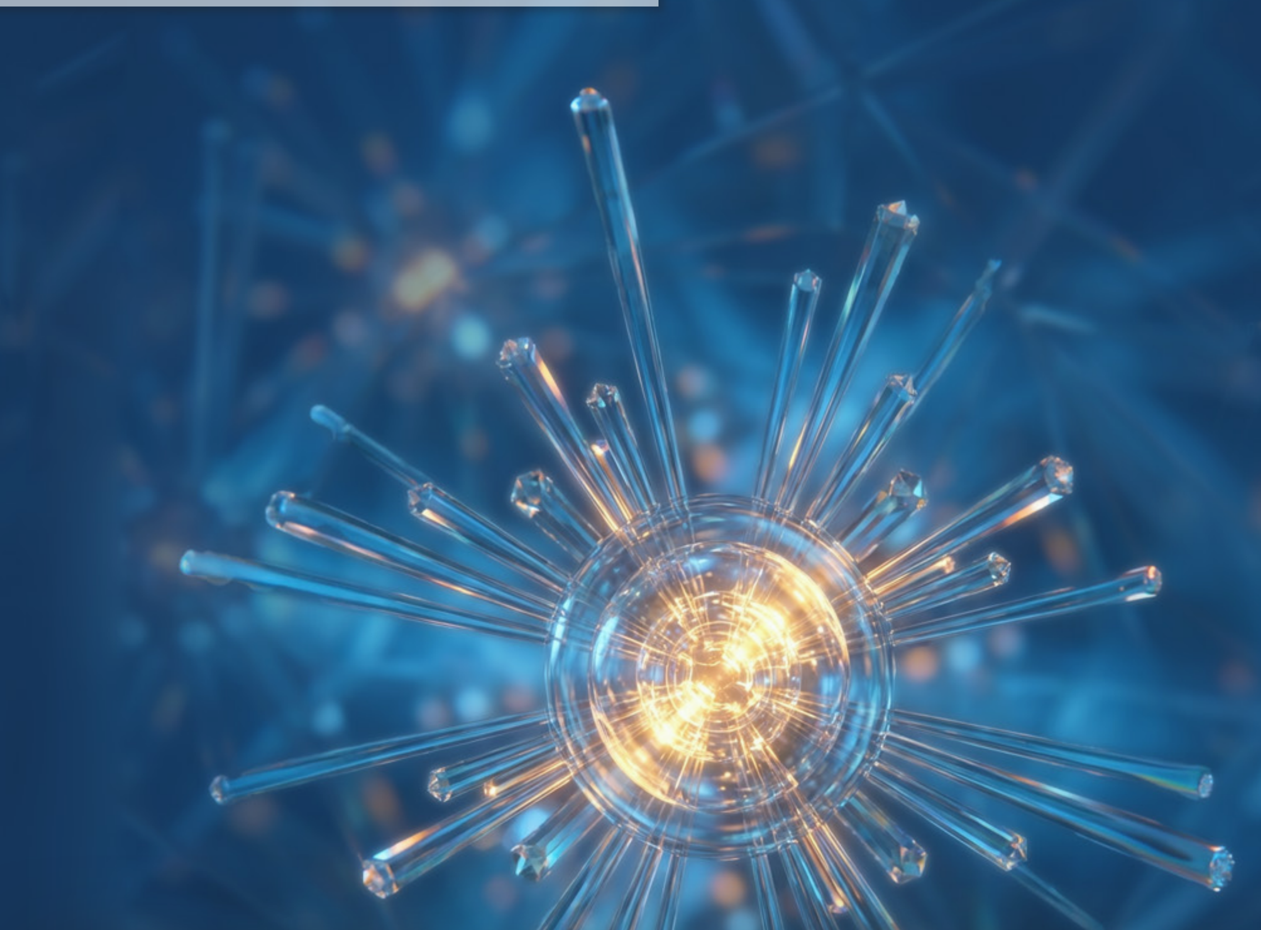

2025

THE STATE OF TURKISH STARTUP ECOSYSTEM

An In-Depth Analysis and Evaluation

WELCOME TO THE TURKISH STARTUP ECOSYSTEM

NEXUS OF THE WORLD

Credits & Contact

Startups Watch
Istanbul, Türkiye

http://startups.watch
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Serkan Unsal Founder, CEO

The State of Turkish Startup Ecosystem 2025
Version: v1.0 // February 27, 2026

Investment and Finance Office of the Presidency of the Republic of Türkiye
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KEY TAKEAWAYS

Quick Look at the Ecosystem

The Turkish startup ecosystem has definitively transitioned from a frontier market to a high-velocity global contender, evidenced by the creation of five unicorns and two decacorns extending into the opening months of 2026. Despite a global contraction in capital deployment, the market demonstrated remarkable structural resilience, particularly within the pre-seed and seed stages. This stability was engineered through a strategic proliferation of Venture Capital Investment Funds (VCIFs), catalyzed by R&D tax incentives and the transformation of the state's BiGG program into a pre-seed equity fund, effectively insulating early-stage liquidity from macroeconomic headwinds. Furthermore, corporate engagement reached an all-time high, with CVCs participating in one-third of all investment rounds, signaling deep institutional maturity.

Sector dominance remains anchored by the gaming vertical, where Istanbul ranks as the second-largest hub in Europe after London, boasting a sophisticated talent recycling effect that continues to fuel landmark secondary transactions valued over $2 billion. Parallel to this, the fintech sector underwent a rigorous regulatory realignment to meet global AML standards, de-risking the asset class for international investors, while the AI vertical rapidly expanded to over 1,200 active startups. The exit landscape simultaneously diversified beyond strategic M&A to include robust secondary markets and IPOs on both Borsa Istanbul and Nasdaq, proving the ecosystem's capacity to deliver full-cycle returns to institutional capital.

01

TÜRKİYE SNAPSHOT

Start

Accredited Angel Investor[1]
617

Angel Networks[2]
28

Active Equity Crowd-funding Platform[2]
12

Speed

Fastest Unicorn[2]
6 months

Fastest Exit[2] ($100M+)
6 months

Fastest Centaur[2] ($100M+ ARR)
36 months

Experience

3rd Time VCs[2]
4

2nd Time VCs[2]
4

VCs with Unicorn[2]
5

VCs with Dragon Exit[2]
5

Take-off

Decacorns[2]
2

Unicorns[2]
5

IPO in Türkiye[2] 2020-2025
8

IPO+SPAC in USA[2] 2020-2025
2

CVC Funds[2]
96

VCIFs (GSYF)[2]
552

#Active Traditional VC Funds[2]
19

Active Traditional VC Funds[2]
$1B

Achievements Unlocked

1st — Istanbul is the world's most connected airport! [3]

2nd — Türkiye ranked 1st in number of pre-seed deals in 2025. [2]

2nd — Istanbul ranked 2nd in number of gaming studios in Europe. [2]

2nd — Istanbul ranked 2nd in top rising stars worldwide. [4]

3rd — Istanbul ranked 3rd in emerging ecosystems worldwide. [5]

02

ORIGINS OF A THRIVING ECOSYSTEM

The Genesis of the Ecosystem

Prior to 2010, the Turkish startup landscape was defined by bootstrapped resilience, operating with a negligible venture capital presence and a solitary Fund of Funds, iVCi. The primary inflection point arrived between 2009 and 2010 when early movers such as Peak, Markafoni, and Trendyol secured external capital. Their subsequent growth trajectories and high-profile acquisitions by global giants like Zynga, Naspers, and Alibaba provided the vital proof-of-concept necessary to catalyze a structured VC-backed framework. This foundational era served as the ecosystem's critical learning curve. While stakeholders grappled with the inherent growing pains of a nascent market, the period saw the strategic emergence of institutional angel networks, venture capital firms, and accelerators, marking a transition into a more dynamic and professionalized environment. A significant strategic nuance of this early phase was the market's reliance on Türkiye's massive domestic population; unlike founders in smaller geographies who were forced to be "born global," Turkish entrepreneurs initially prioritized domestic dominance. However, by 2012, the entry of Galata Business Angels and 212 signaled a move toward institutionalization. Supported by government grants and fiscal incentives, the market witnessed a steady climb in deal flow, with total investment volume surging from $20 million in 2010 to $116 million by 2017.

