



Turkish Startup Investments Review Q1 2023



Foreword



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Welcome to the Q1'23 edition of Turkish Startup Investments Review with the collaboration of KPMG Turkey M&A and the 212 teams.

This report is the eleventh edition of our quarterly review. Our goal is to highlight key trends, opportunities, and challenges facing the venture capital market globally and in Turkey.

The global startup funding continued to fall in Q1 2023, as it was observed in the previous quarter Q4 2022. Rising inflation and interest rates, the concerns about the global banking system started with the collapse of Silicon Valley Bank in the USA, deteriorating global financial conditions were the prominent factors affecting the startup ecosystem. Global startup deal volume was down to \$76bn due to encountered challenges, which represents a significant drop compared to Q1 2022 with a deal volume of \$160bn.

In line with the global slowdown in economic and startup activity, Turkish startup ecosystem witnessed a decline in both deal volume and deal number compared to prior quarter. Total number of deals were 53, and total deal volume was \$78.9m (including startup acquisitions). Mackolik, Turkey-based operator of digital sports media portals, went public by raising \$17.2m, and become the top transaction of the quarter. Rem People, a retailtech company, attracted a \$12.0m of early stage investment from the USA-based Ethos Asset Management making it the second largest deal of Q1 2023.

We hope you find our Turkish Startup Investments Review report insightful. If you would like to discuss any of the information in more detail, please contact KPMG M&A or the 212 teams accordingly.

Source: Crunchbase, KPMG Global Venture Pulse Report Q1 2023

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Turkey's startup deal list

Main highlights in Turkey's startup ecosystem in Q1 2023

Global startup funding carried out \$76bn, which indicates a sharp decline, compared to record-breaking Q1 2022. VC-backed companies raised \$57.3bn with 6,030 deals. The downtrend was observed at every stage of investments globally. The environment of uncertainty in the global markets, the collapse of Silicon Valley Bank and increasing concerns about the banking system, the Russia and Ukraine War, the aggressive interest policies of central banks and geopolitical difficulties created a highly volatile, and unstable economic environment. Challenges in access to finance has weakened VC funding.

Turkish startup ecosystem also showed a similar downward trend. Total deal volume reached \$45.2m, which shows a sharp decline compared to record-breaking Q1 2022 (\$1bn), and the previous quarter Q4 2022 (\$153m). Including the startup acquisitions, total deal volume recorded \$78.9m with a total of 53 deals in Q1 2023.

Startup acquisitions constituted the largest share in total deal volume with 43%. Seed stage investments accounted for 39% of the total volume and followed by 18% of early stage investments. In terms of deal number, seed stage investments ranked 1st with 42 transactions, followed by 9 acquisitions. There were two early stage investments, Hopi and Rem People, totaling to \$14.5m. Also, top 10 deals accounted for 80% of the total deal volume including acquisitions.

Foreign investors' share in total deal volume was 25% with 6 deals. In contrast, local investors' deal volume was \$59m with 47 deals.

Fintech vertical constituted the largest portion with \$13.6m in terms of deal volume excluding acquisitions. Fintech and SaaS verticals ranked 1st in terms of the number of deals with 7 deals, followed by 6 deals in Gaming, 4 deals in Education and 3 deals in Artificial Intelligence (AI). Fintech, SaaS and Gaming verticals continued to be attractive destinations for both local and foreign investors. Another spotlight was on the AI sector, in line with its increasing popularity and penetration.

Mackolik, a sports company providing live scores and detailed statistics, went public and raised \$17.2m from its IPO investors. This IPO is the largest deal of this quarter.

