

PRESS RELEASE – UNDER EMBARGO TILL 15 JULY, 2025

MENA VC Funding Hits \$1.5B in H1 2025, Strongest First Half Since 2022, As M&As See A Rebound With More Transactions Than FY 2024 Already

- *H1 2025 funding in MENA records strong momentum, with \$1.5B raised from 310 deals, and MEGA deal funding (\$100M+ transactions) already exceeding the total for the whole of FY 2024.*
- *Q1 and Q2 both outperform last year's equivalents, mainly driven by growth in Series A and B activity as investor appetite returns later stage MENA Venture.*
- *With \$860M raised from 114 deals, Saudi Arabia maintained its position as a leading venture market in MENA and now equalled the UAE in deal count for the first time.*
- *FinTech continues to attract the most investor interest, as funding triples YoY to \$596M.*
- *H1 2025 also reported record-breaking M&A activity, with 34 deals, already surpassing the total FY 2024 number of M&A transactions.*

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MAGNiTT, the leading data and intelligence platform tracking venture capital and private equity across Emerging Venture Markets (EVMs), has released its H1 2025 EVMs and MENA Venture Capital Reports, providing a comprehensive analysis of VC activity across the Middle East, Africa, Southeast Asia, Pakistan & Turkey.

Venture funding across all EVMs dropped to \$4B in H1 2025, down 7% YoY and the lowest half-year total since 2017. The decline was driven by a 32% decrease in MEGA rounds across the aggregated markets, while sub-\$100M deals rose by 6% to \$2.94B. Additionally, the drop was driven by a continuing decline in venture investments in Southeast Asia, which had long been the leader across the EVMs regional landscape.

In contrast, against the backdrop of volatile global macroeconomic and geopolitical uncertainty, MENA was the strongest performer among EVMs, now accounting for 39% of all EVM funding (up 20PP from 19% in H1 2024). MENA funding rose 92% YoY to \$1.5B across 310 deals, marking the region's strongest H1 performance since 2022. Both Q1 and Q2 2025 saw MENA funding outperform their 2024 counterparts, an encouraging sign of resilience. Through deals like Ninja's \$250M investment round, late-stage also rebounded, which marked the fourth consecutive quarter with a MEGA deal for the region. MENA's success is driven in large part by the Saudi Arabia and UAE growth, collectively accounting for 85% of funding and 74% of deal flow across MENA.

"In line with the global recovery in Venture Capital, H1 data shows strong year-on-year growth, especially in markets like Saudi Arabia and the UAE. While Q2 has been quite a turbulent time in macroeconomics and geopolitics, it's still early in my opinion to pinpoint the impact of the global uncertainty on regional venture, which is likely to reflect in Q3 & Q4 data, if at all," said **Philip Bahoshy, CEO of MAGNiTT**. "What's clear, though, is the appetite for venture continues,



specifically in Saudi Arabia, showing growth both in capital deployed and in deal count, now on par with the UAE for the first time.”

Series A & B Strong as MEGA Deals Also Rebound

Mega deal investments, those greater than \$100M+, are an indicator of appetite for later-stage investment according to MAGNiTT. H1 2025 saw two MEGA deals in MENA, Ninja's \$250M and Tabby's \$160M round, which accounted for 27% of total capital deployed, up from 16% in H1 2024. This reflects a promising return of investor appetite for late-stage activity, especially in the GCC region.

Notably, the share of Series A and B rounds exceeding \$20M jumped to 42%, up from only 10% a year ago. The numbers suggest a growing preference for backing companies with proven traction and scalability, as investors double down on ventures that have moved beyond the idea stage and are ready to accelerate.

Saudi Arabia and UAE Remain the Powerhouses

Despite the onset of Ramadan and Eid, Q2 had notable events and conferences like Dubai AI Week, and the Dubai FinTech Summit, along with the US and Saudi Forum in Riyadh, attended by President Donald Trump. These attracted international investors to the region along with regional dialogue to bolster Venture, Private Equity, and capital investment across the GCC.

This activity was also reflected in deal flow announcements with Saudi Arabia seeing more investment capital than any country in the region for the third straight H1, raising \$860M (+116% YoY) from 114 transactions (+31% YoY), in part attributed to the return of MEGA rounds including by Ninja (\$250M) and Tabby (\$160M).

FinTech Continues Strong Performance

FinTech funding in MENA tripled YoY to \$596M, representing 39% of total capital in H1 2025. Even excluding MEGA rounds, the sector led both by funding and deal count.

With non-MEGA FinTech funding up 122% YoY, and 30% of all MENA deals falling within the sector, it remains the cornerstone of regional innovation and an investor favorite because of its scalability. Startups focused on payments and lending dominated the activity, and a record 34% of FinTech deals exceeded \$5M in size.

AI is also showing significant growth across industries in the MENA region. In May, we released our inaugural report to map how funding has evolved between 2022 and 2024. The report shows \$660M raised from 322 deals in MENA, with the UAE leading deal activity.



Record-Breaking M&A Activity in Q1 Gives Way to Q2 Slowdown

H1 2025 saw 34 M&A transactions, already surpassing the total for the full year 2024. The increase was led by a historic Q1, which recorded 22 deals, driven by pre-tariff optimism, easing inflation, and robust liquidity.

“M&A activity picked up in H1, especially in Q1, which marked a record high for the region,” said Bahoshy. “That momentum, however, eased in Q2, potentially signaling early caution. As tariff impacts begin to unfold, H2 may bring more measured activity, particularly in cross-border deals. The next two quarters will be telling.”

MAGNiTT's H1 2025 EVM Venture Capital Report offers data-driven insights into funding trends, deal flow, sector performance, and cross-border activity across EVMs. The report is available now on the MAGNiTT platform.

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For press inquiries, please contact: press@magnitt.com

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 real-time data on over 35,000 private companies and 12,000 investment firms across 70 countries, MAGNiTT empowers investors, corporates, governments, and founders to make better data-driven decisions across the private capital ecosystem.

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