

2025 State of Venture Capital

Emerging Venture Markets

A Report Covering Venture Funding in the
Middle East, Africa, Southeast Asia, Pakistan & Türkiye

■ FY 2025

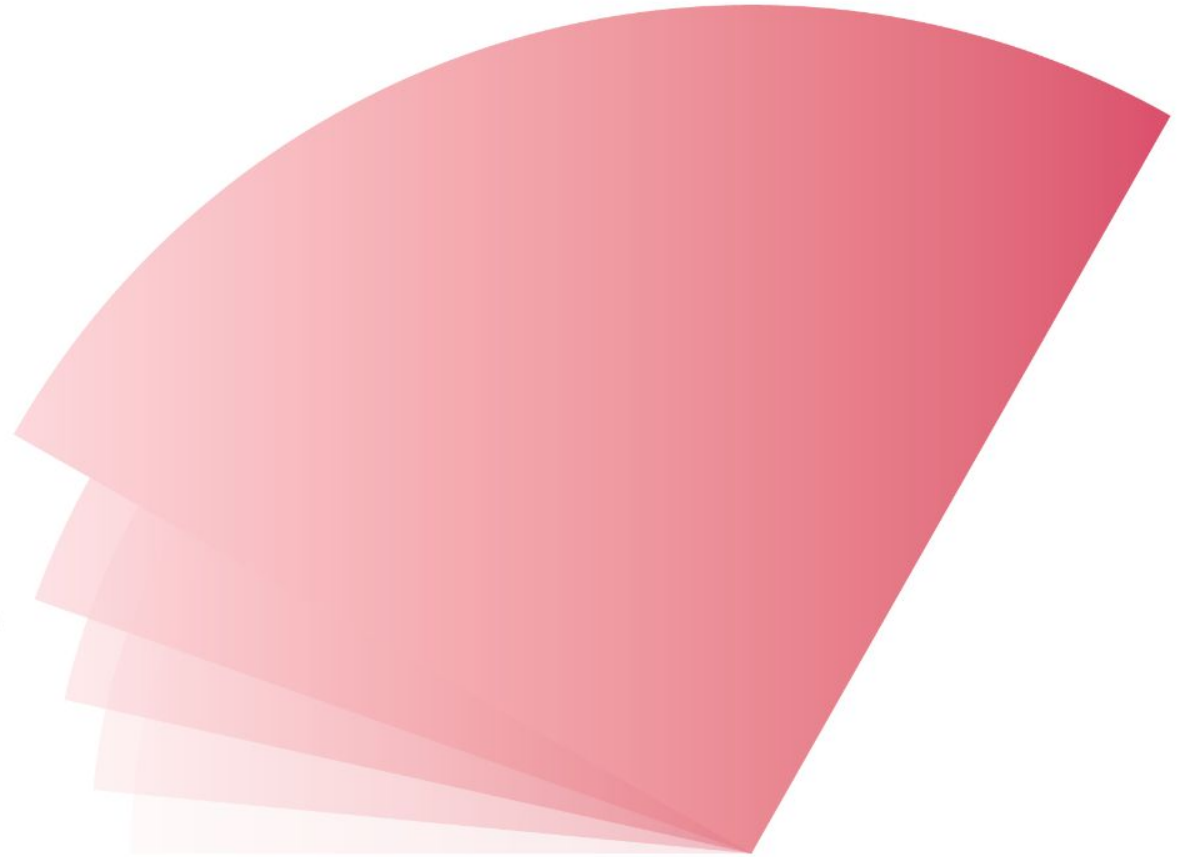


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“While much of the emerging market landscape slowed in 2025, the Middle East stood out as a rare bright spot, showing clear signs of resilience and renewed investor confidence.” - Farah El Nahlawi

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For any questions about the report, connect with us at data@magnitt.com

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Launched in October 2024, LAB7 is the venture-building arm of Aramco, dedicated to pushing the boundaries of technology development.

As a strategic partner to transformative startups, LAB7 brings the resources and expertise necessary for rapid product launch and market access.

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Foreword



2025: The Year Global Venture Capital Converged on the GCC

MAGNiTT CEO's reflections on venture capital performance in 2025 and the GCC's growing place in the global investment landscape



Philip Bahoshy

CEO and Founder of MAGNiTT

The year GCC solidified its place in the Global Investment Landscape

At the beginning of 2025, few of us expected the year to unfold the way it did. Markets shifted rapidly as geopolitics began to reshape trade routes and oil prices in real-time. Interest rates continued to turn after a prolonged period of tightening, while public markets reached record highs, experiencing sharp corrections driven by tariff shocks. Global conflicts and peace agreements unfolded in the same year, making uncertainty a constant theme.

What stood out most was how investor behaviour adapted. Venture and broader private capital became more selective, and due diligence conversations have moved away from momentum towards fundamentals, scale, and clear paths to liquidity. In that environment, the Gulf Cooperation Council (GCC) region proved resilient and increasingly positioned itself as a destination for long-term capital.

“What stood out most was how investor behaviour adapted. Venture and broader private capital became more selective.”

Global Private Capital Looks to the East

Throughout 2025, the region saw international investors from North America, Europe, and Asia continue to deepen their presence in the region across Private Capital. They were drawn by policy consistency, economic ambition, and sustained investment in infrastructure.

President Donald Trump picked the GCC for his first international trip while global financial institutions and asset managers, including Ray Dalio, Brevan Howard, KKR, and Brookfield, expanded their local footprint. BlackRock's decision to hold its board meeting in Abu Dhabi for the first

time was a telling signal of how global capital is reassessing its priorities. Additionally, 9,800 millionaires were set to relocate to Dubai in 2025; 600 multinational companies have regional headquarters in Saudi Arabia; and Dubai passed a milestone of being home to over 100 global hedge funds, according to Bloomberg.

How MENA Set the Bar for Emerging Markets Funding in 2025

While regional peers such as Southeast Asia continued to undergo an extended market correction in 2025, MENA showed positive signs of recovery and growth. Emerging Venture Markets (EVMs) raised a total of \$9.63B across 1,521 deals, the lowest level of deal activity in seven years.

MENA VC total funding

\$3.8B

2025: The Year Global Venture Capital Converged on the GCC

The GCC reinforced its role as a durable destination for venture and private investment in 2025

In MENA, VC funding totaled \$3.8B across 688 deals, a 74% increase along with a 6% rise in deal flow, bucking the slower funding and deal slump experienced by the rest of EVMs.

MENA VC total deals

688 deals

This shift was clearly reflected in venture capital activity across the region as later-stage appetite returned in 2025. Five MEGA rounds, totaling \$1.04B, were completed by Ninja, HALA, Tabby, XPANCEO, and Airalo. International investors also joined regional venture rounds, with global asset managers and growth investors, including Wellington Management, Atlea Partners, Opportunity Ventures, CVC Capital Partners, and Bluepool Capital, joining local cap tables. Cross-border syndication increased across growth and late-stage deals.

M&As Returned, but Tech IPOs Still Slow

Liquidity returned to the market, following years of stakeholders asking, “The growth trajectory is clear, but where are the exits?” M&A activity in MENA picked up by an impressive 41% YoY, while talk about tech IPOs continued to echo across round tables and conferences. Strategic acquirers, including local acquirers who made 23 of the 45 M&As, became more active, reinforcing the feedback loop that supports a healthy venture ecosystem over time.

