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TURKISH STARTUP ECOSYSTEM

2025 YEAR IN REVIEW REPORT ^{V1.01}

JAN 13, 2026

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.
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METHODOLOGY & DATA

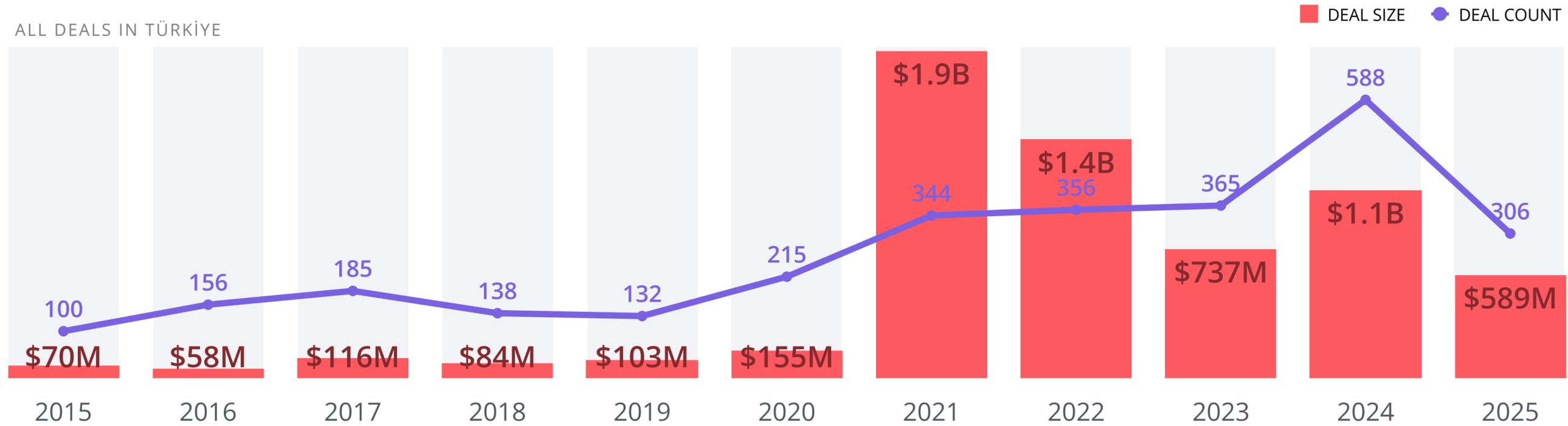
- Only verifiable fundings are included. Fundings are verified via Chamber of Commerce, direct confirmation with startup or investor, or press release.
- If a funding is directly or indirectly listed in Chamber of Commerce data, then it's added to Turkish funding data, regardless of where they are currently registered.
- Buyouts, M&A and secondary transactions are treated as exits and excluded from funding data.
- If there is a tranching investment, only the amount shown in the chamber of commerce is taken into account.
- 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 transactions, 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.

- In 2025, **\$589M** were invested across **306 deals** in seed, early and later vc stages. The deal size decreased by **45%** and deal count by **48%** YoY.
- Turkish diaspora startups raised **\$1.1B** across **41** deals in 2025, and produced **three new unicorns** during the same period (Airalo, Periodic Labs, and Fal).
- Investment activity in Türkiye followed a **downward trend year-over-year**, similar to patterns observed in Germany, and France.
- Türkiye, long constrained by a scarcity of later-stage funding, saw **no later-stage investment activity** in 2025.
- The severe drop in **Seed-to-Early Stage VC conversion**, already evident in prior years, remained pronounced in 2025 compared with other countries.
- In 2025, **one out of every four investments** was made in AI startups; however, AI significantly lagged other verticals in terms of total capital deployed.
- **Fintech** and **gaming** accounted for **68%** of total capital deployed in 2025.
- The majority of capital was concentrated in a limited cohort, with **seven startups** commanding **62%** of total funding.
- **Fintech** attracted a **record level of capital**, making 2025 its most funded year on record.
- In 2025, **three new CVCs** were established, bringing the total number of CVCs to **96**. On average, a CVC or corporate investor participated in **one out of every three deals**.
- Over the past three years, **334 VCIFs** and **20 VC** firms were established, collectively generating **\$1.5B** in fund size.
- In 2025, one out of every four investments was made in startups with female founders.

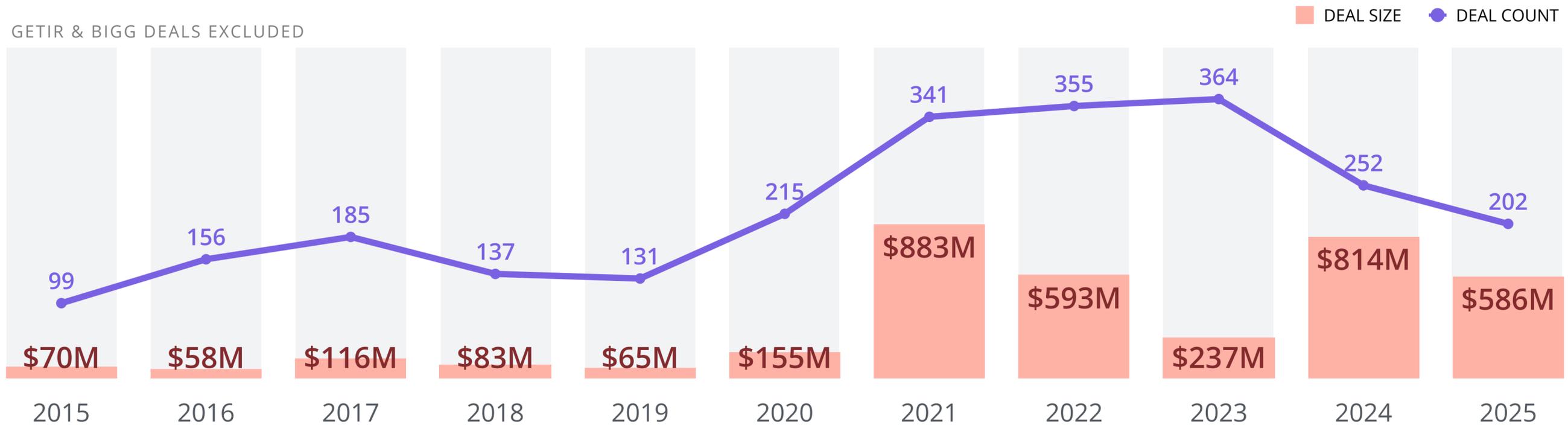
- Acquisitions and secondary transactions showed strong activity throughout 2025.
- Despite a limited number of transactions, the Turkish diaspora experienced a highly active environment across IPOs, mergers, and secondary transactions.
- While Turkish startup-led acquisitions were scarce, **Paribu's** acquisition of **CoinMENA** was one of the most prominent transactions of the year.
- Survey results among VCs indicate that the majority believe fundraising has become **more challenging** compared with previous years.
- Survey findings indicate that the set of ecosystem challenges **remained unchanged** compared with the previous year.

YEARLY ANGEL & VC DEALS IN TÜRKİYE

ALL DEALS IN TÜRKİYE

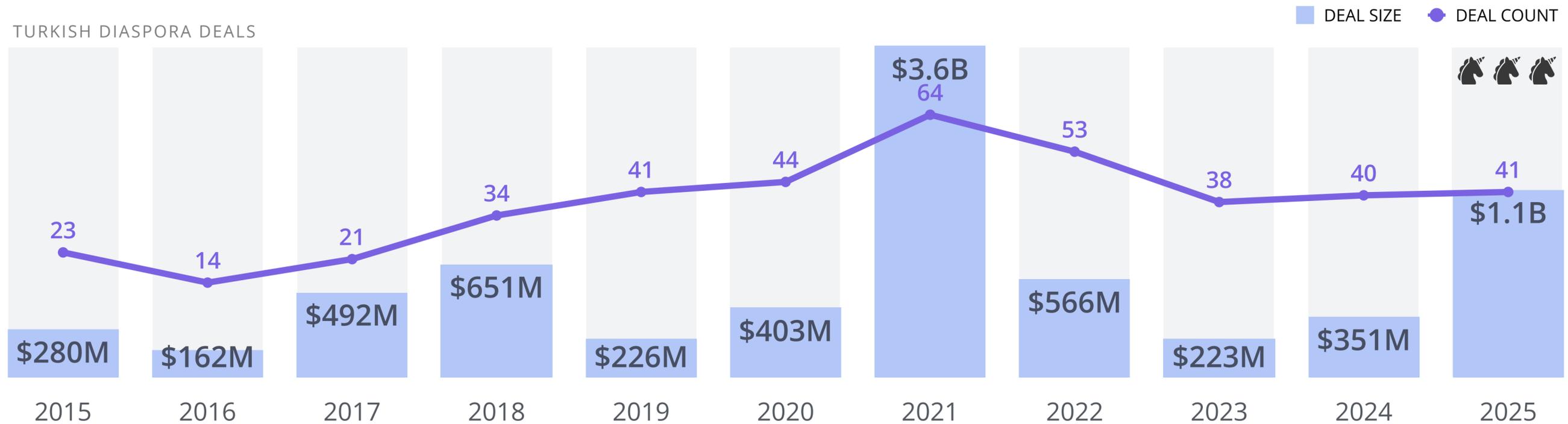
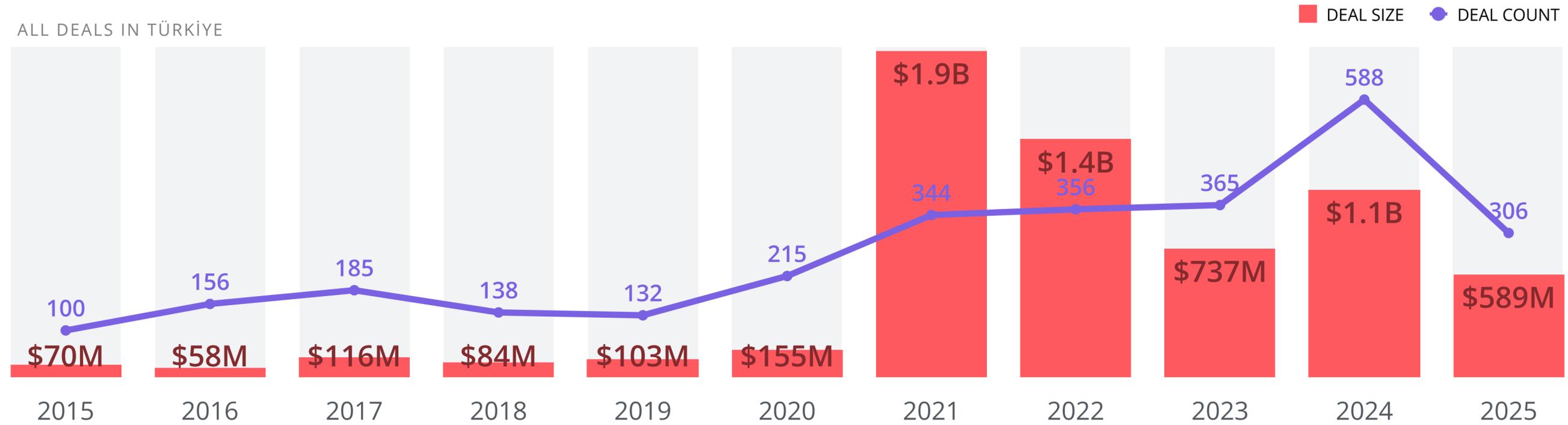


GETIR & BIGG DEALS EXCLUDED

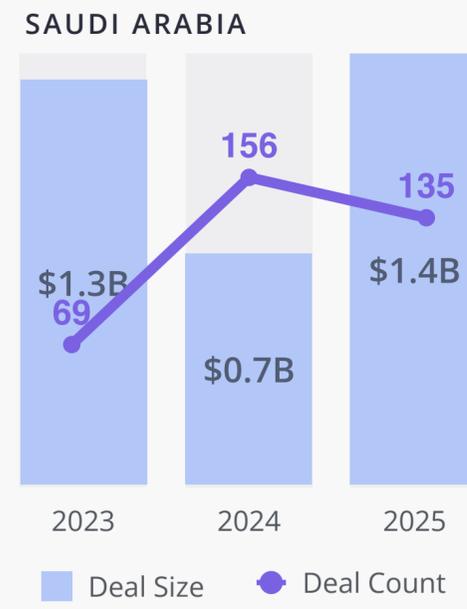
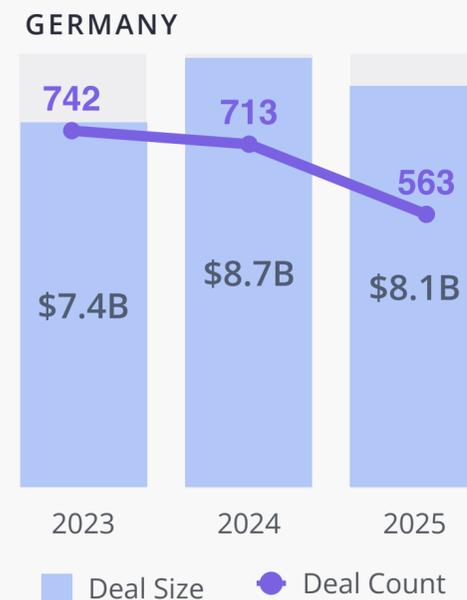


Notes : Only disclosed equity fundings are counted. Non-equity, secondary and post-IPO transactions, grants and convertible debts are excluded. Source : Crunchbase & Startups.watch & Public Sources

DEALS IN TÜRKİYE VS DEALS OF TURKISH DIASPORA



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



- The year-over-year decline in deal count observed in the UK, Germany, France, the UAE, and Saudi Arabia was also reflected in Türkiye.
- In terms of capital deployed, only the UK and Saudi Arabia recorded year-over-year growth.
- Based on median deal sizes, Türkiye remained below even the UAE and Saudi Arabia—both of which have emerged as increasingly active ecosystems in recent years.

