PRESS VERSION

H1 2025

# VC Trends in Emerging Venture Markets

## Middle East Shines Through While SEA Stumbles

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H1 2025
## VC Trends
in Emerging Venture Markets

The report covers the performance of the VC investments across Middle East, Southeast Asia and Africa, defined as Emerging Venture Markets (EVMs) in H1 2025, highlighting key trends and insights on macroeconomic conditions, regional funding trends, industry and country performance, leading investors, and exit activity.


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# Executive Summary

# Emerging Venture Markets (EVM)

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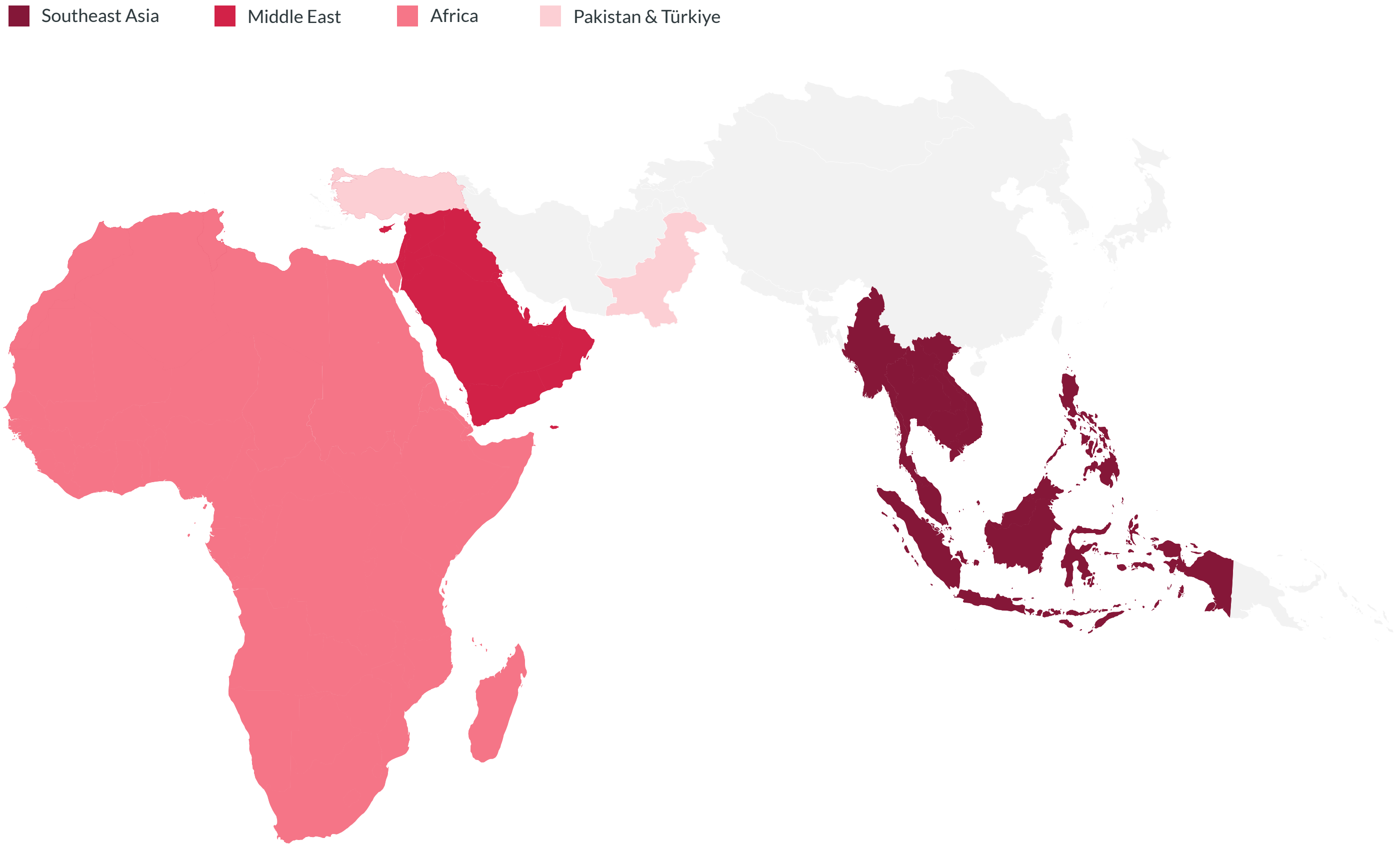
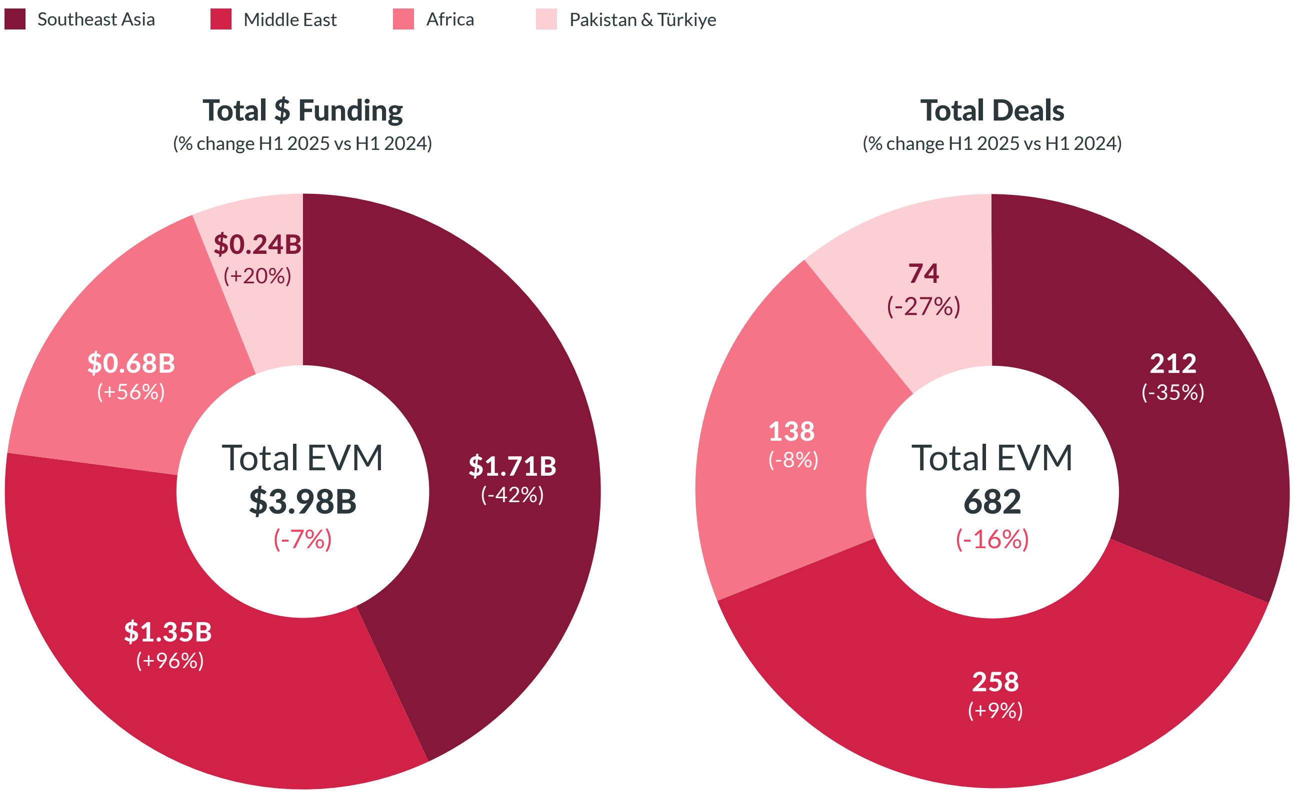
## MAGNiTT's EVM Geographical Coverage