From a sector perspective, FinTech remained the largest recipient of venture capital, accounting for 30% of total funding, supported by regulatory progress and increasingly scalable business models.

AI-related company funding

+204% YoY

At the same time, AI moved from a future narrative to an active investment theme in the region, with AI-related company funding increasing 204% YoY to \$817M.

Can the momentum continue into 2026?

Looking ahead to 2026, risks remain elevated. Geopolitics continues to evolve, and global debt pressures have not disappeared. Even so, the foundations in the region are stronger than they have been at any point in the past. We expect continued momentum across M&A and IPO activity, deeper international fund formation, and further integration of global investors into the ecosystem. Discipline in capital deployment is also likely to remain a defining feature.

MAGNiTT's Private Capital Coverage Expands in 2026

In 2025, we added Private Equity to the MAGNiTT platform, as well as an IPO tracker, LP tracking, and an AI filter. While

we also cover Venture Debt, MAGNiTT will look to incorporate Private Credit on the platform heading into 2026.

This report aims to put data behind these observations, showing where capital flowed, how different stages and sectors performed, how investor participation evolved, and what this may mean for returns going forward. Before turning to the charts and analysis, I hope readers take away one clear conclusion: In a year shaped by global uncertainty, the GCC continued to establish itself as a long-term home for global venture and private capital investments.

Looking forwards to continued momentum and success as MAGNiTT enters its second decade of operations.

Philip Bahoshy

CEO and Founder of MAGNiTT



Webinar

Recap the latest insights and trends from the venture landscape of MENA in our latest webinar.

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EXCLUSIVE WEBINAR

Is 2025 the year that the GCC became a Global Venture Capital Magnet?

2025 VC trends decoded and predictions for 2026



DATE
**JANUARY
21, 2026**



TIME
3:00 PM GST

Philip Bahoshy
CEO at MAGNiTT



Farah el Nahlawi
Research Manager
at MAGNiTT



Executive Summary

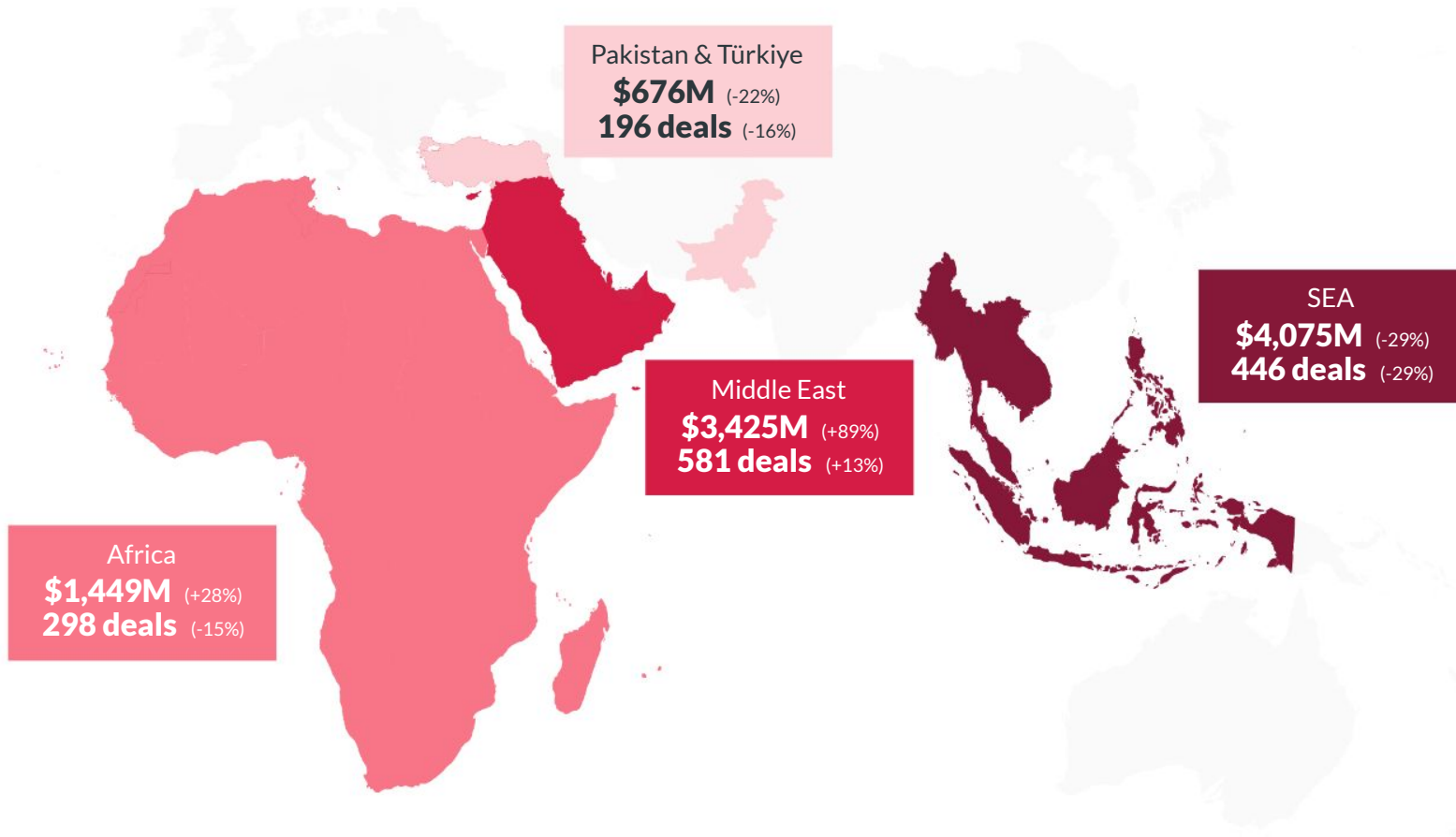


Emerging Venture Markets

The Middle East emerged as the only region among EVMs to record a YoY increase in deal count, up 13%, at 581 deals, surpassing Southeast Asia for the first time

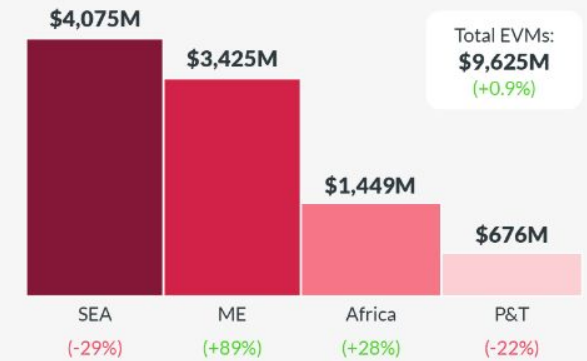
MAGNiTT's EVM Geographical Coverage

● Southeast Asia (SEA)
 ● Middle East (ME)
 ● Africa
 ● Pakistan & Türkiye (P&T)

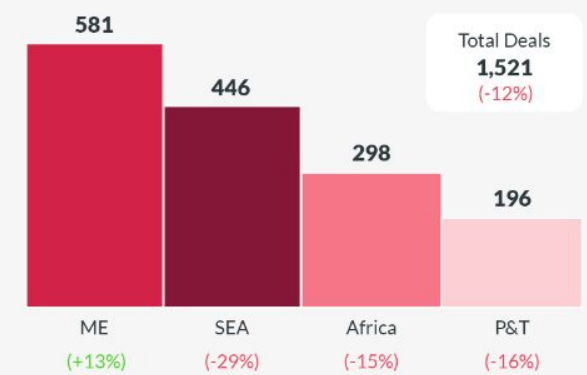


FY 2025 Snapshot

Total \$ Funding (% change vs. 2024)