TÜRKİYE YEARLY DEAL (\$) ACTIVITY BY STAGES

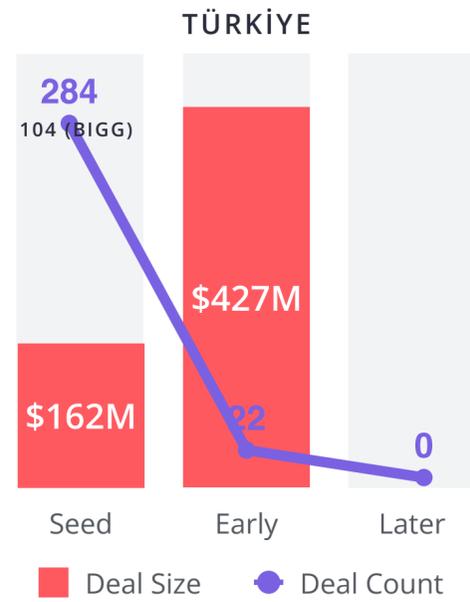
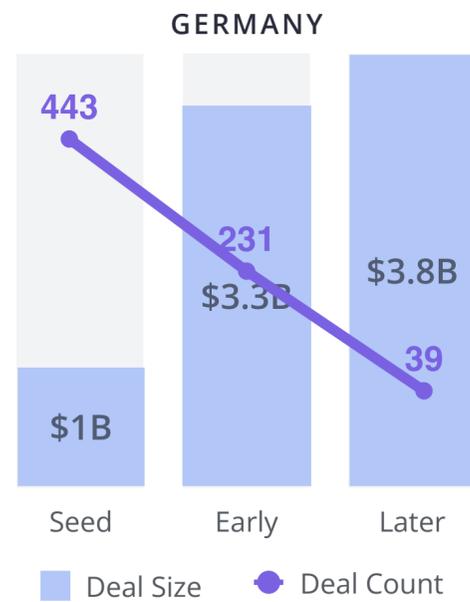
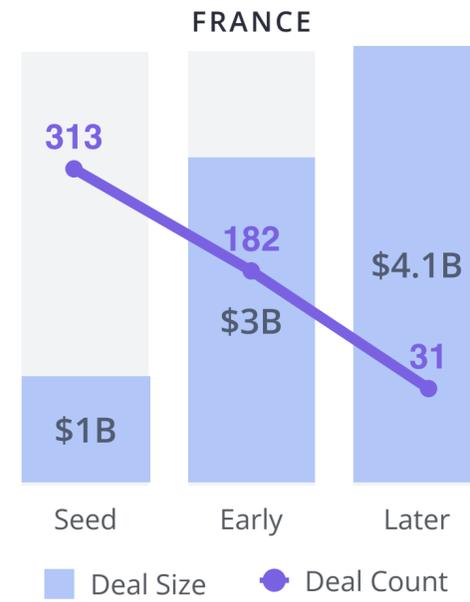
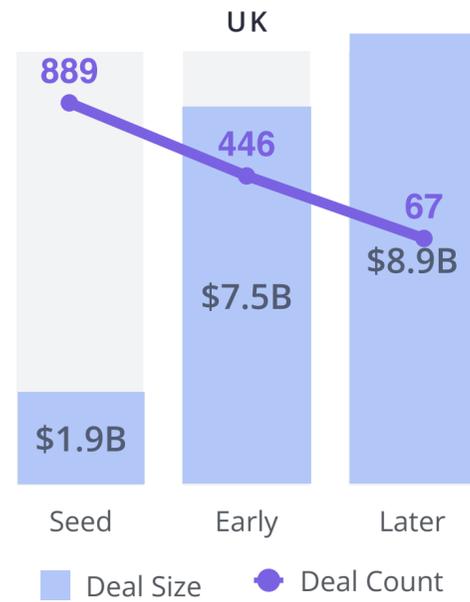
STAGES	2020	2021	2022	2023	2024	2025
Seed Stage (\$)	69M	140M	293M	170M	158M	162M
<i>YoY Growth</i>		105%	109%	-42%	-7%	2%
Early VC Stage (\$)	50M	616M	142M	67M	370M	427M
<i>YoY Growth</i>		1137%	-77%	-53%	455%	15%
Later VC Stage (\$)	37M	1,110M	926M	500M	545M	0M
<i>YoY Growth</i>		2900%	-17%	-46%	9%	-100%

TÜRKİYE YEARLY DEAL (#) ACTIVITY BY STAGES

STAGES	2020	2021	2022	2023	2024	2025
Seed Stage (#)	192	309	325	343	567	284
<i>YoY Growth</i>		61%	5%	6%	65%	-50%
Early VC Stage (#)	21	32	28	21	18	22
<i>YoY Growth</i>		52%	-13%	-25%	-14%	22%
Later VC Stage (#)	2	3	3	1	3	0
<i>YoY Growth</i>		50%	0%	-67%	200%	-100%

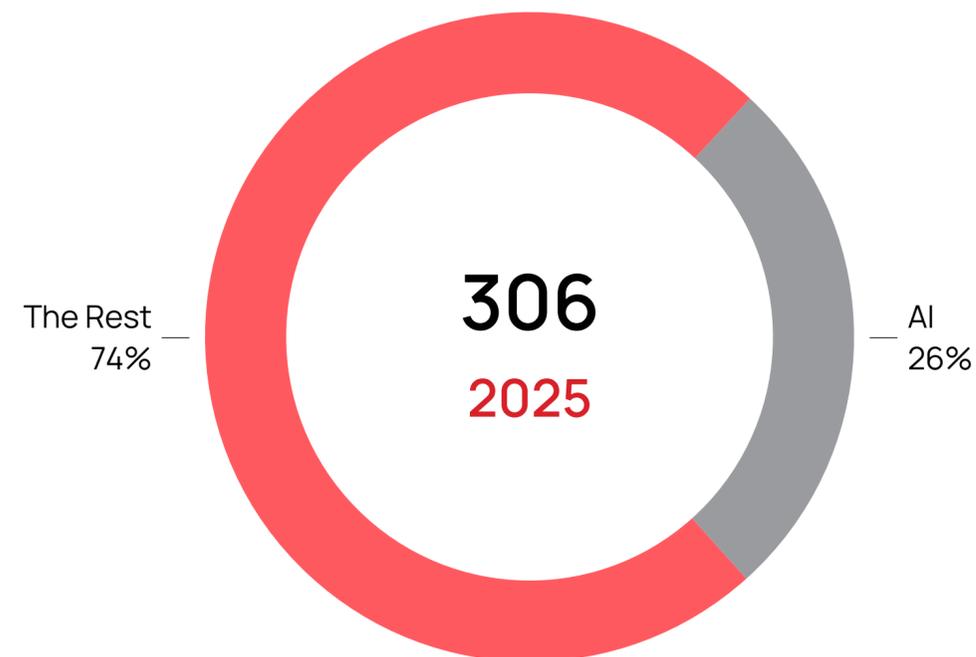
- Türkiye, long constrained by a scarcity of later-stage funding, saw **no later-stage investment activity** in 2025.
- Post-Series A relocations emerged as a major contributor to the lack of later-stage investment activity.

COUNTRY COMPARISON OF DEAL ACTIVITY BY STAGES (2025)

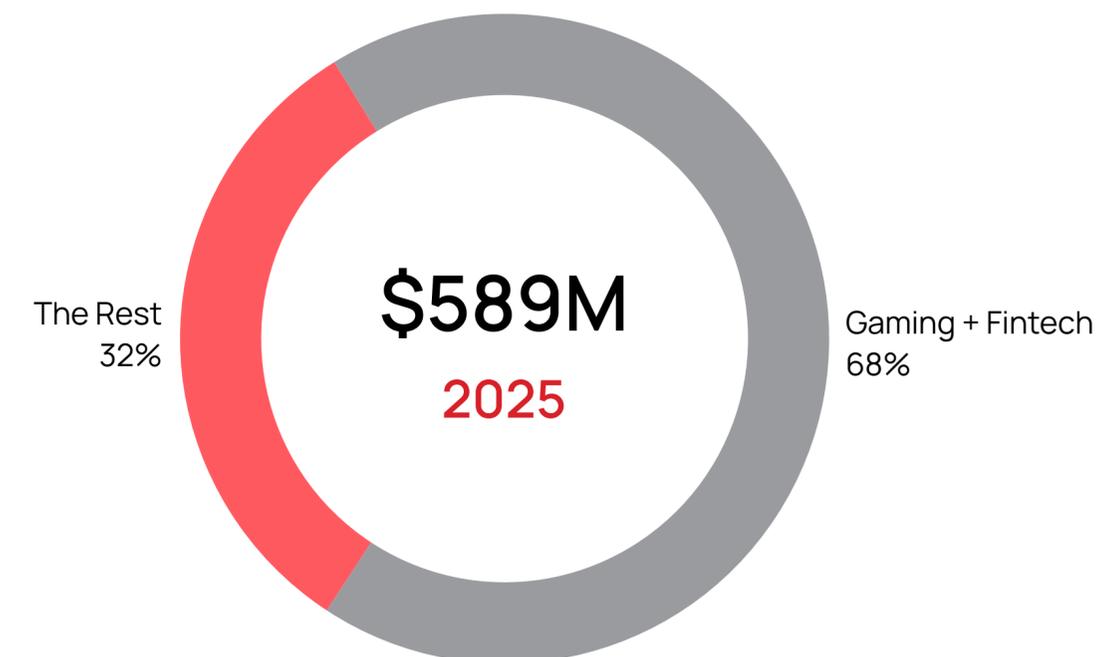


- In 2025, Türkiye once again exhibited an ecosystem characterized by an abundance of seed-stage activity and a pronounced scarcity in subsequent stages.
- While Seed-to-Early Stage conversion rates hovered around 50% in markets such as the United Kingdom, France, and Germany, Türkiye's conversion rate stood at approximately 13%, even when BiGG-backed investments are excluded.
- Early-to-Later Stage conversion fell to the lowest possible level, given the absence of any later-stage investments.

BREAKDOWN OF INVESTMENTS (DEAL COUNT)

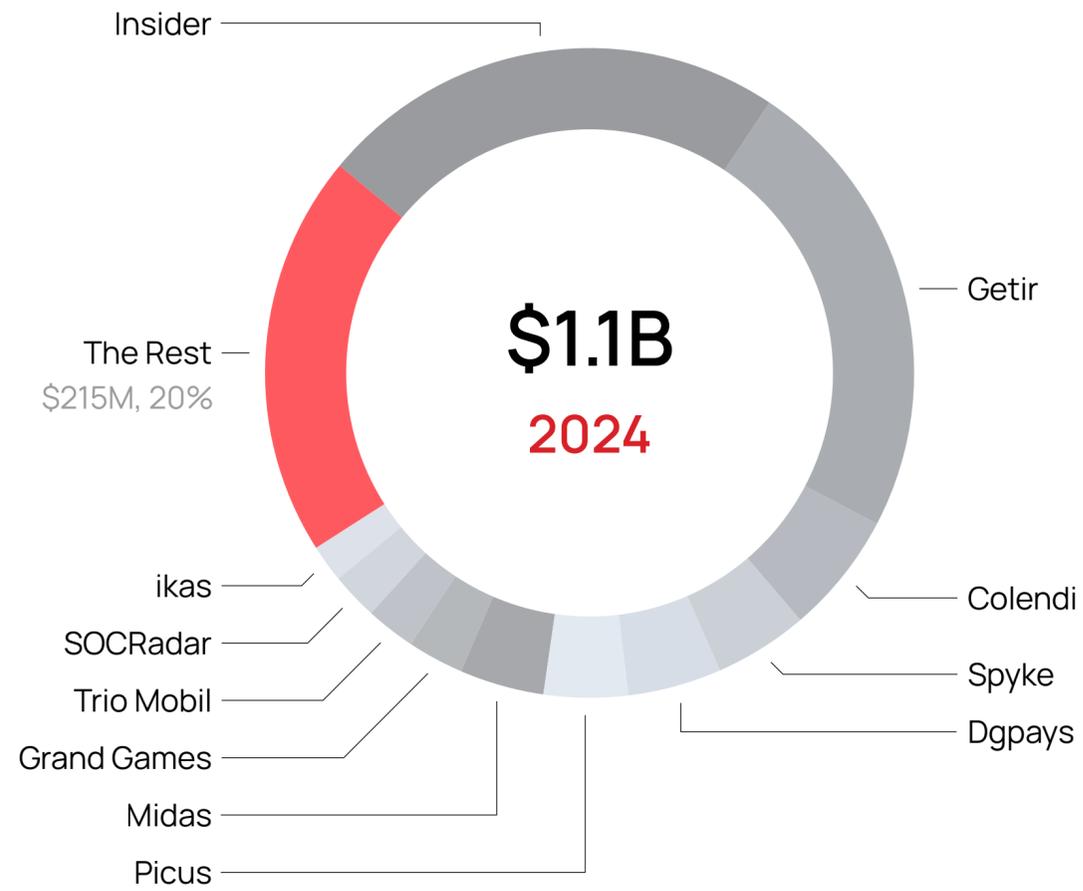


BREAKDOWN OF INVESTMENTS (DEAL SIZE)

