

**PRESS RELEASE – UNDER EMBARGO TILL 11 NOVEMBER 2025**

## **MENA AI Funding Grows By 152% YoY in H1 2025, AI Now Accounts For A Record 17% Share of Venture Funding**

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- *Total funding in H1 2025 increased by 152% YoY to \$302M, with the total number of deals reaching 84.*
- *AI represented 17% of total MENA venture capital funding and 26% of total MENA transactions in H1, both record highs.*
- *UAE recorded the most funding with \$125M, and also saw the most transactions with 35 deals.*
- *FinTech attracted the most AI capital (\$77M), while Enterprise Software recorded the most deals (30).*

**Dubai, UAE — Under embargo until 11 November 2025 at 10:00 AM GST:**

MAGNiTT, the leading private markets data platform for Emerging Venture Markets (EVMs), which now covers and tracks venture funding in AI companies, has released the second edition of its MENA Artificial Intelligence Venture Report.

In the first half of 2025, AI-related startups across MENA raised \$302M in funding, surpassing the total for the whole of 2024 and marking a 152% YoY increase. AI-related funding accounted for 17% of total MENA venture capital, its highest share on record, while AI-related deals accounted for 26% of total VC transactions, up 4 percentage points from the first half of last year.

Beyond deals, H1 2025 also saw several AI-focused funds launched in the region. These include Saudi Arabia's \$100B AI Revolution: Project Transcendence & the Future of Tech, and STV's \$100M AI fund backed by Google, all of which position the region as a global AI player.

"The rise in AI's share of total venture funding reflects how deeply artificial intelligence is now embedded across MENA's innovation landscape," said Philip Bahoshy, CEO of MAGNiTT. "We're seeing investors allocating capital toward AI-driven business models and infrastructure that have clear commercial potential, keeping up with global investment trends."

### **Record Share of AI Funding in H1 2025**

A total of 84 AI transactions were recorded in H1 2025, representing a 22% YoY increase. The top ten deals accounted for 70% of total capital, reflecting concentrated investment in scale-ready startups.



Notable rounds included The Applied AI Company (\$55M, UAE), Nawy (\$52M, Egypt), [Ula.me](#) (\$28M, Saudi Arabia), and WakeCap Tech (\$28M, Saudi Arabia). These rounds indicate a growing interest in AI growth-stage funding in the MENA region.

Additionally, the emergence of initiatives such as Saudi Arabia's \$10B AI company, Humain, GAIA's \$1B AI accelerator, Polynome Group's \$100M AI fund, SuperMicro's \$20B partnership with DataVolt, and the UAE's Stargate AI Campus further bolsters the region's AI efforts.

Interest in the region from AI infrastructure players including NVIDIA, AMD, AWS, OpenAI, and Oracle, signals continued acceleration of AI adoption, which supports a broader wave of venture activity.

### **UAE and Saudi Arabia Account for the Majority of AI Funding**

AI funding remained concentrated in the region's two largest ecosystems, the UAE and Saudi Arabia. A combination of government support via sovereign wealth fund capital, AI initiatives, and international investors is driving the majority of AI activity in these markets.

The UAE recorded the highest funding total at \$125M across 35 deals, supported by institutional and cross-border participation. Saudi Arabia followed closely with \$96M across 29 transactions, more than quadrupling its 2024 total amid expanding national AI and digital initiatives.

Collectively, these two markets accounted for 73% of MENA's total AI funding and 76% of deal activity, highlighting how established ecosystems are driving capital formation, while smaller markets are gradually building AI capacity through early-stage innovation.

### **FinTech and Enterprise Software at the Core of AI Activity**

Sector-wise, FinTech attracted the most capital with \$77M, primarily driven by The Applied AI Company's Series A round, while Enterprise Software recorded the highest deal activity with 30 transactions.

FinTech and Enterprise Software were the most active AI sectors in H1 2025 as they combine strong data availability, clear use cases, and immediate enterprise demand powered by regional digital transformation agendas.

"Sovereign wealth funds and government-backed initiatives will remain central to the next phase of AI funding across MENA," added Bahoshy. "Their continued support is not only catalyzing private investment but also laying the groundwork for long-term ecosystem growth, ensuring that AI becomes a strategic pillar of economic diversification across the region."

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## About MAGNiTT

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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