Total Deals (% change vs. 2024)



Emerging Venture Markets Snapshot

Funding activity across EVMs recorded a modest recovery, reaching \$9.6Bn, supported by increases in the Middle East and Africa despite a decline in Southeast Asia

EVM - Aggregate Summary



\$9,625M (+0.9%)
Total Funding



1,521 (-12%)
Total Deals



1,564 (-15%)
Total Investors



91 (-12%)
Total Exits

EVM - Investment Snapshot

FinTech \$3,549M (-12%)
Most Active Industry by Funding (\$M)

FinTech 367 Deals (+3%)
Most Active Industry by Deals (#)

Opportunity Ventures \$250M
Investor w. Highest Est. Capital Deployed (\$M)

Antler 62 Deals
Most Active Investor by Deals (#)

EVM - Geographical Snapshot

Singapore \$3,086M (-11%)
Most Active Country by Funding (\$M)

Singapore 274 Deals (-20%)
Most Active Country by Deals (#)

Airwallex \$330M
Largest Deal by Headquarter

UAE 17 M&As
Most Exits by Headquarter

Southeast Asia Snapshot

Southeast Asia experienced a 29% YoY decline in funding during 2025, with M&A activity falling to 24 deals from 35 last year, its lowest level in seven years

SEA - Aggregate Summary



\$4,075M (-29%)
Total Funding



446 (-29%)
Total Deals



704 (-26%)
Total Investors



24 (-31%)
Total Exits

SEA - Investment Snapshot

FinTech \$1,813M (-37%)
Most Active Industry by Funding (\$M)

FinTech 103 Deals (-34%)
Most Active Industry by Deals (#)

GIC \$135M
Investor w. Highest Est. Capital Deployed (\$M)

Antler 43 Deals
Most Active Investor by Deals (#)

SEA - Geographical Snapshot

Singapore \$3,086M (-11%)
Most Active Country by Funding (\$M)

Singapore 274 Deals (-20%)
Most Active Country by Deals (#)

Airwallex \$330M
Largest Deal by Headquarter

Singapore 14 M&As
Most Exits by Headquarter

Middle East Snapshot

The Middle East posted an 89% YoY funding rise and the highest EVM deal activity, supported by stronger diplomacy ties, major events, and rising investor confidence

Middle East - Aggregate Summary



\$3,425M (+89%)
Total Funding



581 (+13%)
Total Deals



433 (-4%)
Total Investors



32 (+19%)
Total Exits

Middle East - Investment Snapshot

FinTech \$1,042M (+164%)
Most Active Industry by Funding (\$M)

FinTech 152 Deals (+48%)
Most Active Industry by Deals (#)

Opportunity Ventures \$250M
Investor w. Highest Est. Capital Deployed (\$M)

+VC 40 Deals
Most Active Investor by Deals (#)

Middle East - Geographical Snapshot

Saudi Arabia \$1,720M
(+145%)
Most Active Country by Funding (\$M)

Saudi Arabia 257 Deals
(+45%)
Most Active Country by Deals (#)

Ninja \$254M
Largest Deal by Headquarter

UAE 17 M&As
Most Exits by Headquarter

Africa Snapshot

Africa recorded a 28% YoY increase in funding, supported by strong activity in South Africa, with M&A activity rising 12%, primarily concentrated in Egypt

Africa - Aggregate Summary



\$1,449M (+28%)
Total Funding



298 (-15%)
Total Deals



405 (-3%)
Total Investors



28 (+12%)
Total Exits

Africa - Investment Snapshot

FinTech \$478M (-21%)
Most Active Industry by Funding (\$M)

FinTech 83 Deals (+9%)
Most Active Industry by Deals (#)

FEDA \$75M
Investor w. Highest Est. Capital Deployed (\$M)

Orbit Ventures 12 Deals
Most Active Investor by Deals (#)

Africa - Geographical Snapshot

South Africa \$376M (+91%)
Most Active Country by Funding (\$M)

Egypt 69 Deals (-28%)
Most Active Country by Deals (#)

Spiro \$100M
Largest Deal by Headquarter

Egypt 12 M&As
Most Exits by Headquarter

Insights from the Ecosystem

“This model not only increases the probability of success but also ensures that the startups being built are solving real, high impact challenges aligned with national and regional priorities.”



Fahad Al Furaih
LAB7 Manager



The venture building model is emerging as a powerful force in the evolving startup ecosystem of Saudi Arabia. As the technology landscape matures, there's a growing recognition that early-stage startups, especially those in deeptech, require more than just capital to succeed.

They need access to domain expertise, technical infrastructure, and strategic pathways to market, often best provided through structured and collaborative approach. This shift is redefining how startups are sourced, developed, and scaled as venture builders actively co-create these companies alongside entrepreneurs from the early stages.

This model not only increases the probability of success but also ensures that the startups being built are solving real, high impact challenges aligned with national and

regional priorities. LAB7 exemplifies this approach. As a venture builder, we are deeply engaged in identifying high potential opportunities at the intersection of technology and industry transformation.

We work closely with entrepreneurs to build startups from early validation through to commercialization, providing not just funding, but also the technical resources and market access required to launch and scale. In a market like Saudi Arabia, where the ecosystem is rapidly evolving and the demand for localized, impactful solutions is rising, venture builders are becoming a key ingredient in the recipe for sustainable startup growth and technological advancement.



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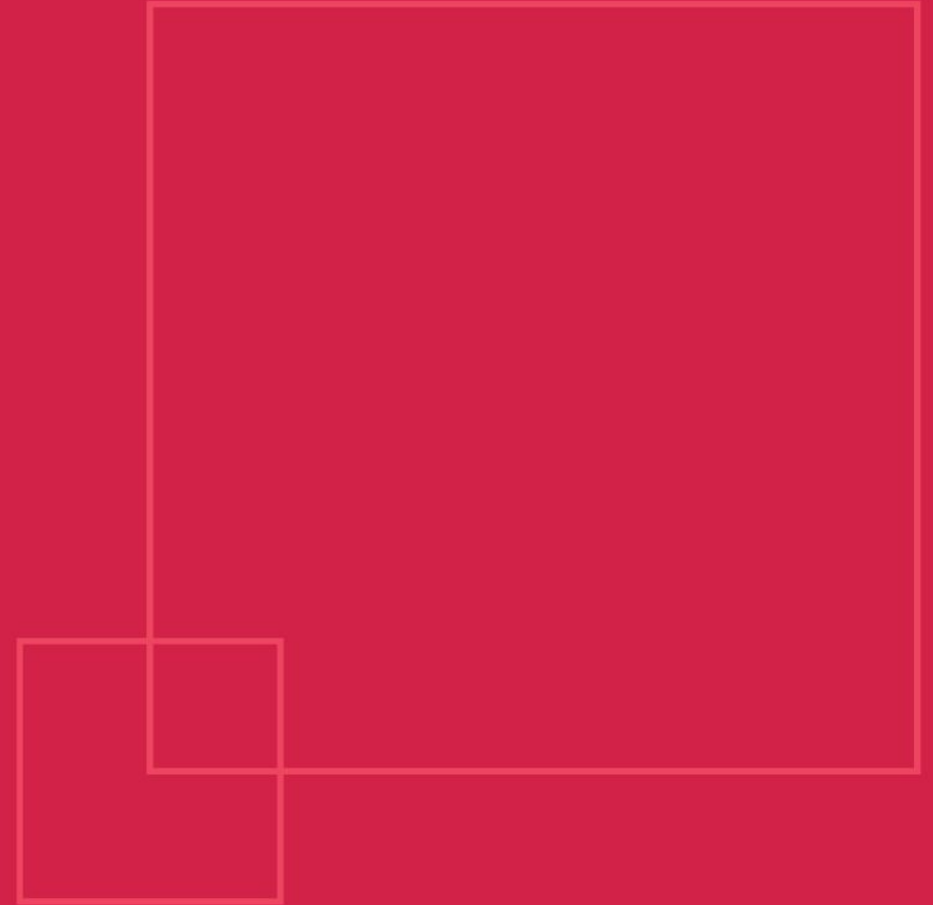
Calendar 2026