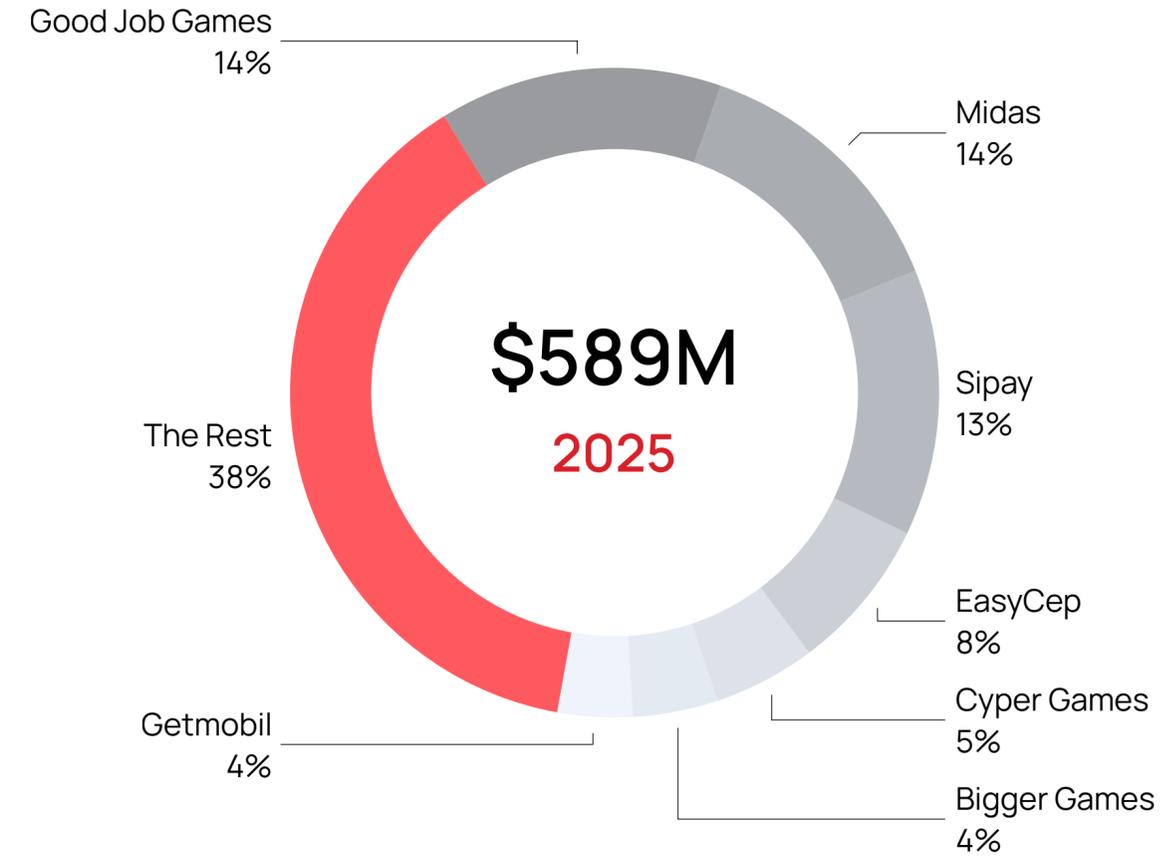


- In 2025, **one out of every four investments** was made in AI startups; however, AI significantly lagged other verticals in terms of total capital deployed.
- **Fintech** and **gaming** accounted for **68%** of total capital deployed in 2025.

BREAKDOWN OF INVESTMENTS (\$20M+ DEALS)



BREAKDOWN OF INVESTMENTS (\$20M+ DEALS)



- The majority of capital was concentrated in a limited cohort, with **seven startups** commanding **62%** of total funding.
- In the previous year, **11 startups** raised rounds exceeding **\$20M**, including two that secured investments of over **\$100M**. In 2025, no startup raised a \$100 million+ round.

Notes : Only disclosed equity fundings are counted. Non-equity, secondary and post-IPO transactions, grants and convertible debts are excluded.

TOP 10 FUNDED VERTICALS IN 2025 (DEAL SIZE)

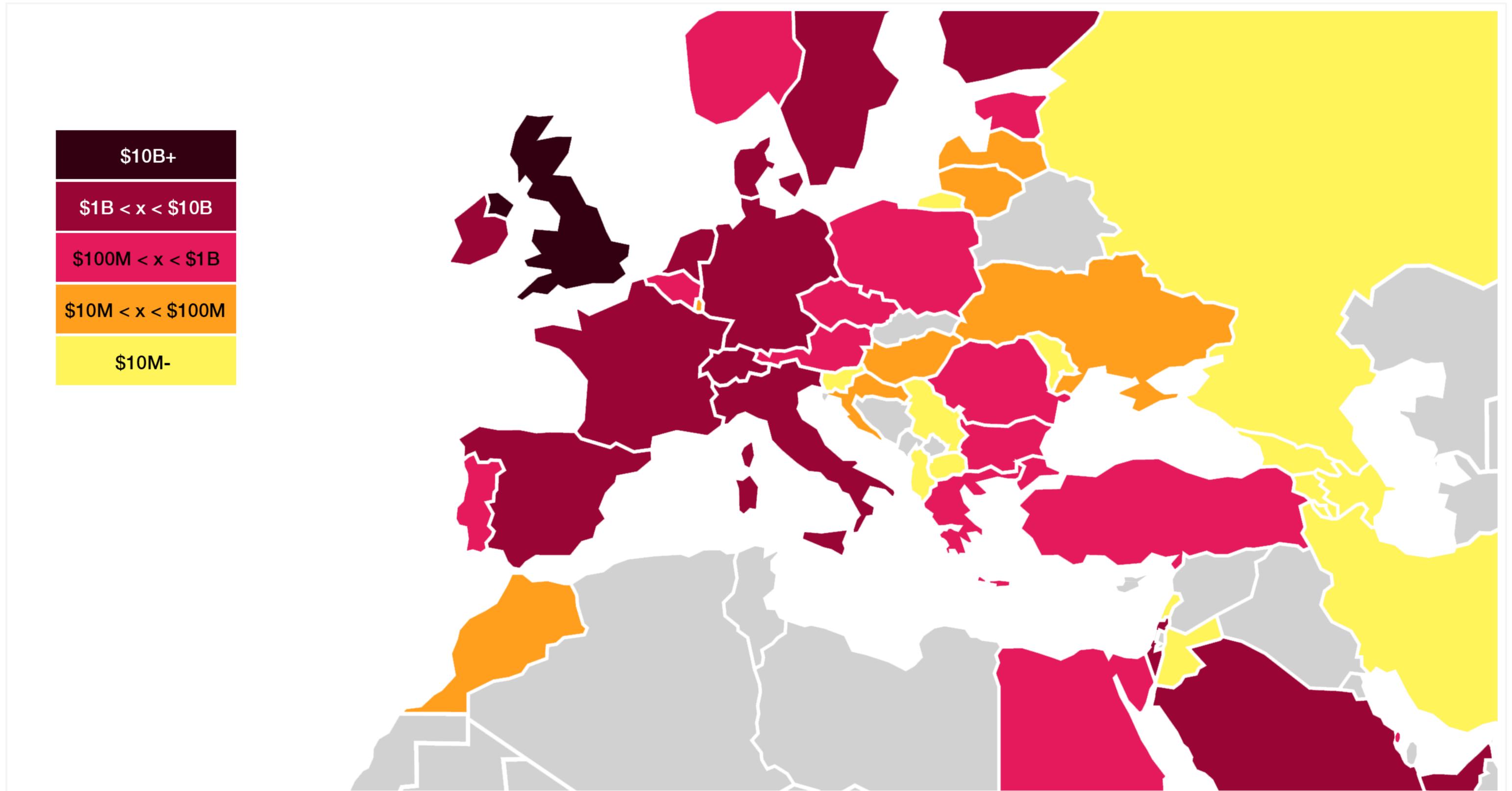
	2020	2021	2022	2023	2024	2025
Fintech	\$25.9M	\$68.9M	\$91.8M	\$30.2M	\$196.6M	\$219.7M
Gaming	\$20M	\$491.5M	\$116M	\$35.1M	\$128.5M	\$180.9M
Marketplace	\$4.7M	\$70.5M	\$60.1M	\$6.6M	\$8.7M	\$70.4M
Artificial intelligence	\$63.2M	\$25.7M	\$157.7M	\$43.4M	\$285.5M	\$36.4M
Cybersecurity	\$0.4M	\$24.9M	\$14.3M	\$11.2M	\$73.6M	\$19.5M
Deeptech	\$8.3M	\$28.6M	\$31M	\$7.1M	\$7.7M	\$15.2M
SaaS	\$54.2M	\$10.7M	\$145.4M	\$43.9M	\$288.4M	\$15.2M
Marketingtech	\$33.3M	\$3.1M	\$125.2M	\$4.7M	\$252.6M	\$13.8M
Telecom	\$0M	\$5.3M	\$0M	\$2.9M	\$2.5M	\$12M
Energy	\$2.5M	\$4.6M	\$11.6M	\$19.2M	\$3.4M	\$11.4M

- **Fintech** both set an **all-time funding record** and ranked among the top three most-funded verticals. The other two leading sectors were **gaming** and **marketplaces**.
- Despite strong deal volume, **AI** attracted relatively low investment volume; nevertheless, it still ranked among the top ten sectors

TOP 10 FUNDED VERTICALS IN 2024 (DEAL COUNT)

	2020	2021	2022	2023	2024	2025
Artificial intelligence	25	49	43	65	115	81
Fintech	25	40	40	39	33	39
Gaming	20	54	30	50	28	32
Healthtech	16	23	28	19	60	29
SaaS	36	27	35	37	40	24
Energy	9	11	13	25	27	18
Biotech	5	10	8	8	76	17
Deeptech	17	33	24	20	17	14
Marketingtech	6	4	12	13	10	10
Sustainability	4	7	10	16	40	10

- **Artificial Intelligence** led the market by number of deals, while **fintech** and **gaming** remained the backbone of the ecosystem, securing the second- and third-highest deal counts, respectively.
- Supported by TÜBİTAK BiGG investments, **energy**, **biotech** and **deeptech** also ranked among the top ten verticals.



Notes : Only disclosed equity financings 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	\$18.2B	(1402)
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Super League

	Germany	\$8.1B	(563)
	France	\$8.1B	(526)
	Switzerland	\$3.5B	(275)
	Spain	\$3.2B	(345)
	The Netherlands	\$3B	(302)
	Sweden	\$2.5B	(189)
	Finland	\$2.2B	(98)
	Malta	\$2B	(4)
	Italy	\$1.7B	(233)
	Denmark	\$1.2B	(126)
	Ireland	\$1.2B	(110)

1. League

	Belgium	\$746M	(95)
	Türkiye	\$589M	(306)
	Norway	\$485M	(66)
	Portugal	\$454M	(40)
	Greece	\$433M	(18)
	Poland	\$413M	(56)
	Austria	\$298M	(65)
	Estonia	\$249M	(65)
	Czechia	\$216M	(39)
	Bulgaria	\$193M	(12)
	Romania	\$130M	(19)
	Iceland	\$120M	(11)

2. League

	Lithuania	\$92M	(33)
	Luxembourg	\$67M	(20)
	Ukraine	\$42M	(41)
	Croatia	\$38M	(4)
	Hungary	\$34M	(15)
	Latvia	\$22M	(11)

Champions League

Super League

1. League

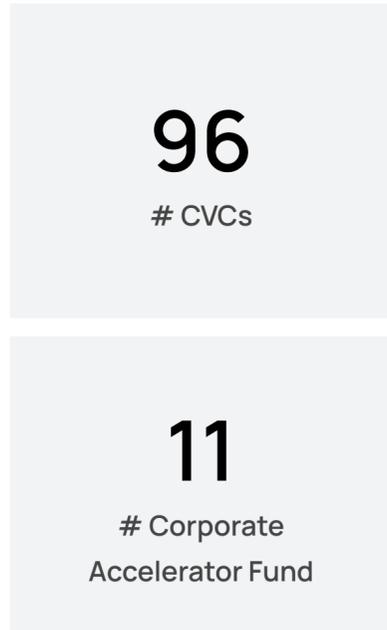
2. League

	Israel	\$6B	(246)
	United Arap E.	\$2.5B	(192)
	Saudi Arabia	\$1.4B	(135)