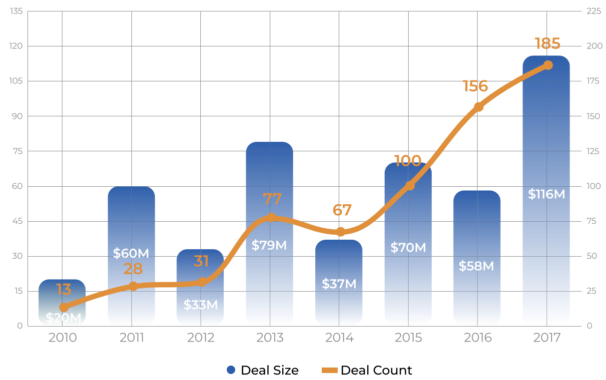


Chart 1 - Angel & VC Deals in Türkiye in the Learning Phase[2]

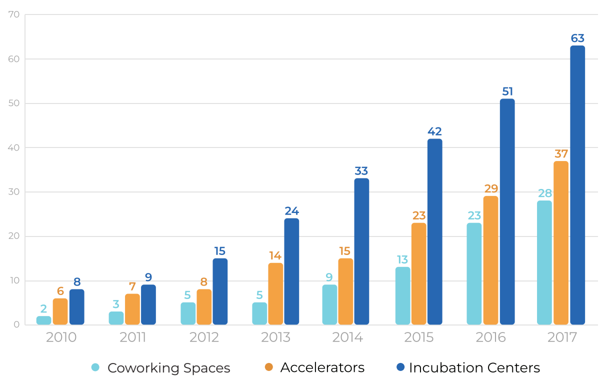


Chart 2 - # Accelerators, Incubation Centers, Coworking Spaces in the Learning Era[2]

Restructuring

Following this learning phase, the ecosystem entered a period of strategic restructuring as many first-generation funds reached the end of their investment cycles. With the pressure to produce global success stories, 2018 and 2019 were largely defined by capital recovery and the raising of follow-on funds. Despite the challenges of this recalibration period, several VCs successfully exited with local champions, providing the liquidity and track record required to launch second-generation funds and maintain institutional momentum. This period of consolidation effectively set the stage for the hyper-growth that would follow, as the infrastructure for supporting high-growth tech companies became more sophisticated, and investors began to recognize that global scalability was the ultimate benchmark for long-term viability.

Pandemic

The onset of the pandemic acted as a massive tailwind, accelerating digital transformation across the region by an estimated five to six years. Even amidst global uncertainty, the Turkish ecosystem delivered landmark liquidity events, most notably Zynga's $1.8 billion acquisition of Peak and the rapid $180 million acquisition of Rollic just 21 months after its inception. These successes signaled a coming-of-age for the Turkish gaming and tech verticals, as sectors like e-commerce and logistics reached milestones during lockdowns that would have otherwise taken years. By 2021, the ecosystem reached an all-time investment peak as Getir achieved unicorn status and Dream Games reached a billion-dollar valuation in record time. Coupled with Hepsiburada's Nasdaq IPO and Trendyol's ascent to decacorn status, Türkiye effectively transitioned from a frontier market to a high-velocity global tech hub, cementing its position on the international venture capital map.

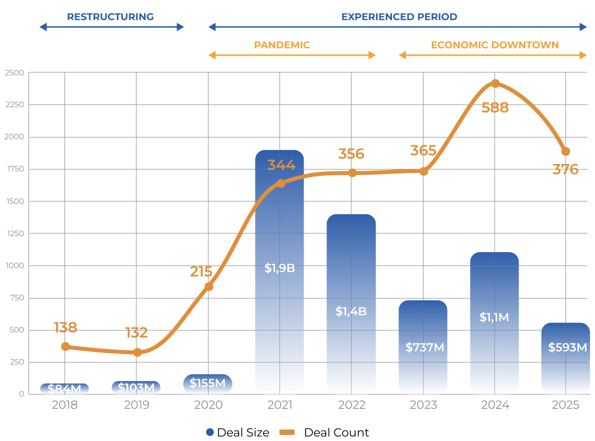


Chart 3 - Angel & VC Deals in Türkiye 2018-2025[2]

Resilience and Market Recovery

The pandemic-induced tech tailwinds created a founder-friendly environment where valuations became decoupled from fundamentals. However, the subsequent market correction led to a 'risk-off' sentiment, resulting in a funding winter and a challenging environment for startups seeking fresh capital. In contrast, valuations in Türkiye avoided a sharp post-pandemic correction during the first twelve months, largely because they hadn't experienced the irrational exuberance seen elsewhere; thereby maintaining a more grounded and sustainable trajectory throughout the cycle.

Furthermore, the global funding shortage had little impact on pre-Series A stages in the local ecosystem. This resilience was driven by a combination of strategic regulatory shifts and institutional support. Specifically, the introduction of equity-based crowdfunding in 2019 provided startups with alternative financing routes. This was bolstered by the establishment of three major fund-of-funds between 2020 and 2022 to support VCs.

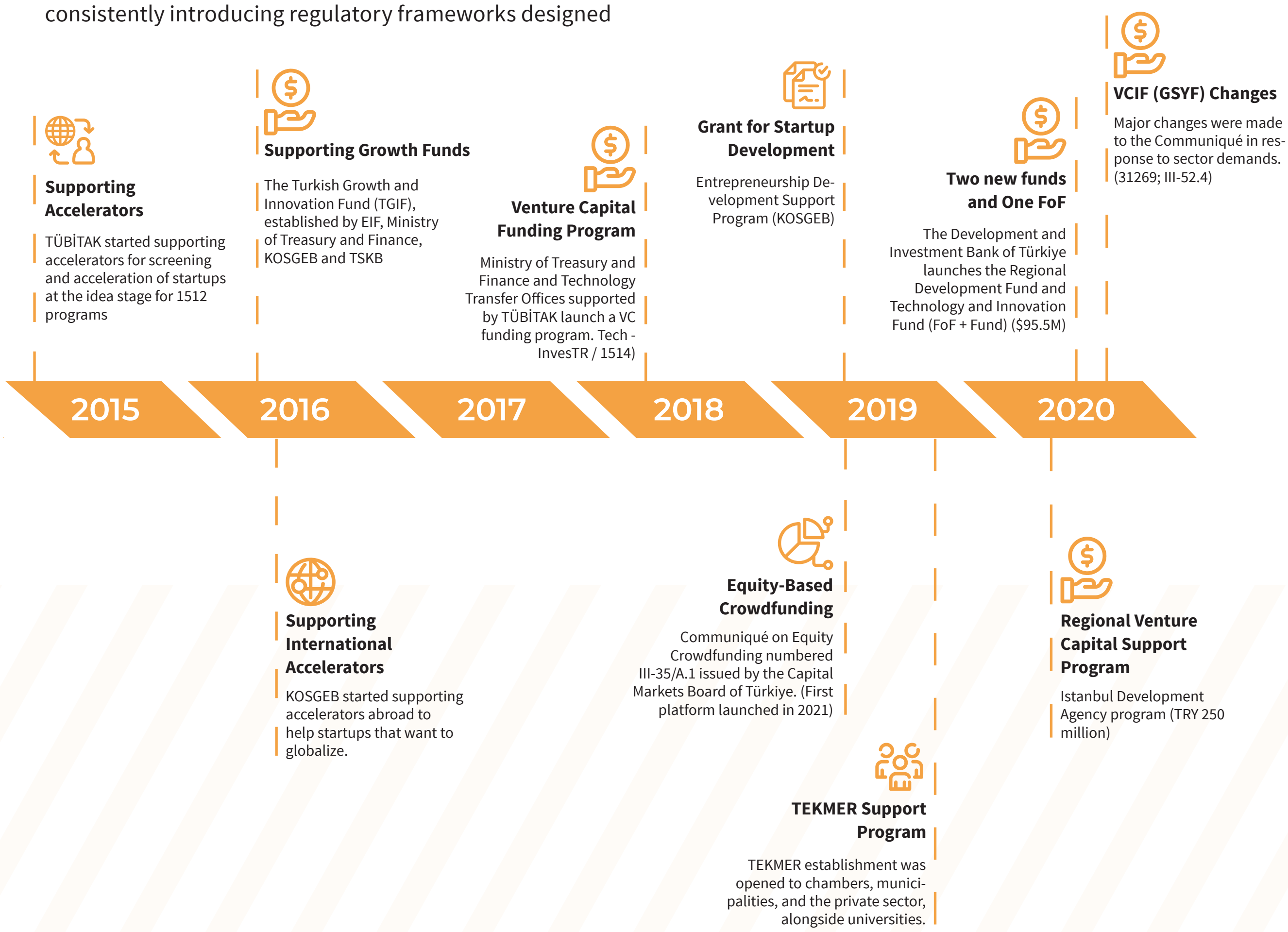
Moreover, the 2021 regulation allowing R&D firms to accelerate their investments in Venture Capital Investment Funds(GSYFs) created a new capital influx. Lastly, the transformation of the BiGG program from a grant model into a pre-seed investment fund by late 2023, now backing nearly 300 startups annually, effectively fostered an abundance of early-stage capital, insulating the pre-seed layer from global macro headwinds.