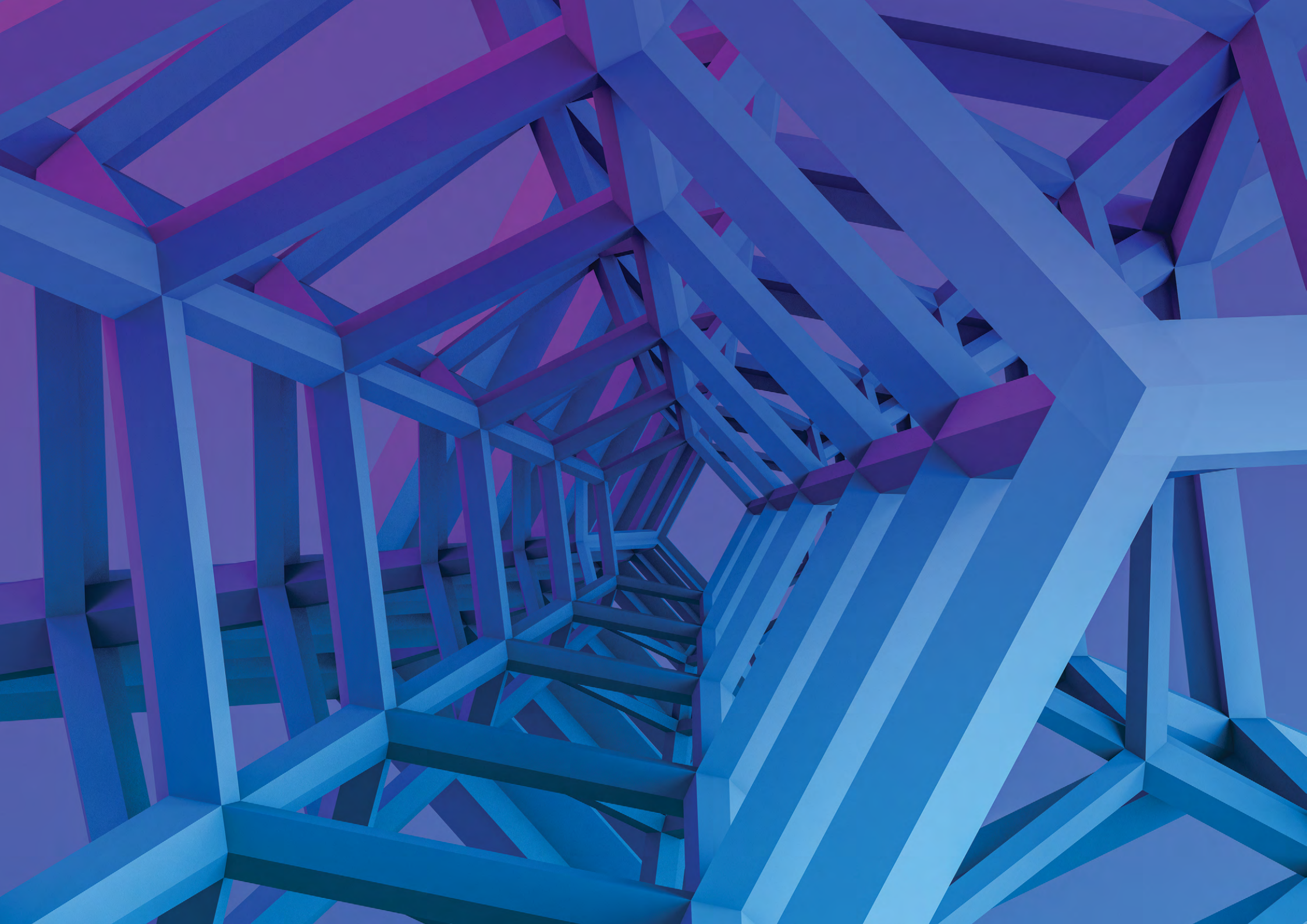
Rem People, a retailtech company got an \$12.0m early stage investment from USA-based Ethos Asset Management.

In Fintech vertical, Metatime, a blockchain ecosystem platform, attracted \$11.0m seed investment from Yıldız Tekno GSYO and an undisclosed investor.

InfoSet, a cloud call service platform, was acquired by BTCTurk for a consideration of \$5.0m.

Tridi, a platform that digitizes the manufacturing procurement process and was founded by Turkish entrepreneurs, was acquired by USA-based Xometry for a consideration of \$5.0m.

Passion Punch, a mobile game development company, received \$4.0m seed stage investment from Colendi, Turkcell Yeni Teknolojiler GSYF, and Re-Pie Portföy.