## H1 2025 Snapshot



# Executive Summary

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**Aggregate funding across Emerging Venture Markets (EVMs) declined 7% YoY to $3.98B in H1 2025, marking the weakest first half since 2017. This EVM wide pullback was dragged down by Southeast Asia's sharp 42% YoY drop in funding, alongside a retreat in MEGA deals. But amid the global turbulence, one region stood out. The Middle East was the only region to defy this slowdown posting double-digit growth in both funding (+96%) and deals (+9%), powered by the GCC sovereign-backed capital, strong domestic LPs, and government-backed initiatives.**

### H1 2025 Aggregate Emerging Venture Markets (EVMs) Summary

**$3.98B** (-7% YoY)
Total funding raised across EVMs

Total funding across EVMs fell to $3.98B in H1 2025, down 7% YoY. This decline was driven almost entirely by the sharp slowdown in Southeast Asia.

**682** (-16% YoY)
Total number of deals across EVMs

Deal volume dropped 16% YoY to 682 transactions, with early-stage activity remaining subdued despite a QoQ funding rebound.

**$1.04B** (-32% YoY)
MEGA deals continue their retreat

MEGA deals dropped 32% YoY to $1.04B in H1 2025, as late-stage rounds faced delays and fewer large transactions were closed across EVMs.

### H1 2025 Regional Summary (Southeast Asia, Middle East & Africa)

**$1.71B | 212 deals**
Southeast Asia

Southeast Asia recorded the steepest drop, with funding down 42% YoY and deal count declining 35%. The sharpest pullbacks were observed in Singapore and Indonesia, which historically drove much of the region's deal volume.

**$1.35B | 258 deals**
Middle East

The Middle East was the only region to post YoY growth in both funding and deals. Total funding nearly doubled to $1.35B in H1 2025, driven by a rise in both late-stage funding and non-MEGA deal funding.

**$676M | 138 deals**
Africa

Africa saw a 56% YoY increase in funding despite a modest 8% drop in deal count. Growth was driven by a rise in Series A and B rounds, although early-stage activity remains weak.

# Global Macro Trends & VC Implications

# Global Turbulence Reshapes Capital Markets in H1 2025 Amid Volatility and Investment Caution

**A cautious investment climate emerges amid sticky inflation, slowing growth, and overlapping uncertainty shocks**

The first half of 2025 marked a fragile period for global capital markets. Sluggish growth, persistent inflation, and renewed trade tensions following the U.S. tariff announcement created a layered and volatile macro backdrop. Although public markets showed resilience as the S&P 500 closed H1 at all-time highs, gaining 5.7%, the rebound was slower to materialize in private markets, where activity remained mixed across regions. Persistent uncertainty around rates, geopolitics, and trade policy dampened venture activity and pressured capital deployment, particularly in Southeast Asia.

## Volatility as the defining theme for Private Capital

The defining macro theme of H1 2025 was not just inflation or rates, but rather volatility. And volatility creates uncertainty, something the VC ecosystem is particularly sensitive to. From trade shocks to geopolitical tension, unpredictable external conditions created layers of volatility, which creates uncertainty, and in turn, paralyzes decision-making.

For General Partners (GPs), this uncertainty often translates into hesitation. When macro signals shift rapidly and unpredictably, investment decisions often get postponed as teams wait for clarity or reassess pricing models. That doesn't just slow the pace of deals; it erodes conviction around valuations and deal timing. For Limited Partners (LPs), the dynamics differ depending on timing. Most institutional LPs have already signed mandates for 2025, so short-term allocations are less likely to be pulled. But those preparing for 2026 commitments face a different calculus. Volatile conditions introduce pressure to rethink capital allocation models, potentially delaying or reducing future commitments, particularly in higher-risk strategies or geographies.

Adding to this inertia is the behavior of international investors. Amid growing global uncertainty, international investors have shown a greater tendency to focus on their core markets, deprioritizing opportunistic exposure to emerging regions. Even M&A activity, which started the year on a strong footing, began to lose momentum as the year progressed. While early transactions may have reflected optimism carried over from the previous year's rate cuts, the reintroduction of volatility in Q2'25 has slowed down the M&A activity.

Compounding these effects is the fact that volatility hasn't been a one-off event. Rather, it's arrived in overlapping waves. April's tariff shocks, the aftermath of Liberation Day, oil price swings, and geopolitical tensions across the Middle East have created a sustained environment of uncertainty. These overlapping triggers continue to paralyze decision-making across the capital stack, from sovereign wealth funds and LPs to startups evaluating whether or not to raise. In such environments, even well-capitalized players adopt a wait-and-see approach. This is especially disruptive in VC, where data shows investments typically take 6–9 months to materialize. Many of the deals announced in Q2 were likely initiated months earlier, before volatility peaked. As a result, the full impact of this year's instability may only become visible in H2 and beyond.

## Rate cuts on hold as inflation lingers

On June 18, the U.S. Federal Reserve held its benchmark rate steady at 4.25–4.50%, citing "meaningful" inflation risks tied to tariffs and supply-side pressures. Although projections still show two potential cuts by year-end, seven out of nineteen Fed officials now foresee no cuts in 2025. In contrast, the European Central Bank cut its deposit rate to 2%, its eighth reduction since mid-2024, as Eurozone inflation eased below 2%.

