



PRESS RELEASE – UNDER EMBARGO TILL 14 OCTOBER 2025

MENA Venture Capital Funding Crosses \$3B in 9M 2025, Surpassing Southeast Asia for the First Time

- *MENA VC funding more than doubled YoY to \$3B across 469 deals, with total funding already exceeding FY 2024 totals.*
- *Q3 2025 marked the region's strongest quarter ever, with \$1.2B raised, driven by MEGA deals and a maturing mid-stage pipeline.*
- *Saudi Arabia had the most deals for the first time, with 173, while the UAE saw the most capital invested with \$1.4B.*
- *FinTech again saw the most capital deployed, with \$965M, anchored by Tabby and Hala's MEGA rounds.*
- *M&A activity doubled YoY to 40 deals, the highest 9M total in three years, with most deals coming from the UAE and Egypt.*

Dubai, UAE — Under embargo until 14 October 2025 at 10:00 AM GST:

MAGNiTT, the leading data platform for venture capital across Emerging Venture Markets (EVMs), has released its 9M 2025 MENA Venture Investment Report, showcasing positive signs of recovery after a protracted two years of market correction.

By the end of September, MENA recorded \$3B in venture funding, up 109% YoY, across 469 deals (+3% YoY), surpassing Southeast Asia (\$2.5B) for the first time. This marked the region's strongest nine-month performance ever, underpinned by an increase in MEGA deals and growing momentum at Series A and Series B.

“The first nine months of 2025 marked the recovery of the MENA venture capital ecosystem. Not only did the region cross \$3B in funding by September, but it also outperformed Southeast Asia for the first time for the first 9 months of the year,” said **Philip Bahoshy, CEO of MAGNiTT**. “The strength of Series A and B pipelines, combined with sovereign-backed support and global investor interest, reinforces MENA's position as one of the fastest-maturing ecosystems in emerging markets.”

Record-Breaking Q3 2025 and MEGA Deals Momentum

Q3 2025 was MENA's highest-ever quarter for VC funding, crossing \$1.2B, up 121% YoY. This is higher than Q1's \$868M and Q2's \$912M. MEGA deals accounted for more than half of total funding, with standout rounds including XPANCEO (\$250M, UAE), Airalo (\$220M, UAE), and Hala (\$157M, KSA). Importantly, Q3 2025 marked the fifth consecutive quarter with MEGA activity, underscoring renewed investor appetite for scaling companies.

Series A and B funding saw growth, with Series A up 75% YoY and Series B up more than 10x YoY. This reflects a deepening pipeline of scale-ready ventures attracting larger institutional checks.

Saudi Arabia and UAE Reinforce Regional Leadership

Saudi Arabia emerged as MENA's most active market by deal count, recording 173 transactions (+38% YoY), seeing more activity than any other MENA market for the first time. Initiatives led by government-backed entities such as SVC, Jada, and NTDP have expanded both early- and late-stage activity, creating a more robust pipeline.

Meanwhile, the UAE saw the highest funding value at \$1.4B (+188% YoY), supported by three MEGA rounds, which contributed 46% of the country's total funding. Together, the UAE and Saudi Arabia accounted for over 90% of the MENA region's total funding.

FinTech Extends Its Dominance

For the fifth consecutive year, FinTech had the most funding, raising \$965M (+97% YoY) and accounting for more than a quarter of all MENA deals. Landmark raises by Tabby (\$160M) and Hala (\$157M) drove this, supported by regulatory tailwinds such as open banking frameworks, digital payment licenses, and events including Money 2020, Seamless Fintech Middle East, and Dubai FinTech Summit.

M&A Activity Doubles

The MENA region saw 40 M&A deals in 9M 2025, double the number recorded in the same period last year. Egypt stood out with 13 exits, while the UAE had the most with 15.

"Liquidity remains a key challenge for MENA Venture Capital. In a positive for the region, exits are becoming more frequent and diversified across geographies and sectors," added Bahoshy. "This signals a healthier, more liquid ecosystem where investors can realize returns and recycle capital into new opportunities."

As MENA's startup ecosystem matures, the first nine months of 2025 stand as a defining period, one where the region appears to be recovering from a funding slump from the last two years. This sets up for what could be a strong FY 2025 funding performance.

With continued public–private collaboration, regulatory evolution, and institutional capital flowing into emerging markets, the outlook for the rest of 2025 is one of sustained momentum and measured optimism.

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Headquartered in Dubai International Financial Centre (DIFC), MAGNiTT is the leading private markets intelligence platform for the Middle East, Africa, Southeast Asia, Turkey, and Pakistan. With data on over 34,000 companies and 22,000 investment rounds, MAGNiTT empowers governments, corporates, and investors to make smarter, data-driven decisions across venture capital and private equity ecosystems.

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