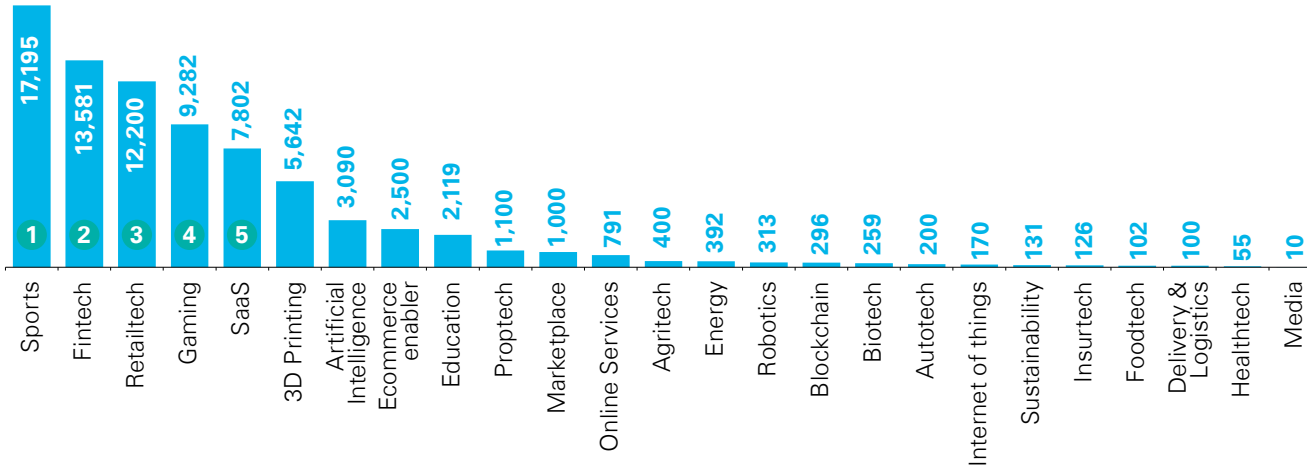
Top 10 startup deals of Q1 2023

Rank	Target Company	Sector	Investor	Announcement Date	Financial Investor	Investor's Origin	Stake (%)	Deal Value(\$m)	Investment Stage
1	Mackolik	Sports	IPO Investors	January 2023	Yes	Türkiye	34.0%	17.2	Acquisition
2	Rem People	Retailtech	Ethos Asset Management	January 2023	Yes	USA	NA	12.0	Early Stage
3	Metatime	Fintech	Yıldız Tekno GSYO, Undisclosed Investor	March 2023	Yes	Türkiye	NA	11.0	Seed Stage
4	infoset	SaaS	BTCTurk	February 2023	No	Türkiye	90.0%	5.0	Acquisition
5	Tridi	3D Printing	Xometry	March 2023	No	USA	100.0%	5.0	Acquisition
6	Passion Punch	Gaming	Colendi, Turkcell Yeni Teknolojiler GSYF, Re-Pie Portföy	March 2023	Yes	Türkiye	10.2%	4.0	Seed Stage
7	Paxie Games	Gaming	Ludus Ventures, Volkan Biçer, Mehmet Ayan, Yunus Emre Gönül, Özgür Aksoy, Melik Kırtepe (Private Investors)	January 2023	Yes	Türkiye	10.0%	3.0	Seed Stage
8	Hopi	Ecommerce enabler	Param	March 2023	Yes	Türkiye	2.5%	2.5	Early Stage
9	Tuvis	Artificial Intelligence	Smartex	March 2023	No	Portugal	100.0%	2.0	Acquisition
10	Gulliver's Games	Gaming	Boğaziçi Ventures (BV Growth), March Capital	January 2023	Yes	Türkiye, USA	10.0%	1.5	Seed Stage