However, the only significant overlap between Türkiye and global trends is the capital shortage observed in the post-Series A stages, which has been keenly felt across the local market. Nevertheless, the robust abundance of seed-stage capital, coupled with an increasingly sophisticated investor base—boasting a track record of unicorn and decacorn exits—uniquely positions Türkiye to achieve new milestones in the coming years. Consequently, the ecosystem remains primed for a new era of institutional growth despite the global macro challenges.

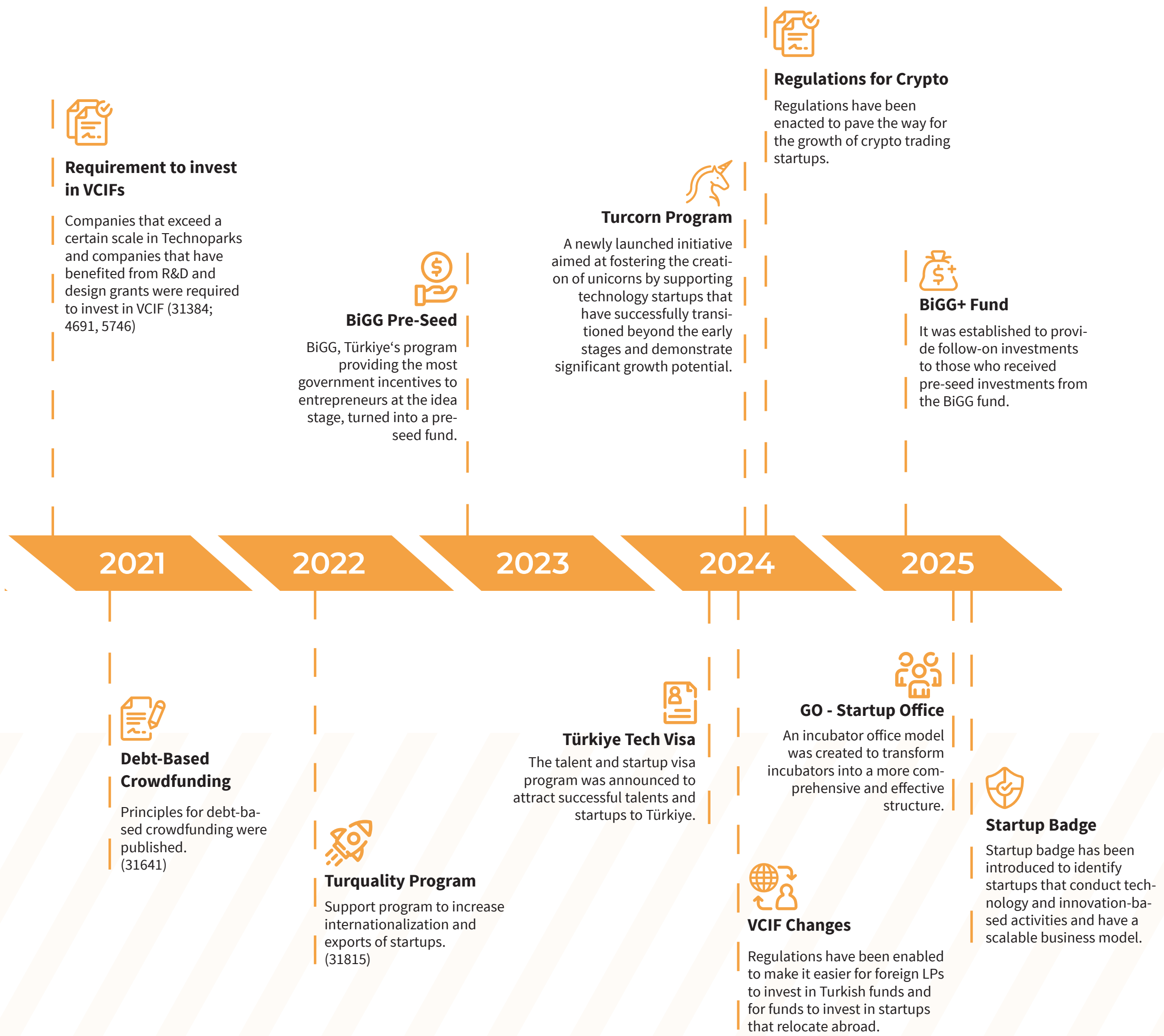
03

POLICY-DRIVEN GROWTH

The Turkish startup ecosystem has long been defined by a sustained, fifteen-year structural transformation, driven by a proactive government agenda that mirrors the agility and strategic foresight of a venture capital firm. Public institutions have shifted from traditional bureaucratic oversight to an active ecosystem-building role, consistently introducing regulatory frameworks designed to institutionalize the market and maximize investor confidence. While dozens of comprehensive regulations have been implemented over the past decade to fortify this foundation, the strategic maneuvers executed in just the last two years represent a significant acceleration in market maturity.



The introduction of the Turcorn 100 Program in 2024 served as a strategic catalyst for high-growth scale-ups, while the concurrent launch of the Türkiye Tech Visa effectively lowered the barriers for international talent acquisition. On the institutional front, the 2024 Crypto Asset Regulation and specific amendments to Venture Capital Investment Funds (GSYF) to facilitate foreign capital inflows have signaled a clear commitment to global financial standards. This momentum intensified in 2025 with the high-impact transition of the BiGG program into a pre-seed investment fund, effectively replacing grants with a more sophisticated equity-based model. This was further bolstered by the establishment of GO - Startup Offices to centralize operational support and the launch of the Startup Badge, a prestigious certification that serves as a high-fidelity trust signal for global LPs and VCs. Together, these iterations demonstrate a long-standing state-level commitment to creating a frictionless, investment-ready environment that is increasingly difficult for global market participants to ignore.



Timeline 1 - Prominent Milestones for Government Support in Turkish Startup Ecosystem[6]

04

LEVELING UP GLOBALLY

A New Capital Paradigm

The 2020 pivot marked Türkiye's evolution from a nascent market to a global contender. Driven by a feedback loop of experienced talent and landmark M&A activity, the ecosystem quickly scaled, ultimately delivering 8 marquee outliers(6 Unicorns, 2 Decacorns). This shift confirms that the region has moved beyond 'learning' into a high-velocity delivery phase.

01 **Hepsiburada**
Founded: 1998
Years to become unicorn: 23 years
(NASDAQ-IPO)

02 **Trendyol**
Founded: 2010
Years to become unicorn: 11 years
Years to become decacorn: 1 year

03 **Peak Games**
Founded: 2010
Years to become unicorn: 10 years

04 **Insider**
Founded: 2012
Years to become unicorn: 10 years

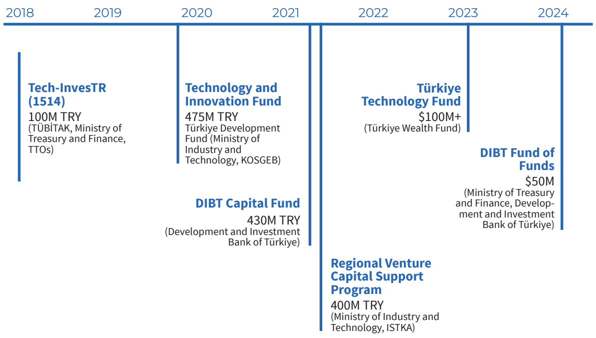
05 **Getir**
Founded: 2015
Years to become unicorn: 6 years
Years to become decacorn: 1 year

06 **Dream Games**
Founded: 2019
Years to become unicorn: 2 years

07 **Loom Games**
Founded: 2025
Years to become unicorn: 1 year

List 1 - Billion Dollar Club Members[2]

The rise in success stories can be attributed to the groundwork laid and the experiences gained during the 2010-2017 period. The belief in the ecosystem's exponential growth established a robust financing infrastructure. Between 2018 and 2024, six fund-of-funds (FoFs) were created to target Turkish VCs, enhancing investor appetite and facilitating the establishment of new funds.