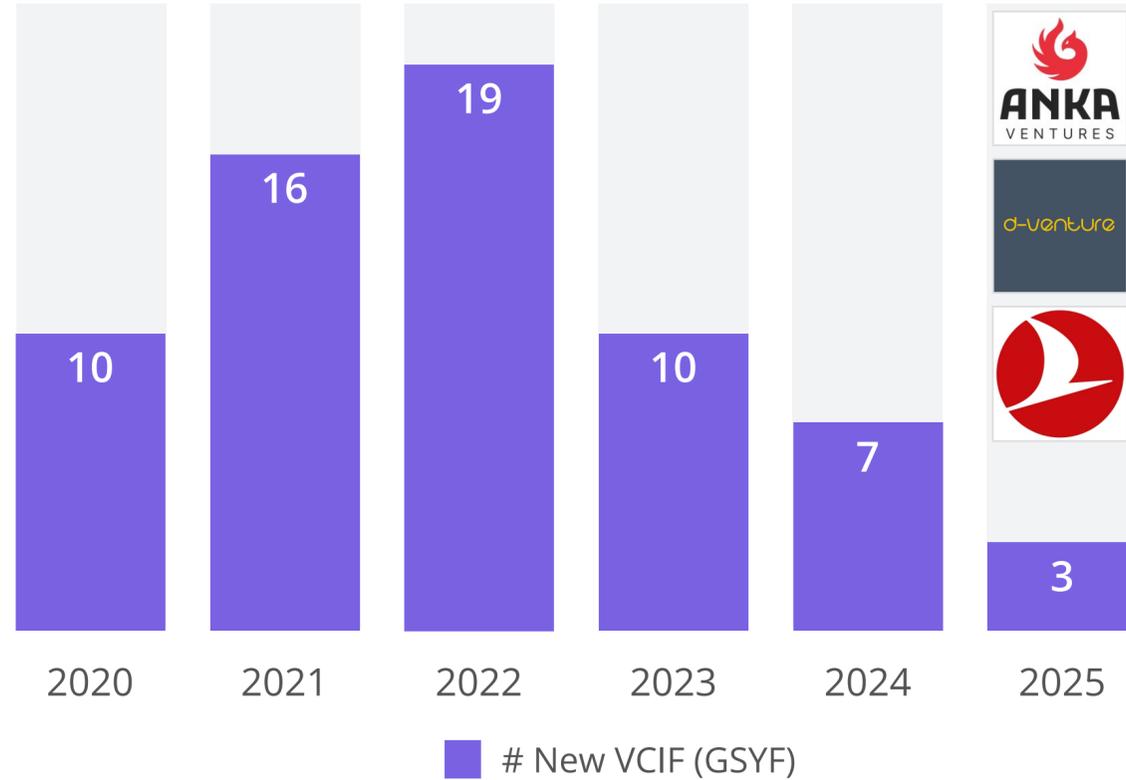
	Türkiye	\$589M	(306)
	Bahrain	\$425M	(8)
	Egypt	\$236M	(58)

	Morocco	\$90M	(13)
	Jordan	\$11M	(9)

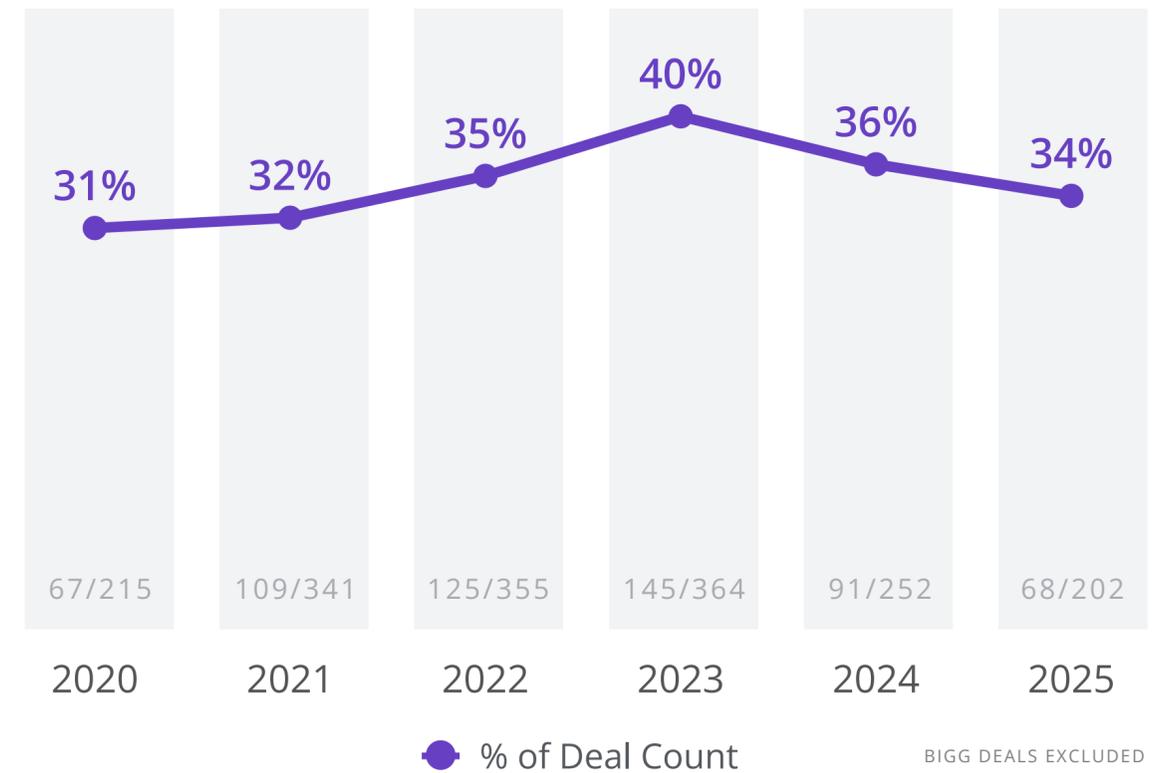
KEY STATS



NEW CVCS ESTABLISHED BY YEAR



TÜRKİYE VC DEAL ACTIVITY WITH CVC+CORPORATE PARTICIPATION



- In 2025, **three new CVCs** (Anka Ventures, d-venture, THY GSYF) were established, bringing the total number of CVCs to **96**.
- On average, a CVC or corporate investor participated in **one out of every three deals**.

KEY STATS

552# Total Active
VCIF (GSYF)**\$43M**

Median VC Fund Size

\$2M

Median VCIF Fund Size

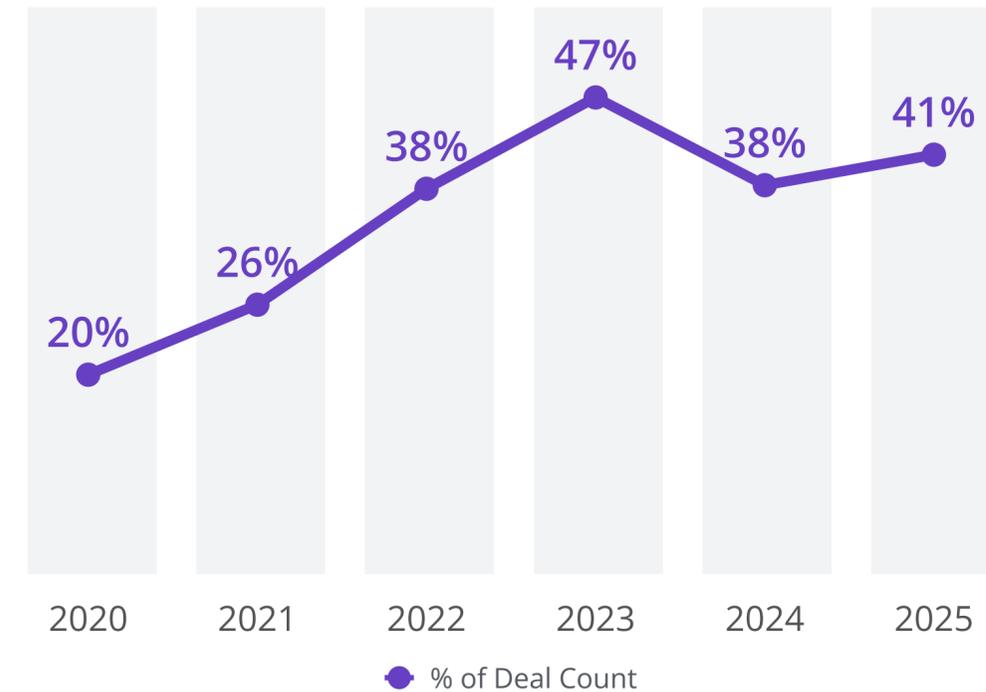
\$1.5BLast 3 Years Total
(334 VCIF+20 VC)**37**

Umbrella Funds

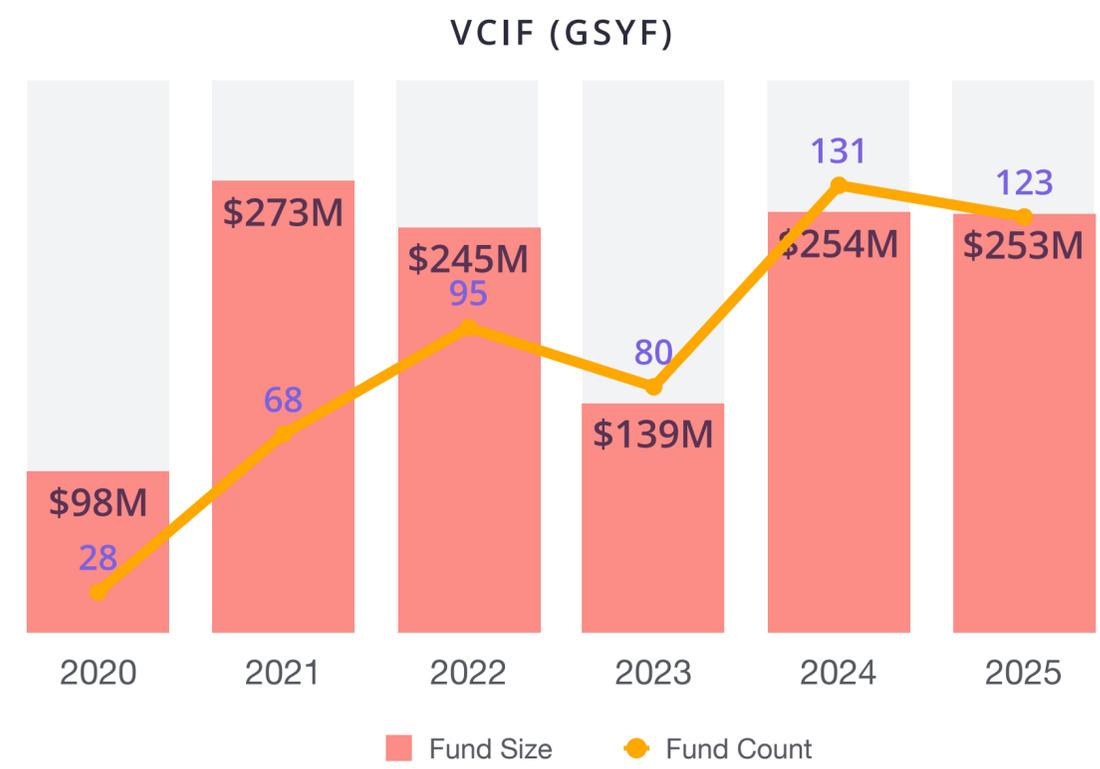
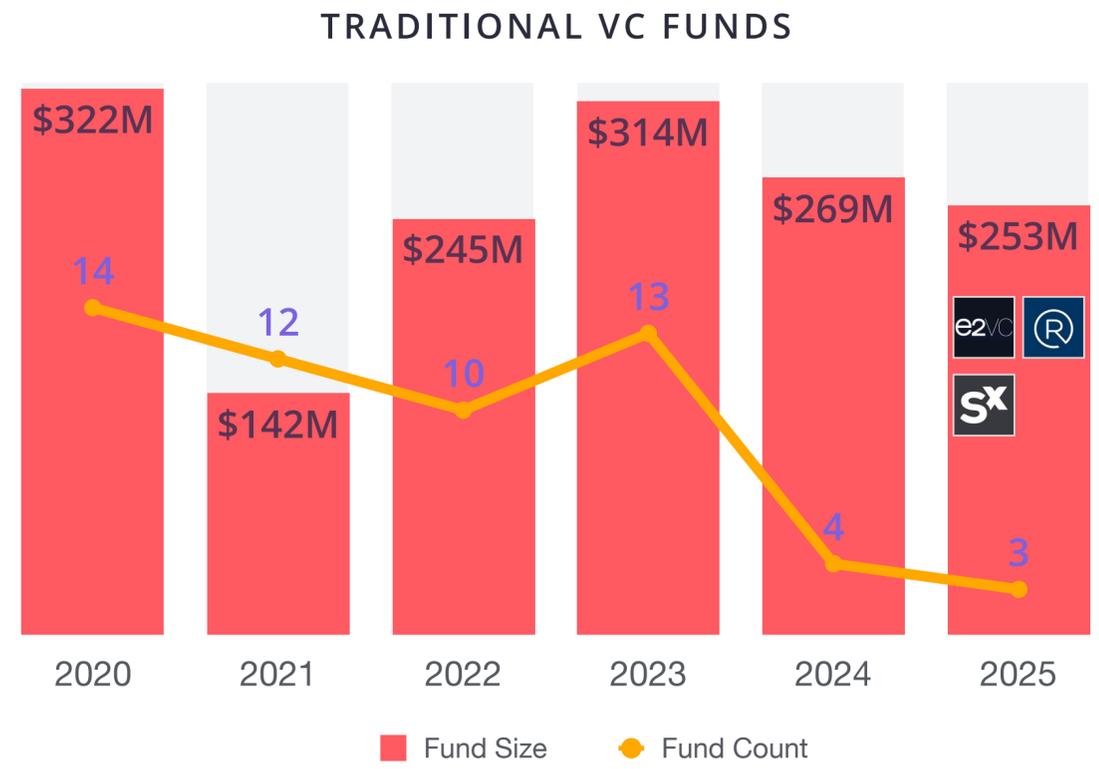
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VCIT (GSYO)