January

FY 2025 KSA Venture Capital Premium Report

FY 2025 Most Active Investors across EVMs Premium Report

Evolution of Funding and Deals

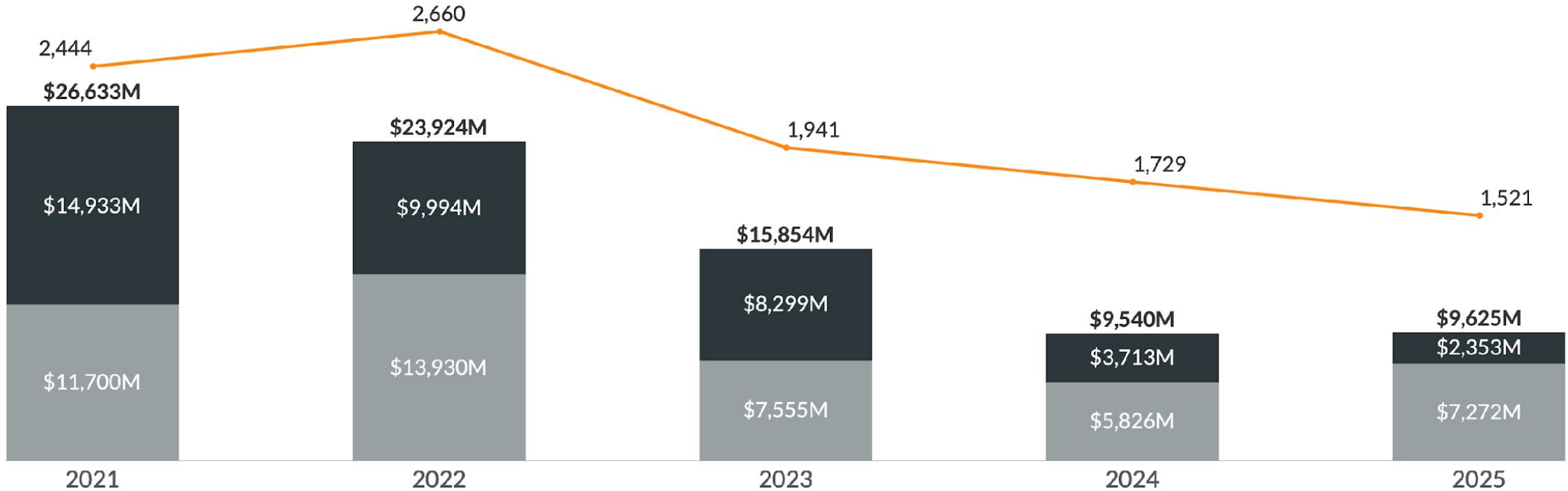


In 2025, Emerging Venture Markets (EVMs) recorded a modest recovery in funding, rising by 0.9% YoY, while deal activity declined by 12%, reaching its lowest level in seven years. This contraction was driven primarily by a 29% drop in deal activity in Southeast Asia and a 15% decline in Africa YoY

EVM Annual Funding & Deal Evolution

\$M, # of Deals, (2021 - 2025)

■ Deals (<\$100M) ■ MEGA Deals (\$100M+) — Deals

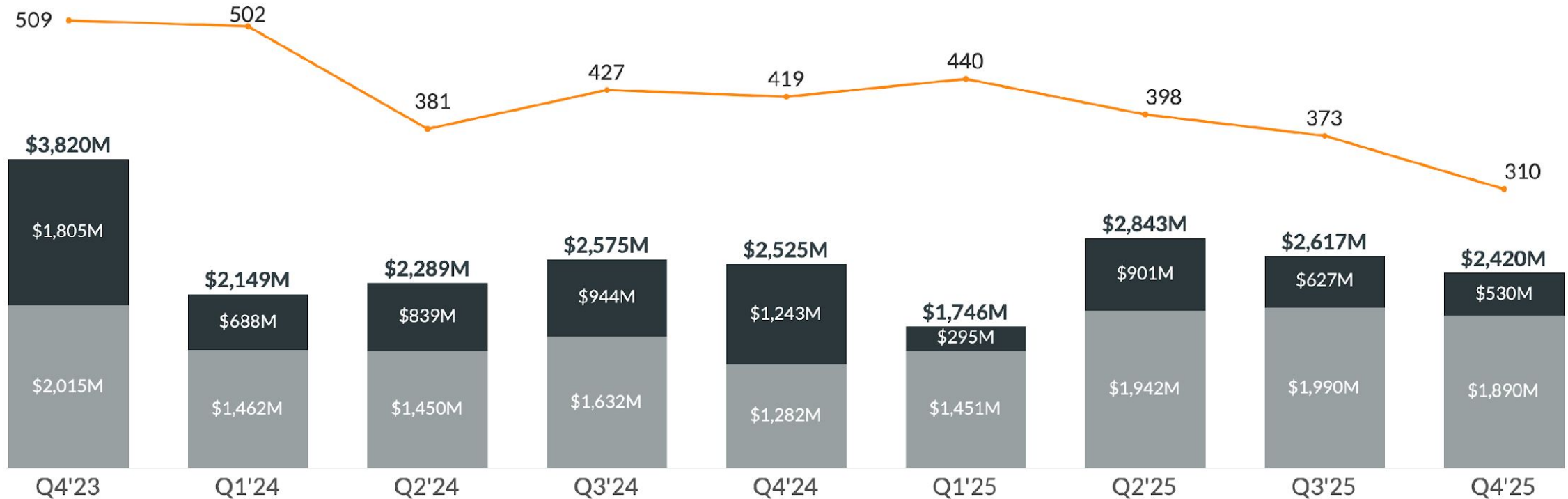


Following a slow funding start in Q1'25 across EVMs, activity picked up in Q2'25, with funding reaching \$2.8B, the highest in six quarters, marking a 24% YoY increase. Deal activity continued to ease, reaching 310 deals in Q4'25, the lowest level since Q4'18

EVM Quarterly Funding & Deal Evolution

\$M, # of Deals, (Q4'23 - Q4'25)