Timeline 2 - Fund of Funds in Türkiye Timeline[7]

"Excluding CVCs and VCIFs, the privately-held venture capital landscape saw 31 VC funds launch between 2018 and 2025, totaling $1.7B in fund size. The ecosystem is currently hitting its stride; over the last 36 months, 11 new VC funds reached a final close, injecting $785M of fresh dry powder into the market.

However, it's important to note that not all of these funds are exclusively mandated to invest in Türkiye; some focus on startups in Southeast, Central, and Northern Europe, or target Turkish diaspora-led startups abroad. Additionally, nearly all of these funds concentrate on seed and Series A investments, highlighting a notable lack of capital available for Series B and later stages.

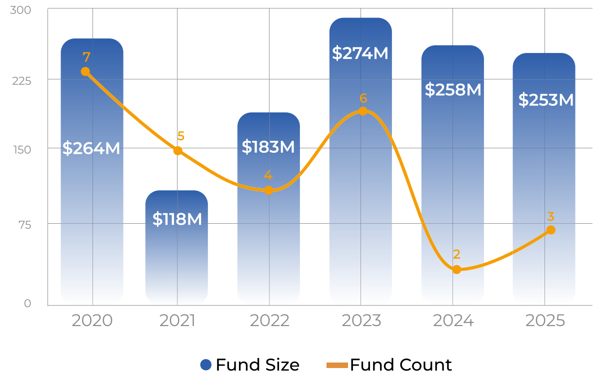


Chart 4 - Traditional VC Funds Founded by Year[2]

In 2014, Türkiye introduced a new venture capital structure alongside traditional VCs under the regulation of the Capital Markets Board, known as the Venture Capital Investment Fund (VCIF). While this model remained in an embryonic stage with limited market penetration during its initial years, it underwent a fundamental structural transformation following the 2021 legislative reforms. These reforms mandated that companies benefiting from R&D tax incentives re-invest 2% (later increased to 3%) of their annual incentives into VCIFs, effectively institutionalizing the flow of capital and turning tax savings into a strategic funding engine for the startup ecosystem.

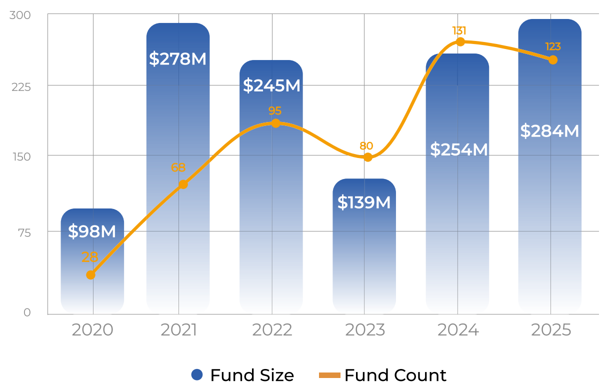


Chart 5 - # VCIFs (GSYF) Founded by Year[8]

The impact of this regulatory pivot is clearly reflected in the data; while the five-year period between 2016 and 2020 saw the establishment of only 79 VCIFs, the post-reform era of 2021–2025 witnessed explosive growth with 497 new funds coming online. Consequently, the total number of active VCIFs has reached 552, signaling a significant deepening of local dry powder and a robust maturation of the Turkish private equity and venture capital asset class. Despite this high volume of fund formation, the majority of these vehicles operate with average fund sizes under $5 million. As a result, these "onshore funds" or "microfunds" have primarily focused on providing startups with diversified financing options at the pre-seed and seed stages, effectively serving as the foundational liquidity layer of the ecosystem. Although VCIFs were originally mandated to invest exclusively in Turkish startups, a 2024 regulation expanded their scope, allowing them to back startups with a presence both in Türkiye and abroad, with a particular focus on targeting Turkish diaspora-led ventures. By 2025, venture capital firms launching their third-generation funds began implementing hybrid onshore-offshore structures to strategically capture and deploy capital originating from R&D-driven corporate incentives. This dual-model approach has proven instrumental in consolidating liquidity from both domestic and international Limited Partners (LPs), thereby broadening the institutional capital base available to the Turkish startup ecosystem.

Since 2013, the Ministry of Treasury and Finance has implemented a 5-year accreditation program for angel investors to leverage tax incentives. While 1,206 licenses have been issued since the program's inception, the number of active accredited angel investors stood at 617 by year-end 2025.

Chart 6 - # Newly Licensed Angel Investors[1]

Since the introduction of equity-based crowdfunding campaigns in 2021, the Turkish startup ecosystem has seen a rapid proliferation of platforms. Currently, 28 platforms have been granted operating licenses; of these, 12 remain active, while 2 have ceased operations.

The sector reached a significant milestone in 2023, peaking with 60 successful funding rounds and establishing itself as a vital alternative financing vehicle, particularly for seed-stage startups. However, despite the increasing number of licensed players, the market failed to maintain this momentum through 2024 and 2025, falling short of projected growth targets.

Looking ahead, the industry is expected to rebound as the introduction of secondary markets and streamlined exit strategies provide the necessary liquidity to reinvigorate investor appetite.

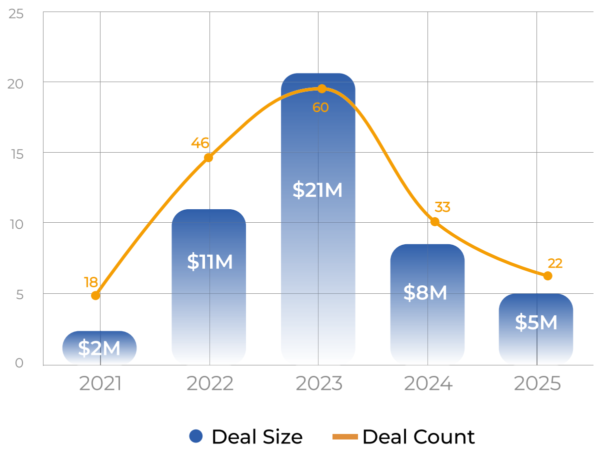


Chart 7 - Successful Crowdfunding Deals[2]

The expansion of financing options has been further accelerated by a surge in corporate investment appetite. Driven by a favorable regulatory environment—specifically the VCIF framework—and a strategic ‘fear of missing out’ (FOMO) fueled by a string of high-profile exits, corporations have become increasingly proactive. To date, this momentum has culminated in the establishment of 96 Corporate Venture Capital (CVC) funds. This institutional shift is clearly visible in the data: CVCs or parent corporations have participated in one out of every three investment rounds in Türkiye over the last five years.

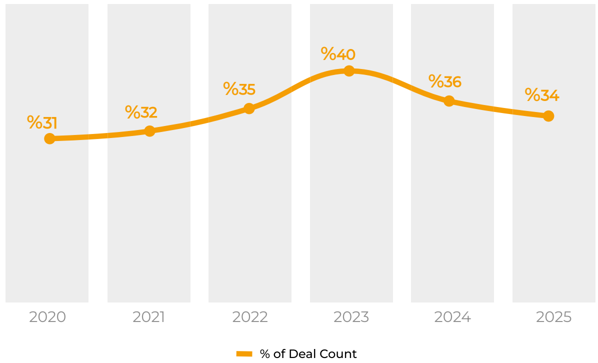


Chart 8 - CVC+Corporate Participation in Deals[2]

Global Mobile Gaming Powerhouse

The Turkish gaming ecosystem has evolved from a burgeoning local market in the early 2000s into a global powerhouse, characterized by a sophisticated trajectory of innovation and institutional maturity. While the sector’s foundations were laid by early online and social gaming successes, the strategic pivot to mobile in 2012 catalyzed an era of unprecedented growth. Since 2018, a high-frequency cycle of exits has fundamentally shifted the landscape, transforming Türkiye into a primary destination for global venture capital. This momentum reached a historic zenith post-2020, headlined by Peak Games’ landmark achievement as the nation’s first unicorn. The subsequent surge during the pandemic era further validated the region’s dominance, exemplified by Dream Games’ record-breaking funding rounds and the emergence of a dual-unicorn ecosystem. This velocity was further redefined in the first months of 2026 by Loom Games, which achieved unicorn status within a mere six-month window.