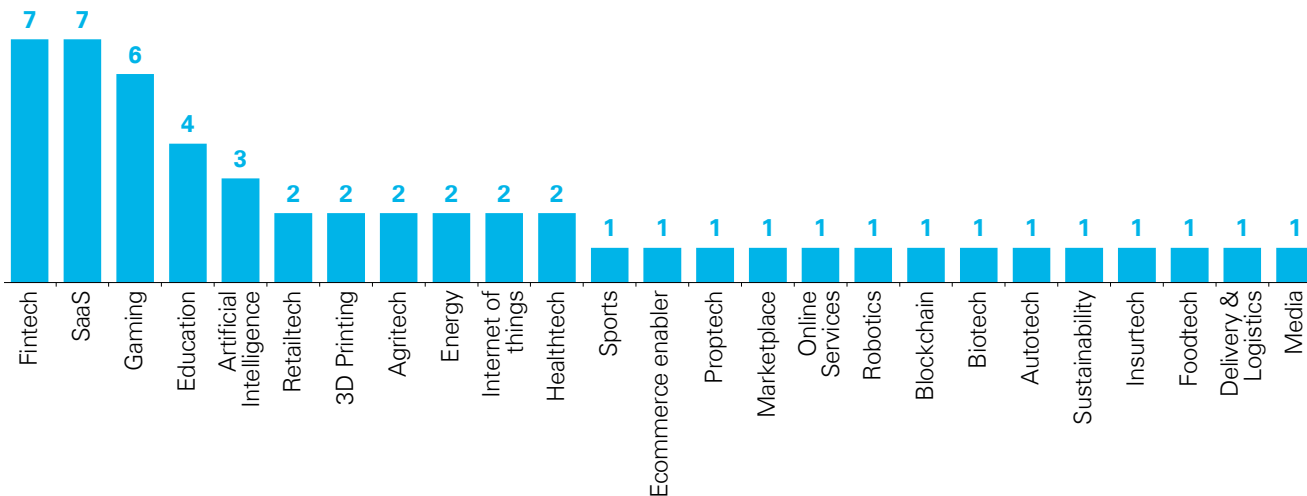


Breakdown of startup deals by sub-sector

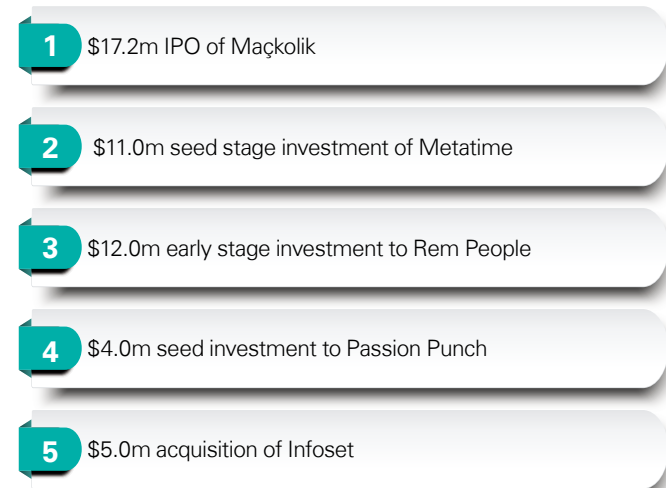
By deal volume | \$ k



By number of deals |



Significant deals in the sectors



Leading Verticals and Prominent Deals

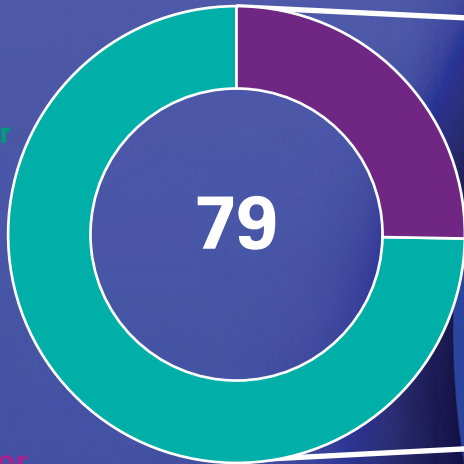
- For Q1 2023, Fintech and SaaS were the leading verticals in terms of number of deals with 7 deals for each of them. It was followed by 6 deals in gaming vertical, 4 deals in education and 3 deals in AI.
- Maçkolik, a mobile application which offers live scores, statistics and news for the all types of sports, had its IPO in Q1 2023 and 34% of the shares were sold for a total consideration of \$17.2m.
- Metatime, a fintech start-up, received a seed stage investment of \$11.0m from Yıldız Tekno GSYO and a group of investors.
- Rem People, a retailtech start-up, received \$12m early stage investment from US based Ethos Asset Management on January 2023.
- Passion Punch, a mobile game development company, attracted a seed stage investment of 4.0m from multiple investors including Colendi, Turkcell Yeni Teknolojiler GSYF, and Re-Pie Portföy.

Source: Startups.watch, KPMG Analysis

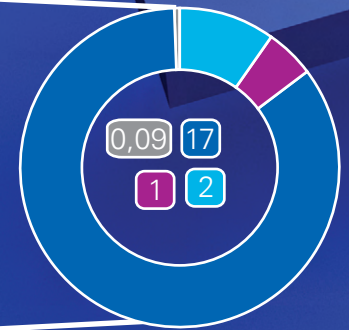
Breakdown of startup deals by origin of the investors

Deal volume (USD million)

59
Local Investor



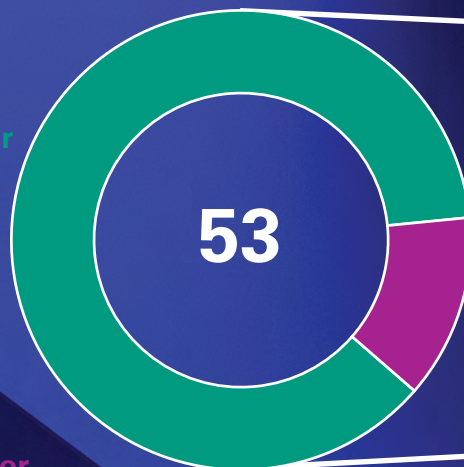
■ Estonia ■ UK
■ USA ■ Portugal



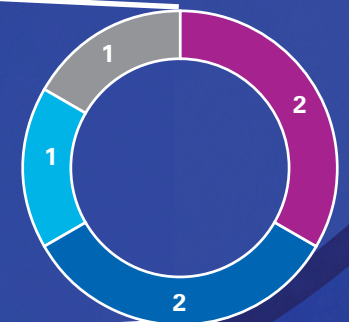
20
Foreign Investor

Number of deals

47
Local Investor



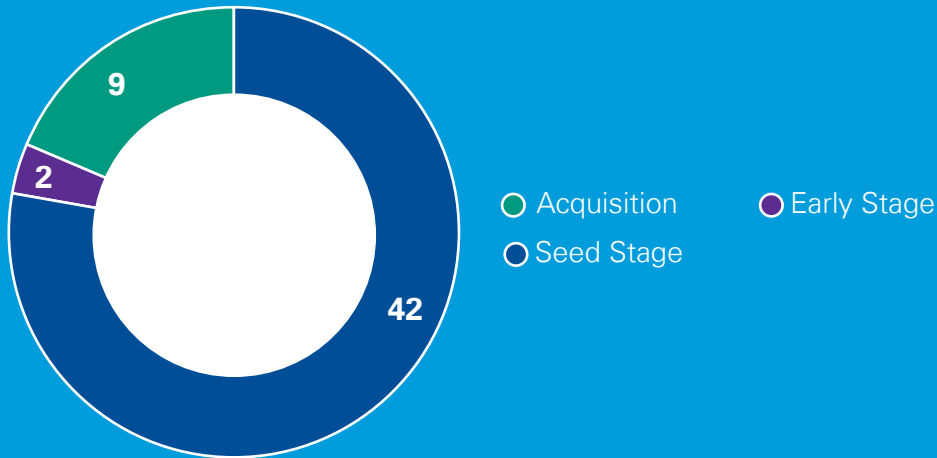
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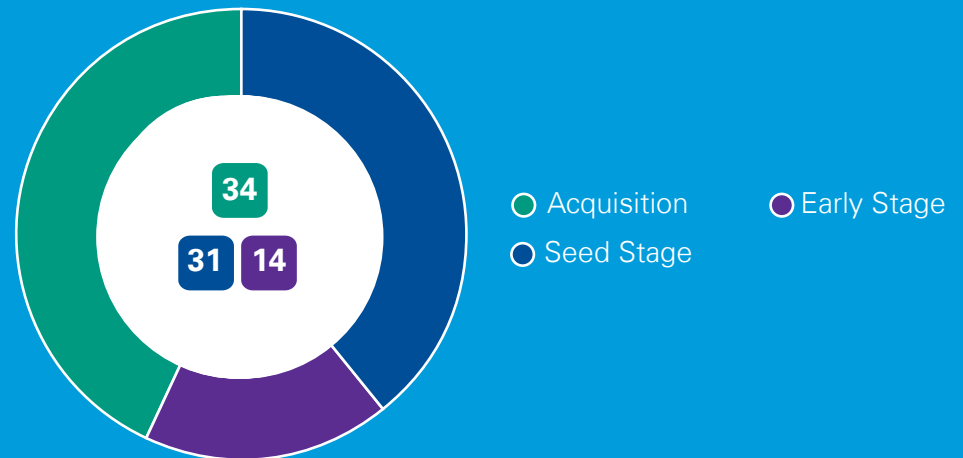
6
Foreign Investor

