

Veloxia looks to raise USD 6m Series A round by year-end – co-founder

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Veloxia, a Turkey-based mobile gaming company, is looking to finalise a USD 6m Series A round by the end of the year, co-founder and CEO Tugay Alyildiz told *Mergermarket*.

The process will be launched in a couple of months, Alyildiz said. The business will use the proceeds mainly for the upcoming launch and marketing of two new games, in the idle and multiplayer online battle arena (MOBA) genres, he added.

Veloxia is generating revenue with its initial game, published in 2019, and expects to break even probably by mid-2023 with help from the Series A funds, which will support its marketing efforts, he said.

He did not specify the stake available, or the company's valuation.

So far, Veloxia has [raised](#) more than USD 3m, from Turkey-based venture capital firms Collective Spark and Bogazici Ventures and high-net-worth individual investors from the US and the UK, he said. It also received a USD 50,000 grant under EBRD's [Star Venture programme](#) in 2022.

Alyildiz, CTO Mehves Altay – formerly a software engineer at Google – and COO Melih Gundogdu established the business in June 2019. Veloxia is a mobile gaming company that publishes simulation and action games. So far, it has published Space Colony: Idle on IOS and Android platforms, which has had more than 1.2m downloads, according to the company's website.

Another simulation game, Idle Shipping Life, is in the soft-launch phase and will soon be launched globally, Alyildiz said. This new game is expected to “significantly surpass” Space Colony: Idle in terms of download numbers and revenue, based on early key performance indicators, he said.

The company's other new game is Embershard, a multiplayer online battle arena (MOBA) game, and he said that the company expects to “break through” if Embershard reaches user numbers in double-digit millions.

Veloxia is interested creating top grossing MOBA games, Alyildiz said, citing Tencent's MOBA game, Honor of Kings, which has brought in USD 13bn revenue since its release in 2015, making it the highest-grossing mobile game globally, per sector press [reporting](#).

The company designs games for players all around the world, and its 40-person team has members from Europe, North America, Asia and Africa, Alyildiz said.

Veloxia is different from other gaming start-ups because the co-founders have been positioning the company for an exit “from day one”, he said. The potential exit scenario is a trade sale to a larger peer or competitor, he added, without giving a timeline.

As well as Tencent, whose MOBA games also include Pokemon Unite, global competitors in the genre include Finland-based Supercell, whose game Brawl Stars has [generated](#) USD 1.4bn in lifetime player spending; and US-based Riot Games, whose game Wild Rift [generated](#) more than USD 150m in spending in its first year of release, Alyildiz said.

In the idle genre, global competitors include [Green Panda Games](#) and [Kolibri Games](#) which were both acquired by Ubisoft [EPA:UBI] in July 2019 and February 2020, respectively, he said.

Turkish mobile gaming companies have recently been drawing growing attention from sector investors, and some 14 Turkish start-ups received investments worth a total of USD 337.5m in the first half of 2022, setting a record, according to data from Turkish market intelligence company *Startups.Watch*.

The sector's largest [deal](#) of 2022 so far is Dream Games' USD 255m Series C round, making it another Turkish unicorn. The gaming company has raised USD 467.5m so far, per *Crunchbase*. The largest exit in this period was the [sale](#) of 80% stake in Alictus to the US mobile-gaming company SciPlay [NASDAQ:SCPL] for a consideration of USD 100m, as reported in March.

The mobile gaming industry has been growing by 8.7% compound annual growth ratesince 2019 and is predicted to reach USD 218.7bn in 2024 despite the impact of new restrictions on gaming, according to a [report](#) by games-market data provider *NewZoo*. Some 2.8bn of the world's three billion gamers will be playing on a mobile device by 2024, the report says.

by Erdinc Ergenc in Istanbul

TARGET

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OTHERS

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[Bogazici Ventures](#)



[Supercell Oy](#)



[Riot Games, Inc.](#)



[Tencent Holdings Ltd.](#)



[Green Panda Games](#)



[Kolibri Games GmbH](#)



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