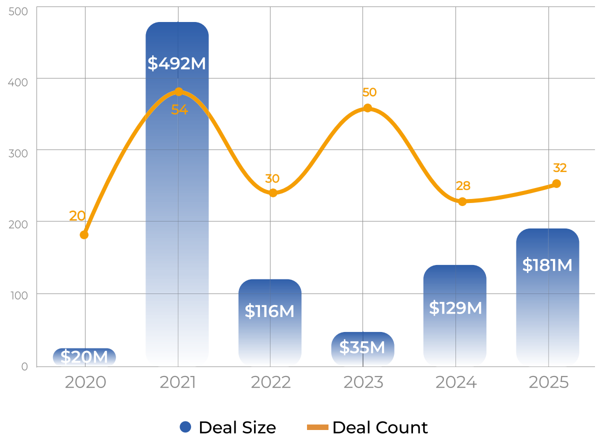


Chart 9 - Gaming Deals in Türkiye[2]

Even in the face of global macroeconomic headwinds, the Turkish gaming vertical has demonstrated remarkable structural resilience. After a cyclical bottom in 2023, where investment dipped to $35M across 50 rounds, the ecosystem staged a robust recovery, with capital inflows climbing to $129M in 2024 and reaching $181M by 2025. This recovery is underpinned by Istanbul's formidable density of 757 active studios—positioning the city as the second-largest gaming hub in Europe, trailing only London. This sheer volume of talent is supported by a robust institutional framework, now boasting 12 gaming-specific investors, alongside 13 incubators and 22 gaming-focused accelerator programs.

The market's vitality is perhaps most evident in its exit liquidity and the "multiplier effect" of its veteran talent. Following a string of successful acquisitions involving Rollic, Ruby, Alictus, and Paxie Games, the 2025 exit of Dream Games' investors for over $2 billion—facilitated by CVC Capital Partners' entry as a major shareholder—reaffirmed gaming as the most vibrant exit vertical in the region. This growth is increasingly organic and self-sustaining; much like the "Silicon Valley Mafia" model, a new wave of high-performing startups is being founded by ex-Peak and ex-Gram Games alumni. This cycle of knowledge transfer and reinvestment ensures that the Turkish gaming ecosystem remains a top-tier global contender, continuously scaling through specialized expertise and proven entrepreneurial pedigrees.

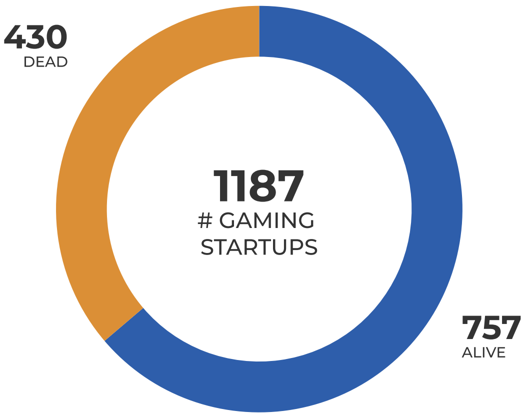


Chart 10 - # Gaming Studios in Türkiye[2]

Fintech: Scaling Beyond Local Frontiers

Following in the footsteps of the gaming sector, Fintech has emerged as Türkiye's most vibrant engine for exits and local champions. While the vertical was historically confined to domestic success, 2023 marked a definitive pivot. The ecosystem is no longer confined to the local market; instead, a new generation of Turkish fintechs is pursuing aggressive global expansion, frequently utilizing international acquisitions as a primary vehicle for market entry.

This transition toward global dominance is being fortified by a rigorous, regulation-driven transformation. Throughout 2025, the Turkish fintech sector underwent a strategic 'cleansing' period, characterized by a decisive crackdown on money laundering and financial crimes. These actions should be viewed as a pivotal inflection point rather than a setback. Much like the post-2001 banking reforms that established the bedrock of Türkiye's financial stability, this anti-financial crime initiative is effectively filtering out systemic fragility and mandating a new standard of operational excellence. For global VCs, this translates into a de-risked environment where institutional-grade governance and compliance, specifically regarding AML (Anti-Money Laundering) and CFT (Combating the Financing of Terrorism), are now the non-negotiable baseline for market entry.

The data further validates this narrative of market depth and maturity. 2025 stands as a watershed year, characterized by unprecedented capital concentration. This record-breaking investment volume serves as a definitive proof of concept for the ecosystem's high-velocity growth phase. A standout testament to this scale is Midas's $80M Series B—a single round that remarkably exceeds the aggregate fintech funding of the entire 2015–2019 period. This shift proves that the 'new guard' of Turkish fintechs is operating on a scale of unit economics and global ambition that was unimaginable pre-2020, signaling that the industry has successfully transitioned into a more sophisticated and capital-efficient era.

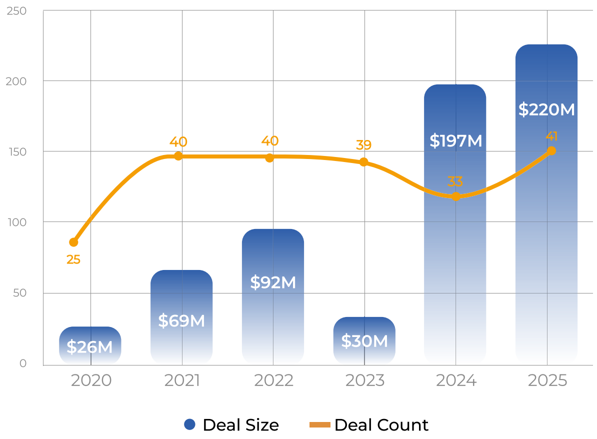


Chart 11 - Fintech Deals in Türkiye(2)

With 835 active startups and a robust framework covering digital banking, open banking, and the 2024 crypto-asset regulations, the infrastructure is now fully primed. As the ecosystem sheds its legacy risks and embraces high-stakes growth, Türkiye is not just preparing for its next unicorn—it is redefining its position as a sophisticated, battle-hardened fintech powerhouse on the global stage.

Seeding the AI Future

The global AI tailwinds are increasingly visible in Türkiye, where the ecosystem is leveraging its battle-tested expertise in mobile gaming to build high-performance AI application studios. This unique capability in product development and rapid scaling has already begun yielding impressive B2C success stories. While the B2B AI segment remains in its nascent stages, the underlying metrics suggest a massive untapped potential. With 1,222 active AI startups—nearly 35% of which were founded in the 2024–2025 period alone—the ecosystem is building a robust top-of-the-funnel pipeline. Furthermore, the fact that 221 AI startups secured early-stage funding during this timeframe, primarily through pre-seed and seed rounds, serves as a strong leading indicator of investor conviction in the sector's long-term trajectory. These figures signal that Türkiye is transitioning into a strategic hub for AI experimentation and is well-positioned to produce sustainable, high-impact success stories in the coming years.

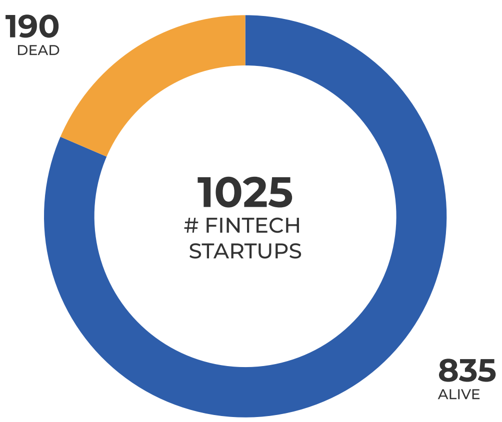


Chart 12 - # Fintech Startups in Türkiye(2)

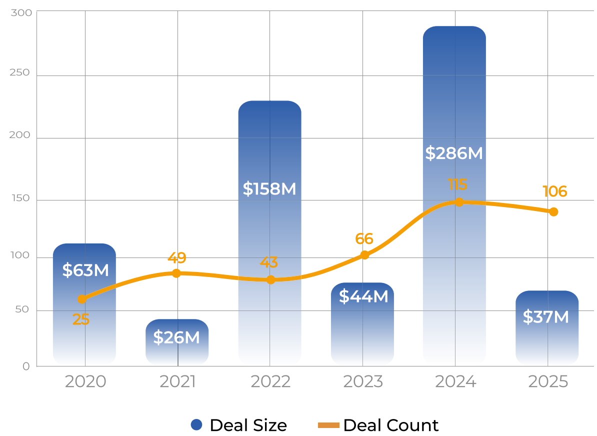


Chart 13 - AI Deals in Türkiye(2)

Diversifying the Exit Landscape

In recent years, Türkiye has gained prominence not only for its diverse investment opportunities and dynamic verticals but also for the increasing sophistication of its exit landscape. The ecosystem has evolved into a proven liquidity engine, evidenced by a flurry of high-profile IPOs across sectors, with companies like Altınay Savunma, Binbin, ebebek, Mackolik, Odine, and DOF Robotics successfully tapping into public markets, while Martı demonstrated global reach via its U.S. SPAC listing. This momentum is further underscored by the maturation of secondary markets, most notably Dream Games' landmark secondary transaction exceeding $2 billion involving CVC and institutional backers, which provided significant liquidity while reinforcing the company's unicorn status.

