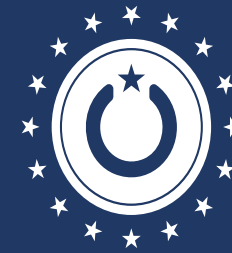




Türkiye

As a
Destination
for Financial
Investors



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

April 2025

What makes Türkiye an attractive country for early-stage investments?

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

Supportive Ecosystem

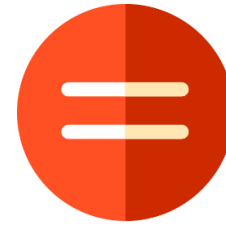
Liberal Investment Environment

Foreign Direct Investment Law

Law No: 4875
June 5, 2003



International investors are free to make foreign direct investments in Türkiye



International investors are subject to equal treatment with local investors



Foreign direct investments cannot be expropriated or nationalized



International investors may freely transfer their net profits and dividends abroad



International investors may acquire real estate in Türkiye



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



International investors may employ expatriates in their businesses in Türkiye

A Trillion-Dollar Economy

One of the largest economies in the World

- Türkiye is the 12nd largest economy by GDP/PPP and 18th largest economy by GDP/Nominal.
- The annual average growth rate in Türkiye between 2002-2023 is %5.4
- The Turkish economy grew by 5.1% in 2023 and by 3.2% in the first three quarters of 2024, respectively.
- When compared to the EU countries, Türkiye is the 4th largest economy by GDP/PPP, 6th largest by GDP/Nominal.

One of the largest populations in the region

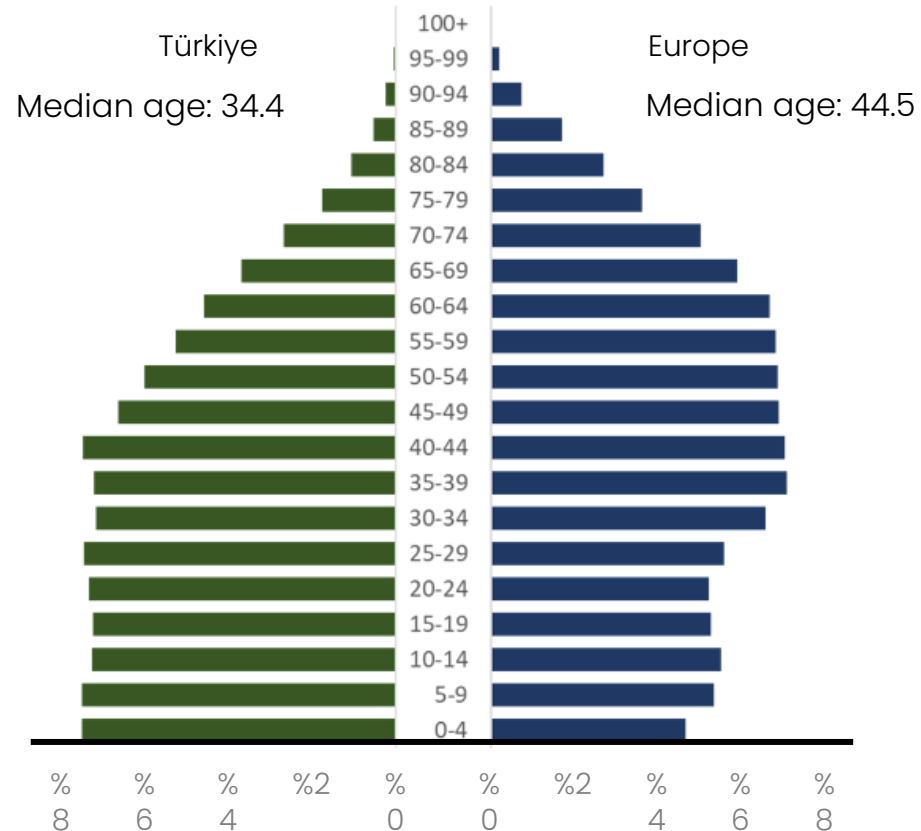
- Türkiye is the largest country in Europe and the 3rd largest country in the MENA region.

Population		Population	
# Countries	(Million People)	# Countries	(Million People)
1 Türkiye	85.7	1 Egypt	105.9
2 Germany	83.5	2 Iran	86.0
3 France	68.6	3 Türkiye	85.7
4 United Kingdom	68.3	4 Algeria	47.4
5 Italy	59.0	5 Iraq	44.4
6 Spain	49.1	6 Morocco	36.8
7 Poland	37.5	7 Yemen	32.3
8 Ukraine	33.0	8 Saudi Arabia	32.2
9 Romania	19.1	9 Syria	24.7
10 Netherlands	18.0	10 Jordan	11.7

Favorable demographics

The Youngest Population in Europe

Population Pyramid - Türkiye vs All European Nations.
As % of population. (2024)



One of the Largest Talent Pools in Europe and MENA Region

- 430,261 graduates from vocational and technical high schools,
- 903,673 graduates from universities,
- 72,855 graduates from engineering and engineering trades,
- 23,938 graduates from information and communication technologies (ICT)

Geo-Strategic Location



Turkish Airlines flies to:

- 131 countries
- 346 destinations

Istanbul Airport:

- 8th busiest airport in the World in 2024
- The busiest hub in Europe:
 - 1) Istanbul: 1,339 daily flights
 - 2) London, Heathrow: 1,276 daily flights
 - 3) Amsterdam Schiphol: 1,263 daily flights

(November 2024 – Source: Eurocontrol)

Türkiye offers access to;

- 56 nations
 - 1.3 billion people
 - USD 28 trillion of GDP
 - USD 7 trillion of trade
- in just 4 hour-flight radius from Istanbul



4 hours flight time from
Istanbul



Tech savvy population

Internet and Mobility:

- Cellular Mobile Connections: 80.7 million (3rd in Europe)
- Internet Users: 74.4 million (2nd in Europe)
- Use of search engines: %92.4 (5th in Europe)
- Daily time spent using the internet: 6:57 (3rd in Europe)
- Daily time spent using the internet on mobile phones: 4:07 (1st in Europe)
- Streaming TV content via the internet: %96.8 (1st in Europe)
- Online video as a source of learning: %56.7 (1st in Europe)
- Playing video games: %94.8 (1st in Europe, 3rd in the World)

Technology Usage:

(Among internet users aged 16-64)

- Use of online financial services: %38.2 (10th in Europe)
- Weekly online purchases: %64.7 (1st in Europe, 3rd in the World)
- Weekly online grocery purchases: %41.9 (1st in Europe, 3rd in the World)
- Use of online meal delivery services: %30,4 (3rd in Europe)
- Checking health symptoms online: %23.7 (8th in Europe)
- Ownership of smart watches: %29.1 (6th in Europe)
- Smart home devices ownership: %18.6 (7th in Europe)
- Ownership of any cryptocurrency: %21.7 (1st in the World)



67.4 Million
e-Government users
(Males: 34.7M / Females: 32.4M)

Social Media Usage:

Active Social Media Users: 57.5 million (2nd in Europe)

Daily time spent using social media: 2:44 (1st in Europe)



57.1 million users



57.5 million users



37.8 million users



34.4 million users



20.7 million users

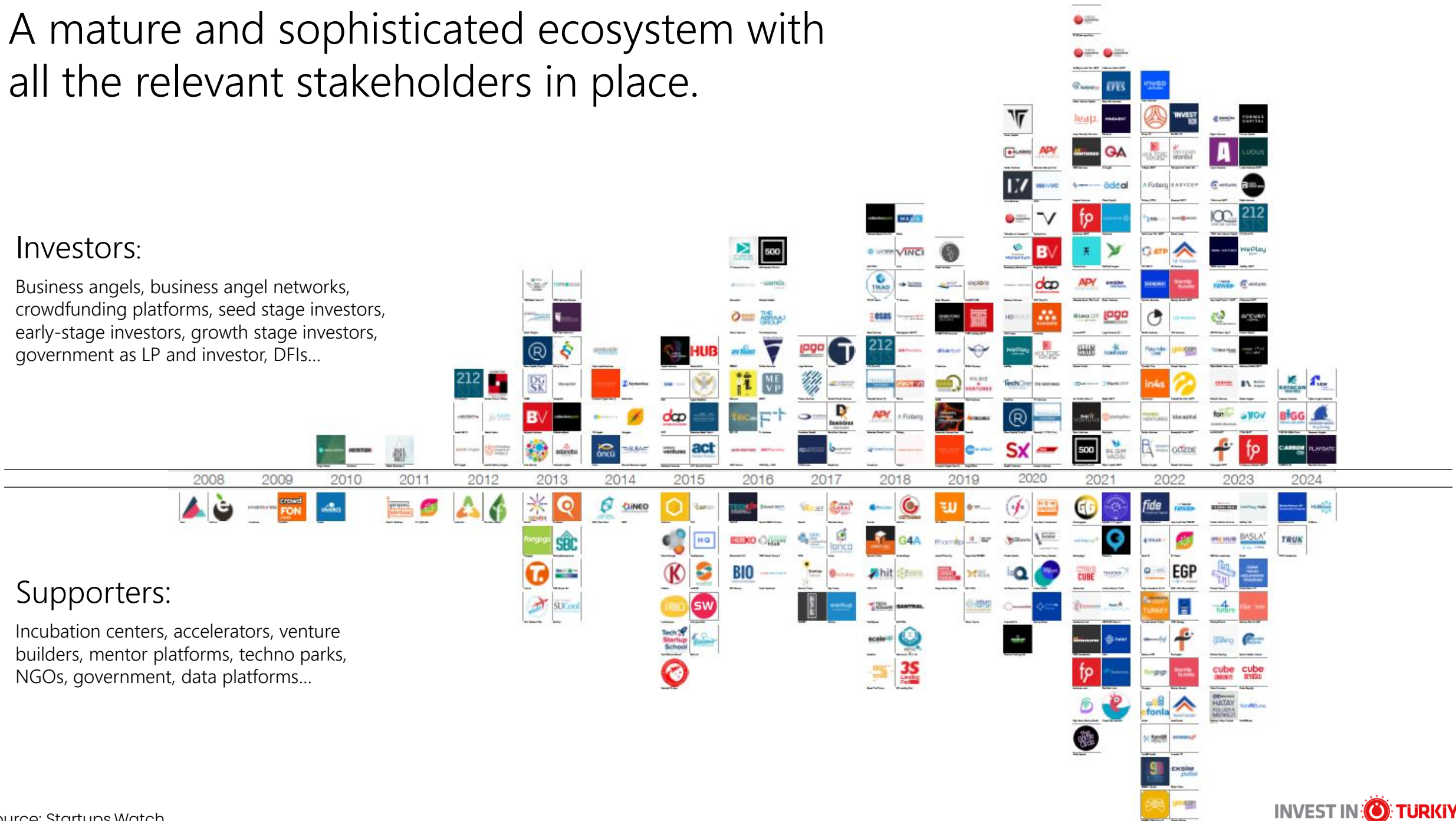


16 million users

A mature and sophisticated ecosystem with all the relevant stakeholders in place.