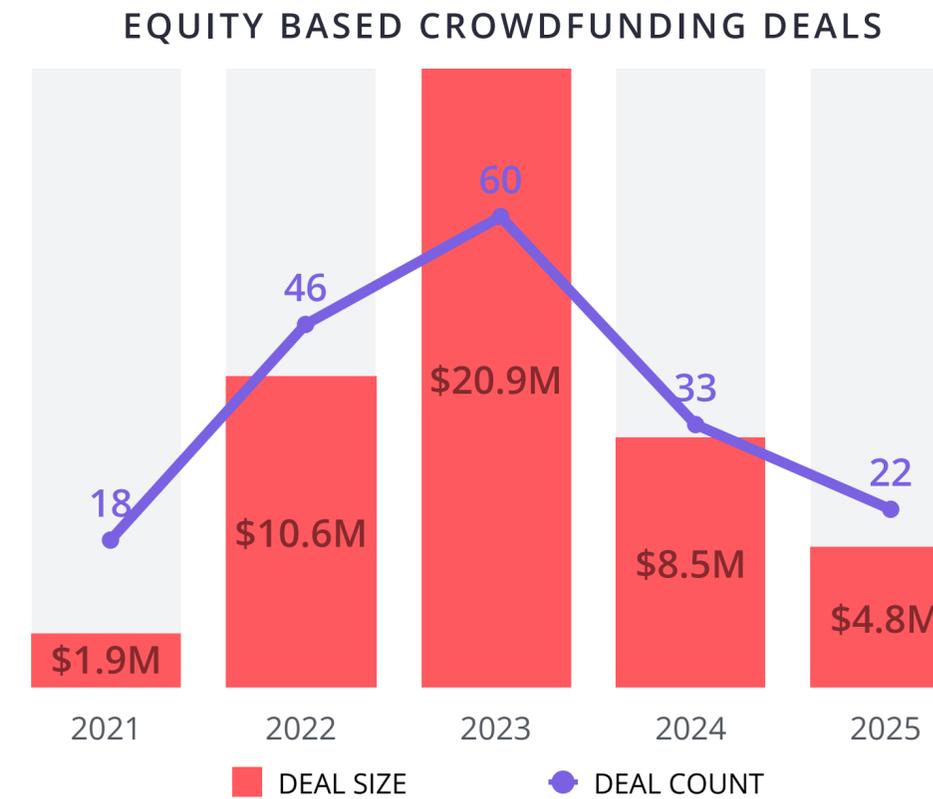
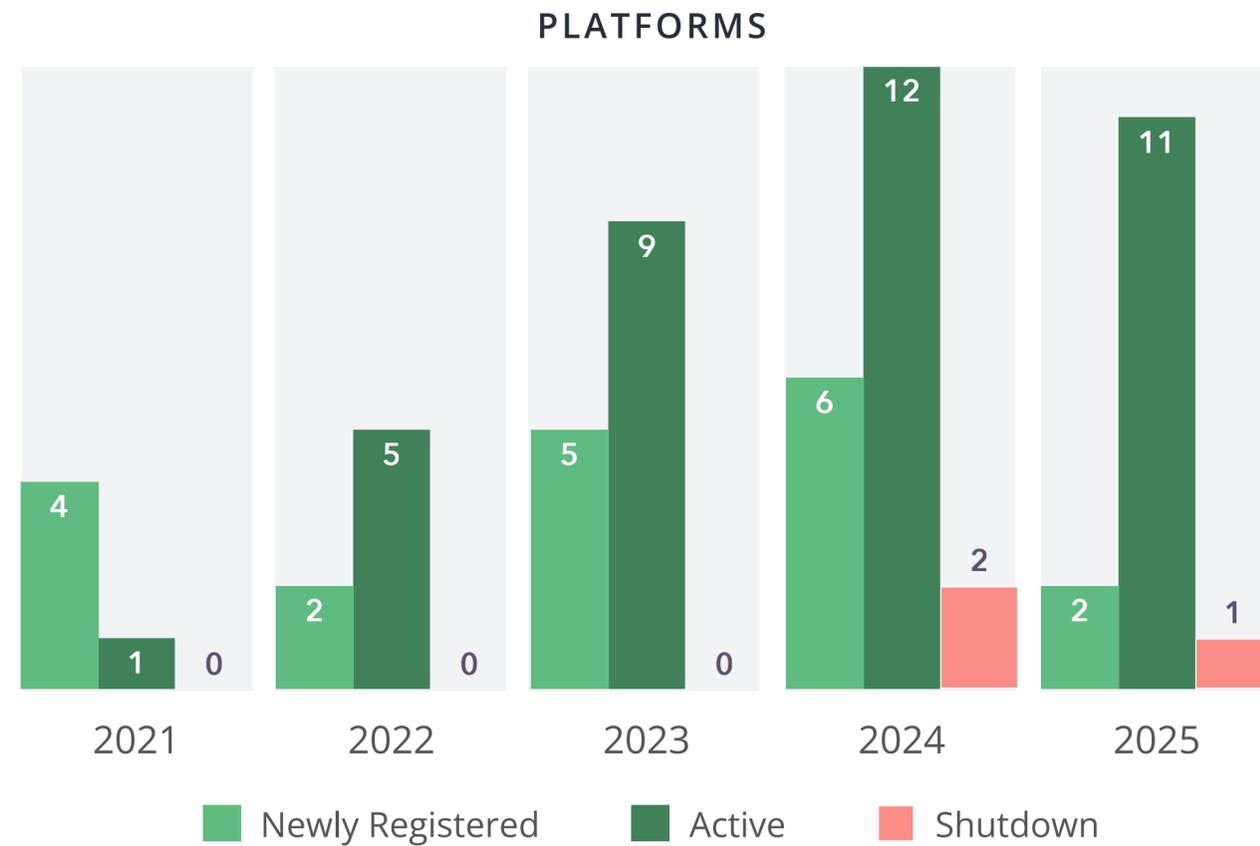
VCIF (GSYF) PARTICIPATION IN DEALS



- As of year-end 2025, the number of active VCIFs (GSYF) reached **552**; however, the median fund size remained relatively small at around **\$2M**.
- In 2025, **37** umbrella funds were launched, while the number of VCITs (GSYO) reached **36**.
- Over the past three years, the combined fund size of newly established VCIFs and traditional VC funds amounted to approximately **\$1.5B**.
- In 2025, VCIFs participated in **two out of every five investment rounds**.

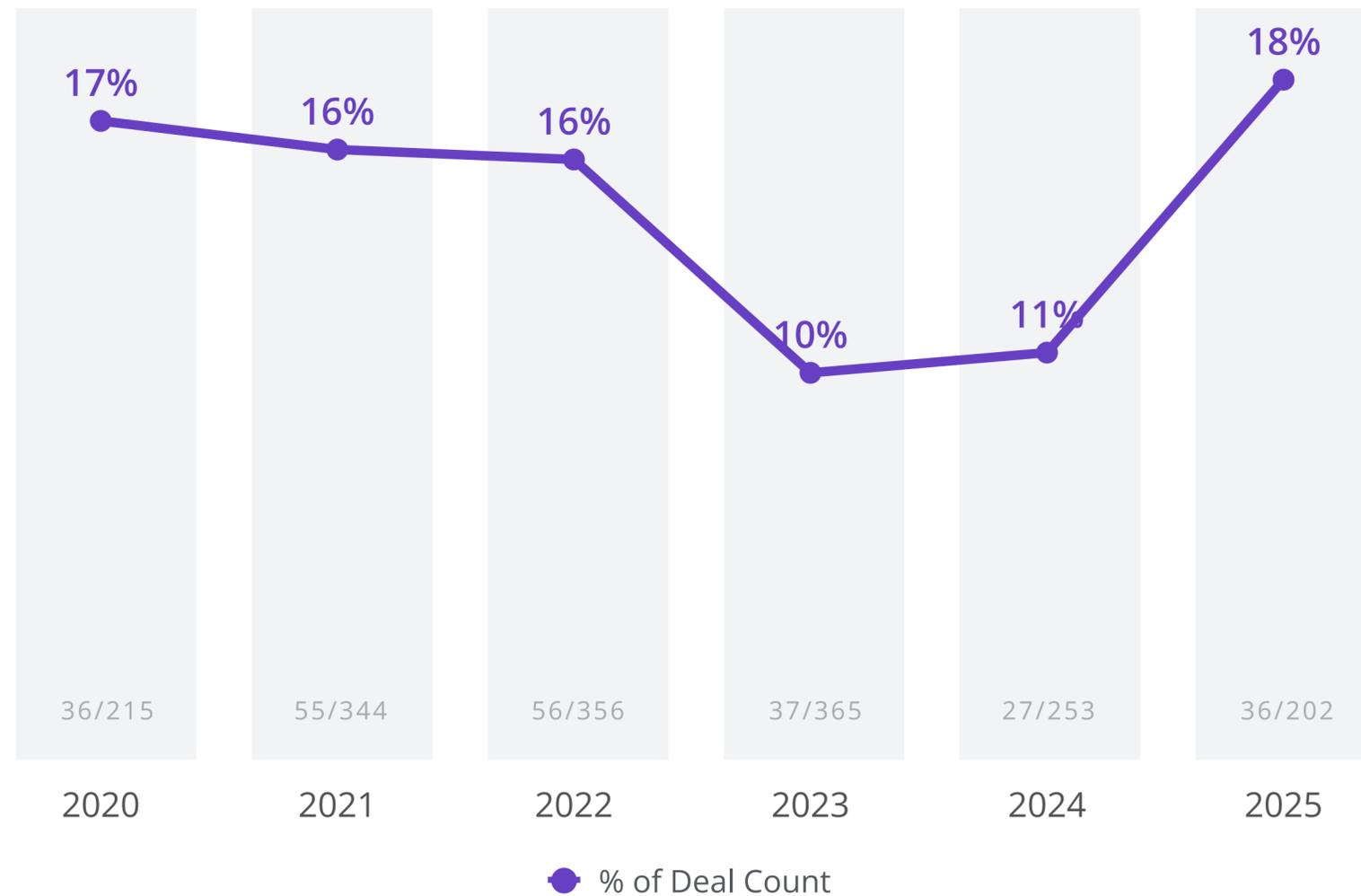


- In 2025, **e2VC** and **Revo Capital** completed the first closings of their third funds, while **ScaleX Ventures** completed the first closing of its second fund and began deploying capital.
- During the year, **123** new VCIFs received establishment approval.
- 2025 also marked a structural shift, as traditional VC firms in Türkiye began adopting **hybrid fund structures** under the VCIF (GSYF) framework. Revo Capital, 212, DCP, and e2VC were among the first funds to implement different hybrid models.



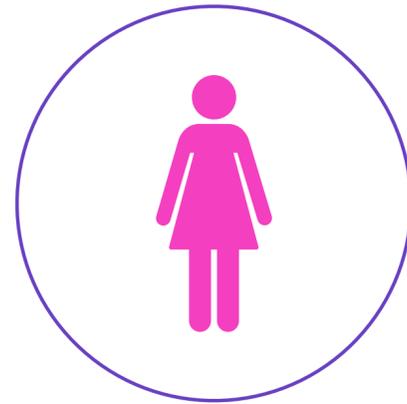
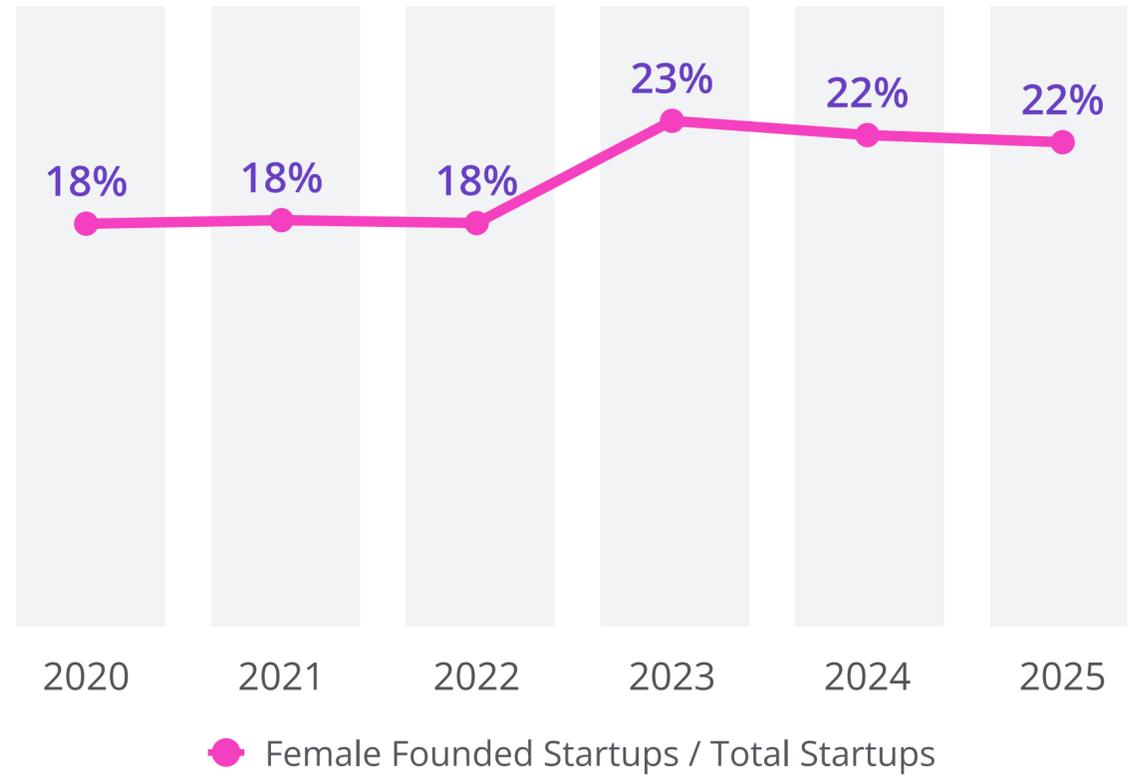
- In 2025, one equity based crowdfunding platform ceased operations, while two new platforms received establishment approval, bringing the total number of active platforms to **11**.
- Despite this platform count, the number of successful campaigns—after peaking in 2023—**declined for the second consecutive year**.
- In 2025, a total of **22** successful campaigns raised **\$4.8M**.