Startup deals according to their investment stage

Number of deals by Investment Stage

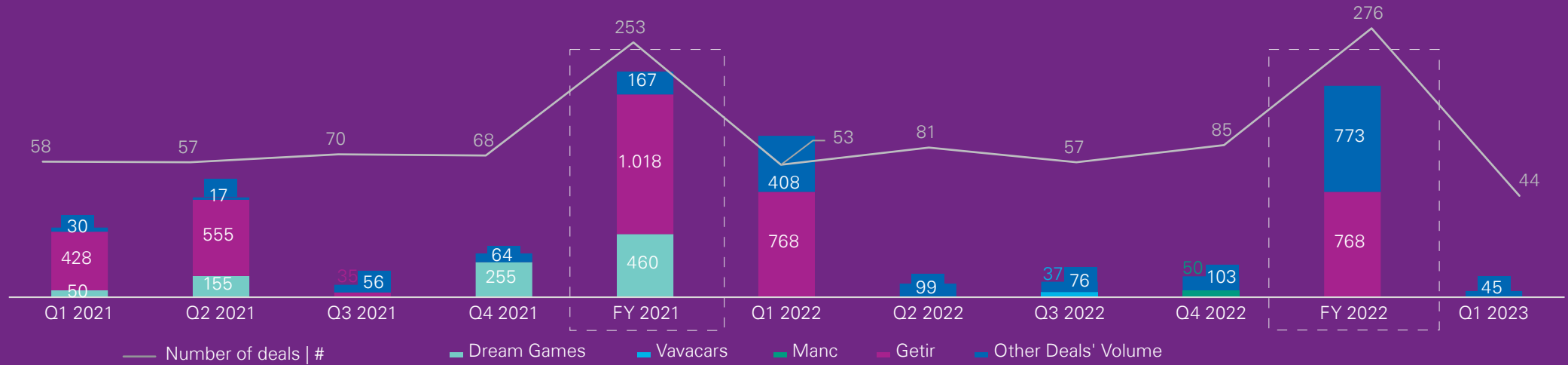


Deal volume by Investment Stage (USD million)



- Seed Stage investments had the highest number of deals with 42 deals, while acquisitions had the highest deal volume with \$33.7m.
- There were 9 startup acquisitions with a total deal volume of \$33.7m. Mackolik, Tridi and infoset acquisitions constituted over 80% of the total acquisition volume.
- Early Stage investments had both the lowest deal count and deal volume. Hopi and Rem People transactions were the only 2 Early Stage investments amounting to a total deal volume of \$14.5m.
- There were no Late Stage investments in this quarter.

Breakdown of startup deals by quarters



- Total investment volume of \$45m in the first quarter of 2023 showed a sharp decline compared to the first quarter of last year (\$1.0bn) and the previous quarter (\$153m).
- In Q1 2023, there were 44 transactions which is slightly less than Q1 2022.
- For comparison purposes, only seed stage, early stage and late stage deals are exhibited in the above graph, excluding startup acquisitions.

Source: Startups.watch, KPMG Analysis





Major Turkish outbound & diaspora deals

Target Company	Target Company's Origin	Sector	Investor	Announcement Date	Stake (%)	Transaction Value (\$)	Investment Stage
GO Sharing	Netherlands	Mobility	BinBin	February 2023	100,0%	10.000.000	Acquisition
Golden Leaf	Croatia	PropTech	Missafir	March 2023	100,0%	500.000	Acquisition
Magfi	UK	Marketplace	LimaNext	February 2023	NA	50.000	Seed Stage
Sensgreen	UAE	Internet of things	Geometry Venture Development, Undisclosed Investor	March 2023	1.6%	40.000	Seed Stage

Source: Startups.watch, KPMG Analysis

- GO Sharing, a green shared mobility startup that offers electric mopeds, e-bikes and electric cars for rent, acquired by BinBin which is Turkey-based micro-mobility company, for a consideration of \$10.0m.
- Golden Leaf, a Croatia-based cannabis oil solutions company , acquired by Missafir for \$500k.
- Magfi, a platform that brings similar-interested people together in popular messaging apps, got a seed investment of \$50k from UK-based LimaNext.
- Sensgreen, a smart-building platform for commercial buildings, received a seed investments of \$40k from UAE based Geometry Venture Development and undisclosed investors.



