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CYPRUS

Gateway for Global Startups

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Project Summary

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- **Investment Growth:** Cyprus shows significant growth in startup investments, surpassing pre-COVID levels (40 deals and $139 million in 2024, up 25% and 170% from 2020, respectively).
- **Immigration is the Growth Driver:** Key growth factors include an influx of entrepreneurs and startups from Eastern Europe, government support, positive regulatory changes, stimulating programs, and the immigration of investors (funds and angel investors) from CIS countries.
- **ICT became the key segment:** The ICT sector accounts for 12% of Cyprus's GDP, with approximately 40% of ICT employees being immigrants, predominantly from CIS countries.
- **Dominance of Immigrant Startups:** Startups founded by individuals from CIS countries (notably Russia, Ukraine, and Belarus) attract the majority of investments, accounting for over 60% of all deals. 49% of Cypriot startup founders are from CIS countries.
- **Cyprus - startup hub (not just tax heaven):** Around 65% of surveyed startup founders are physically located in Cyprus, have legal entities there, and parts of their teams; an additional 4% plan to establish legal entities and obtain residency in Cyprus.

Presentation content

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Status on the Global Venture Capital Market

Local Venture Capital Overview (2020-2024)

Cyprus as the base for global founders

The market edges ever closer to pre-COVID totals

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Source: Coatue, Pitchbook

Series A and scale-up funding are recovering

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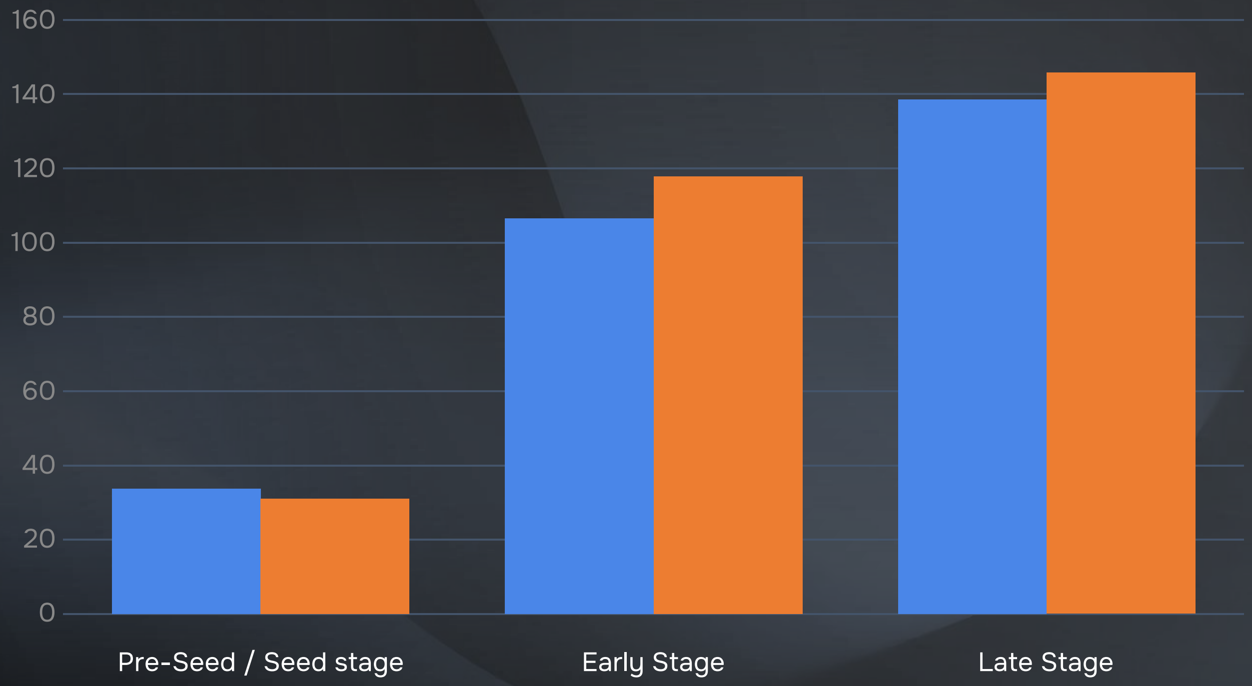
Global VC volume by startup stages (in $,M)



2023 | 2024

Source: Crunchbase, Pitchbook, Innotechnics analysis

Global AI startups attracts the majority of the funding

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	Deal size	Key investors	Tech vertical
databricks	10	a16z, DST Global, Insight Partners, Thrive Capital	AI
OpenAI	6,6	Thrive Capital	AI
xAI	12	a16z, Sequoia, Fidelity Investments, BlackRock	AI
Waymo	5,6	Alphabet, a16z, Fidelity Investments, Tiger Global	AI