■ Deals (<\$100M) ■ MEGA Deals (\$100M+) — Deals



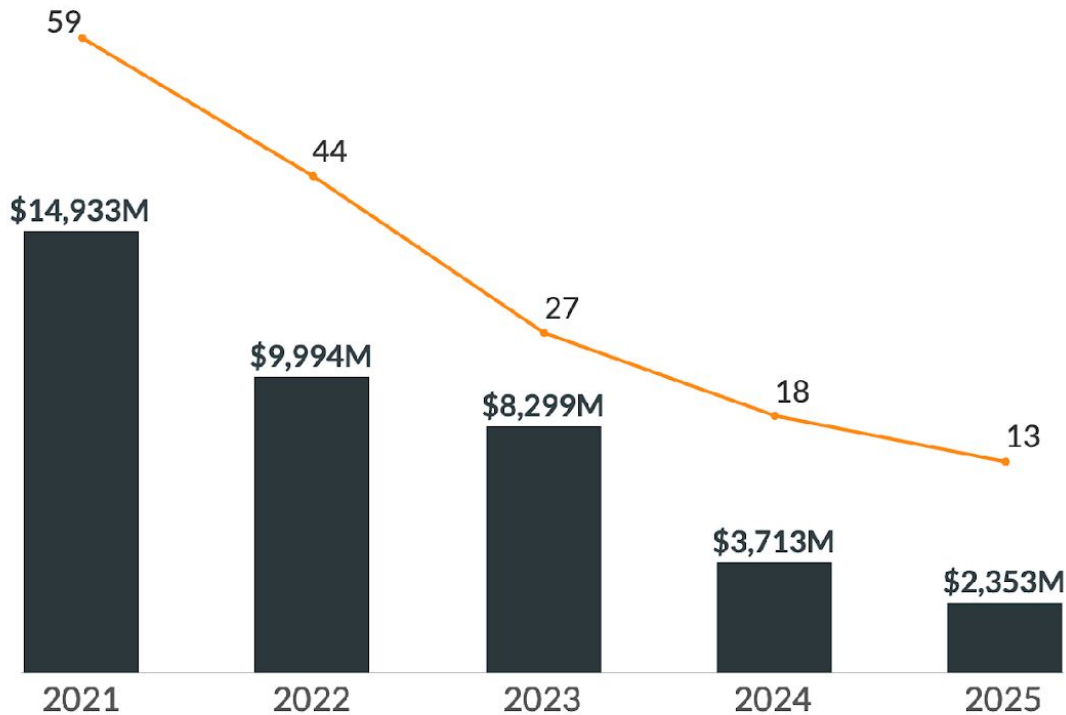


In 2025, MEGA deals across EVMs experienced their weakest performance since 2016, with fewer transactions and lower funding. These deals accounted for only 24% of total capital raised, a decrease from 39% in 2024, reflecting a general slowdown in MEGA deals across Southeast Asia and Africa

EVM Annual MEGA Funding & Deal Evolution

\$M, # of Deals, (2021 - 2025)

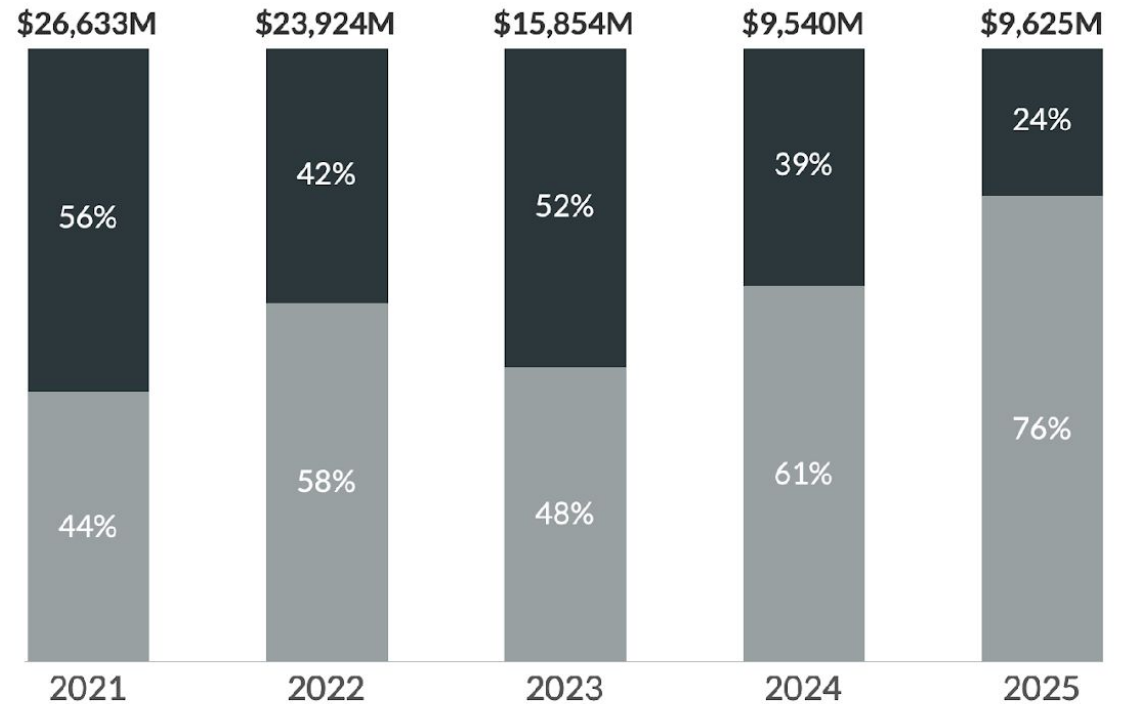
■ MEGA Deals (\$100M+) — Deals



EVM Funding % Share (Mega/Non-Mega)

\$M, (2021 - 2025)

■ Deals (<\$100M) ■ MEGA Deals (\$100M+)