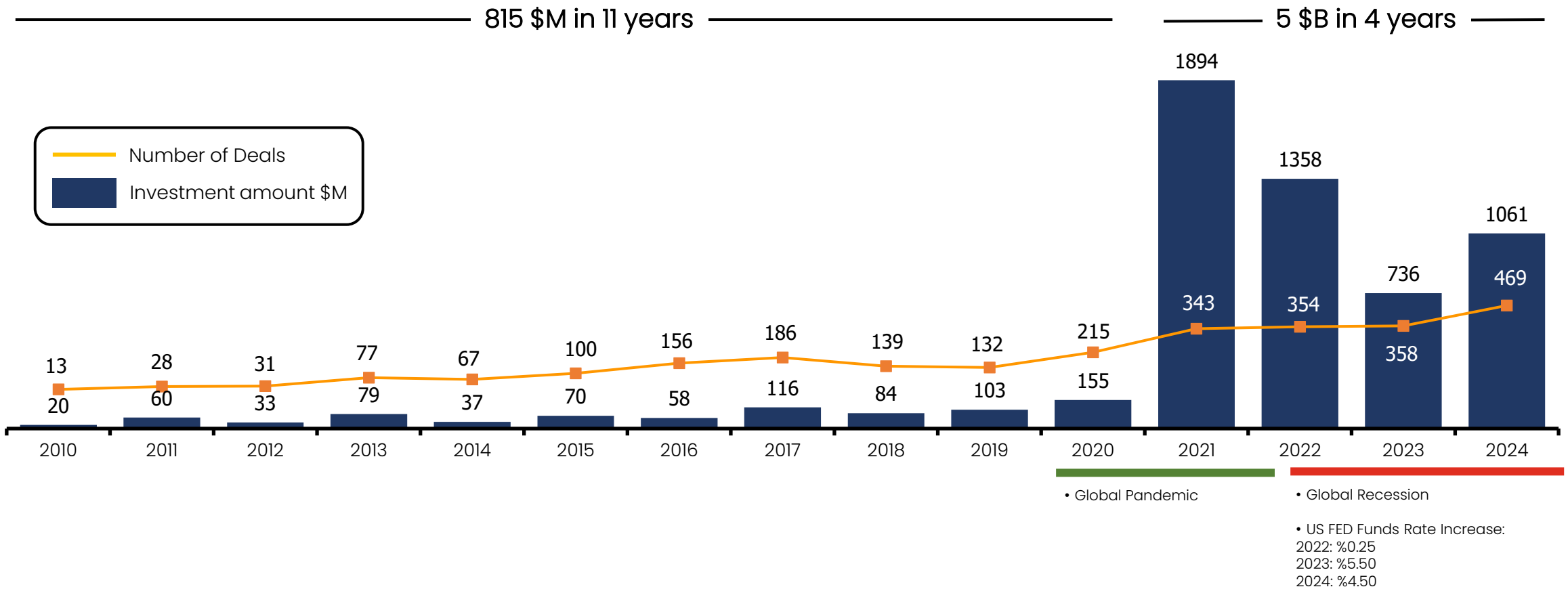
Investors:

Business angels, business angel networks, crowdfunding platforms, seed stage investors, early-stage investors, growth stage investors, government as LP and investor, DFIs...



Investments and Successful Exits

Early-stage investments in Türkiye since 2010



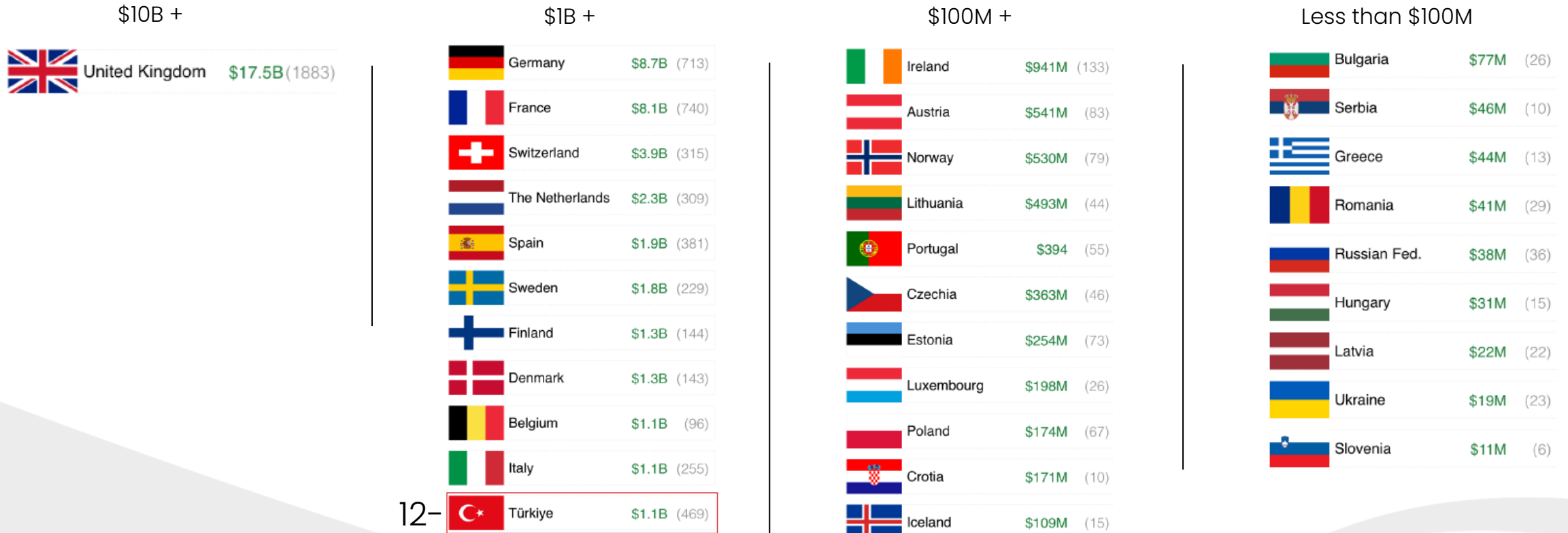
Major VC-backed Exits:



Unicorns/Decacorns:



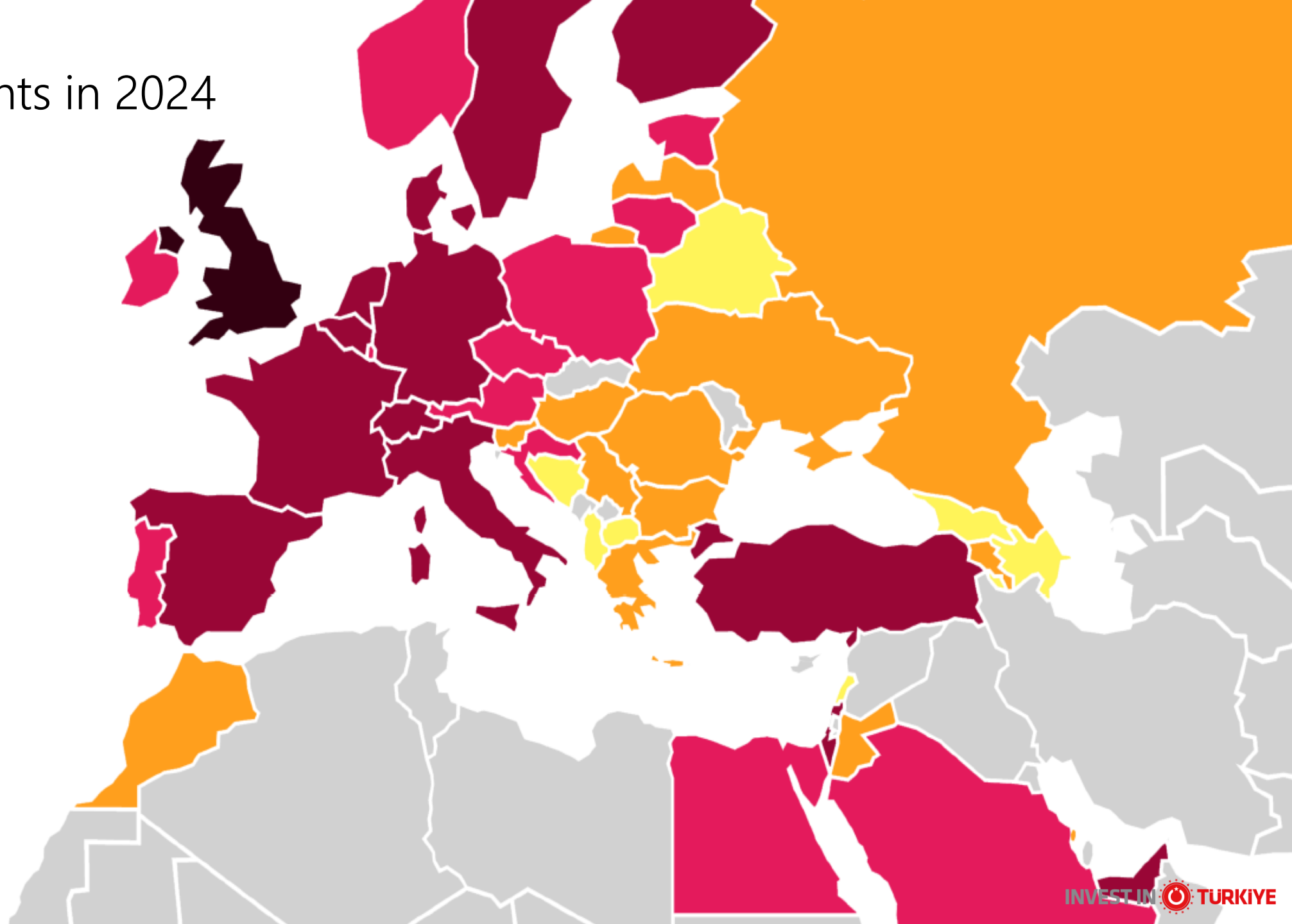
European countries by VC investments in 2024



MENA countries by VC investments in 2024



by VC investments in 2024



Investment deals by stages

In 2024, the number of **seed-stage** investment deals increased by 34%, rising from 335 to 448, with TÜBİTAK BiGG FUND being the main investor at this stage.

At the **early and later VC stages**, the total deal volume increased by 61%, while the number of deals remained steady compared to 2023.

Notable early and later VC-stage investment deals included Insider, Getir, Picus, Colendi, Spyke Games, Dgpays, Midas, Grand Games, Trio Mobil, SOCRadar, ikas, Agave Games, and Sipay.

Insider’s \$500M Series E funding round, led by General Atlantic, was **the largest deal in 2024**, followed by Abu Dhabi’s sovereign wealth fund Mubadala Investment Company’s \$250M investment in Getir.



Türkiye Yearly Deal Count by Stages (#)

Investment Stages	2019	2020	2021	2022	2023	2024
Seed Stage	117	192	307	323	335	448
Early VC Stage	12	21	33	28	22	18
Later VC Stage	3	2	3	3	1	3

Türkiye Yearly Deal Size by Stages (\$M)