Source: Crunchbase, Pitchbook, Innotechnics analysis

Series A and scale-up funding is recovering

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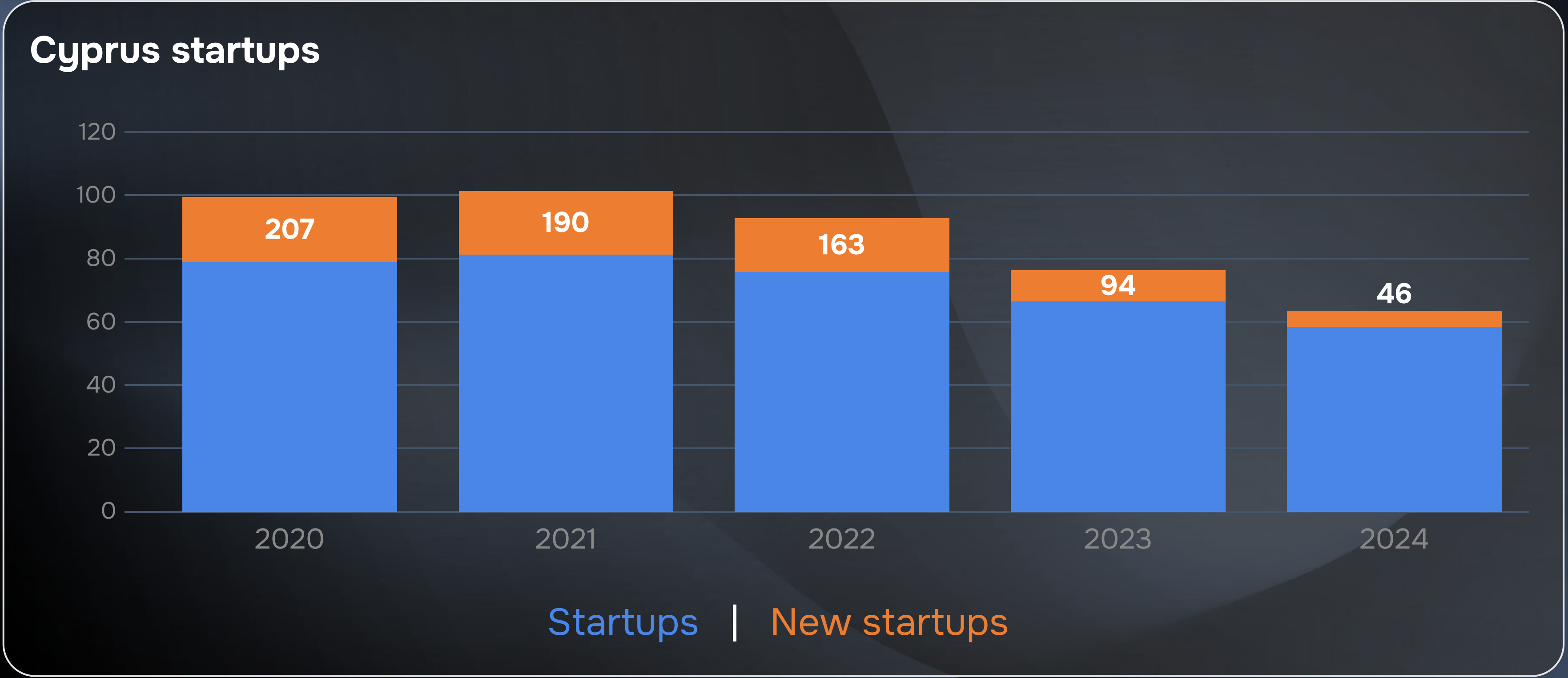