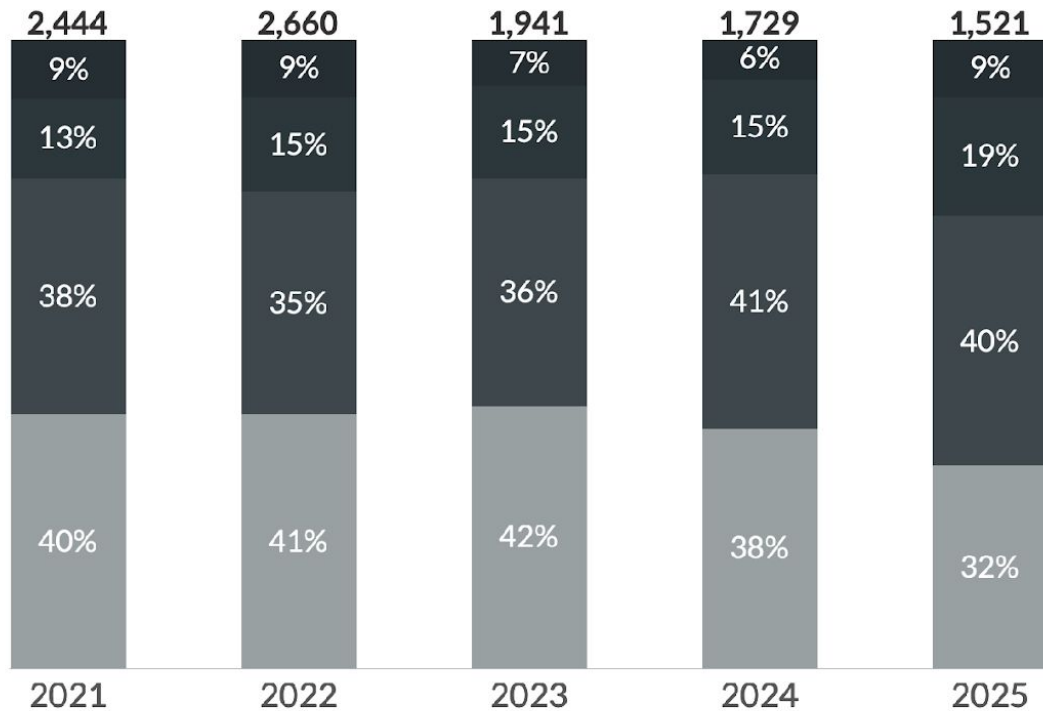


In 2025, deal sizes increased despite fewer transactions. 72% of deals fell within the \$0-\$5M range, down from 79% the previous year, while larger rounds (\$20M+) accounted for 9% of deals, up from 6% last year. Early-stage deals continued to dominate, representing 78% of all transactions

EVM Deal Share by Round Size

% Share, # of Deals, (2021 - 2025)

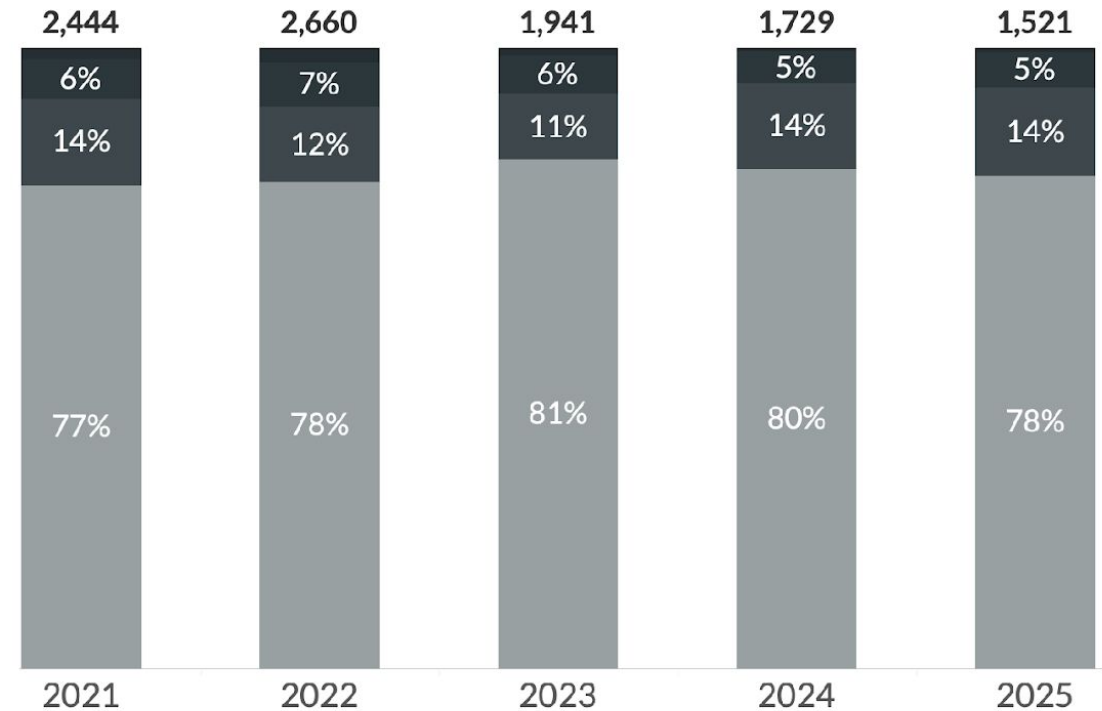
■ \$0K-\$1M ■ \$1M-\$5M ■ \$5M-\$20M ■ \$20M+



EVM Deal Share by Stage

% Share, # of Deals, (2021 - 2025)

■ Early Stage ■ Series A ■ Series B ■ Late Stage



Insights from the Ecosystem

“AI’s dominance means that every startup, regardless of sector, will be judged through an AI lens.”



Madhavi Reddy

Managing Director
at AWS MENAT



The AI awakening is accelerating regionally with the emergence of national AI companies like HUMAIN in KSA, AI research initiatives such as the Technology Innovation Institute (TII) in the UAE, and AI-dedicated funds.

For founders, GenAI has lowered the cost and time needed to launch startups thus allowing more experimentation with faster iteration cycles. AI’s dominance means that every startup, regardless of sector, will be judged through an AI lens: we expect more capital to flow to AI-savvy builders as founders will be evaluated on how effectively they integrate AI into their operations and strategy.

On the investment side, AI tools can now help cut down weeks of manual diligence into hours by rapidly analyzing pitch decks, market data and competitive landscapes. AI models can embed bias detection and systematic scoring which make investment decisions more objective. VC firms that integrate AI into their entire workflow i.e. in sourcing, screening and diligence, are likely to detect opportunities earlier, evaluate faster and generate stronger returns.