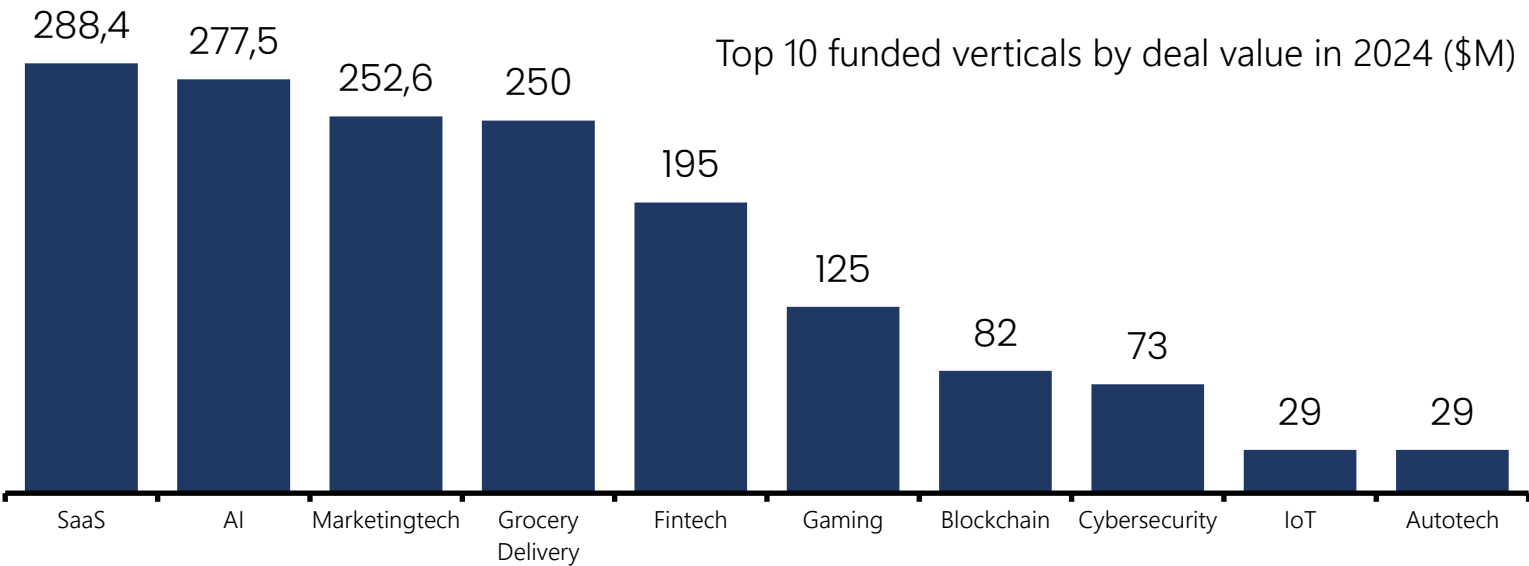
Investment Stages	2019	2020	2021	2022	2023	2024
Seed Stage	35	69	138	290	168	146
Early VC Stage	61	50	646	142	68	370
Later VC Stage	7	37	1110	926	500	545



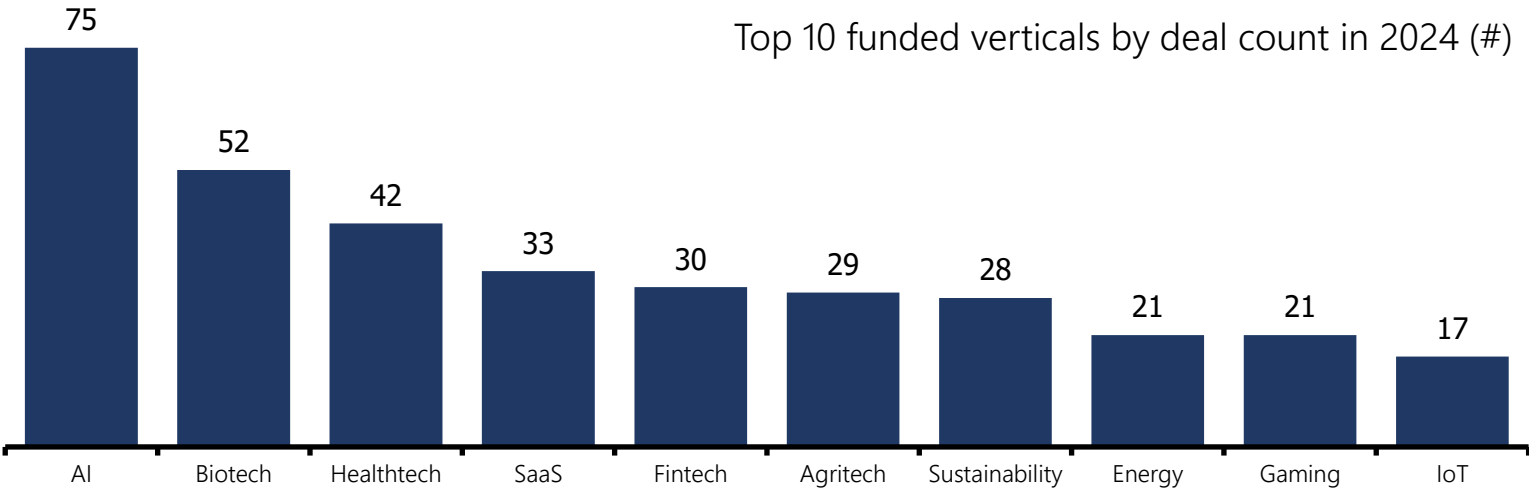
Türkiye transformed its TÜBİTAK BiGG grant program into a pre-seed fund in October 2023, and the new fund made 231 pre-seed investments in 2024.

TÜBİTAK BiGG Fund is managed by Türkiye Development Fund, a 100% subsidiary of the Development Investment Bank of Türkiye.

Top funded verticals in 2024



- Significant deal sizes in SaaS, AI, and marketingtech were primarily driven by Insider.
- The grocery delivery sector was entirely dominated by Getir.
- Fintech, on the other hand, set an all-time record in total deal size.