The strategic appeal of the region is reflected in the consistent appetite of global giants; Alibaba, Zynga, and Rovio have long integrated Turkish innovation into their global portfolios, a trend punctuated by Kaspi.kz's $1.1 billion acquisition of Hepsiburada. Furthermore, the mobility and delivery sectors remain focal points for global consolidation, highlighted by Uber's strategic interest in Getir, signaling that Turkish market leaders are top-tier targets for the world's largest tech platforms. These developments collectively mark a key milestone in the Turkish VC ecosystem, highlighting a full-spectrum exit environment capable of delivering outsized returns through diverse and institutional-grade pathways.

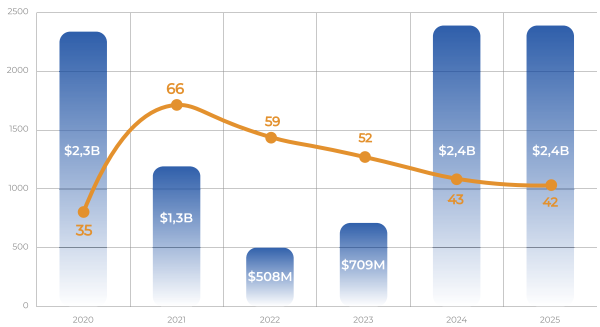


Chart 14 - Acquisitions & Secondary Transactions[2]

Size Count

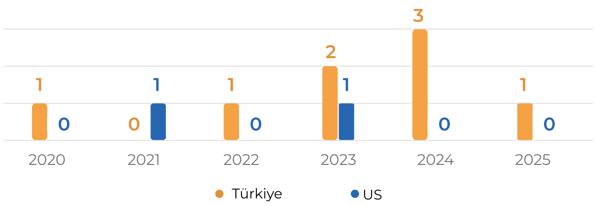


Chart 15 - Startup IPOs, SPACs in Türkiye & USA[2]

05

WHY TÜRKİYE AND WHY NOW?

Interviews

Many of the assumptions investors carried into 2025 proved accurate. Capital remained cautious, later-stage funding stayed constrained, while pre-seed and seed activity showed resilience under more rational valuations, helping reset expectations and strengthen the foundation for long-term company building.

Early-stage deal flow gained momentum as financial conditions improved and uncertainty became a permanent feature of the market. Continued selectivity at the growth stage has raised the quality bar, pushing founders to prioritize capital efficiency and operational clarity earlier.

AI continued to shape the landscape in constructive ways. Faster development cycles and lower technical barriers expanded experimentation, while shifting focus toward real usage, retention, and execution quality. As agentic AI becomes more embedded in financial and operational workflows, the ability to design systems that surface early signals and prevent small errors from compounding is emerging as a key competitive advantage.

Looking into 2026, tighter integration between financial and operational processes, continuous automation, and resilience-by-design are becoming defining trends for the next generation of scalable companies.

Ali Karabey

Founder & General Partner at 212

Bilal Bedir

Executive Director of Investments at Türkiye Wealth Fund & Board Member to the Türkiye Technology Fund

2025 marked an important recalibration for the Turkish startup and venture ecosystem. Against a global backdrop of selective capital deployment and heightened investor scrutiny, Türkiye shifted towards greater institutional depth, capital discipline, and long-term system building. While the Turkish ecosystem continued to produce globally competitive founders and technologies, the need for more durable capital pathways beyond early-stage financing became increasingly clear.

Within this context, the Türkiye Technology Fund (TTF), as the Türkiye Wealth Fund's flagship fund-of-funds programme, has continued to play a system-level role. TTF serves as a strategic institutional LP to leading regional VCs and VCIFs with an established presence in Türkiye and market-aligned theses, supporting capital formation while reinforcing governance, institutional discipline, and long-term alignment across the ecosystem.

In 2025, TTF broadened its scope to include larger international VCs and growth-oriented PE funds, with a clear expectation that these partnerships translate into meaningful engagement and multiplied investment into the Turkish ecosystem - helping alleviate the post–Series A bottleneck by channelling global capital, expertise, and access back into Türkiye.

Importantly, TTF functions as a confidence anchor for the Turkish ecosystem, by co-investing alongside domestic institutions and international partners, crowding in institutional capital, and strengthening reciprocal relationships with DFIs and global investors.

Currently, TTF has committed over USD 100 million across more than ten funds, with a clear trajectory to significantly scale in 2026. Looking ahead, we remain confident that TTF will continue to play a central role in enabling sustainable, future-facing, innovation-led growth for Türkiye's startup ecosystem.

The Turkish startup ecosystem made a clear leap in 2025, moving from a primarily local story to one with strong global relevance, best described as "the Year of the Turkish Diaspora." While domestic investment remained steady, momentum was driven by Turkish-founded startups operating abroad, which raised $1 billion in 2025, $900 million of it in Q3. Together with local funding, total capital mobilized exceeded $1.5 billion.

This diaspora-led surge shifted investor perception, reinforcing that Turkish founders can build globally competitive, category-defining companies. Capital concentrated in resilient sectors such as fintech, AI-first SaaS, and cybersecurity/cloud, while founder quality improved through more repeat entrepreneurs, international experience, and AI-native products. Growth strategies became more disciplined, with clearer go-to-market execution and stronger, metrics-driven decision-making.

For Revo Capital, 2025 was a milestone year. We launched our $100 million Fund III with an $86 million first close from leading global institutional investors, reinforcing our focus on bridging Türkiye's Series A/B funding gap and backing AI-first startups with global ambition. We plan to invest in 30 startups over five years and completed 10 investments in 2025.

Despite global liquidity constraints, top-tier companies continued to raise capital. Following Midas' $80 million Series B in August 2025, the largest fintech round in Türkiye, we executed a partial exit from our Fund II portfolio, returning capital to investors.

Overall, 2025 marked a more mature, globally connected Turkish ecosystem, increasingly capable of scaling technology leaders and delivering durable outcomes.

Cenk Bayrakdar

Founding Partner & Managing Director at Revo

Dilek Dayınlarlı

Managing Partner at ScaleX Ventures

2026 reinforces a clear reality: Türkiye's startup ecosystem is firmly back on the global map, with scale, maturity, and repeatable outcomes.

Over the past year, $589M was invested into Turkish startups, a strong signal of sustained investor confidence despite a volatile global backdrop. The narrative has shifted from resilience to execution. Turkish founders are building globally competitive companies, winning on product quality, technical depth, and speed.

Fintech and gaming once again stood out as cornerstone sectors. Large growth rounds from Midas and Sipay, alongside continued momentum in gaming with companies such as Grand Games and Good Job Games, demonstrated that Türkiye can still produce category leaders capable of attracting international capital. These rounds were not just large; they were validating.

Outcomes are becoming more tangible and more diverse.Kondukto's acquisition by Invicti Security, together with another ScaleX portfolio company being acquired by a top-five US technology company, reflects a maturing exit landscape driven by strategic value rather than timing alone.

The ecosystem also added three new unicorns: Periodic Labs, Airalo, and Fal. Periodic Labs, an early-stage investment from our Fund II, is particularly meaningful as it highlights Turkish diaspora's re-emergence as a source of deeply technical companies, especially in AI and infrastructure.

Looking ahead, we believe the next wave will be even more technical. AI-native startups and globally oriented SaaS companies are gaining momentum, setting the stage for new success stories in the path of Insider and Opsgenie.