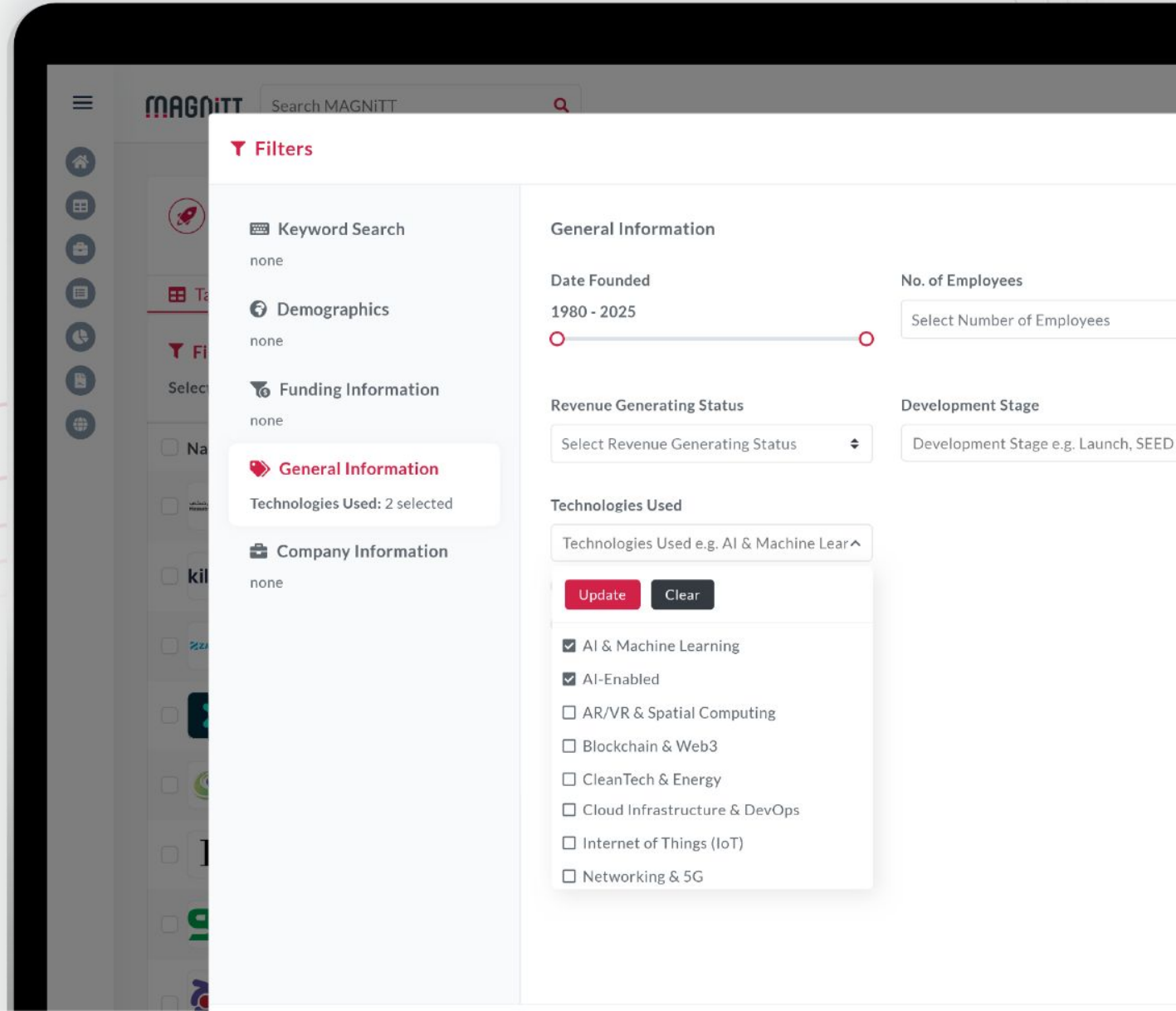


AI Filter

Want to track MENA's top AI startups in real time?

MAGNiTT's AI filter tracks startups, funding, investors, and more.

Access AI Investment Data



Regional Analysis

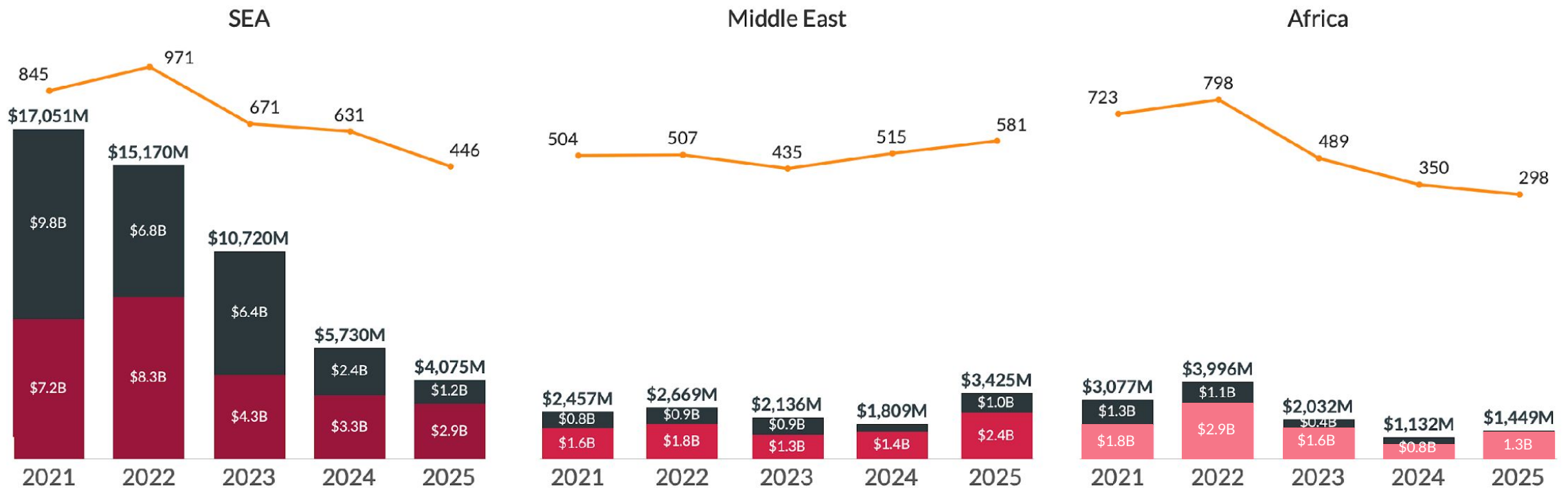


In 2025, the ME surpassed SEA in deal activity for the first time, reaching a record 581 deals, while narrowing the funding gap, with the ME at an all-time high of \$3.4B. The ME saw a record \$1B in MEGA deals, supported by the return of late stage liquidity, diplomatic ties, key events, and rising investor confidence

Regional Annual Deal & Funding Evolution Split by Region (SEA, Middle East, Africa)

\$M, # of Deals, (2021 - 2025)

SEA (<\$100M) Middle East (<\$100M) Africa (<\$100M) MEGA Deals (\$100M+) Deals

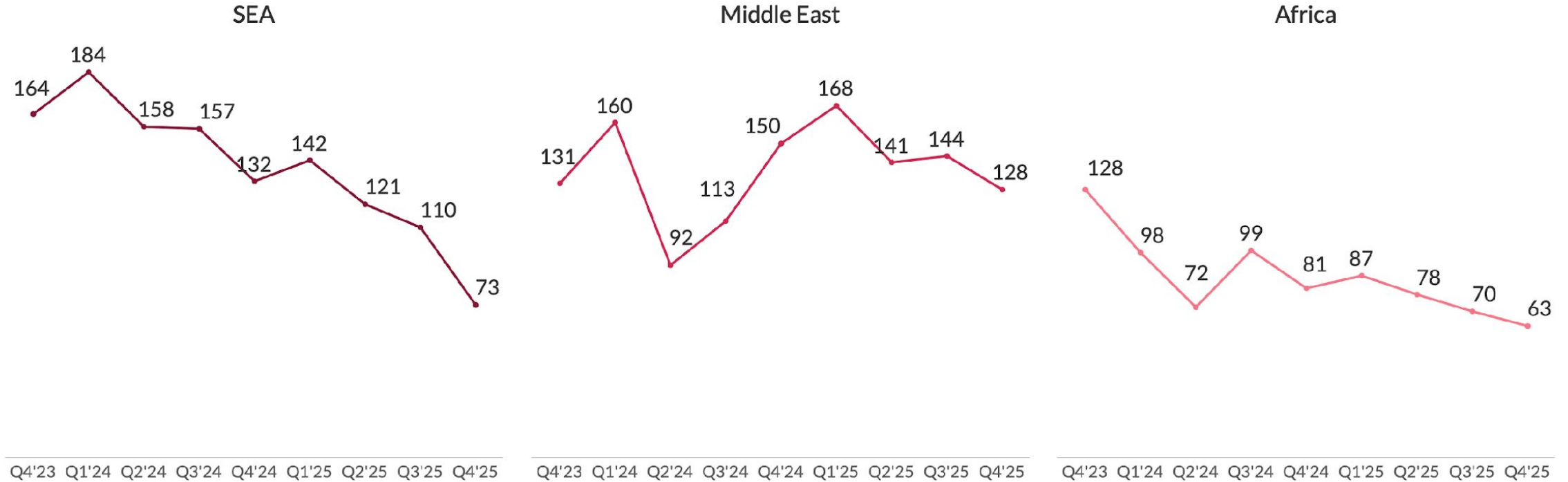


The ME emerged as the most transacted EVM in 2025, securing 581 deals, including five GCC-focused MEGA deals, reflecting a maturing ecosystem supported by sustained investor engagement. Q1'25 was most active in deal flow across all three regions in 2025, before continued QoQ drop in deals to year-end