Source: CrunchBase, Pitchbook, Dealroom, Innotechnics analysis

Fintech, Gaming, and AdTech account for 40% of all startups

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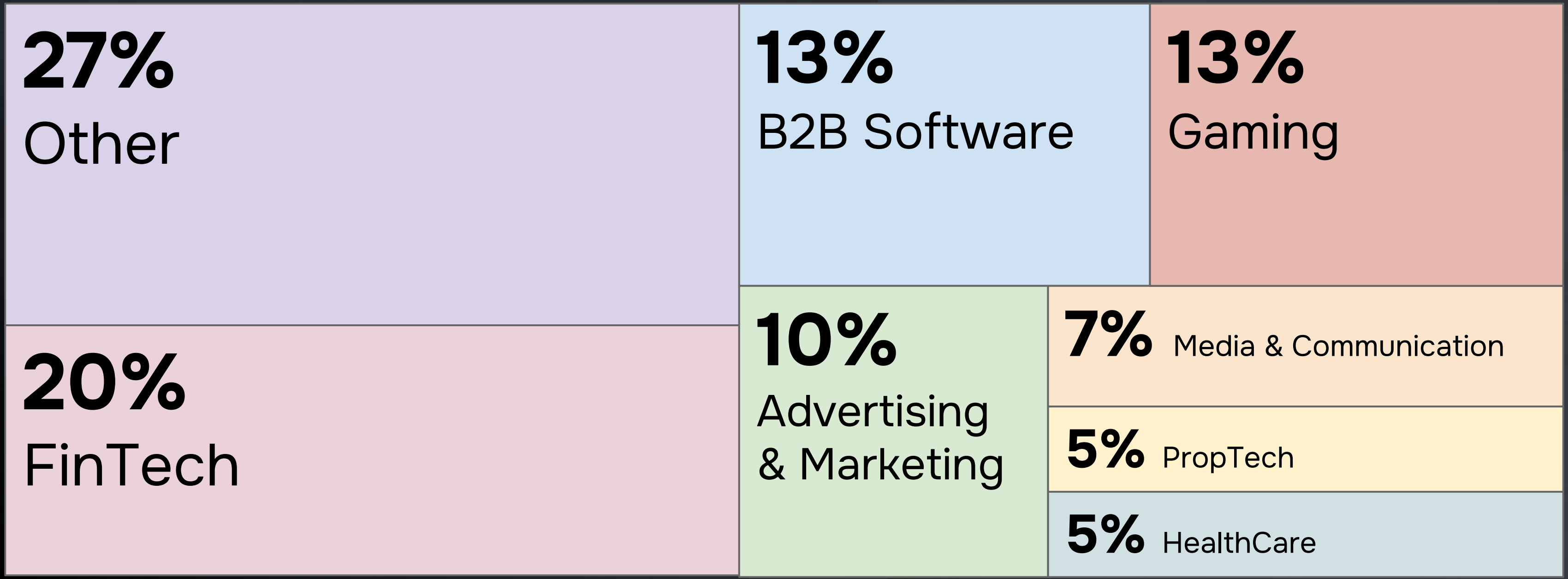
Distribution of startups by industries (2024),



