



PRESS RELEASE – UNDER EMBARGO TILL 22ND APRIL, 2025

MENA VC Hits \$678M in Q1 2025, Highest Since Q4'23, As Q2 Starts With Growing Global Uncertainty

- *In line with global venture capital trends, 2025 started with strong momentum in MENA, with Q1 2025 emerging as the highest-funded quarter since Q4 2023*
- *MAGNiTT notes that the complex macroeconomic and geopolitical environment, driven by the tariff discussion, may hamper MENA growth and create uncertainty*
- *Q1 2025 performance was underpinned by a 7 percentage point growth in the \$5M-\$20M and \$20M+ ranges*
- *KSA & UAE continue to drive funding activity, accounting for 88% of deal value and 76% of deal count*
- *M&As in Q1 2025 were at an all-time high for a single quarter since the beginning of our data collection*

Dubai, UAE — Under embargo until 22nd April at 10 am:

MAGNiTT, the leading data and intelligence platform tracking venture capital and private equity across emerging venture markets (EVMs), publishes its Q1 2025 MENA Venture Capital Report, offering a comprehensive analysis of VC investments across the Middle East & North Africa (MENA) over the first three months of 2025 (Q1 2025).

In line with global trends, the Middle East continued to see strong funding momentum from Q4 2024 into Q1 2025, outshining EVM peers in Africa and Southeast Asia. In a sign of a positive recovery, Q1 2025 was the highest funded quarter since Q4 2023, and the MENA region has now recorded five consecutive Q-on-Q growth of non-MEGA deals (<\$100M), since Q1 2024. This growth was primarily driven by a return to Series A and Series B investments against the backdrop of lower interest rates, which have been coming down globally and in the region since September 2024.

Potential Impact of Tariff Discussion

However, MAGNiTT notes that the complex macroeconomic and geopolitical environment driven by the ongoing US tariff discussions continues to create uncertainty in the venture space.

“While Q1 2025 was a positive start to the year, as predicted at MAGNiTT, that momentum is now under threat,” **said Philip Bahoshy, CEO of MAGNiTT.**

“The new US tariff policies have created uncertainty in both the public and private markets over the last couple of weeks, which can create a challenge for decision-makers who are likely to be in a risk-off mindset. In venture capital, this uncertainty is likely to impact three areas: the deployment of capital from LPs to VCs, VCs’ willingness to make decisions in uncertain times, and finally, startups’ ability to raise funds.”



Non-MEGA Funding Strengthens

MENA's funding rebound in Q1 2025 was supported by a fivefold YoY increase in Series A and Series B investments, which grew from \$54M in Q1 2024 to \$278M in Q1 2025.

Non-MEGA deal funding in markets like Saudi Arabia grew by as much as 87% YoY, also fuelled by elevated Series A and Series B activity.

Historical M&A Activity

M&A activity peaked in Q1 2025, spurred on by improving macro conditions pre-US tariffs announcement. This was evidenced by the 163% YoY growth in M&A activity—the highest ever for a single quarter.

The main drivers of activity were pre-tariff optimism, easing inflation, and positive monetary signals, with Egypt and the UAE leading the M&A rebound with 9 deals each.

KSA & UAE Continue Dominance

KSA and UAE continued to outpace their MENA peers, accounting for 88% of deal value and 76% of deal count.

KSA and the UAE's dominance has been underpinned by government initiatives, mainly Sovereign Wealth Funds (SWFs)'s Fund-of-Funds, which drive significant capital into their startup ecosystems.

However, with the tariffs trade war ensuing, it is worth noting that any change in oil prices might impact SWFs' willingness to deploy capital into the venture asset class.

Heading into Q2 2025 & Beyond

"Despite global headwinds, Emerging Venture Markets continue to present compelling long-term opportunities. MENA, in particular, is uniquely positioned for sustained growth thanks to deep pools of local capital, pro-entrepreneurship policy, and active sovereign support," **said Bahoshy.**

"As global investors diversify beyond traditional markets, regions like MENA and Southeast Asia are poised to attract fresh capital—particularly in tech-led sectors that are strategically positioned and less exposed to tariff volatility."

MAGNiTT's latest Q1 2025 MENA Report provides in-depth insights into venture capital trends across the Middle East & North Africa, offering a comprehensive view of the evolving investment landscape. The report will be accessible on the MAGNiTT website from 22nd April 2025. MAGNiTT's Research Manager, [Farah el Nahlaw, will also be hosting a webinar deep diving](#) into these trends and discussing the wider implications of the current macroeconomic conditions.

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About MAGNiTT:

Based in the Dubai International Financial Centre, MAGNiTT is the leading investment data platform serving the Middle East, Africa, Southeast Asia, Turkey, and Pakistan. With its dynamic analytics platform providing real-time insights on over 35,000 private companies and 12,000 investment firms across 70 countries, MAGNiTT empowers investors, government entities, corporations, and the broader venture capital community to make informed, data-driven decisions, creating real-world impact and delivering greater value across the investment landscape.

For more information about MAGNiTT: <https://magnitt.com>