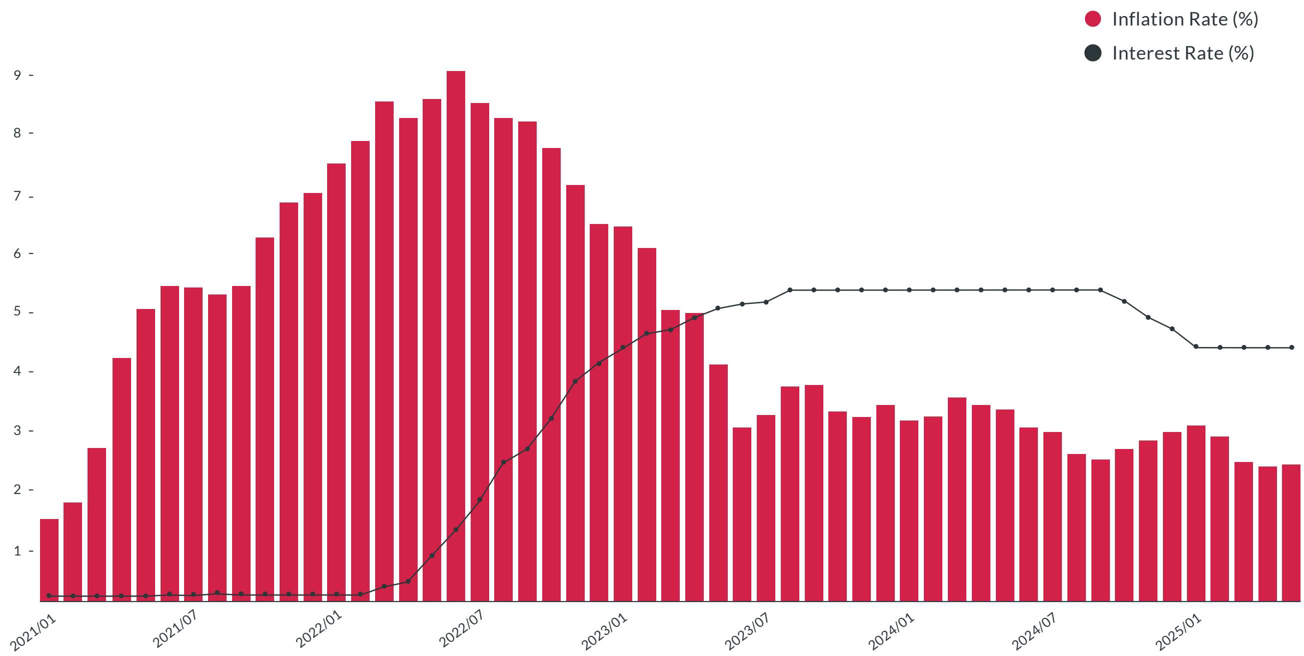
This policy divergence increased currency volatility. With higher U.S. yields, global capital tilted toward U.S. assets. According to Bloomberg data, capital inflows into emerging markets slowed in June, and bond spreads widened by over 80 basis points. For EVMs, this translated into higher perceived risk and tighter capital flows, particularly from international LPs exposed to FX volatility.

## Growth downgrades widen as trade tensions weigh

On June 10, the World Bank downgraded its global GDP forecast for 2025 to 2.3%, a 0.4-point cut from earlier projections and the slowest pace since the 2008 financial crisis, besides full-blown recessions. The Bank flagged "heightened trade tensions," including U.S.-China tariffs, as key risk factors. The IMF, as cited by Reuters, echoed this stance, projecting 2.8% growth in 2025 (down from 3.3% a year earlier). In their latest FOMC, the Fed lowered its 2025 US growth projection to 1.4%, down from 1.7%.

Average GDP growth expectations for developing markets dropped to 3.7% in 2025, per World Bank, a moderation from the estimated 4.2% growth in 2024, and notably lower than the average of around 5.7% seen in the 2010-2019 decade, reflecting tightening global liquidity, weaker global demand, and increasing investor risk aversion amid unpredictable policy environments and trade friction. This ongoing economic drag has had direct consequences on capital markets and exit environments, two key pressure points for the VC ecosystem.

**US Inflation and Interest Rates** (Jan 2021 - May 2025)




**Sources: The U.S. Bureau of Labor Statistics (BLS), the Federal Reserve

### Exit bottlenecks disrupt VC liquidity cycles

According to LSEG data cited by Reuters, global IPO volumes dropped 9.3% YoY to $44.3B, the lowest level in nine years. The U.S. saw a 12% decline to $12.3B, while Europe fell 64% to $5.8B. Only Asia-Pacific showed resilience, rising 28% to $16.8B, supported by localized capital availability and domestic policy incentives.

On the M&A front, PwC reported flat YoY deal volume at 4,535 transactions totaling $567B globally, despite a $1 trillion private equity dry powder reserve. According to its May 2025 Pulse Survey, 30% of PE firms paused or revised deal activity due to tariff-related uncertainty and macro instability, contributing to delayed exits and longer holding periods. Notably, nearly $3 trillion in LP capital is now tied up across 30,000 portfolio companies, with 30% of assets exceeding five-year holding thresholds, straining fund recycling cycles.

These exit bottlenecks directly impact venture appetite, with delayed returns dampening LP reinvestment willingness. For Emerging Venture Markets, the slowdown in IPO activity, coupled with limited M&A appetite from international buyers, adds further pressure on downstream liquidity, reinforcing the need for robust local exit infrastructure in H2 2025.

### Middle East tensions trigger global flight to safety

Although tensions between Iran and Israel de-escalated in mid-June, the conflict's early escalation triggered a risk-off tone in global markets. Oil prices rose over 10%, equity indices declined by over 1.5% in a single day, and safe-haven demand increased for U.S. Treasuries and gold. However, as the situation stabilized, oil prices retraced back to pre-spike levels and markets quickly rebounded to record highs.

For Emerging Venture Markets, particularly those with geopolitical or macroeconomic exposure, this environment contributed to higher capital costs and more selective international investor appetite. This episode underscored the continued importance of local LPs and sovereign-linked funding in sustaining deal flow during volatile periods.

### Outlook for H2 2025

Unless macro volatility eases significantly or inflation drops faster than expected, private capital flows into emerging markets will remain selective. GPs will remain cautious, LPs may delay capital commitments, and M&A exits will hinge on windows of clarity. The most resilient EVMs will be those with strong local funding ecosystems, sovereign support, and low exposure to external shocks, setting the tone for capital allocation strategies in the second half of the year.

# Regional Macroeconomic & Ecosystem Overview

(MENA, Africa, SEA)

# **Regional Shifts:** How did EVMs Respond to Global Headwinds in H1 2025

### Middle East: Sovereign capital and ecosystem ambition anchor momentum

The Middle East demonstrated notable resilience in H1 2025, driven primarily by the GCC's funding strength and policy stability. Within the Gulf, sovereign LP activity, new fund launches, and flagship ecosystem events anchored momentum, while central banks maintained steady rates in line with the U.S. Fed's pause. Saudi Arabia and the UAE held their benchmark rates at 5.00% and 4.40%, respectively, with inflation averaging between 2–3%.