Source: CrunchBase, Pitchbook, Dealroom, Innotechnics analysis

The number of deals exceeded pre-covid levels

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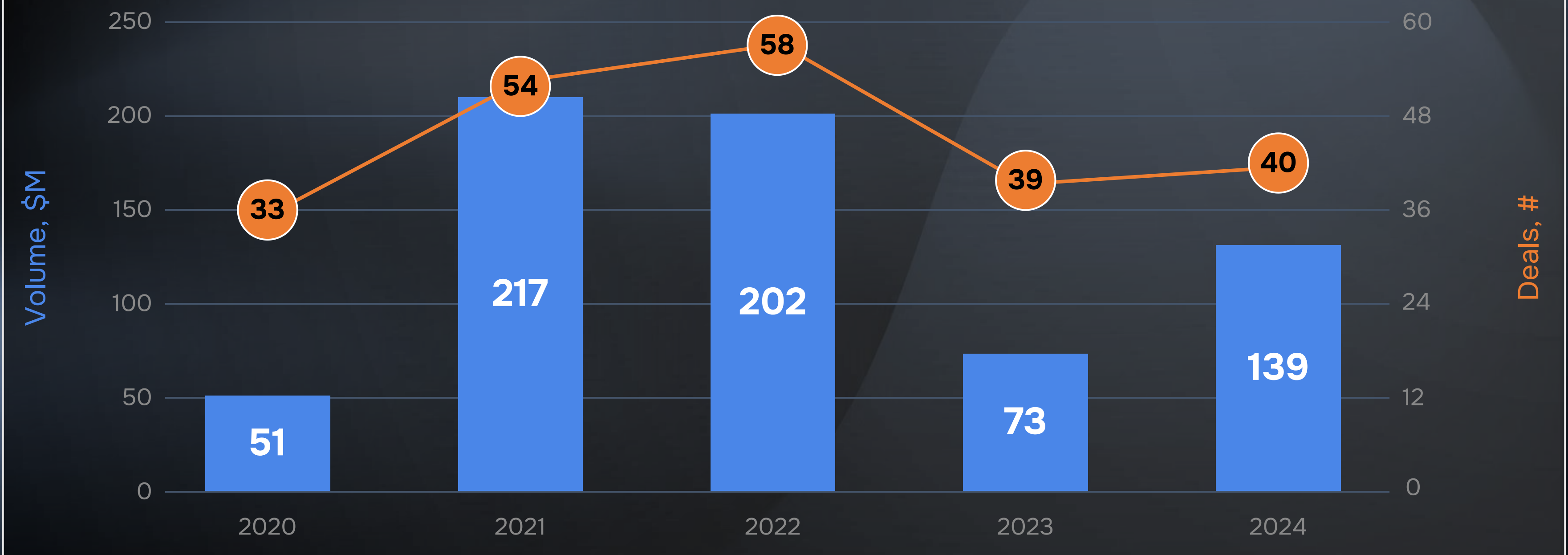
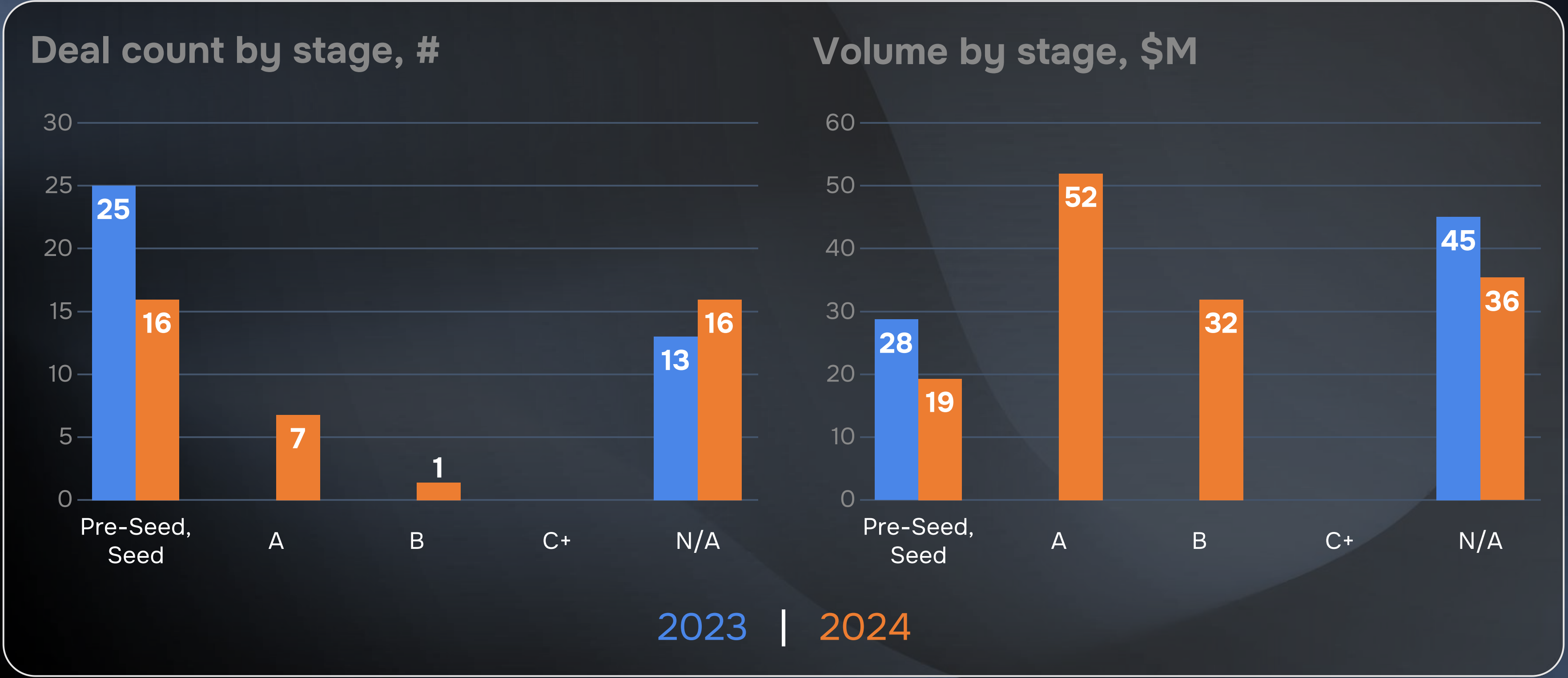
Capital invested and deal count in Cyprus