At ScaleX Ventures, with our second fund fully active, we remain focused on backing Turkish founders early and helping them scale globally from day one.

Türkiye's next chapter is already being written.

As the country's public development finance institution, Türkiye Development Fund (TDF) has played a pivotal role in strengthening Türkiye's entrepreneurial ecosystem in recent years through its direct investments and fund commitments, establishing itself as one of the leading equity investors in the country. In 2025, this role was further reinforced, with TDF significantly expanding its reach across the ecosystem in line with its founding mission.

Over the course of the year, TDF deployed $20.7 million in direct investments across 21 new startups and 5 existing portfolio companies, covering a broad range of sectors—from quantum technologies and autonomous vehicle software to cybersecurity and biotechnology. In parallel, through the DIBT Fund of Funds launched in 2024, TDF committed $22 million to five leading private equity and venture capital funds. Additionally, TDF invested a total of $4.1 million in 185 BiGG startups at the pre-seed stage.

As of the end of 2025, TDF's total allocation to the entrepreneurial ecosystem reached $88 million, comprising $40 million across 48 direct investments, $34.5 million in commitments to 10 funds, and $13.5 million invested in 530 BiGG startups. By mobilizing private-sector capital and serving as a key channel for the deployment of public resources, TDF had, by the end of 2025, grown into an asset manager overseeing $146 million in committed capital from 210 institutional investors.

Türkiye's already dynamic investment ecosystem is expected to gain further momentum in the coming years alongside improvements in macroeconomic conditions. Looking ahead, TDF will continue to support the ecosystem development by increasing commitments to its existing funds and launching new vehicles—such as thematic funds—designed to address the evolving needs of the market.

Elif Altuğ, PhD, CFA

CEO & Board Member at Türkiye Development Fund

Enis Hulli

General Partner at e2vc

The Turkish startup ecosystem has repeatedly proven its strength, first through local champions, then global B2B success stories, and later through mobile gaming. All three dynamics are now playing out at the same time.

Mobile gaming momentum continues, with multiple companies approaching unicorn scale. Gaming talent is no longer staying within gaming. That experience has begun to spill over into consumer AI, combining growth know-how with AI engineering talent. The result is the emergence of new consumer AI companies, an industry that mirrors gaming in speed and scale. One that is likely to produce unicorns. Türkiye will remain a global leader in both mobile gaming and consumer AI.

On the B2B side, earlier success stories have also evolved toward AI. We are now seeing both horizontal and vertical AI companies emerge from Türkiye. These trends are likely to continue, positioning the country as a meaningful global AI hub, with companies like Fal AI and Insider leading the way.

The exit landscape is also more diverse. BillionToOne pursued an IPO on Nasdaq, while HUMA (Turkish founders) completed an ICO following its acquisition of another Turkish company, Arf. These outcomes increase liquidity across the ecosystem and materially expand global investor appetite.

Historically, investors came to Türkiye for a single thesis (local champions), from a limited set of geographies and at later stages. Today, they come for multiple theses (mobile gaming, AI, consumer platforms, and local giants) from across the world, spanning the US, Europe, and China, and investing across all stages.

The Turkish VC ecosystem has transformed significantly over the past decade, achieving notable success in gaming, fintech, mobile, and consumer internet, where VC-backed companies have reached scale and delivered meaningful exits. While early-stage entrepreneurship has been strengthened, progress has remained limited in more capital-intensive and technology-driven fields.
As startups move fr
om validation to commercial scaling and international expansion, they face a substantial "financing gap," particularly in deep-tech fields. As a result, many are forced to relocate their operations abroad to access larger markets and funding. Given the shifting geopolitical landscape, this outward migration is increasingly unsustainable, making domestic support essential.

ACT Venture Partners has pioneered investing in Türkiye's deep-tech potential since the early stages of this transformation. Our track record includes supporting success stories like Picus Security from its seed stage and backing RS Research since its pre-seed phase through its progress into Phase 1 clinical trials. We remain committed to investing in domestic deep-tech companies like Qubitrium and guiding them toward global markets, aiming to provide continuous support throughout their journey.

In this context, public capital instruments for the VC ecosystem, such as the Ministry of Industry and Technology's newly designed venture capital framework and programme, will play a critical role in addressing existing systemic gaps. Their effective implementation is essential to attracting international capital and supporting the emergence of high-growth deep-tech scale-ups, thereby reinforcing Türkiye's position within the global technology value chain.

Erhan Kılıçözlü

Managing Partner at
ACT Venture Partners

Haluk Zontul

General Partner at
Diffusion Capital Partners

Our institution approaches venture capital through a broad ecosystem lens, recognizing that sustainable innovation emerges from the interaction of technology, talent, capital, and enabling institutions. We believe strong startup outcomes are not created in isolation, but through well-functioning ecosystems where entrepreneurs, investors, academia, industry, and the public sector collaborate toward shared objectives.

At the core of this perspective lies deep technology. We define deep technology not simply as advanced innovation, but as ventures whose competitive advantage is rooted in defensible technological capabilities such as proprietary know-how, intellectual property, or complex, hard-to-replicate processes. For this reason, we emphasize engineering expertise, disciplined evaluation, and long-term value creation.

We view the public sector as a critical ecosystem enabler. Public funding mechanisms, regulatory clarity, and incentive structures play a catalytic role in increasing early-stage experimentation and responsible risk-taking. When aligned with private capital and experienced investors, these elements help accelerate company scale-up, international expansion, and ecosystem maturity.

Equally important is trust. Capital alone does not build strong ecosystems, relationships do. Transparency, accountability, and consistency sustain long-term partnerships with investors and founders. We emphasize market validation and execution excellence, ensuring technological sophistication is matched with customer understanding.

Ultimately, our vision is to contribute to an ecosystem that transforms scientific and technological capability into globally competitive companies, creating durable economic and societal value through collaboration, discipline, and long-term thinking.

Mehmet Ali Ergin

Vice Chairman of the Board
at RePie Portföy

If 2025 taught us anything, it is that the Turkish startup ecosystem has reached a new level of institutional maturity. Shifting from sheer volume to disciplined growth, Venture Capital Investment Funds (VCIFs) have evolved into the ecosystem's backbone. Recent regulations have further fortified this framework, establishing a bedrock for sustainable capital raising and enhancing investor confidence.

This maturity became tangible reality when RePie Asset Management's ARF Bio rang the first bell of 2026 at Istanbul Stock Exchange. This event declared a new era where the bridge between private equity and public markets is fully operational. It also exemplifies RePie's core differentiator: "Active Management." By taking a biogas company and operationally transforming it into an integrated green facility, we delivered 6x value growth in three years, proving that patient capital yields exponential returns.

Looking deeper into 2026, we anticipate the VCIF market reaching TRY 700 billion. However, volume is vanity; value is sanity. The rise of DeepTech and AI-driven industrial solutions proves that Türkiye is moving beyond traditional services to export high-value-added innovation.

ARF Bio was merely the icebreaker. With three more VCIF-backed powerhouses queuing for the exchange, Istanbul Stock Exchange is transforming into a global innovation hub. In this landscape, RePie stands not just as a capital allocator, but as an architect of long-term value, fostering the partnerships that drive sustainable economic growth.

Merve Zabcı

General Partner at
Metis Ventures

Turkish startup ecosystem`s initial turning point was with Yemeksepeti's (c.2001) acquisition by Delivery Hero in 2015, which opened the door for a new generation of founders. A decade later, venture investment now exceeds $1 billion annually (last 5-year average), powered by the same core advantage: visionary entrepreneurs, 80+ million digitally native consumers, and growing global investor confidence.

Since 2020, Turkish ecosystem has produced 13 unicorns; six built around the domestic consumer. That's not luck. It's the result of founders capable of scaling fast, adapting nimbly, and turning local insights into global execution.

At Metis Ventures, we have been part of that trajectory. With 55+ portfolio companies, seven exits, and six times more foreign capital attracted than deployed; including Mackolik's IPO, BluTV's acquisition by Warner Bros., and Getmobil's recent backing by Lowercarbon Capital and 2150, we know how to build enduring consumer tech from Türkiye.

Now, with our new €100M fund, we're addressing a critical gap: seed rounds that are too small to move at global speed. While total investment has surged, average ticket sizes remain under €500K. We change that by writing €1-3 million decisive early checks giving top founders the capacity to execute ambitiously from day one.