Sovereign capital played a central role in sustaining momentum. Saudi Arabia saw over $245M in new fund launches, including STV's $100M NICE Fund I and Global Ventures $150M Fund III, backed by SVC and Jada. New early-stage vehicles launched included Ula Capital ($75M), Suhail Ventures ($50M), and Palm Ventures ($30M). In Qatar, Rasmal Ventures secured $100M from QIA's $1B Fund of Funds, targeting AI, FinTech, and SaaS. In the UAE, Phoenix Venture Partners raised $50M to back early-stage startups across MENA.

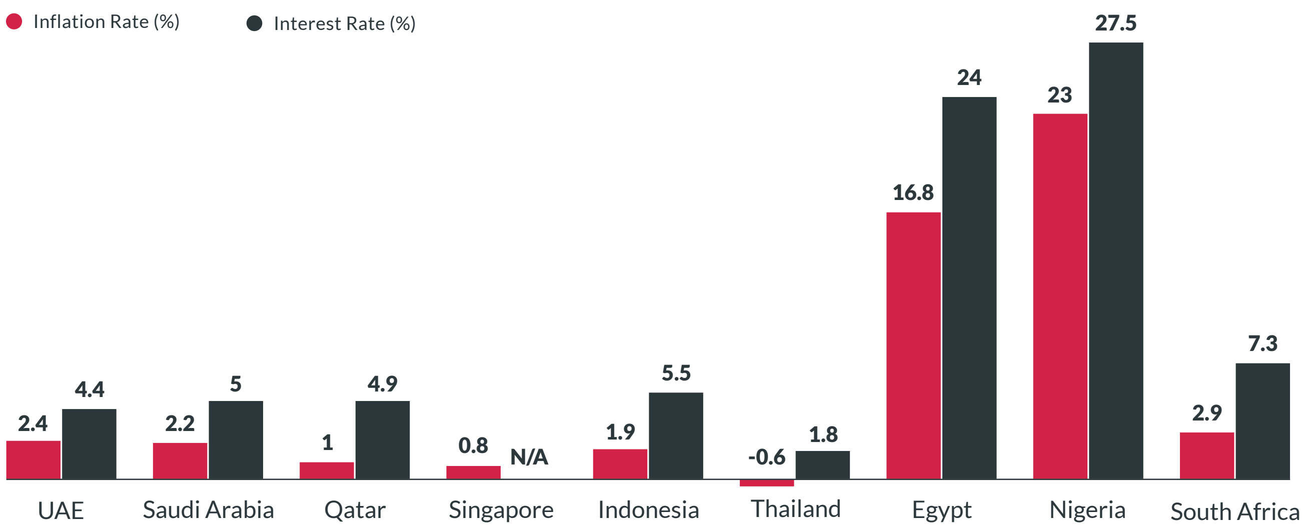
Over $22B in AI commitments and signed deals put the Middle East at the center of global investment momentum in H1 2025. At LEAP 2025 in Riyadh alone, $14.9B was pledged to AI initiatives, including the launch of Humain Ventures and a new $10B AI-focused VC fund backed by Saudi Arabia's PIF. A further $7.5B in deals were signed, such as a $5B investment in DataVolt's net-zero data center and Salesforce's $500M AI alliance. Web Summit Qatar added momentum to QIA's capital deployment plans, while Step Dubai drew 8,000 attendees, 400 startups, and AED10B in deployable funding, strengthening the region's role in startup–investor matchmaking.

The region's momentum was further reinforced by Donald Trump's high-profile visit in May 2025, which catalyzed over $1.7 trillion in new commercial commitments across Saudi Arabia, Qatar, and the UAE. These included a $300B Saudi-U.S. investment push, Qatar's record $96B Boeing jet deal, and the UAE's AI chip agreement and $200B in new cross-sector investments. Strategically, these deals signal a deepening alignment between Gulf economies and global tech, energy, and manufacturing leaders. They also position the GCC as a rising geopolitical and economic corridor, anchored in sovereign capital strength, global deal flow, and ambitions to lead in future-defining industries like AI and clean energy.

On the public markets side, ME bucked global caution. According to EY, the region raised $2.4B across 14 IPOs in Q1 2025, marking a 106% YoY increase in proceeds. Saudi Arabia accounted for 12 of those listings, and standout deals like flynas (US$1.1B) and Umm Al Qura Development & Construction (US$523M) pushed the Tadawul exchange to new listing highs. While not VC-backed, these offerings demonstrated robust domestic liquidity, regulatory readiness, and sustained investor demand for equity offerings. These conditions support the development of a viable exit pathway for the region's emerging tech and startup ecosystem. Notably, 11 of the 14 IPOs traded above their issue price by end-Q1, indicating strong secondary market activity and pricing strength.

The ME's capital formation story is increasingly driven from within. This shift toward sovereign-led, regionally rooted capital formation signals a reduced dependency on external capital cycles.

**Inflation and Interest Rates by Country** (as of July 1, 2025)




**Sources: CBUAE (Central Bank of the UAE), SAMA (Saudi Central Bank), QCB (Qatar Central Bank), MAS (Monetary Authority of Singapore), Bank Indonesia, Bank of Thailand, Central Bank of Egypt, CBN (Central Bank of Nigeria), South African Reserve Bank (SARB)

### Southeast Asia: US Tariffs impact regional capital flows

Southeast Asia entered 2025 facing a direct macro shock: newly imposed U.S. tariffs on electronics, EV components, and digital goods rattled key export markets and investor sentiment. This contributed to a more cautious investor stance, reflected in the slowdown of cross-border capital and softer IPO activity across the region.

Despite this, macroeconomic fundamentals held steady. Singapore's inflation remained at 0.8%, and policy stayed neutral. Indonesia (1.87%) and Thailand (–0.57%) reported low or negative inflation, while Vietnam (3.24%) and the Philippines (1.3%) saw mild pressures. Most central banks opted to hold rates in H1 2025, emphasizing caution.

IPO performance reflected these headwinds. According to EY, the region recorded 27 IPOs in Q1, down from 37 YoY, raising $0.7B, a 12.5% YoY drop. Still, Malaysia reached an 18-year high in listing volume (14 IPOs, $0.3B), aided by regulatory incentives. Indonesia raised more capital despite fewer listings, thanks to larger deals like Fore Coffee's $21M debut. Governments in Indonesia and the Philippines launched IPO-readiness initiatives, with the highly anticipated GCash IPO expected in H2.

On the ecosystem side, capital formation remained active. Motion Ventures launched a $100M maritime tech fund, Sigma Capital unveiled a $100M Web3 vehicle, and Elev8.vc closed a $30M deeptech fund. Singapore expanded tax benefits for VCs, and Vietnam accelerated FinTech and AI development. The East Ventures–SV Investment $100M Korea-SEA fund further underscored regional integration.