Source: CrunchBase, Pitchbook, Dealroom, Innotechnics analysis

The late-stage funding gap is clear



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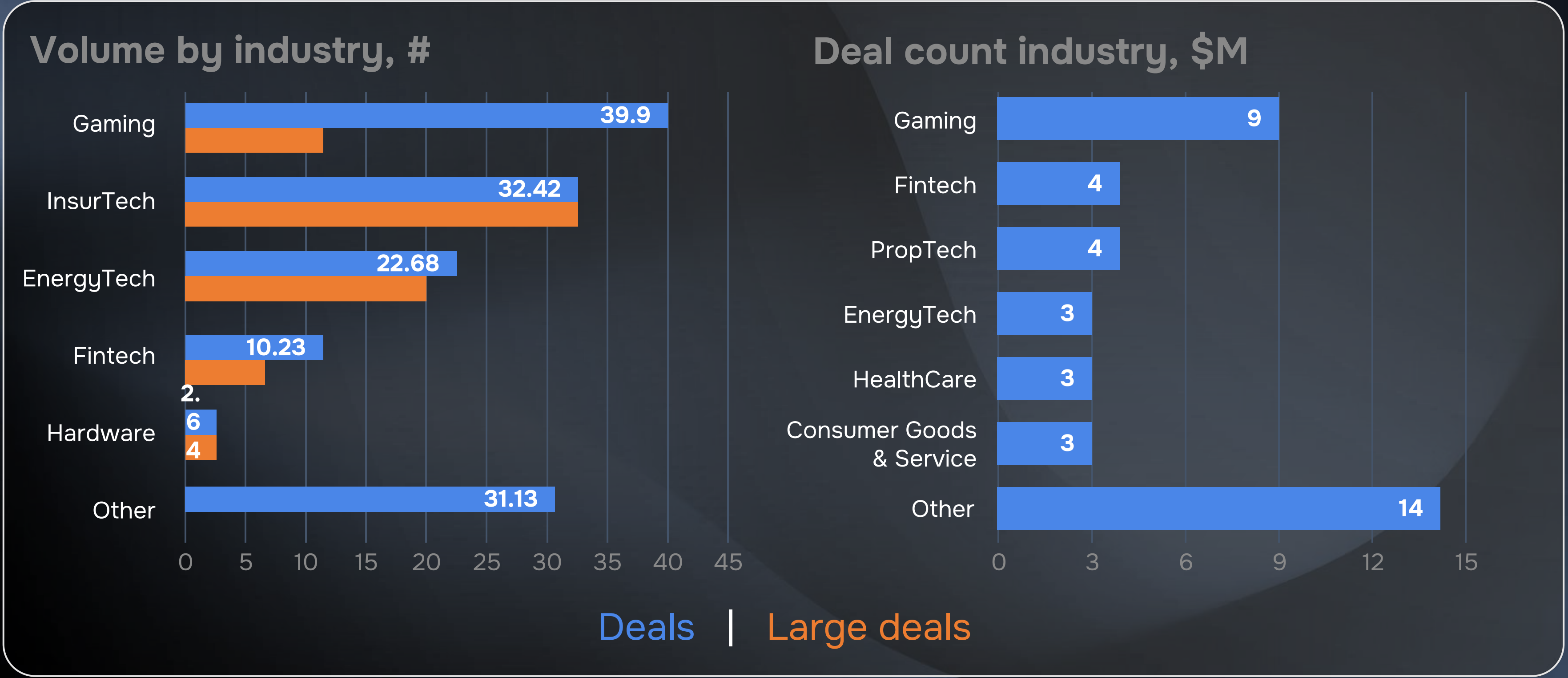