As AI disrupts how the world works, we've built Metis as an AI-native, data-driven VC firm. One thing remains unchanged: we back founders who move with conviction and think beyond borders. Türkiye's opportunity is no longer emerging, it's compounding. We are here to partner with those building what's next.

As we step into 2026, Türkiye's startup ecosystem stands at a new level of maturity — resilient, increasingly global, and strategically positioned between Europe, the Middle East, and Central Asia. Over the past year, technology-driven ventures in artificial intelligence, fintech, gaming, healthtech, deep tech, and cybersecurity have not only addressed domestic market needs, but have begun to scale decisively into international markets. This is a critical shift — from local innovation to global competitiveness.

This progress has not happened by chance. It is the outcome of sustained public-private collaboration. Regulatory refinements that ease fund formation, targeted incentives for R&D and scale-up financing, and a strengthening venture capital framework have together created a more efficient capital formation engine. As a result, early-stage companies today access smarter capital, and growth-stage entrepreneurs increasingly see Türkiye as a credible base for cross-border expansion.

At the same time, Turkish founders are engaging more deeply with global strategic partners and international venture investors. They are adopting global standards in governance, talent development, and commercialization — accelerating integration into international value chains. Türkiye's geography, talent pool, and entrepreneurial energy together form a powerful launchpad for regional and global technology leadership.

At Arz Portföy, we view our role not merely as capital providers, but as long-term ecosystem builders — connecting domestic innovation with international opportunity. Alongside our investment activities, we recently launched ArzLab, our acceleration platform designed to equip early-stage founders with mentorship, strategic guidance, and global market access. Our objective is clear: to help Turkish innovation scale beyond borders and generate enduring value.

Murat Onuk

Managing Partner
at Arz Portföy

Mustafa Kopuk

Managing Partner at
DOMiNO Ventures

Türkiye has reached a new phase in its startup journey, where early-stage depth, experienced founders, and global ambition are converging more clearly than ever before. Over the past decade, the ecosystem has moved beyond experimentation and local optimization toward building globally competitive, category-defining startups.

From our perspective as an international VC fund investing across emerging markets, Türkiye stands out for three structural strengths. First, the country has developed a dense early-stage pipeline supported by angels, micro funds, and public instruments, consistently producing technically strong and resilient founding teams. Second, Turkish founders increasingly adopt a global-first mindset, often establishing headquarters in the US or Europe while keeping high-quality R&D and product teams in Türkiye. This hybrid model has become a powerful advantage in terms of speed, cost efficiency, and talent depth. Third, the ecosystem benefits from repeat founders with unicorn, exit, and global scaling experience, raising the overall maturity of decision-making.

This evolution highlights the next critical priority for the ecosystem. Bridging the growth-stage capital gap and strengthening access to global markets will be essential to converting early momentum into long-term global leadership. As international investors search for differentiated deal flow beyond saturated hubs, Türkiye offers a rare combination of ambition, execution capability, and disciplined valuations that enable startups to scale globally with confidence.

We believe the next wave of global success stories from Türkiye will emerge in Applied AI, Deeptech, and B2B SaaS, driven by founders comfortable competing on a global stage from day one. For global investors willing to engage early and locally, Türkiye represents not just potential, but momentum.

Türkiye's startup ecosystem is a study in contrast. Early-stage financing works remarkably well. Angel networks are active, seed funds are sophisticated, and—most importantly—young people genuinely want to build companies. Entrepreneurship here isn't a buzzword; it's a career choice.

The real problem starts later. Türkiye lacks late-stage capital. Once companies hit Series A, gravity shifts. Founders don't leave Türkiye because they want to—they leave because capital does. As a result, many of Türkiye's most promising scale-ups are financed by foreign VCs earlier than they should be.

Sector-wise, casual gaming and fintech remain the backbone of the ecosystem, but AI startups are catching up fast, fueled by strong engineering talent and falling compute costs. Türkiye consistently produces high-quality, globally competitive builders—and at a cost advantage few markets can match.

The ecosystem's real superpower is speed. Turkish teams ship faster, iterate harder, and commercialize earlier than peers in many European markets. Execution is cultural.
The standout Turkish startups of 2025 — Billion to One, Codeway, Dream Games, FAL, ICAS, Midas, Rollic—reflect that execution-first mindset.

One final irony: all major e-commerce winners are foreign-owned—Amazon, Hepsiburada, N11, Trendyol.

The message is clear: when Turkish startups reach scale, global capital shows up. The opportunity now is obvious—build the capital stack that lets them stay independent longer.

Sina Afra

Entrepreneur & Investor at TIKO

06

APPENDIX

Disclaimer

The information provided in this report is general and does not constitute financial, tax, or legal advice. Whilst every effort has been taken to ensure the accuracy of this report, the editors and authors accept no responsibility for any inaccuracies or omissions contained herein. Financial, tax, or legal advice should always be sought before engaging in any transaction or taking any legal action based on the information provided. Should you have any queries regarding the issues raised and/or about other topics, please contact the authors of this report.

All information in this report is up to date as of February 27, 2026

Key Terms and Definitions

Startup : A product-focused private tech company with lots of blurry elements like revenue model, customer and product. Tailor-made solution providers are not considered as startups.

Corporate Venture : A subsidiary of an established company created to launch a new product or service

Venture Capital Funds (VC): VC funds are structures that invest in startups and receive minority shares in return. Investment periods are limited and generally five to six years. The goal is to sell the shares at much higher prices when the fund expires.

Corporate Venture Capital (CVC): CVC funds are the same as VC structures, except this fund is financed by a single company. (e.g. Intel Capital)

Pre-Seed Investment : The initial round of funding used to build and demonstrate the viability of a product idea. Pre-seed round size in Türkiye is usually less than $50 thousand.

Seed Investment : The funding round used to reach product/market fit. The startups at this stage have a working product and some paying customers with some early metrics. Seed round size in Türkiye is generally $200 thousand.

Series A : The funding round used to scale up a startup. Startups at this stage have achieved product/market fit and have repeat customers. Series A round size in Türkiye is generally $1 million in Türkiye. It’s usually the first round of financing that a startup receives from a venture capital firm.

Series B, C, D, E.. :Funding rounds made by VCs with higher valuations compared to the preceding round.

Convertible Debt : This is an “in-between” round of funding to help companies hold over until they want to raise their next round of funding. When they raise the next round, this note “converts” with a discount at the price of the new round.

Growth Equity : This is the type of investment for growing well-established, less-risky businesses. The company does not have to be profitable. The firm’s minority or majority shares may be acquired by the fund.

Private Equity : A private equity round is led by a private equity firm and represents a late-stage financing round. At this stage, the firm has already moved beyond generating revenue and has developed profitable margins along with a stable cash flow.

Equity Crowdfunding : A method of raising collective funds through online platforms where individual users can invest in companies in exchange for equity. Typically, these platforms allow investors to contribute smaller amounts, often through syndicates. In such syndicates, a lead investor evaluates the investment opportunity and pools funds from a group of individual backers.

Corporate Round : A corporate round occurs when a company, rather than a venture capital firm, invests in another company.

SAFE : Alternative to convertible notes. An investor makes a cash investment in a company but gets company stock at a later date in connection with a specific event.

Exit : The method by which an investor and/or entrepreneur intends to “exit” their investment in a startup. Common options are IPO and buyout from another company.

Primary Transaction : Transaction or funding type where investors buy equities directly from the company issuing them.

Secondary Transaction :Transaction or funding type where investors buy equities from the existing shareholders.

Cash Out : Shareholders who sell their shares personally earn money as a result of this second transaction

Buyout : The purchase of a controlling share in a company

Unicorn : Startup valued at over $1 billion

Decacorn: Company valued at over $10 billion

Ticket Size : Average investment amount made by an investor.

Term sheet : A non-binding agreement that outlines the major aspects of an investment to be made in a startup.

Due diligence : A comprehensive analysis conducted by an investor to audit and verify all relevant facts and figures of a potential investment.

VCIF/GSYF (Venture Capital Investment Fund): A fund structure established under the supervision of the Capital Markets Board of Türkiye and based in Türkiye.

VCIT/GSYO (Venture Capital Investment Trust): A company structure established under the supervision of the Capital Markets Board of Türkiye to invest in startups.

Centaur: Company with $100 million in annual recurring revenue.

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THANK YOU!

The State of Turkish Startup Ecosystem

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