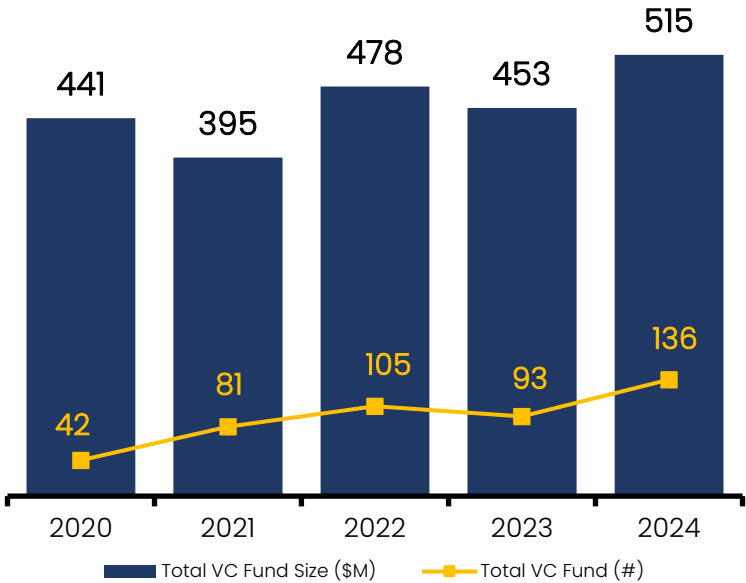


- In 2024, the TÜBİTAK BiGG Fund made 42 investments in biotech, 32 in healthtech, and 27 in AI, making these the top verticals with the highest investments in Türkiye.
- When BiGG investments excluded from deal counts, Top 5 funded verticals are as follows according to the deal counts: AI (48), SaaS (32), fintech (26), gaming (18) and sustainability (13).

New Investment Opportunities

Fundraising activity by venture capital funds

Total VC Fundraising Activity in Türkiye

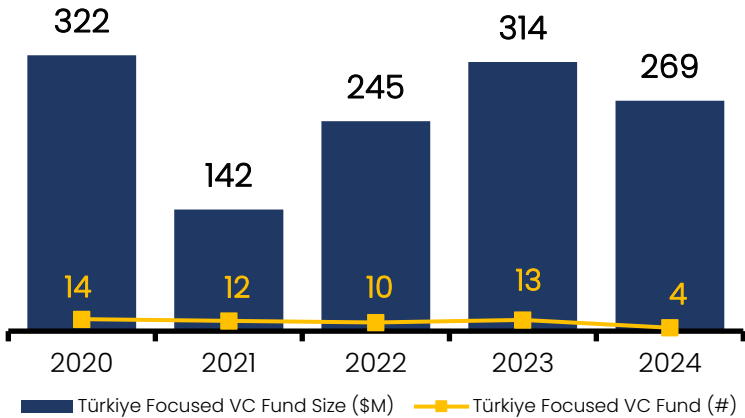


Regarding their domiciles, there are 2 types VC funds in Türkiye: Türkiye focused VC funds and Venture Capital Investment Funds (VCIF).

Türkiye focused VC funds are established abroad, and the VCIFs (GSYF in Turkish) are established in Türkiye.

In the last 5 years, a total of 455 VC funds raised \$2.3B in Türkiye.

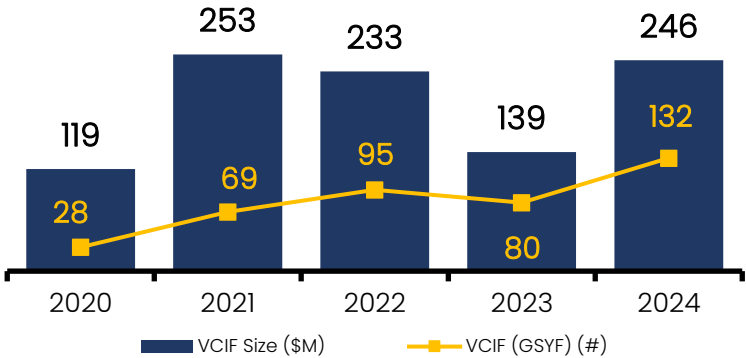
Fundraising Activity by Türkiye focused VC Funds



In the last 5 years, 53 Türkiye focused VC funds raised \$1.3B.

Türkiye-focused VC funds primarily invest in Türkiye but also have mandates to invest in Eastern and Northern Europe.

Fundraising Activity by Venture Capital Investment Funds (VCIF-GSYF in Turkish)



In the same period, 402 VCIF (GSYF) funds with a target size of \$990M were authorized for establishment by the Capital Markets Board of Türkiye.

GSYFs can be considered local funds, established and managed by portfolio management companies (PYŞ) in Türkiye, which are licensed by the Capital Markets Board (SPK). They primarily focus on the Turkish market.

They were first introduced in 2014, but number of newly established GSYF's significantly increased after the major amendments made by the SPK in 2020.

State supports VC funds as LP



TÜBİTAK 1514 Tech-InvesTR “Venture Capital Funding Program” V.1 (2013)

Ministry of Treasury and Finance & TUBITAK - Scientific and Technological Research Council of Türkiye & Universities acted as LP and invested in 5 Turkish VC funds. Total fund size was 1 billion TL.