Source: CrunchBase, Pitchbook, Dealroom, Innotechnics analysis

The number of deals exceeded pre-covid levels

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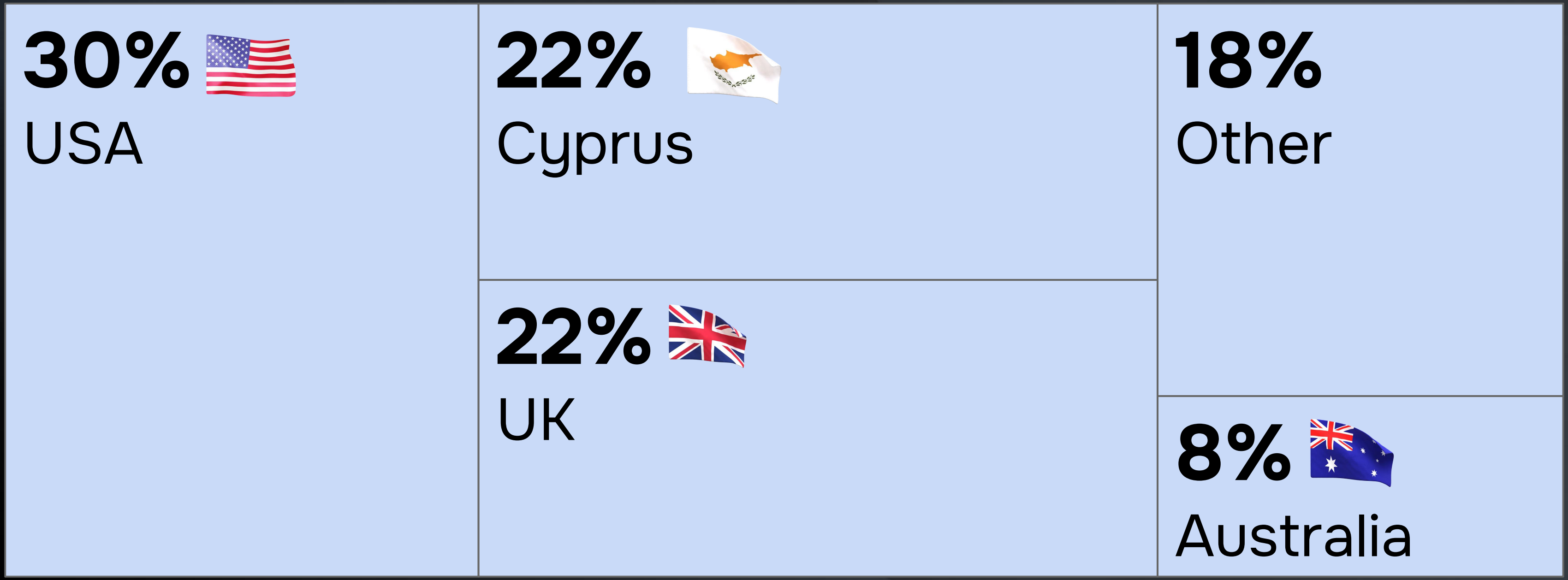
VC investors by geo (2024), %



Source: CrunchBase, Dealroom, Innotechnics analysis

Top country's venture deals in 2024

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	Investment, $M	Investor	Industry
Hellas Direct®	32	etf partners	FinTech
Unreal Kingdoms	16	N/A	Gaming
Eschatology Entertainment	11	The Games Fund, GEM Capital, KRAFTON	Gaming
Top App Games	10	N/A	Gaming
Mika Games	10	Flint Capital	Gaming

Source: Crunchbase, Pitchbook, Innotechnics analysis

The majority of the founders have Cyprus entities

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Company registration

65% Cyprus	**19%** Non-Cyprus, but reside here
	13% Other country
	4% Plan to register in Cyprus

Source: CrunchBase, Dealroom, Innotechnics analysis

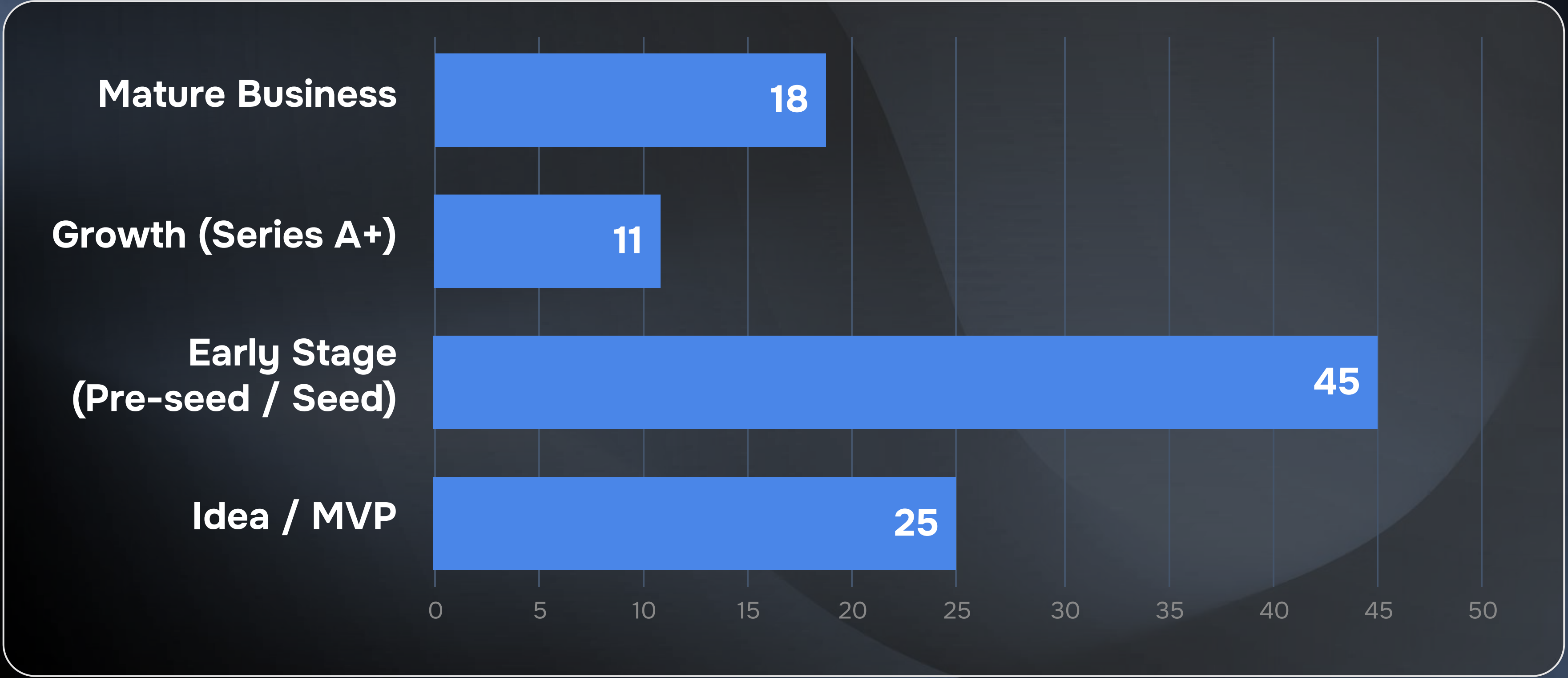
Key migration was from Russian speaking countries