### Africa: Public sector reforms outpace Private Capital formation

Africa's capital markets in H1 2025 were shaped more by sovereign-led reform, state-owned enterprise (SOE) listings, and infrastructure groundwork than VC-backed growth. While macro conditions improved modestly, persistent inflation and currency volatility kept monetary policy tight. Egypt's inflation stood at 16.8% in May, with interest rates held at 24.0%. Nigeria maintained a 27.5% benchmark rate as inflation hovered at 23.0%, while South Africa, relatively more stable, cut rates slightly to 7.25% as inflation eased to 2.8%.

The African Development Bank's 2025 African Economic Outlook projected continental GDP growth to rise from 3.3% in 2024 to 3.9% in 2025, outpacing the global average. However, regional disparities remain stark: East Africa leads with projected 5.9% growth, buoyed by Ethiopia, Rwanda, and Tanzania. West Africa is expected to grow 4.3%, helped by oil production ramps in Senegal and Niger. Southern Africa lags at 2.2%, dragged by South Africa's 0.8% projection.

Public markets saw symbolic progress. Egypt led with the $500M listing of FinTech firm Valu via in-kind dividend. Somalia launched its first national stock exchange, an institutional milestone, while Kenya progressed privatization plans for Kenya Pipeline Company. Nigeria recorded record retail stock transactions, though private IPOs remained absent, highlighting the gap between trading activity and issuance.

Private capital formation was modest. DPI took over the $105M Nclude Fund, Africa's largest FinTech vehicle. P1 Ventures closed a $50M fund, and LoftyInc raised $43M for its Alpha Fund. Yet first-time funds remained rare, and AVCA flagged ongoing seed-stage gaps across the continent.

Investor sentiment was cautiously optimistic. According to AVCA's 2025 outlook, 56% of LPs and 59% of GPs were upbeat about private capital prospects. Still, fundraising outlooks diverged, with 76% of LPs and 84% of GPs citing currency volatility as a top macro concern. Many GPs also expressed concern over the Trump administration's potential impact on development finance institutions and de-risking mechanisms.

MAGNiTT VC

# H1 2025
# VC Trends Across Emerging Venture Markets

# Was H1 2025 the Turning Point for Emerging Venture Markets?

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**EVMs record sharpest half-year decline since 2017 as Early-Stage activity weakens**

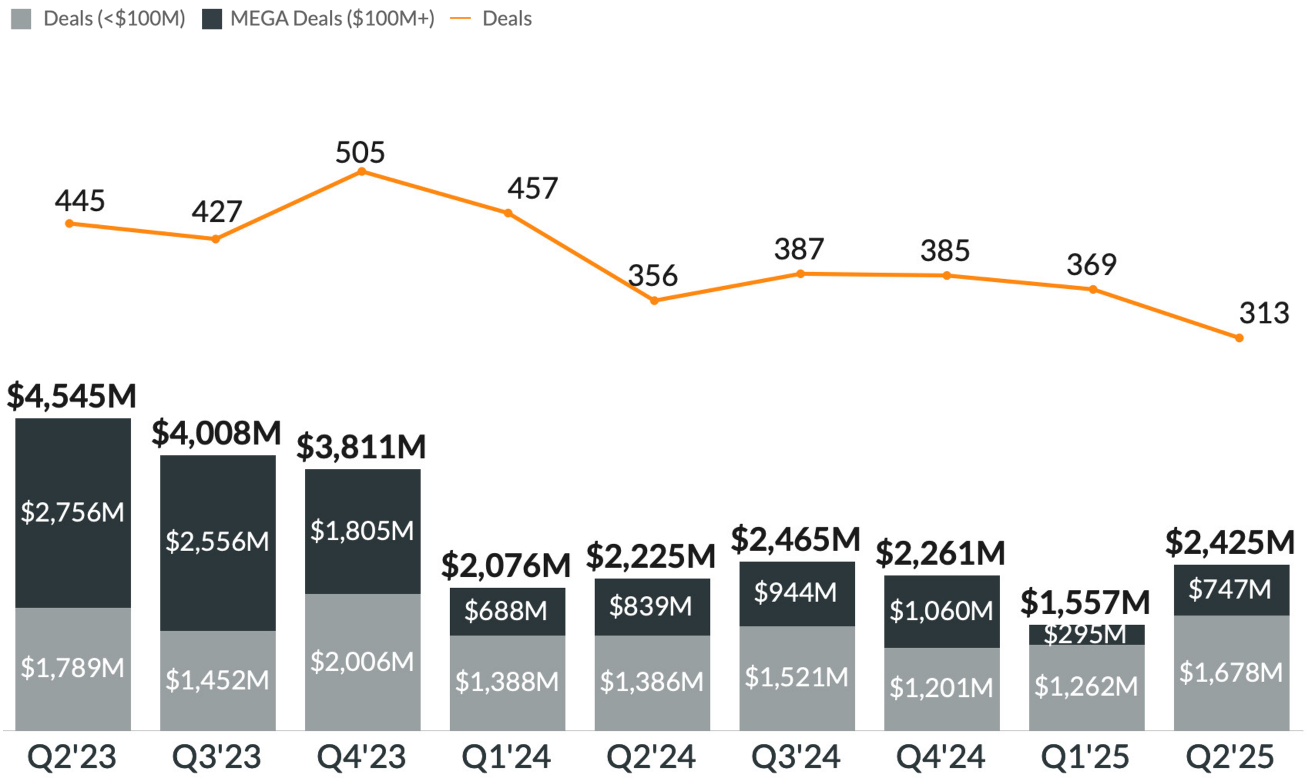
In H1 2025, venture capital activity across Emerging Venture Markets (EVMs) fell to its weakest half-year since 2017 in both funding and deal count. Total funding reached $3.98B, down 7% from $4.30B in H1 2024, while deal volume declined 16% YoY to 682 transactions. This pullback was driven primarily by Southeast Asia, which has historically contributed the largest share of capital and transactions across EVMs. The region's sharp 42% YoY drop in funding and 35% fall in deals had an outsized impact on EVM-wide performance.

Adding to the drag was a 32% YoY contraction in MEGA deals (>$100M), which dropped from $1.53B in H1 2024 to $1.04B in H1 2025. With fewer large late-stage rounds and cautious early-stage deployment, the ecosystem saw funding compress at both ends of the funnel, amplifying the broader slowdown across markets.

The quarterly breakdown paints a more nuanced picture. In Q1 2025, funding dropped 25% YoY to $1.56B, while deal count declined 19% YoY to 369. However, Q2 saw a sharp rebound in capital deployed, rising 56% QoQ to $2.43B marking the highest quarterly total since Q3 2024. This uplift was supported by larger ticket sizes across all three EVM regions, Southeast Asia, the Middle East, and Africa, each of which recorded a QoQ rise in funding. However, deal volume continued to slide QoQ, reaching just 313 transactions in Q2, the lowest in 7 years, signaling continued caution among early-stage investors.