FOREIGN INVESTOR PARTICIPATION (ANGEL & VC DEALS)

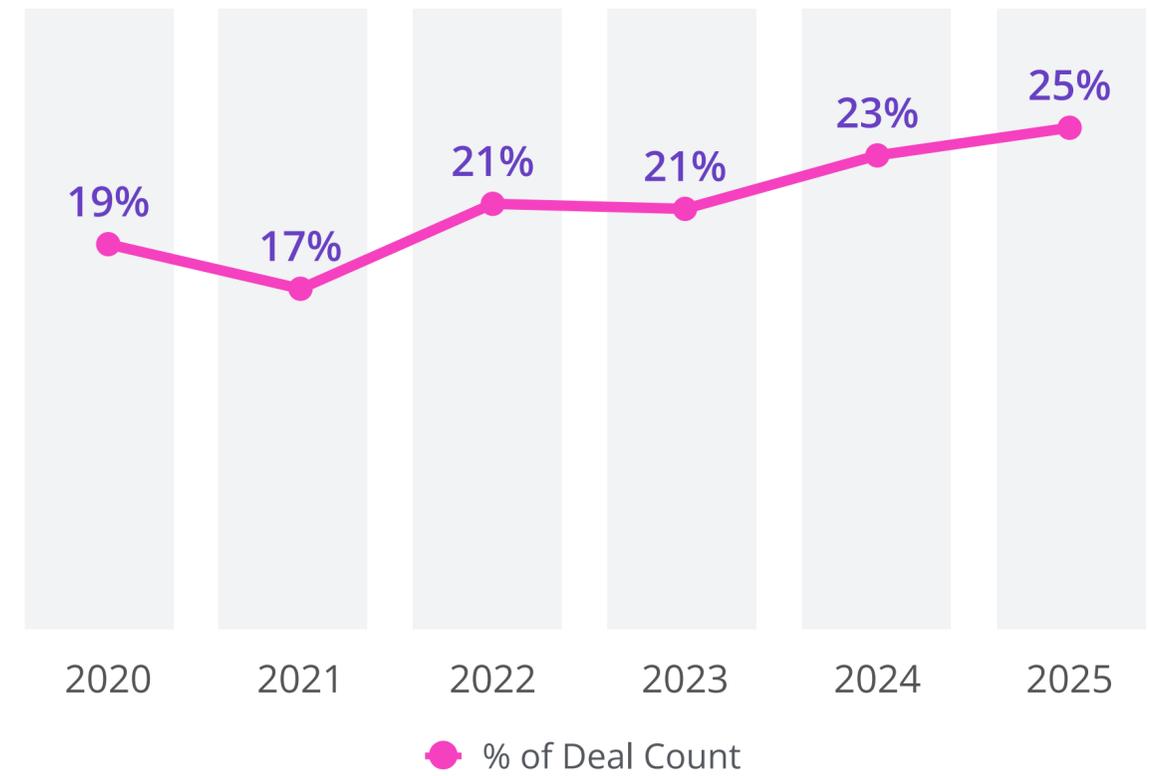


- Foreign investor interest increased on a percentage basis—led by gaming, followed by fintech. However, in absolute terms, annual foreign-led deal activity has remained broadly stable over the past three years, averaging between 27 and 37 investments per year.
- A clearer picture emerges when viewed by stage. **Foreign investors participated in approximately half of all early-stage deals.** This suggests that as the number of Early and Later Stage VC investments increases, foreign investor participation is also likely to rise.
- At the seed stage, however, attracting foreign capital remains notably challenging.

FEMALE FOUNDERS IN TÜRKİYE

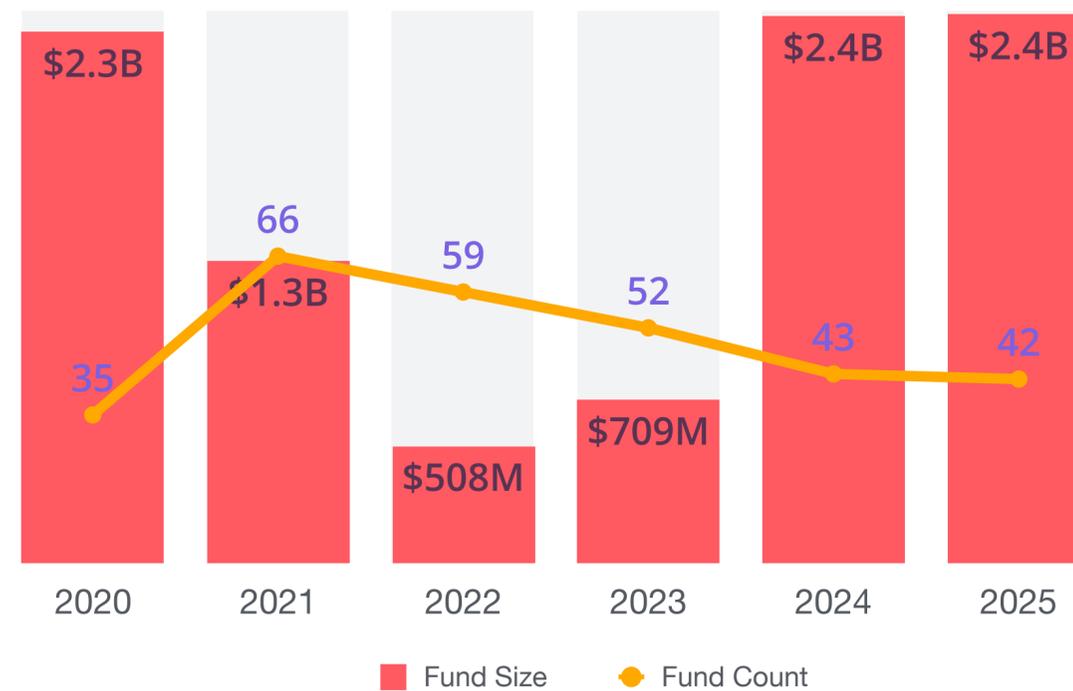


TÜRKİYE DEAL ACTIVITY WITH FEMALE FOUNDER

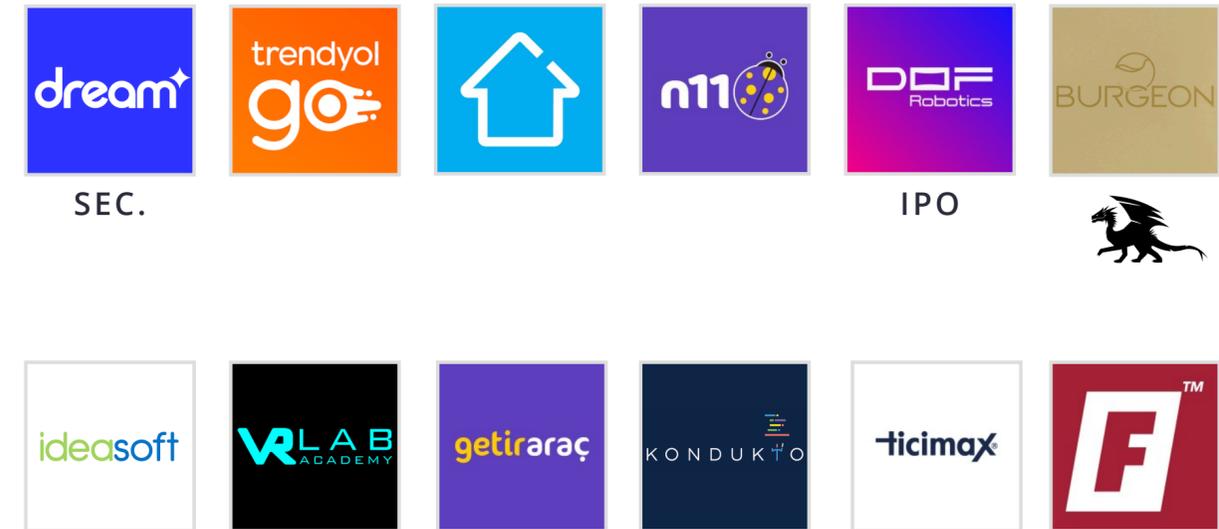


- **22% of newly founded startups** in 2025 had **at least one female founder**.
- **One out of every four investments** in 2025 was made in **female-founded or co-founded startups**.

ACQUISITIONS & SECONDARY TRANSACTIONS

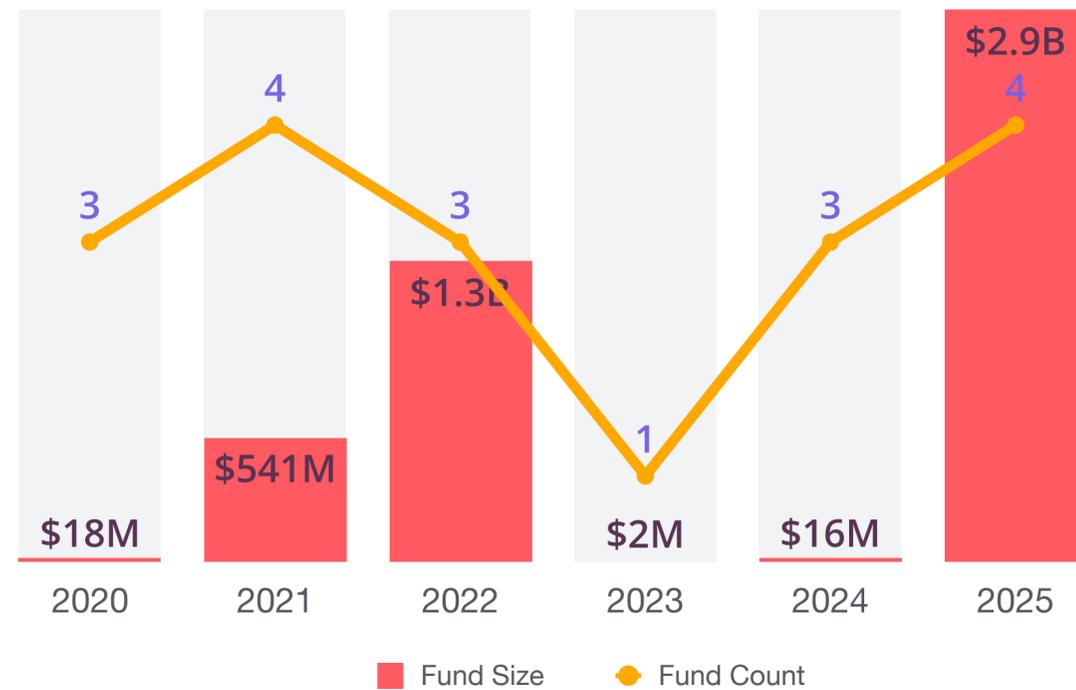


PROMINENT TRANSACTIONS



- Several landmark transactions defined 2025, including Dream Games’s **billion-dollar secondary transaction**; **acquisitions** of Trendyol Go, n11 and GetirAraç; the exit of Apsiyon; the **IPO** of DOF Robotics; and DCP’s Burgeon exit, which resulted in a **dragon exit**.
- With **42** transactions, 2025 delivered a year broadly in line with the previous year in both deal count and total value.