Insight – Wellbees

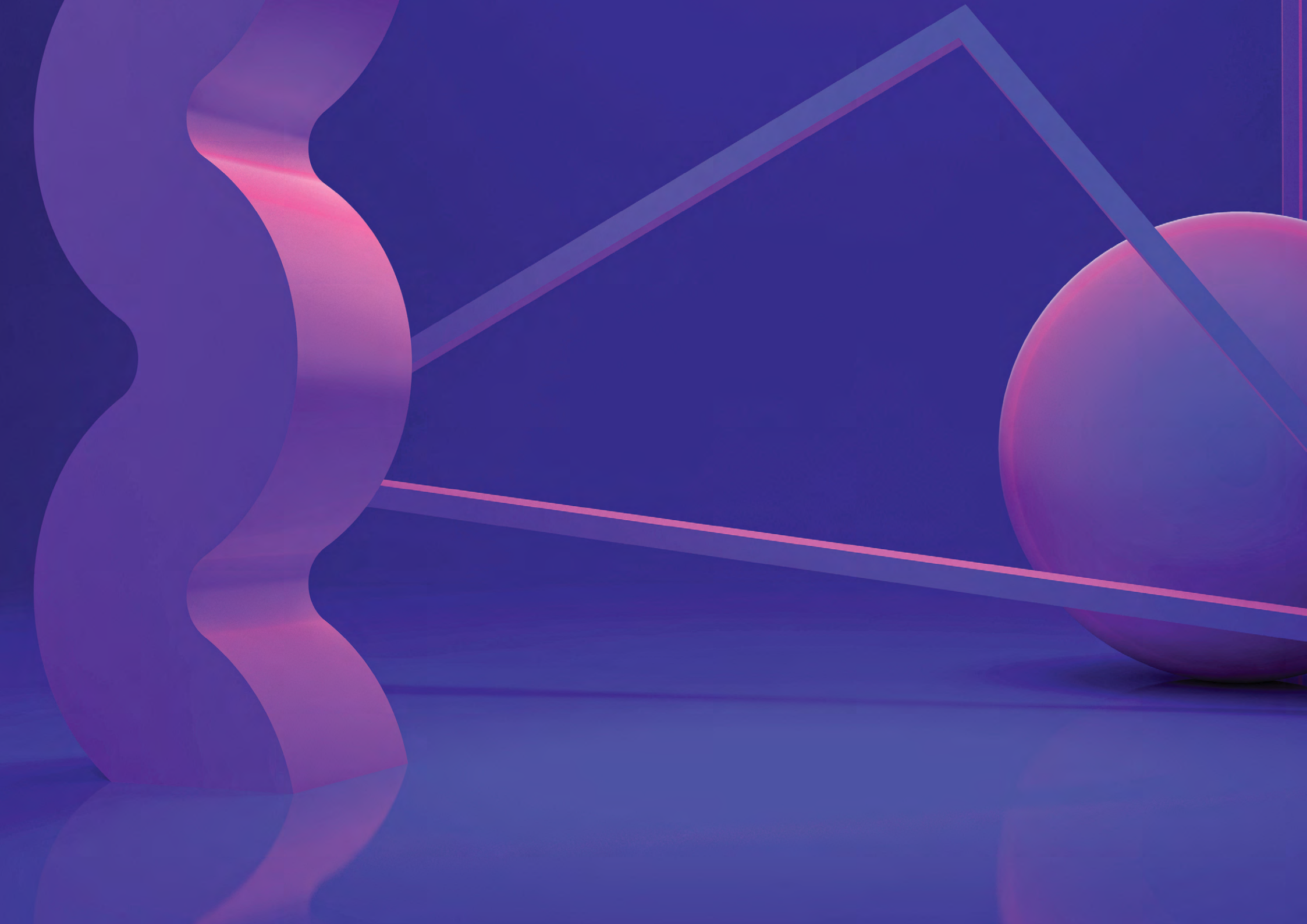


The world is going through an era of polycrises as the prominent historian Adam Tooze puts it. Do we have to name all? Rise of AI, armed conflicts, de-dollarisation of the world, inflation, and global warming just to name a few. Don't be too depressed if you are not HR. HR is hit hard especially in organizations as burnout is on the rise, placing a significant burden on them to effectively train and retain employees. People professionals are actively exploring alternative solutions within the realm of HR Tech, a \$400 billion market. However, finding a comprehensive solution, especially serving employee well-being, has proven challenging. Well-being is highly individualistic, making it difficult to address through a one-size-fits-all approach. Simply launching a meditation app within an institutional setting may not yield the desired results, as it only appeals to individuals actively seeking such resources. A more effective approach involves implementing an employee well-being platform that can be customized to meet each person's unique needs and provide targeted HR referrals.

In employee well-being, personalized approaches are gaining prominence. Wellbees is at the forefront of this movement, leveraging AI technology to provide customized support from psychologists, dietitians, and sports coaches. With tailored content and socialization opportunities, Wellbees caters to the unique needs of each employee, resulting in adoption rates exceeding 60% across the organization. This personalized approach yields tangible benefits, including a 24% increase in employee engagement and a significant 52% reduction in employee turnover. These results demonstrate the growing importance of individualized well-being strategies in shaping the future of employee well-being

Melis Abacıoğlu
CEO





Blog / Book / Podcast recommendations

Blog Recommendations

- [Not Boring](#) by Packy McCormick
- [Both Sides of the Table](#) by Mark Suster
- [Andrew Chen](#)

