

PRESS RELEASE – **UNDER EMBARGO TILL 20 JANUARY 2026**

Saudi Arabia Emerges as MENA’s Largest Venture Capital Market as Funding Hits Record \$1.7B in 2025

- *Saudi Arabia closed 2025 as the most transacted and funded venture capital market in MENA, accounting for 45% of regional VC funding, MAGNiTT data shows*
- *Venture capital investment reached a record \$1.7B across 257 transactions, marking all-time highs in both capital deployed and deal volume*
- *International investors (non-Saudi) represented 58% of total investor participation, signalling growing global confidence in the Kingdom’s venture ecosystem*
- *FinTech led sector activity with \$506M raised across 55 deals, while Enterprise Software, Gaming, Transport & Logistics, and Travel & Tourism absorbed relatively large-sized deals*

Dubai, UAE – Under embargo until 20 January 2025 at 9:00 AM GST:

MAGNiTT, the leading private capital data platform for Emerging Venture Markets, has released its FY 2025 Saudi Arabia Venture Capital Report, in partnership with SVC, highlighting a record-breaking year that reinforces the Kingdom’s position as the largest and most mature venture capital market in the Middle East and North Africa.

VC investments reached \$1.7B across 257 deals, the highest annual level recorded in Saudi Arabia to date. KSA accounted for 45% of all VC funding in MENA, widening the gap with other regional markets and underscoring its transition into a scaled, institutionally supported venture ecosystem.

“What stood out in 2025 is not just Saudi Arabia’s record capital deployment, but the breadth of growth across stages, the depth of international participation, and early signs of a more complete venture cycle taking shape,” said Philip Bahoshy, CEO of MAGNiTT.

Broad-Based Growth Reflects Ecosystem Depth

Growth in 2025 was distributed across the funding spectrum, with non-MEGA deals rising 101% year-over-year to \$1.15B, highlighting the strength of the early- and mid-stage pipeline. Meanwhile, MEGA rounds rebounded strongly (+339% YoY), reflecting renewed late-stage investor confidence and improved capital availability for scaling companies.

Deal activity also reached a historic milestone as Saudi Arabia recorded 257 venture capital transactions, a 45% YoY increase, overtaking the UAE to become the most active VC market in MENA



by deal count for the first time. Since 2018, annual deal volume has expanded nearly five-fold, reflecting sustained ecosystem development.

International Capital Deepens the Venture Market

Investor participation reached a new high in 2025, with 194 investors active in Saudi startups, up 38% YoY. International investors (non-Saudi) accounted for 58% of total participation, signalling rising global confidence in the Kingdom's ability to support companies across the full growth lifecycle. This expansion spanned stages, with increased participation at early rounds alongside a notable rise in Series B investors, pointing to a more complete and sustainable ecosystem.

FinTech Leads as New Sectors Absorb Scale Capital

FinTech reclaimed its position as Saudi Arabia's most funded and most active sector, securing \$506M (+172% YoY) across 55 deals (+77% YoY), driven by continued momentum in digital payments, lending, and financial infrastructure.

Beyond FinTech, Enterprise Software emerged as the second most active sector, while Gaming, Transport & Logistics, and Travel & Tourism attracted sizeable investments, highlighting growing sectoral diversification and the emergence of new verticals capable of absorbing scale capital.

Exit Activity Signals Advancing Market Maturity

Exit activity continued to strengthen in 2025, with 10 M&A transactions, the highest annual total recorded in Saudi Arabia. Notably, six acquisitions were led by Saudi-based buyers, reflecting increasing domestic liquidity and corporate appetite for technology-led growth.

These developments point to a more complete venture-cycle and lay the groundwork for stronger exit pathways between 2026 and 2028, supported by a growing cohort of late-stage companies and a deeper capital market.

A Cornerstone of Vision 2030

Collectively, the findings underscore venture capital's expanding role in advancing Vision 2030, supporting economic diversification, innovation-led growth, and entrepreneurship.

"With sustained institutional backing, expanding international participation, and clearer pathways to scale and liquidity, Saudi Arabia is increasingly positioned not only as MENA's leading venture capital market, but as a globally relevant venture ecosystem," added Bahoshy.

MAGNiTT's FY 2025 Saudi Arabia Venture Capital Report is available now as a free public release on the MAGNiTT platform.

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About MAGNiTT

Based in the Dubai International Financial Centre, MAGNiTT is the leading private capital data platform serving the Middle East, Africa, Southeast Asia, Turkey, and Pakistan. With real-time data on more than 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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