While the Q2 funding uptick signals early signs of recovery, the full extent of the U.S. tariff shock is still unfolding. As LPs reassess exposure and GPs delay new deployments, the second half of 2025 will offer a clearer picture on whether this rebound reflects a genuine shift in investor sentiment or simply a temporary release of delayed capital deployments.

**EVM Quarterly Funding Evolution & Deal Evolution |** Q2'23 - Q2'25



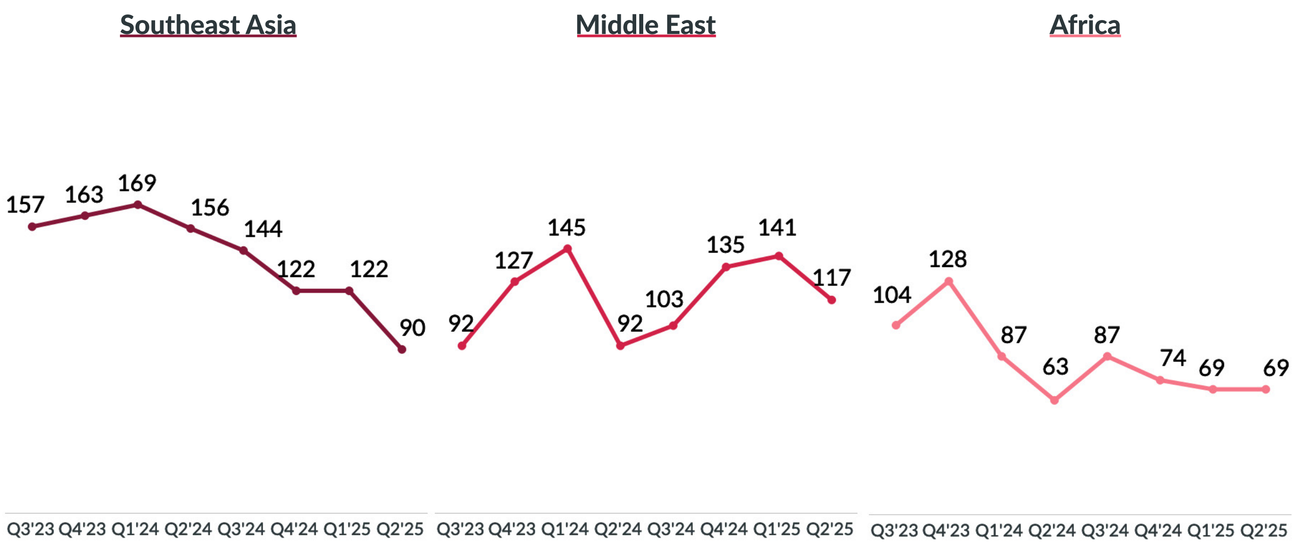
### Regional divergence: Middle East's local strength outweighs global caution

**Southeast Asia** experienced the steepest correction. H1 2025 funding dropped 42% YoY to $1.71B, while deal volume fell 35% to 212 transactions. Despite a near doubling in funding QoQ in Q2, driven by a few large rounds, deal count declined 26% to just 90, its lowest quarterly total in over five years. This drop in transactions suggests broader investor caution and delayed deployments.

**The Middle East** stood out as the only region to grow in both funding and deal activity. Total funding reached $1.35B in H1 2025 doubling YoY, while deal volume rose 9% to 258. The quarterly breakdown shows funding grew 22% QoQ to $741M in Q2, while deal count fell by 17% from 141 in Q1 to 117 in Q2. Although deal volume contracted, the funding growth in Series A and Series B investments revealed continued strength in mid-sized rounds, bolstered by strong local LPs and fund launches earlier in the year.

**Africa** posted a 56% YoY increase in funding, reaching $676M, despite the absence of MEGA deals. This growth was primarily driven by a 3x increase in Series B activity and more than 2x increase in Series A investments compared to H1 2024, indicating stronger mid-stage capital formation. However, deal count slipped 8% to 138. The region's recovery remains episodic, strong in capital concentration but weak in early-stage pipeline formation.

### Regional Quarterly Deal Evolution (#) | Q2'23 - Q2'25




### Country rankings: Singapore still leads but Saudi Arabia is catching up

Singapore led across EVMs in both funding ($1.28B) and deals (120), though activity contracted sharply, down 37% in funding and 31% in deals YoY. The drop signals a continued cooldown in late-stage deployment and foreign investor activity amid macro headwinds.

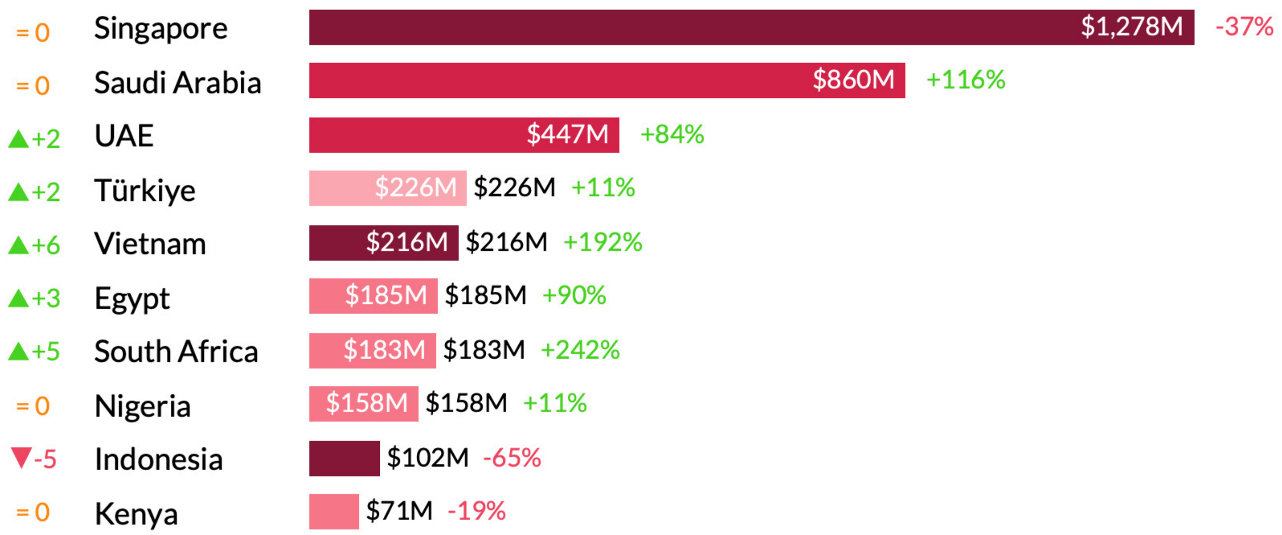
Saudi Arabia sustained its second-place funding rank with $860M (+116% YoY) and matched the UAE in deal volume (114 deals, +31% YoY). This growth was supported by continued sovereign capital activity, event-driven momentum from LEAP, and early-stage programs backed by new funds and accelerators.