Book Recommendations

- [The Entrepreneurial Bible to Venture Capital: Inside Secrets from the Leaders in the Startup Game](#) by Jason Lemkin
- [The Art of Startup Fundraising: Pitching Investors, Negotiating the Deal, and Everything Else](#) by Alejandro Cremades, Barbara Corcoran

Podcast Recommendations

- [Big Technology Podcast](#) with Alex Kantrowitz
- [The Startup Chat](#) by Andrew Chen



Turkey's startup deal list

2023 Q1

Deal List (1/3)

Target Company	Sector	Investor	Announcement Date	Financial Investor	Investor's Origin	Stake (%)	Deal Value (\$)	Investment Stage
Afara	Robotics	Fonlabüyüsün	February 2023	No	Türkiye	NA	312.865	Seed Stage
Apphic Games	Gaming	Lima Ventures	January 2023	Yes	Türkiye	NA	89.426	Seed Stage
ARTIOX	Blockchain	Re-Pie Startup 1 GSYF	March 2023	Yes	Türkiye	1,9%	296.442	Seed Stage
Bataryasan	Energy	fonbulucu Gelecek GSYF, fonbulucu	March 2023	Yes	Türkiye	NA	297.635	Seed Stage
Beebird	Internet of things	baseFunder	March 2023	Yes	Türkiye	NA	142.112	Seed Stage
Biletiva	Marketplace	Mobilet	March 2023	No	Türkiye	100,0%	1.000.000	Acquisition
BukyTalk	Education	FonAngels	March 2023	Yes	Türkiye	NA	119.327	Seed Stage
Ciel Laboratories	Healthtech	Alesta Yatırım	March 2023	Yes	Türkiye	14,9%	44.917	Seed Stage
Co Print	3D Printing	fonbulucu GSYF, fonbulucu	January 2023	Yes	Türkiye	NA	641.612	Seed Stage
Defy	Fintech	Alesta Yatırım, Sertaç Özinal, Undisclosed Investor	February 2023	Yes	Türkiye	12,0%	63.734	Seed Stage
Diginak	Delivery & Logistics	Idacapital İvmelendirme GSYF	March 2023	Yes	Türkiye	4,0%	100.000	Seed Stage
esular	Agritech	fonTAR GSYF, fonbulucu	March 2023	Yes	Türkiye	NA	242.089	Seed Stage
Eyes of Solar	Energy	fonbulucu Gelecek GSYF, fonbulucu	March 2023	Yes	Türkiye	NA	94.320	Seed Stage
Finekra	Fintech	Alesta Yatırım	March 2023	Yes	Türkiye	9,3%	450.000	Seed Stage
For Physician	Healthtech	Geometry Venture Development, Alesta Yatırım, Mehmet Yüksel Yazıcı (Private Investor)	March 2023	Yes	Türkiye	2,5%	10.000	Seed Stage
ForFarming	Agritech	Founder One	March 2023	Yes	Türkiye	NA	157.758	Seed Stage
FreshSens	Artificial Intelligence	Startup Wise Guys	March 2023	Yes	Estonia	NA	90.000	Seed Stage
Gleam Games	Gaming	TERA PORTFÖY GAME INVEST GSYF, Ludus Ventures, Naci Topçuoğlu, Volkan Biçer, Mehmet Ayan, Yunus Emre Gönül (Private Investors)	January 2023	Yes	Türkiye	6,0%	700.000	Seed Stage
Gulliver's Games	Gaming	Boğaziçi Ventures (BV Growth), March Capital	January 2023	Yes	Türkiye, USA	10,0%	1.493.549	Seed Stage
Help Steps	SaaS	FonAngels	March 2023	Yes	Türkiye	NA	463.209	Seed Stage

Source: Startups.watch

Deal List (2/3)

Target Company	Sector	Investor	Announcement Date	Financial Investor	Investor's Origin	Stake (%)	Deal Value (\$)	Investment Stage
Hopi	Ecommerce enabler	Param	March 2023	Yes	Türkiye	2,5%	2.500.000	Early Stage
Hubbox	Internet of things	Alesta Yatırım, Korun Teknoloji, Keiretsu Forum	February 2023	Yes	Türkiye	0,4%	27.484	Seed Stage
infoset	SaaS	BTCTurk	February 2023	No	Türkiye	90,0%	5.000.000	Acquisition
Kolay IK	SaaS	Undisclosed Investor	March 2023	No	Türkiye	22,5%	500.000	Acquisition
Kooplog	Media	Undisclosed Investor	January 2023	No	Türkiye	NA	10.000	Seed Stage
Mackolik	Sports	IPO Investors	January 2023	Yes	Türkiye	34,0%	17.195.000	Acquisition
Mapplico	SaaS	Startup Burada	February 2023	No	Türkiye	NA	158.573	Seed Stage
Metatime	Fintech	Yıldız Tekno GSYO, Undisclosed Investor	March 2023	Yes	Türkiye	NA	11.000.000	Seed Stage
MindBehind	Artificial Intelligence	Insider	January 2023	No	Türkiye	100,0%	1.000.000	Acquisition
Missafir	Proptech	Ege Yapı Teknoloji Girişim	March 2023	Yes	Türkiye	4,2%	1.100.000	Seed Stage
Mizanplus Kitchens	SaaS	hiVC, B4YO Capital, Mehmet Çelikol, Ali Cicioğlu, Utku Öz, Ersin Nazalı, Ayşe Güçlü Onur, Emre Açikel, Hasan Çoker, Eren Çiçek, Cana Güneş (Private Investors)	March 2023	Yes	Türkiye	NA	660.000	Seed Stage
Networkdry	Online Services	fonbulucu GSYF, fonbulucu	March 2023	Yes	Türkiye	NA	790.785	Seed Stage
Okuma Adası (Ludus Eğitim)	Education	Kidolog	March 2023	No	Türkiye	100,0%	1.000.000	Acquisition
Passion Punch	Gaming	Colendi, Turkcell Yeni Teknolojiler GSYF, Re-Pie Portföy	March 2023	Yes	Türkiye	10,2%	4.000.000	Seed Stage
Paxie Games	Gaming	Ludus Ventures, Volkan Biçer, Mehmet Ayan, Yunus Emre Gönül, Özgür Aksoy, Melik Kırtepe (Private Investors)	January 2023	Yes	Türkiye	10,0%	3.000.000	Seed Stage
PhiTech	Biotech	Omurga (Teknoloji GSYF), ISTCapital, Feride Aytül Erçil, Hamdi Sena Nomak, Mehmet Ömer Arif Aras, Naci Topçuoğlu, Ayşe Selen Kocabaş, Emine Perviz Erdem, Neşe Gök, Temel Güzeloğlu (Private Investors)	February 2023	Yes	Türkiye	8,7%	258.927	Seed Stage
Playbook	Education	eduMe	March 2023	No	UK	100,0%	1.000.000	Acquisition

