

**PRESS RELEASE – UNDER EMBARGO UNTIL 12 JANUARY 2026 AT 10:00 AM GST**

**The Middle East and North Africa Region Emerges as a Global Hub for Venture Capital as Investment Hits Record \$3.8Bn**

- *Strong GCC performance and rising international investor participation underpin the region's record year, MAGNiTT data shows.*
- *MENA is fast becoming a global private capital hub, capturing a record level of VC funding of \$3.8Bn across 688 deals, a 74% increase in funding year on year.*
- *International investors returned to the MENA region, accounting for 48% of capital deployed, as Blackstone, General Atlantic, Ares Management, and others invested.*
- *FinTech remains the most active MENA industry, with \$1.15Bn raised across 178 deals, while AI startups raised \$818M across 172 deals, the highest level to date in MENA.*

**Dubai, UAE — Under embargo until 12 January 2026 at 10:00 AM GST:**

MAGNiTT, the leading private capital data platform for Emerging Venture Markets (EVMs), has released its FY 2025 State of Venture Capital in Emerging Venture Markets Report. It captures a year marked by increasing M&A, a focus on AI, and standout performance by the MENA region.

“While some Emerging Venture Markets faced a contraction in both funding and deal flow this year, MENA expanded its share of total EVM funding, positioning itself as a magnet of global private capital from all corners of the globe,” said Philip Bahoshy, CEO of MAGNiTT.

**MENA Emerges as the Outlier**

Several factors strengthened MENA's private capital landscape, including expanding sovereign capital programs, international investor interest, and strategic diplomatic ties, which saw President Donald Trump choosing the GCC for his first international trip.

Total funding reached \$3.8Bn across 688 deals, the highest deal flow in EVMs. This marks the first time the MENA region has surpassed the SEA region in total transactions.

Funding rose 74% YoY, deal activity was up by 6%, and MEGA rounds increased 82%, reaching a record \$1.04Bn, a growing sign of investor appetite for late-stage investments.

**Saudi Arabia and the UAE Anchor Regional Funding**

As MENA positioned itself as the preferred destination for private capital, two markets continue to stand out: Saudi Arabia and the UAE, raising \$1.72Bn and \$1.58Bn, respectively.



The Kingdom more than doubled 2024 funding levels, driven by strong participation from local VC firms and international investors, with the international VC count growing by 61% YoY.

The UAE's capital inflows rose by 67% YoY, supported by both the growth of later-stage MEGA deals and earlier-stage non-MEGA rounds.

### **FinTech Remains The Core Driver of Venture Capital, AI Funding on The Rise**

The AI investment wave has reached the region, with startups such as The Applied AI Company (\$55M Series A) and Ula.ME (\$28M Series B) raising growth stage capital.

FinTech remained both the most funded and most transacted sector, with \$1.15Bn raised from 178 deals, boosted by deals from Alaan, Nymcard, Tabby and HALA.

### **International Investor Participation Strengthens**

International investor appetite for the region rebounded strongly in FY2025, particularly in the UAE and Saudi Arabia. 48% of the venture capital deployed in 2025 came from international investors, up from 44% the year before, a record year of cross-border participation.

Additionally, investor-focused events such as the FII, the Qatar Web Summit, and the Bloomberg Economic Forum in Qatar helped attract both regional and international investors, further catalyzing investment activity.

2025 also saw global asset and fund managers, including KKR, Blackstone, Blackrock, and Temasek Seviora, either set up a presence, invested in, or obtained a license in the region.

### **M&A Activity Expands as Ecosystem Liquidity Improves**

Conversations around liquidity and the lack of exit avenues for the region's investors have been at the forefront over the last few years. FY2025 saw a 41% uptick in M&A activity, reflecting a broader shift toward capital recycling and liquidity, both of which are essential for long-term market sustainability.

The recent CMA announcement to expand non-resident investor access to the Tadawul is also expected to make IPOs a more accessible exit avenue for growth startups across the region.

### **Looking Ahead**

"We predict that 2026 will mark the year of exits through M&A and IPOs, with continued attraction of global startups setting up in the region for market expansion," Bahoshy added.

MAGNiTT's FY 2025 State of VC in EVMs Report is available now on the MAGNiTT platform.

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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 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.

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

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