The UAE followed with $447M in funding (+84%) and 114 deals (+10%), marking a notable rebound in capital deployment. This was driven by a rise in international participation, which reached its highest deployment level in the UAE since H1 2020.

Elsewhere, South Africa (+242%) and Vietnam (+192%) posted the highest YoY growth in funding among top 10 ecosystems, signaling improving mid-stage pipeline formation. Meanwhile, Indonesia recorded its third consecutive year of H1 funding decline, dropping 65% YoY to $102M, just 3.3% of its H1 2022 peak.

## Top Countries by Total Funding ($M) in EVM | H1 2025

(▲/▼) rank change H1 2025 vs H1 2024 (+/-) % funding change H1 2025 vs H1 2024




## Sector Breakdown: FinTech dominates all regions, led by Payments and Lending

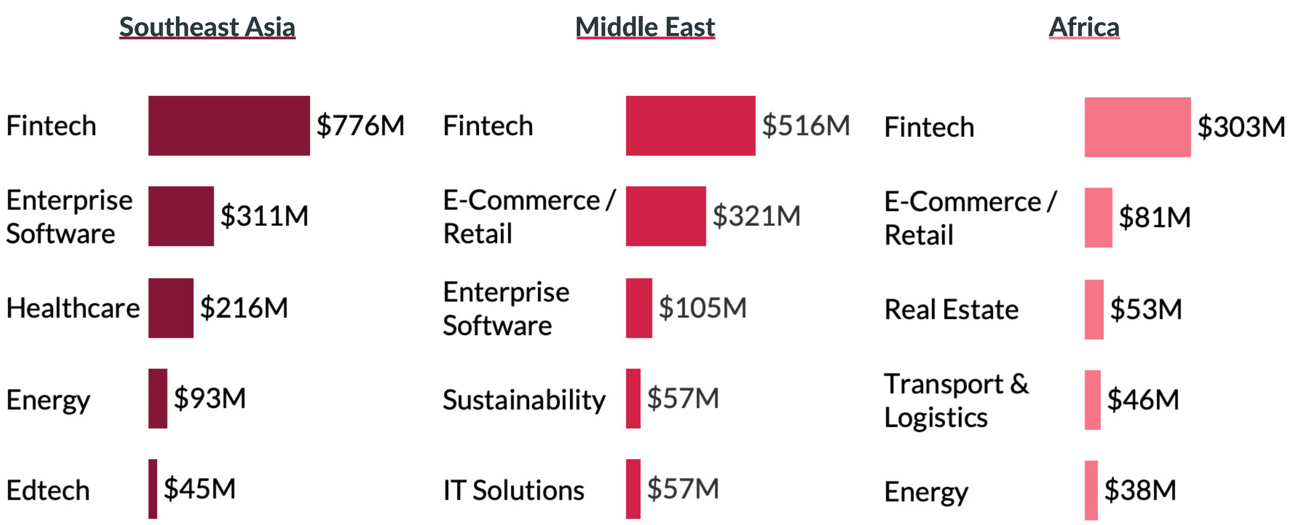
FinTech was the top-performing industry across all three EVM regions in H1 2025, leading by both funding and number of deals. It captured 45% of VC funding in Southeast Asia, 38% in the Middle East, and 45% in Africa. In deal count, it accounted for 24% to 33% of all transactions in each region. The bulk of this activity was concentrated in **payment solutions and lending platforms**, which emerged as the dominant FinTech subsectors.

Enterprise Software followed closely, ranking second by funding in Southeast Asia ($311M) and third in the Middle East ($105M). It also placed in the top three by deal count in every region, underscoring demand for SaaS and enterprise productivity tools.

E-Commerce/Retail showed strong momentum in all regions, placing second in funding in the Middle East ($321M) and Africa ($81M). In the Middle East, this total was skewed by Ninja's $250M transaction. Without it, the sector would have ranked third. Deal activity remained healthy, with E-Commerce featuring among the top five sectors by volume across all three regions.

Africa's sector activity remained narrower than peers, with most capital concentrated in FinTech and E-Commerce. Overall, while FinTech continues to be the unifying investment theme across Emerging Venture Markets, regional differences in sectoral depth and capital distribution reflect ecosystem maturity and investment appetite across early and mid-stage rounds.

## Regional Top Industries by Total Funding ($M) in EVM | H1 2025



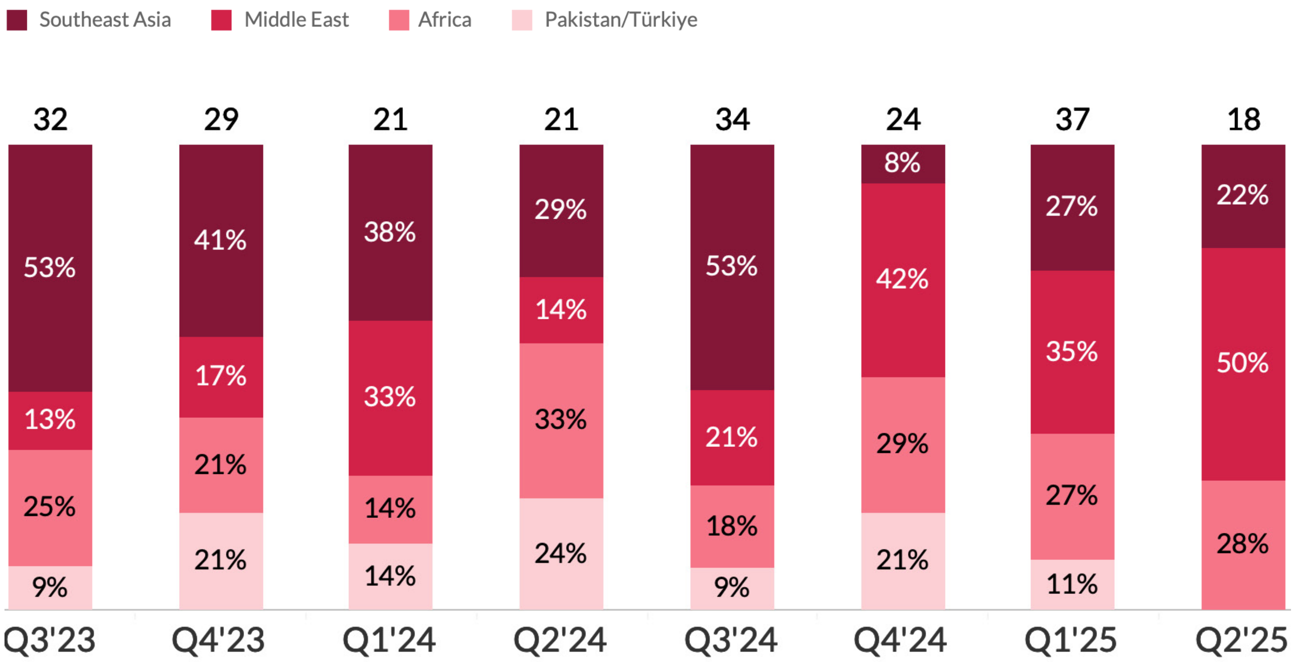
## M&A Evolution: Early momentum slips as uncertainty returns

M&A activity across Emerging Venture Markets saw a mixed performance in H1 2025, with 55 total transactions, marking an 31% increase from H1 2024. However, this momentum was heavily weighted toward Q1 which recorded 37 deals, the highest quarterly count since Q3 2022. However, in Q2 the momentum slowed down with only 18 transactions recorded, down 51% QoQ.