Türkiye Development Fund

Regional Development Fund

Fund Size: 525 million TRY

Investment Focus:

- Expansion and development-oriented medium-size enterprises and regional SMEs

Development and Investment Bank of Türkiye Capital Fund

Fund Size: 430 million TRY

Investment Focus:

- Technology-oriented enterprises with a high expansion potential
- Venture Capital Funds that are compatible with co-investment strategy

Technology and Innovation Fund

Fund Size: 475 million TRY

Investment Focus:

- Technology-oriented enterprises with a high expansion potential
- Venture Capital Funds that are compatible with co-investment strategy

Innovative and Advanced Technologies Venture Capital Investment Fund

Fund Size: 611 million TRY

Investment Focus:

- Technology-oriented enterprises with a high expansion potential

Development ODTÜ TEKNOKENT VCIF (INVEST 101)

Fund Size: 22.2 million USD

Investment Focus:

- Artificial intelligence (AI), machine learning (ML), big data, cybersecurity, fintech, gaming technologies, software development technologies, internet of things (IoT), augmented reality (AR), virtual reality (VR), cloud technologies, advanced material, robotics, nanotechnology, biotechnology, renewable energy, mobility

Development Participation Venture Capital Investment Fund

Fund Size: 154 million TRY

Investment Focus:

- Companies in strategic sectors that are the priority in development, mainly in manufacturing, and that will contribute to reducing the current account deficit

TÜBİTAK BIGG Fund

Fund Size: 8 million USD

Investment Focus:

- Investment in business ideas that have received the seal of excellence within the framework of the TÜBİTAK 1812 program.

DİBT Fund of Funds

Fund Size: 50 million USD

Investment Focus:

- Venture Capital, Growth Capital, Private Equity Funds



Regional Development Agencies

Several regional development agencies, including Istanbul Development Agency, Ankara Development Agency, Bursa Eskisehir Bilecik (BEBKA) Development Agency, have fund of funds to invest in VC funds investing in Turkish technology startups. Total fund size is approximately 600 million TL.



Bilişim Vadisi, Venture Capital Investment Fund

The fund was established by Bilisim Vadisi (Technology Development Zone) and KOSGEB (Small and Medium Sized Enterprises Development Organization) with a partnership with Albaraka Turk and Vakıf Katılım participation banks to invest in companies from seed funding to Series A, focusing on mobility, communication technologies, cybersecurity, software, design, gaming and animation, and smart city technologies.



Türkiye Wealth Fund's “Türkiye Technology Fund”

The Türkiye Technology Fund (TTF), a “fund of funds” program under the Türkiye Wealth Fund, aims to support access to capital for startups contributing to the technology ecosystem in Türkiye. The fund is going to invest in Venture Capital Funds investing in Türkiye-centered technology startups.

Türkiye Tech Visa

Türkiye Tech Visa is an exclusive invitation program designed for global talents and startups.

It provides a wide range of privileges and opportunities to enhance their integration into the Turkish tech ecosystem.

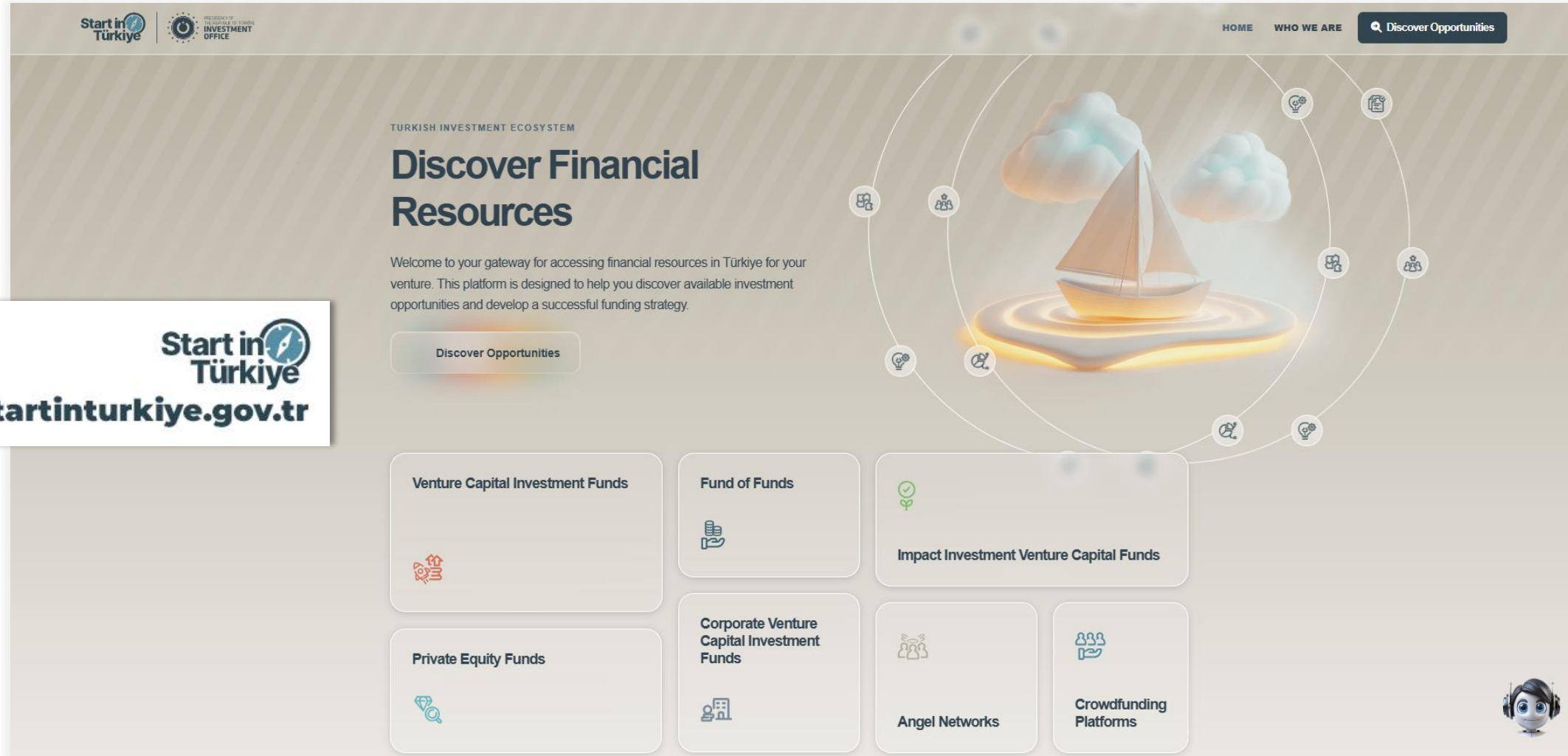
- 3-year work permit exclusive for Türkiye Tech Visa
- Simplified residence permit processes for families
- Income tax and corporate tax exemptions
- Comprehensive free healthcare assurance
- Office opportunities in technoparks and incubation centers
- Venture capital investments and project financing supports
- Mentoring and consultancy support



www.turkiyetechvisa.gov.tr

A dedicated microsite to help startups access funding resources

Start in Türkiye is an official platform of the Investment Office, designed to connect startups with the right investors and to help international investors explore Türkiye's dynamic startup ecosystem.