Source: Startups.watch

Deal List (3/3)

Target Company	Sector	Investor	Announcement Date	Financial Investor	Investor's Origin	Stake (%)	Deal Value (\$)	Investment Stage
Puan Harca	Fintech	iWallet	January 2023	No	Türkiye	30,0%	106.892	Seed Stage
Pure Solutions	Foodtech	fonTAR GSYF, fonbulucu	March 2023	Yes	Türkiye	NA	101.515	Seed Stage
Rackle	Fintech	Arz Portföy 1.GSYF, Deniz Türkkan (Private Investor)	March 2023	Yes	Türkiye	NA	535.000	Seed Stage
Rem People	Retailtech	Ethos Asset Management	January 2023	Yes	USA	NA	12.000.000	Early Stage
Robeff Technology	Autotech	Yıldız Tekno GSYO, Adventures GSYF	January 2023	Yes	Türkiye	13,3%	200.000	Seed Stage
Saybeni	SaaS	Keiretsu Forum, Undisclosed Investor	March 2023	Yes	Türkiye	5,4%	20.000	Seed Stage
Tamamliyo	Insurtech	Fongogo	March 2023	Yes	Türkiye	NA	125.760	Seed Stage
The Hab Project	Sustainability	Founder One	March 2023	Yes	Türkiye	NA	131.000	Seed Stage
Tridi	3D Printing	Xometry	March 2023	No	USA	100,0%	5.000.000	Acquisition
Turan	Fintech	Re-Pie 9. Karma GSYF, Re-Pie 3. Karma GSYF, United Payment	January 2023	Yes	Türkiye	NA	369.953	Seed Stage
Turan	Fintech	Birleşik Ödeme, Colendi Ventures, APY Ventures, KT Portföy, Tera Portföy, Neo Portföy Türkaz Yatırım Fonu, Re-Pie Portföy, Caucasus Ventures	March 2023	Yes	Türkiye, Azerbaijan	NA	1.055.331	Seed Stage
Tuvis	Artificial Intelligence	Smartex	March 2023	No	Portugal	100,0%	2.000.000	Acquisition
UnoMoi	Retailtech	Founder One, Kamil Sözen, Özgür Ülkü, Yunus Emre Gönül, Besime Özderici (Private Investors)	January 2023	Yes	Türkiye	10,0%	200.226	Seed Stage
Vanora Ventures	SaaS	TechOne	January 2023	Yes	Türkiye	10,0%	1.000.000	Seed Stage
WEXT	Education	Founder One	March 2023	Yes	Türkiye	NA	NA	Seed Stage
Yamy	Gaming	UP Venture Capital	January 2023	Yes	UK	NA	NA	Seed Stage

Source: Startups.watch



KPMG, which provides audit, tax and consultancy services and is one of the four largest international companies in its sector, provides consultancy services to many sectors such as financial services, consumer products, automotive, industrial sectors, food, retail, energy, telecommunications and chemistry with over 220,000 employees in 147 countries with a network of member firms dating back to 1867. KPMG Turkey, with its Istanbul head office as well as its Ankara, Izmir and Bursa offices, has been serving more than 4000 companies from all sectors with 1700 employees since 1982, providing value-creating solutions about the industrial trends they need in competition.



212 is a personalized venture capital firm with deeply rooted global networks that bring in growth partners to help expand and guide the ecosystem using wisdom and a well of experience extending beyond the geographical. 212 backs bold B2B tech solutions with demonstrated traction and a precise product-market fit. As a firm believer in investing in teams, 212 has built a diverse and dynamic team over a decade while establishing and utilizing a robust presence in Istanbul, Doha, and San Francisco. It does more than invest in the region and aims higher than going global. 212 forges partnerships and gives back by empowering the ecosystem.

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