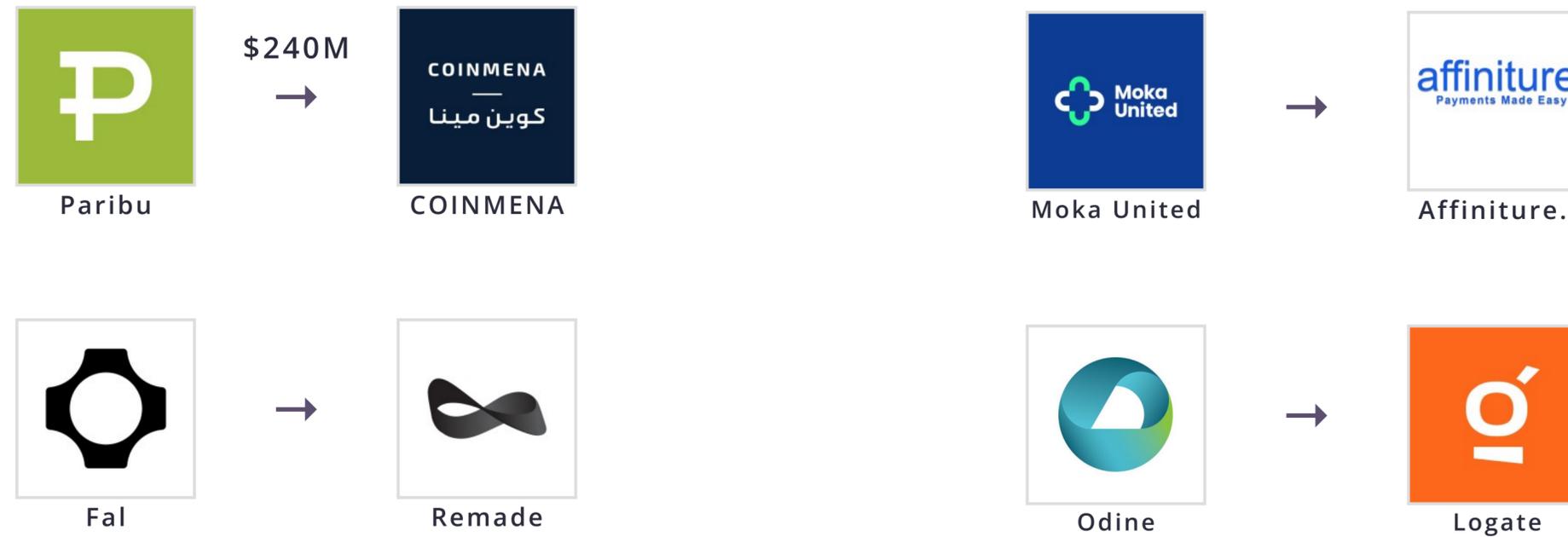
ACQUISITIONS & SECONDARY TRANSACTIONS



PROMINENT TRANSACTIONS



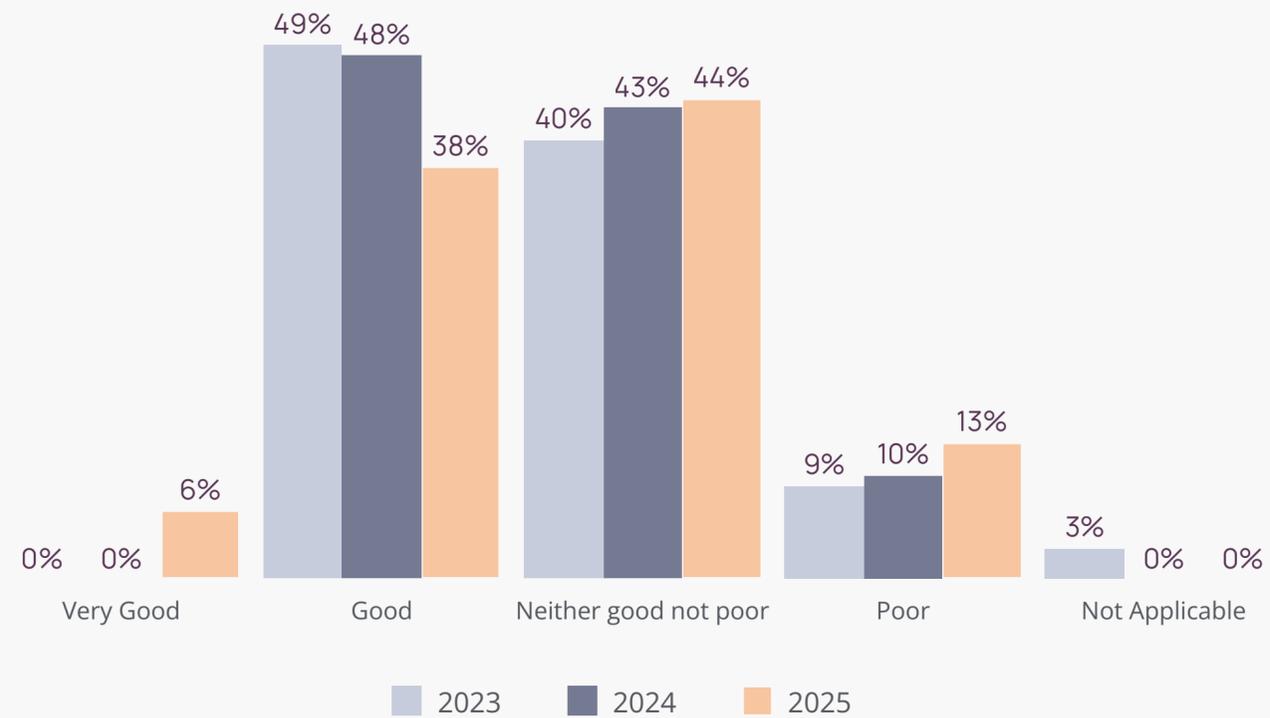
- Despite a limited number of transactions, the Turkish diaspora reached a significant level in terms of deal value. Notable transactions included the IPO of **BillionToOne**, **Udemy**'s merger with Coursera, **Fal**'s secondary transaction, and the exit of **Permify**.



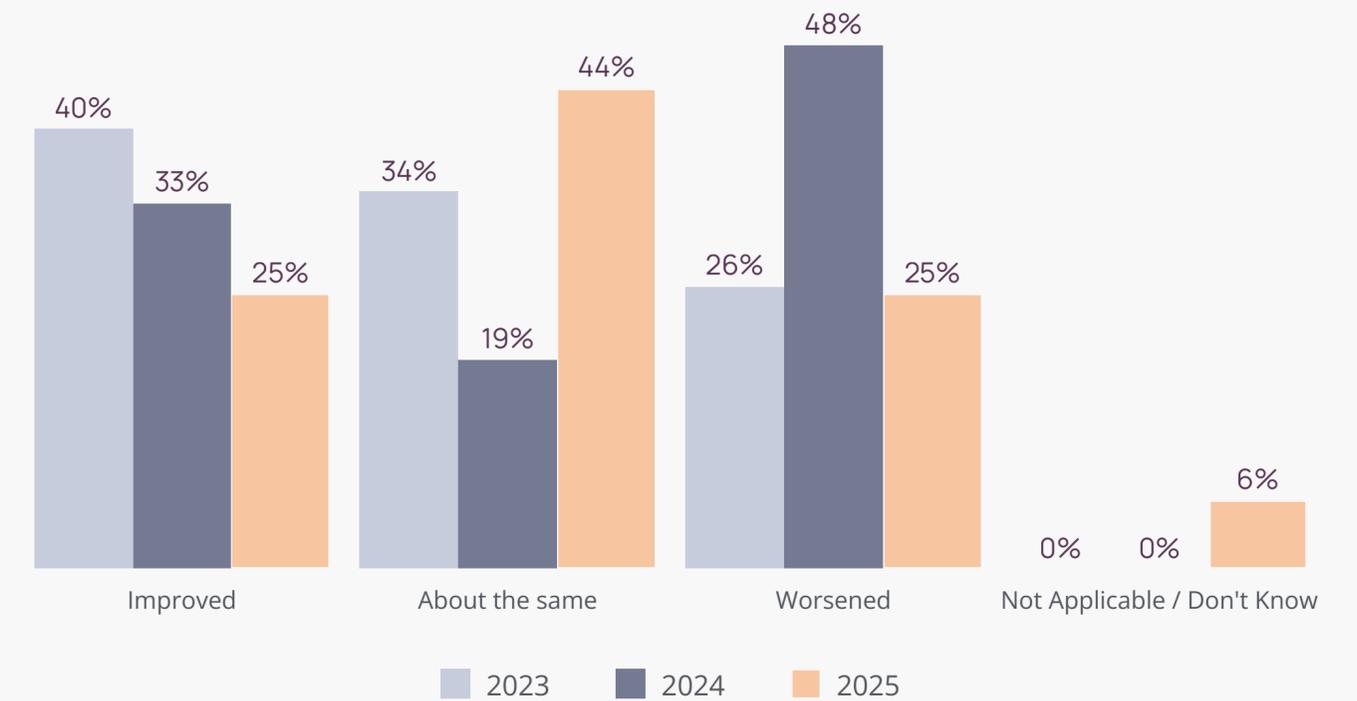
- Despite a limited number of transactions, the Turkish diaspora reached a significant level in terms of deal value. Notable transactions included the IPO of **BillionToOne**, **Udemy**'s merger with Coursera, **Fal**'s secondary transaction, and the exit of **Permify**.

- The overall quality of investments appears to have slightly declined in 2025 compared to the previous year.

How would you judge the current state of the VC market in terms of the quality of investments available?

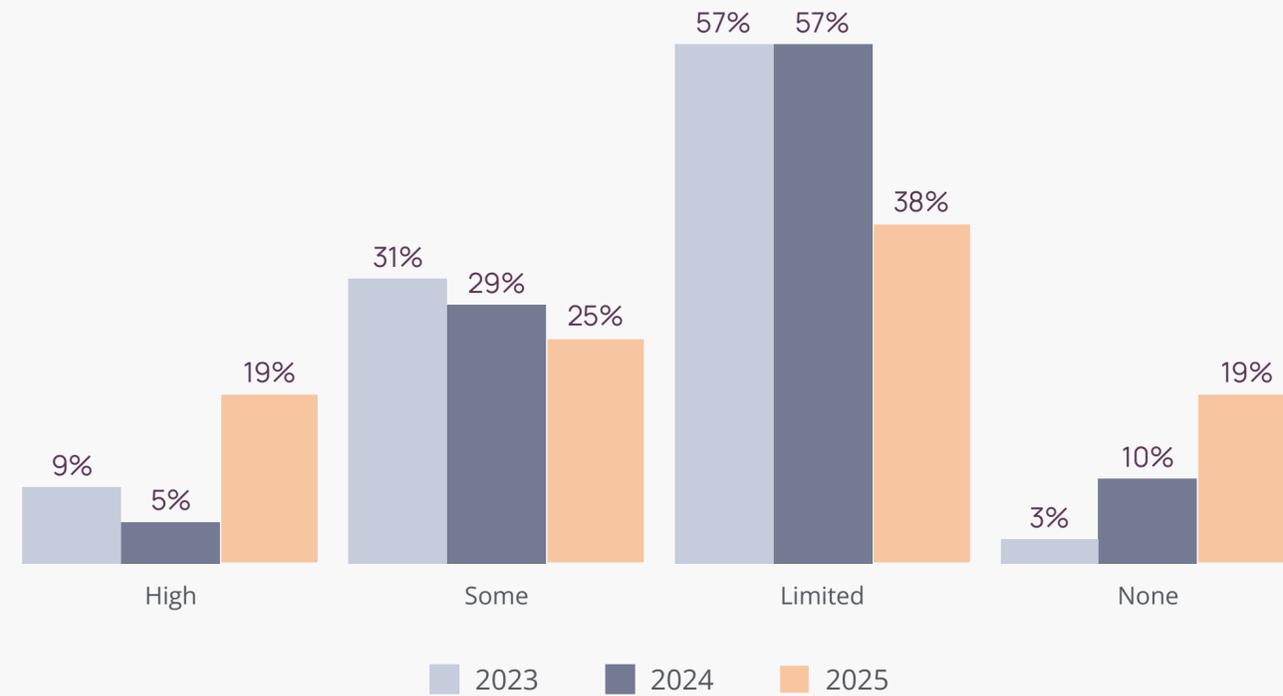


How do these opportunities compare to those you were assessing this time a year ago?

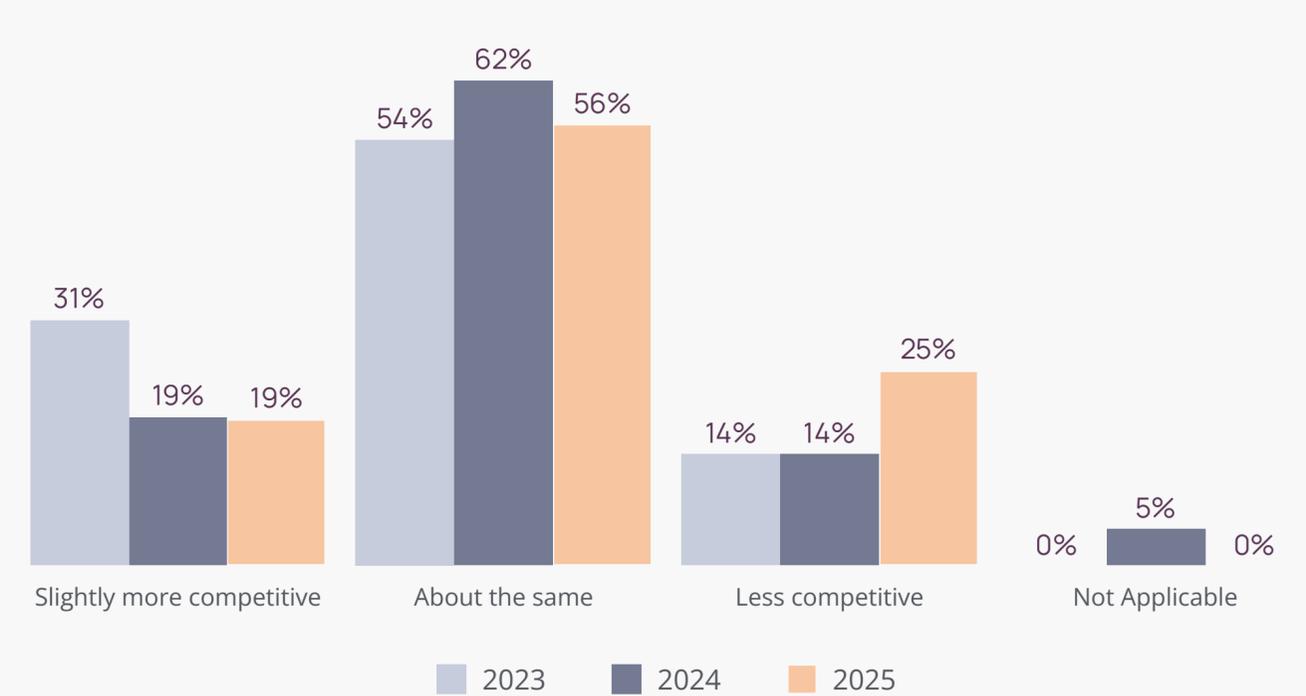


- The competitive intensity in the deals was slightly lower compared to the previous year.

How much competition is there from investors for deals in the area of the VC market you focus on?