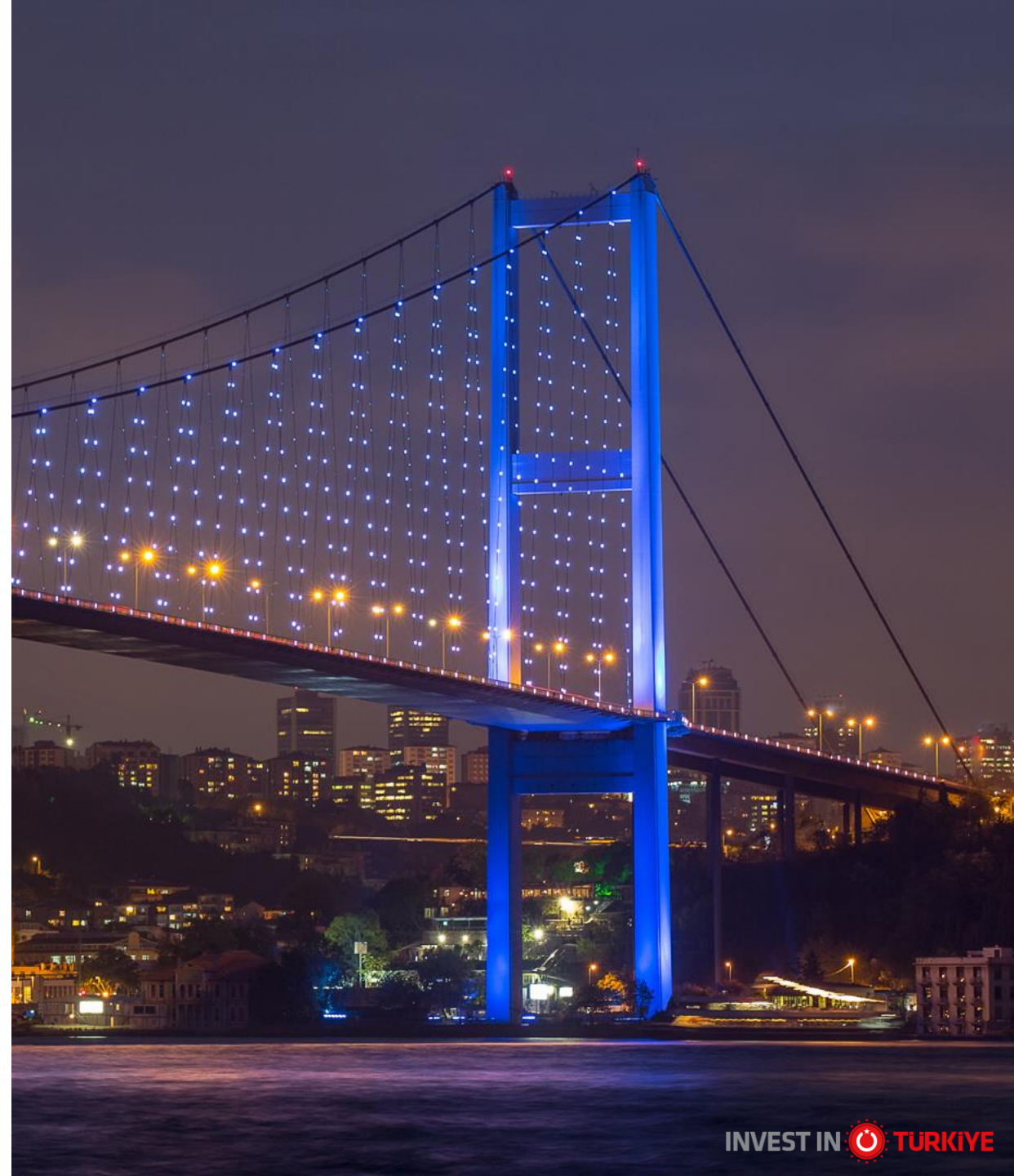
Türkiye presents great potential for impact investments as well...



- Turkish national advisory board for impact investments; EYDK (*Etki Yatırımı Danışma Kurulu*) was established in 2021 and became member of the GSG (The Global Steering Group for Impact Investment) in 2022.
- 37 investment opportunity areas identified across 9 priority sectors (*Technology and Communications, Transportation, Renewables and Alternative Energy, Education, Healthcare, Food & Beverage, Consumer Goods, Infrastructure, Financials*) and 16 subsectors.
- 7 new impact investment funds were established, including 6 Venture Capital Investment Funds and 1 Real Estate Investment Fund.

Why Invest in Turkish Startups?

- Well established startup ecosystem
- Large and young population with high tech penetration rates, ideal for product testing
- Strategic geographical location providing easy access to surrounding markets
- Ever-increasing investment trend
- Easy access to funding for startups, especially in pre-seed and seed stages
- Emerging sectors including AI, SaaS, fintech and gaming
- Successful exits to global companies with increasing international recognition
- 7 unicorns across different sectors
- Co-investment opportunities with Turkish VC funds to benefit from future successful exit rounds





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