Founders' origin, Cyprus 2025

51.2% Other	**48.8%** RU - speaking

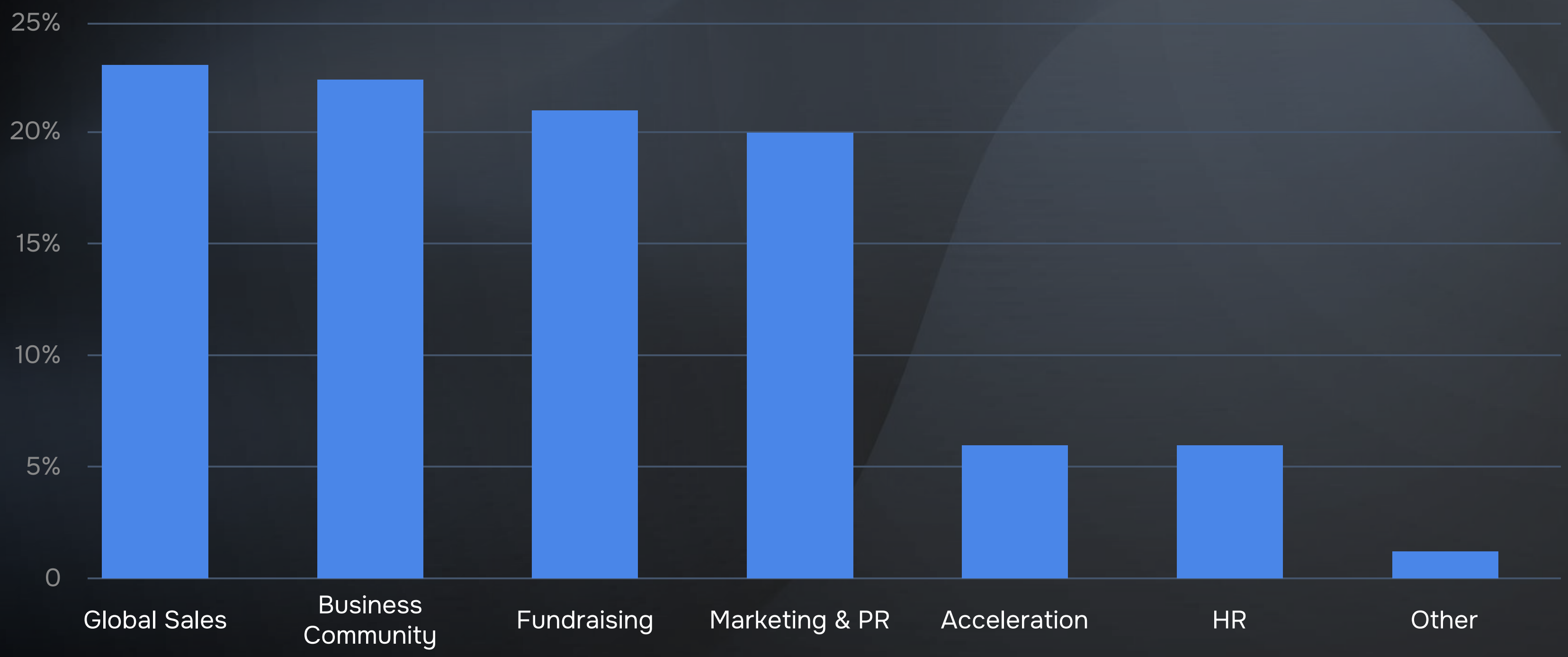
Source: Innotechnics startups Data base

The late-stage funding gap is clear



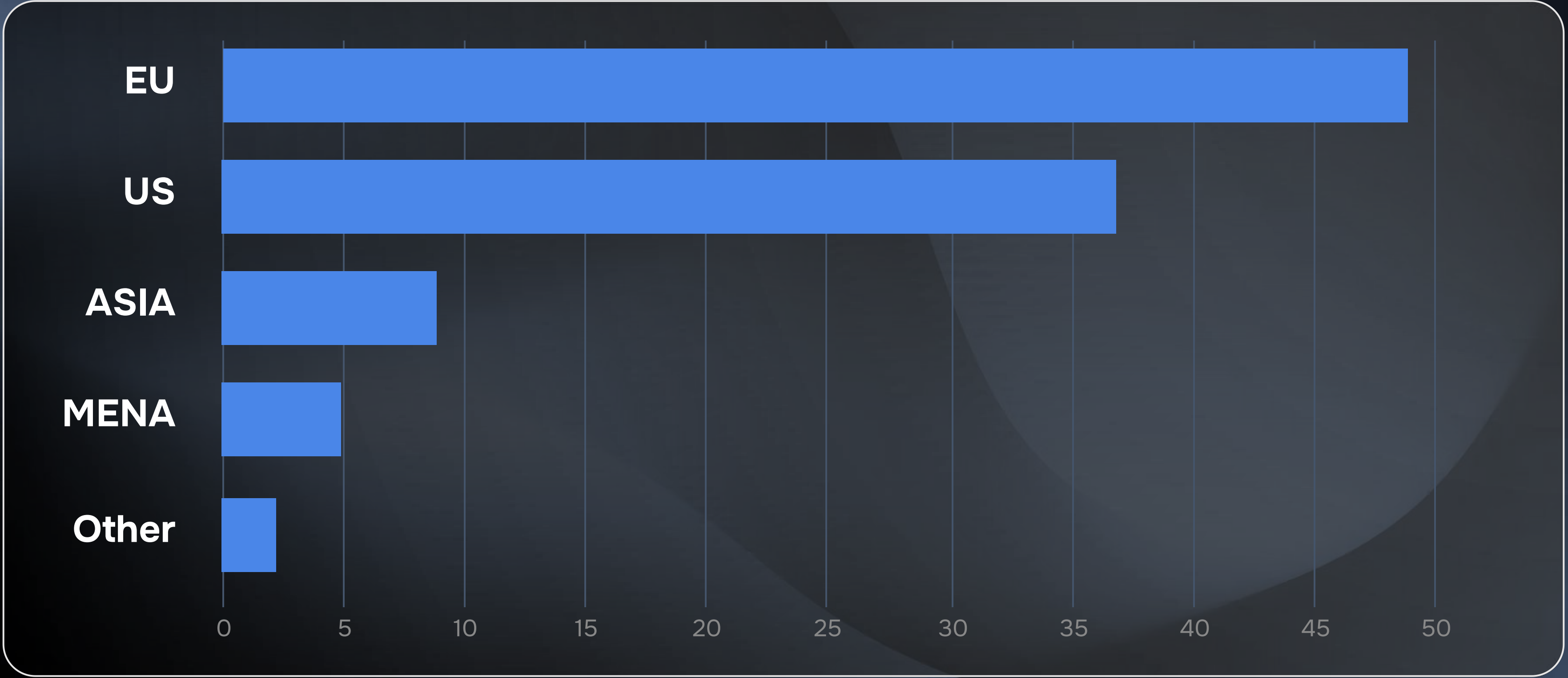
Source: Cyprus Founders Survey by Innotechnics, 2025

Top priority is expanding the sales



Source: Cyprus Founders Survey by Innotechnics, 2025

EU is the prime location for business expansion



Source: Cyprus Founders Survey by Innotechnics, 2025

Going Global
Is No Longer Optional

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- Most founders we surveyed are already planning for Europe and the US
- Great founders’ communities help along the way
- The key challenge is Go-To-Market

Cyprus is a great gateway for Global startups

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