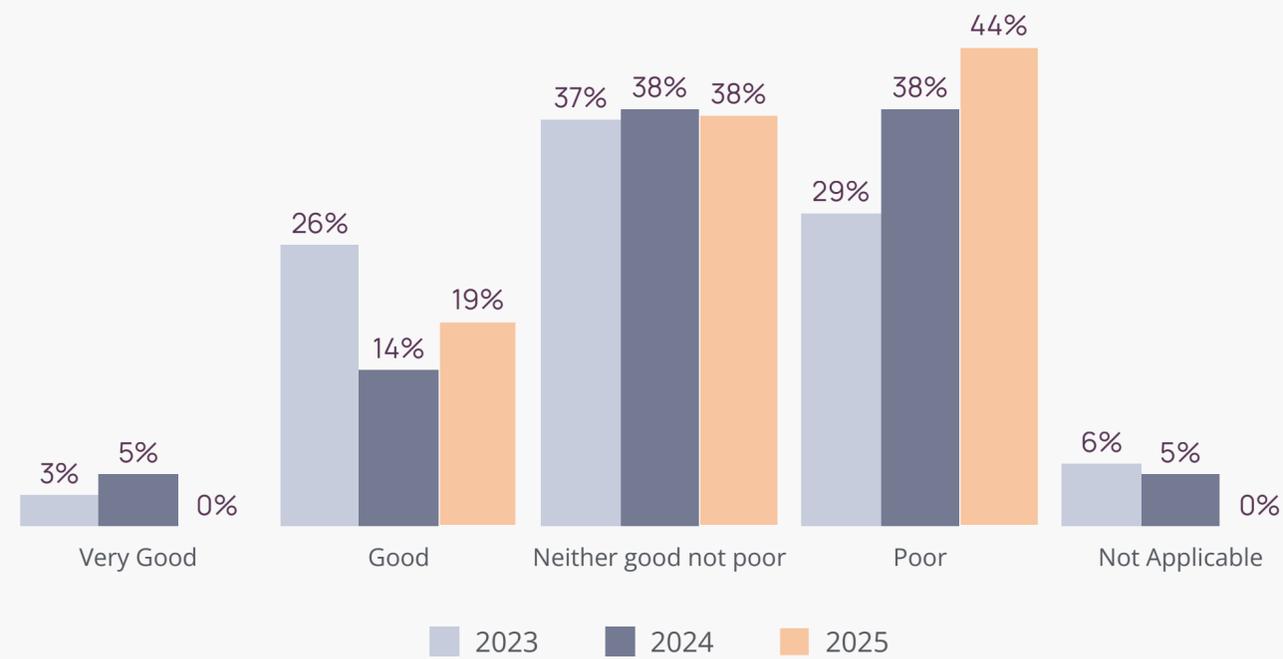


How does this compare against a year ago?

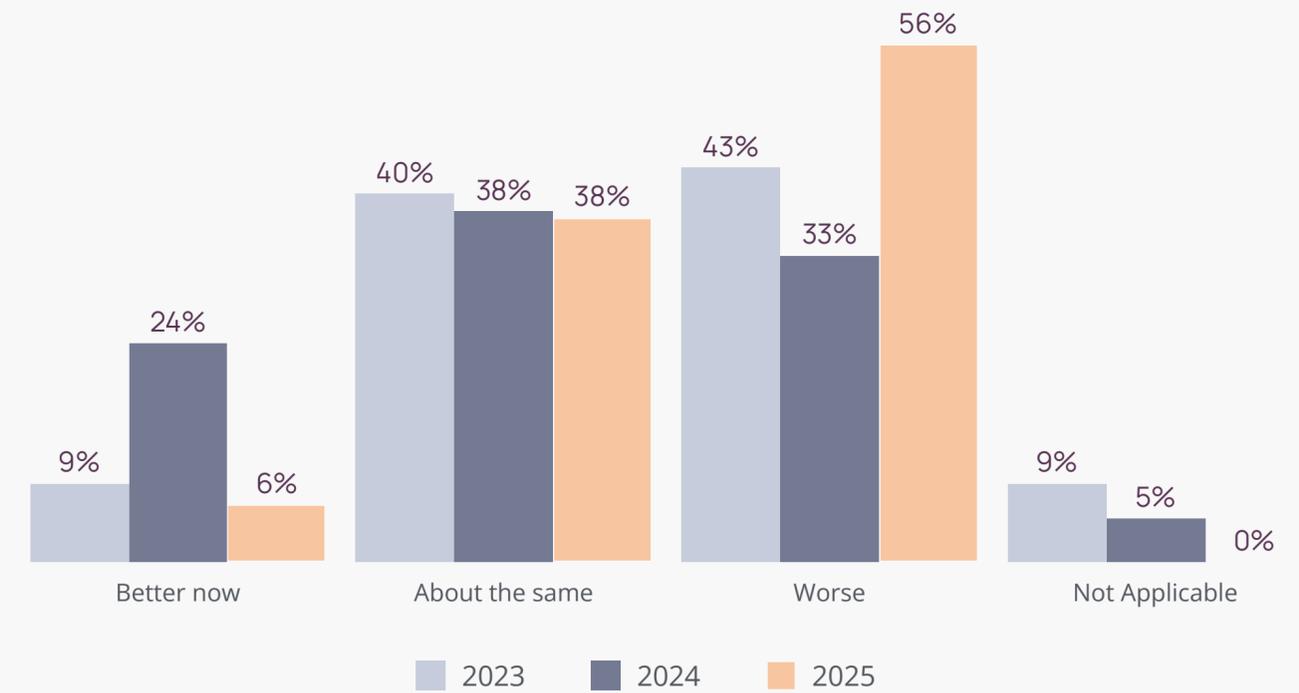


- The environment for raising new funds deteriorated in 2025 relative to previous years.

How would you judge the current state of the VC market in terms of raising new funds?

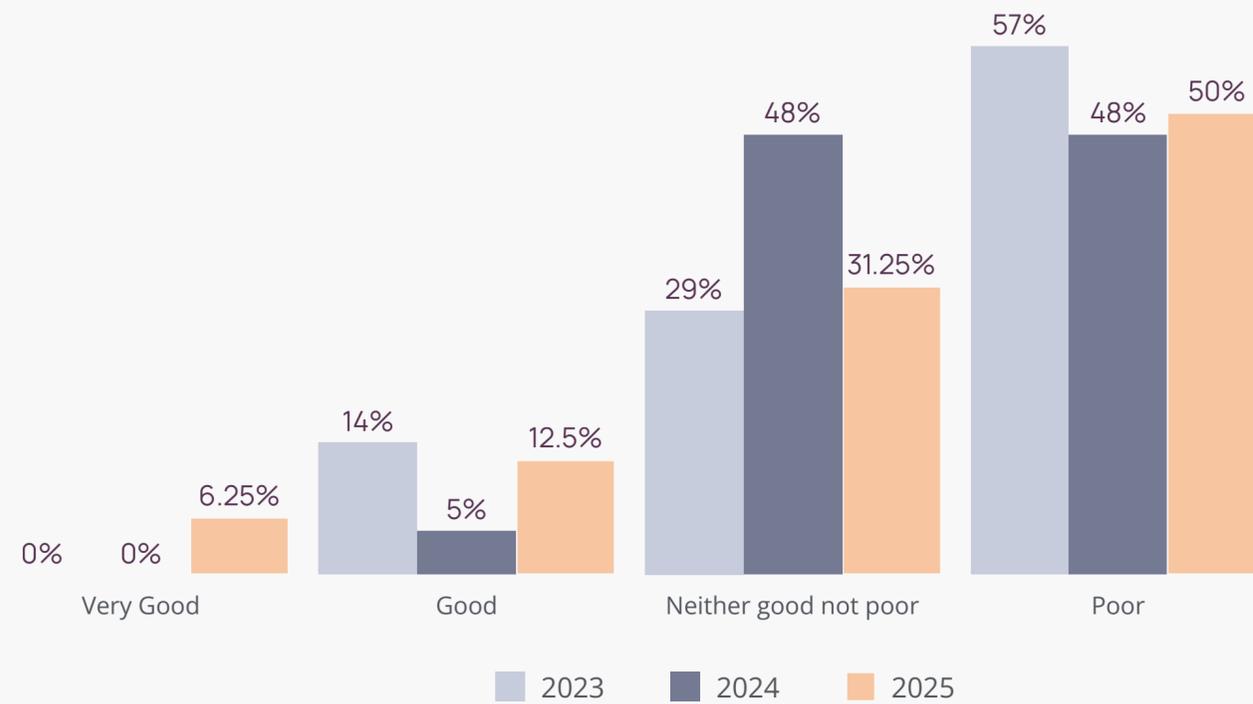


How do fundraising conditions compare to a year ago?

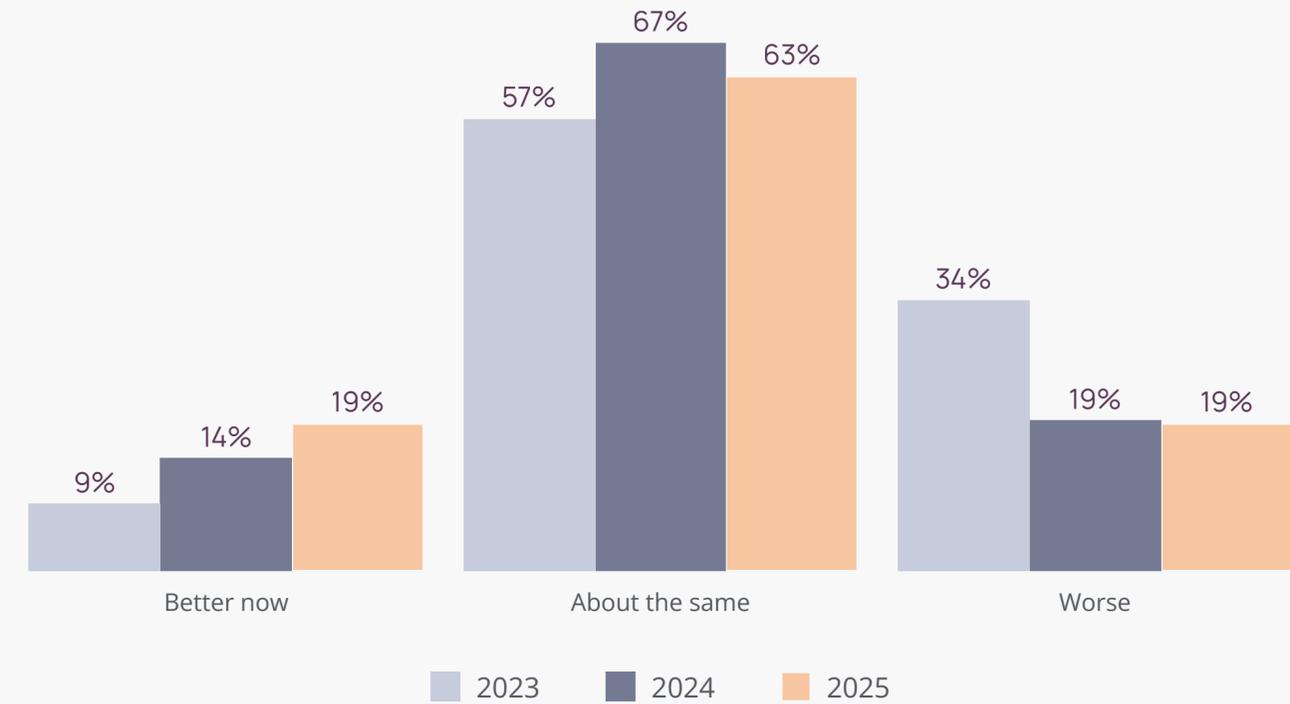


- The exit landscape remains largely unchanged, with no meaningful improvement observed.

How would you judge the current state of the VC market for providing opportunities for successful exits?



How would you rate the availability of exit opportunities currently compared to this time a year ago?



- VCs agree that the biggest problem of the startup ecosystem in Türkiye for the last 2 years has been the **economic turmoil**.

RANK

1

Economic Turmoil (Currency, Interest Rate)

2

Volatile and unpredictable government policies

3

Low number of quality startups

4

Global Money Shortage

5

Inconsistent or High Startup Valuations

REGULATIONS & ECONOMY

- Regulatory clarity and predictability
- Stable and predictable macroeconomic policy
- Consistent and stable government policies, especially on taxation
- Less complex, startup-friendly regulations
- Regulatory support and incentives for fundraising, solid bridges with Turkish diaspora and incentives for FDI to return for bigger exit opportunities

FUNDS, FOFS

- Increase the size of the TWF FoF vehicle to \$500m
- Really big several FoFs to support not only the current VCs, but also helping to create new global VCs. There is no new Global VC with Turkish origin for the last 5 years. We need more. Not gsyf, global VC.
- Introducing a differentiated waterfall rule within the GSYF regulatory framework and in the allocation of 3% of R&D revenues to funds, distinguishing between experienced teams and first-time fund managers and rewarding experienced funds for both their ability to raise subsequent funds and their track record in building and managing investment portfolios.

EDUCATION & TALENT

- Improve the education system
- Improvement of AI based educational environment
- More AI developers. More cultural ties with the Bay Area.
- Empower young talent in high-skill sectors and give them the confidence to build wealth at home.
- Increase the number of highly motivated, disciplined, and deeply focused entrepreneurs in Türkiye.



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FOR ALL DATA INQUIRIES:

support@startups.watch

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.

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ABOUT 212

212 powers entrepreneurs at every stage. From regional funds fueling growth in B2B tech to Simya VC supporting early-stage innovators. In the advanced materials sector, 212 NexT leads the charge. Since 2011, 212 invested over 50 companies through seven funds, generating over €2 billion in value.

<https://212.vc>

ABOUT INVEO VENTURES

Established in 2022, Inveo Ventures is a corporate venture capital fund in Turkey dedicated to empowering the startup ecosystem through strategic investments and hands on support. Built on over 30 years of capital markets expertise from Gedik Yatırım and backed by Inveo Yatırım Holding the firm brings deep financial and operational knowledge to the venture capital landscape. As one of the pioneers in early stage venture capital investments in Turkey, Inveo co-founded StartersHub in 2014 and has invested in more than 100 startups with over 7 exits to date.

<https://inveoventures.com>