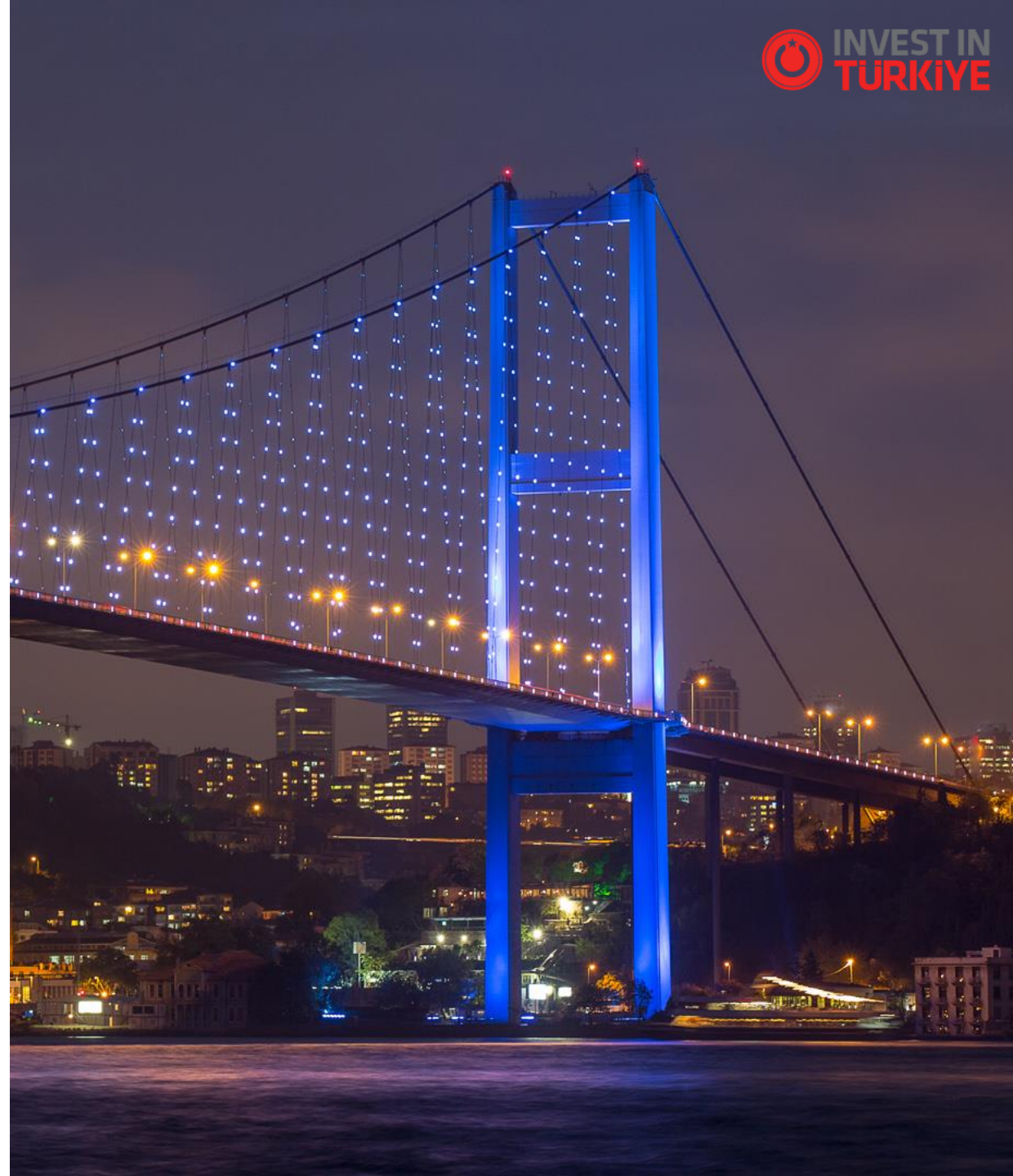
Re-Pie Ventures, Domino Ventures, Gelecek Etki GSYF, Paribu Ventures, Gözde Tech Ventures, Founder One, Simya VC, TT Ventures GSYF, Turkcell Yeni Teknolojiler GSYF, Arya GSYF, Yıldız Tekno GSYO, INVEST 101, Koç Topluluğu Şirketleri 1. Özel GSYF, Teknopark İstanbul Derin Teknoloji GSYF are some of the prominent funds established in 2022.



*: VCIF: Venture Capital Investment Fund (GSYF), VCIT: Venture Capital Investment Trust (GSYO).

Why Invest in Turkish Startups?

- Mature ecosystem supported by ever expanding reforms
- Large and young population with high tech penetration rates, ideal for product testing
- Affordable and competent developer pool
- Ever increasing investment trend with increasing VC involvement
- Successful exits to global companies
- 2 decacorns, 3 unicorns in the last 2 years
- Co-investment opportunities with the Turkish VC funds to benefit from the next successful exit round





invest.gov.tr