The regional breakdown highlights shifting dynamics. The Middle East expanded its share of M&A activity to 50% in Q2 2025, up from 35% in Q1, marking its highest regional share in two years. This concentration came as deal flow in Southeast Asia fell to 22% of the quarter's activity, its lowest share since the start of the period. Africa maintained a stable presence, contributing 28% of Q2 2025 M&As, largely consistent with prior quarters.

This sharp reversal highlights the fragile nature of recovery in EVM exit markets. Unless macro volatility eases and financing conditions improve, M&A activity is likely to remain sensitive to external volatility and require sustained stability for a more consistent recovery.

**EVM M&A Evolution** | Q2'23 - Q2'25



# About MAGNiTT

# About MAGNiTT

MAGNiTT VC

## MAGNiTT Data

**33,200**
Startups

**1,250**
Exits

**14,000**
Investment Firms

**10,500**
Founders

**23,000**
Funding Rounds

**6,900**
Investors

## Data means trust and trust means data.

With data on over 33,200 startups, 23,000 funding rounds, and 1,250 exits in the Middle East, Africa, and Southeast Asia, MAGNiTT is the trusted source of verified venture capital data in emerging venture markets. Our readily accessible and up-to-date data enables our clientele to make informed decisions about opportunities and risks in EVMs, giving them a competitive edge over peers.

## The Problem

Despite booming VC activity in the emerging venture markets, there is a critical missing piece: reliable, verifiable data on venture-backed startups. As a result, investors, policymakers, consultants, and other stakeholders struggle to assess opportunities and risks in these markets. Without accurate data to inform the decision-making, we're all missing out on the next best thing.

## Enter MAGNiTT: The Solution

**Venture Capital and Private Equity data gap**

Our data and analytics platform helps our clientele – whether you are a policymaker, investor, consultant, or ecosystem stakeholder – in making these impactful decisions with verified information about 33k+ venture-backed companies in emerging venture markets. Our database has everything you need to stay ahead of the curve, all in one place, empowering you to conduct market research, due diligence, spot trends, and craft winning presentations and investment pipelines. The cherry on top is our 1-on-1 analyst hours offering live insights into policies, competition, emerging trends, and industry performance.

## We are the Reference for

FT Financial Times · Gulf Business · CNN · Bloomberg · Entrepreneur

العربية alarabiya · Khaleej Times · Arab News · TechCrunch · World Economic Forum · The Wall Street Journal WSJ

crunchbase news · wamda · The National · TechInAsia

# Methodology

# MAGNiTT Methodology

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**MAGNiTT's proprietary database and software provides access to data from multiple sources: user- submitted data verified by MAGNiTT, aggregated public information, data engineered by MAGNiTT. All non-engineered data is verified and curated with an extensive process for inclusion in its analytic reports.**

**MAGNiTT encourages you to review the methodology and definitions employed to better understand the numbers presented in this report. If you have any questions about the definitions or methodological principles used, reach out to MAGNiTT directly. Below is an outline of the approach and criteria used in MAGNiTT's research analysis:**

**What is included:** Equity financing into private companies. Funding rounds included must be to VC-backed companies. VC-backed companies are defined as companies that have received funding at any point from: venture capital firms, corporate venture arms, accelerator programs, or Angel investors. Where disclosed Angel investments are made at early stages these deals are included once verified.

**Excludes:** It excludes debt or other non-equity funding, lending capital, grants and ICOs.

**Exits:** M&A and IPOs are treated as exits: excluded from funding data, but included in exit data. Exit types that are excluded from this report are buyouts and secondary rounds.

**Transaction date:** Where provided the date of the transaction is based on the closing date of the round. Where this is unavailable, it is recorded as the announced date per public record.

**Proprietary:** Startups and institutions list their proprietary information on their funding amount, stage, date, and investors directly onto the MAGNiTT platform. All funding data is validated through a rigorous process. To ensure comprehensiveness in the data, on a quarterly basis a follow-up with verified funding institutions on MAGNiTT occurs, requesting details on all their investments, including stage, amount, date, and other co-investors. This includes, and is not limited to, VCs, CVCs, angel groups, accelerators, university funds and family offices for MAGNiTT's focus geographies.

**Public:** We undertake a continued gathering of public announcements and press releases on the venture funding landscape across MAGNiTT's focus geographies.

**Engineering Data:** Where information is incomplete or undisclosed, proprietary algorithms that tap into MAGNiTT's databases are used to create estimates for undisclosed data with factors including but not limited to year of funding, location of startup, stage of investment and the company's industry.

**Data lags:** The data contained in this report comes directly from MAGNiTT, reported as of 2nd of July, 2025. Data lags are most pronounced at the earliest stages of venture activity. The data aggregated for these rounds during the latest quarter, specifically with seed funding, increases significantly after the end of that quarter.

**Verified Rounds:** To ensure accuracy and confidence in our data, MAGNiTT undertakes a verification process for each funding round based on the following process:

- Direct confirmation from the funding institution or investor
- Validated if there is a 3rd party source for the investment round from credible media sources or press releases.
- Various regulatory filings where applicable
- A round is not verified if it has none of the above 3rd party reference

**Country HQ:** In each of our venture reports, the location for which the data is analyzed is based on the startup's HQ as chosen and verified by the startup and reflected on the MAGNiTT platform. When analyzing a particular geography, our research does not include:

- Investments in startups from diaspora founders
- Funding for startups who have their main HQ outside of our coverage with only a subsidiary or branch in that country

**Primary Industry:** In each of our venture reports, the industry by which the data is analyzed is based on the startup's Primary Industry (main operational focus) as chosen and verified by

- All underlying data from the report is available online via magnitt.com/startups. For more info, please visit magnitt.com or contact support@magnitt.com
- If you feel your firm has been underrepresented, please send an email to data@magnitt.com and we can work together to ensure your firm's investment data is up-to-date

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