Regional Quarterly Deal Evolution Split by Region (SEA, Middle East, Africa)

of Deals, (Q4'23 - Q4'25)

SEA Middle East Africa



Middle East's funding reached record levels in 2025, with Q3'25 marking the highest quarter at \$1.4B, defying the usual seasonal slowdown. This was supported by 3 MEGA deals, including XPANCEO (\$250M), Airalo (\$220M), and Hala (\$157M), all concentrated in the UAE and KSA

Regional Quarterly Funding Evolution Split by Region (SEA, Middle East, Africa)

\$M, (Q4'23 - Q4'25)

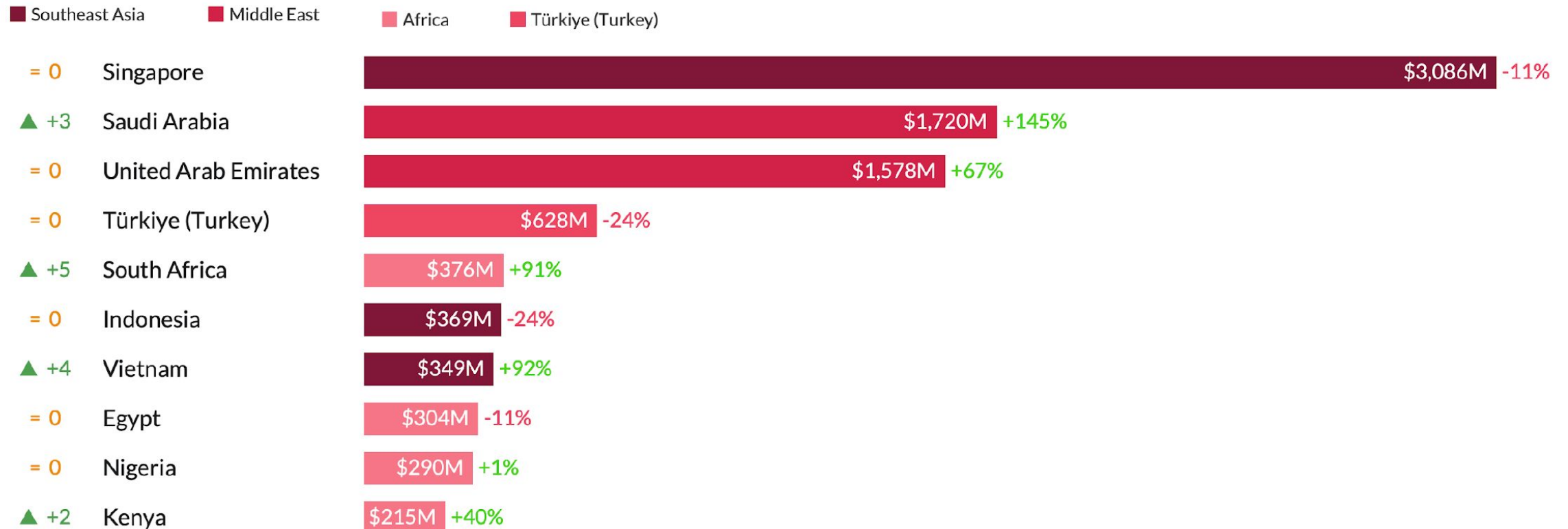
SEA Middle East Africa



Despite an 11% YoY decline, Singapore remained the most funded EVM, while KSA saw the strongest growth among the most active countries in 2025, rising 145% YoY to \$1.72B and consolidating its position as a scale engine, with the UAE following at \$1.58B, up 67% YoY, reflecting increased investment

Most Active Countries by Total Funding (\$M) in EVM

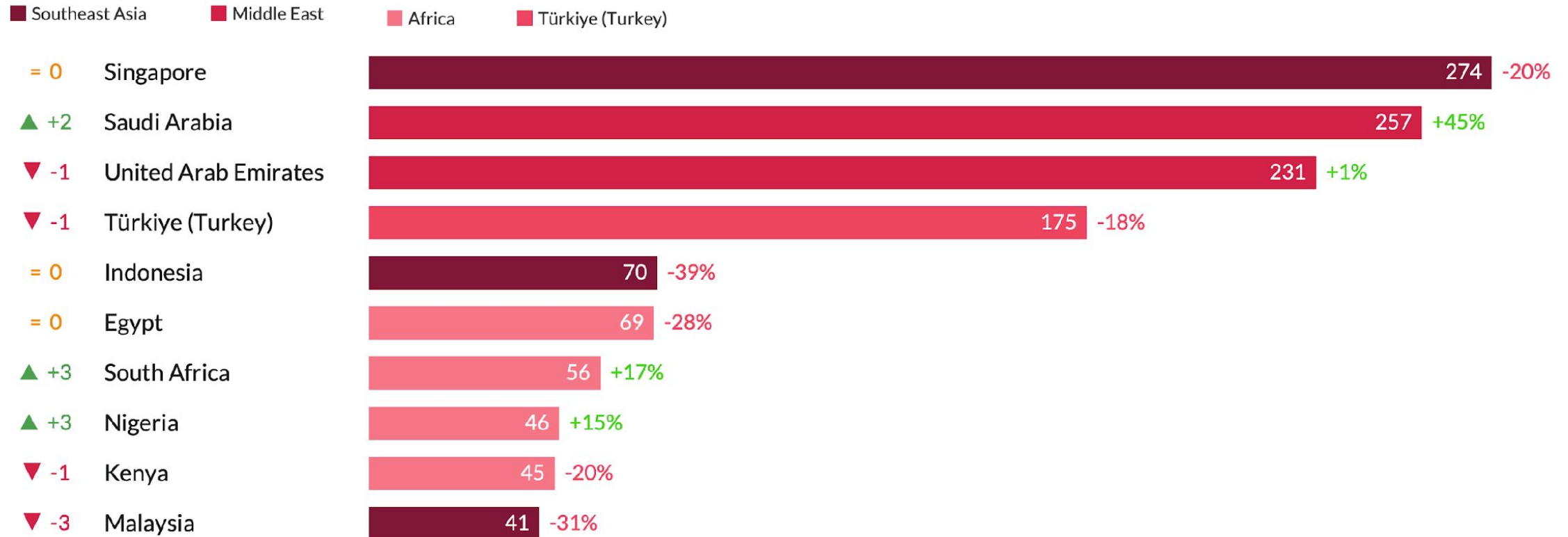
Rank Change, \$M, (2025 vs 2024)



Singapore recorded the highest deal activity among EVMs in 2025. At the same time, Saudi Arabia became MENA's most active market for the first time with 257 deals, up 45% YoY, supported by strong investment sentiment and government initiatives including Vision 2030, while the UAE recorded 231 deals, up 1% YoY

Most Active Countries by Number of Deals (#) in EVM

Rank Change, # of Deals, (2025 vs 2024)



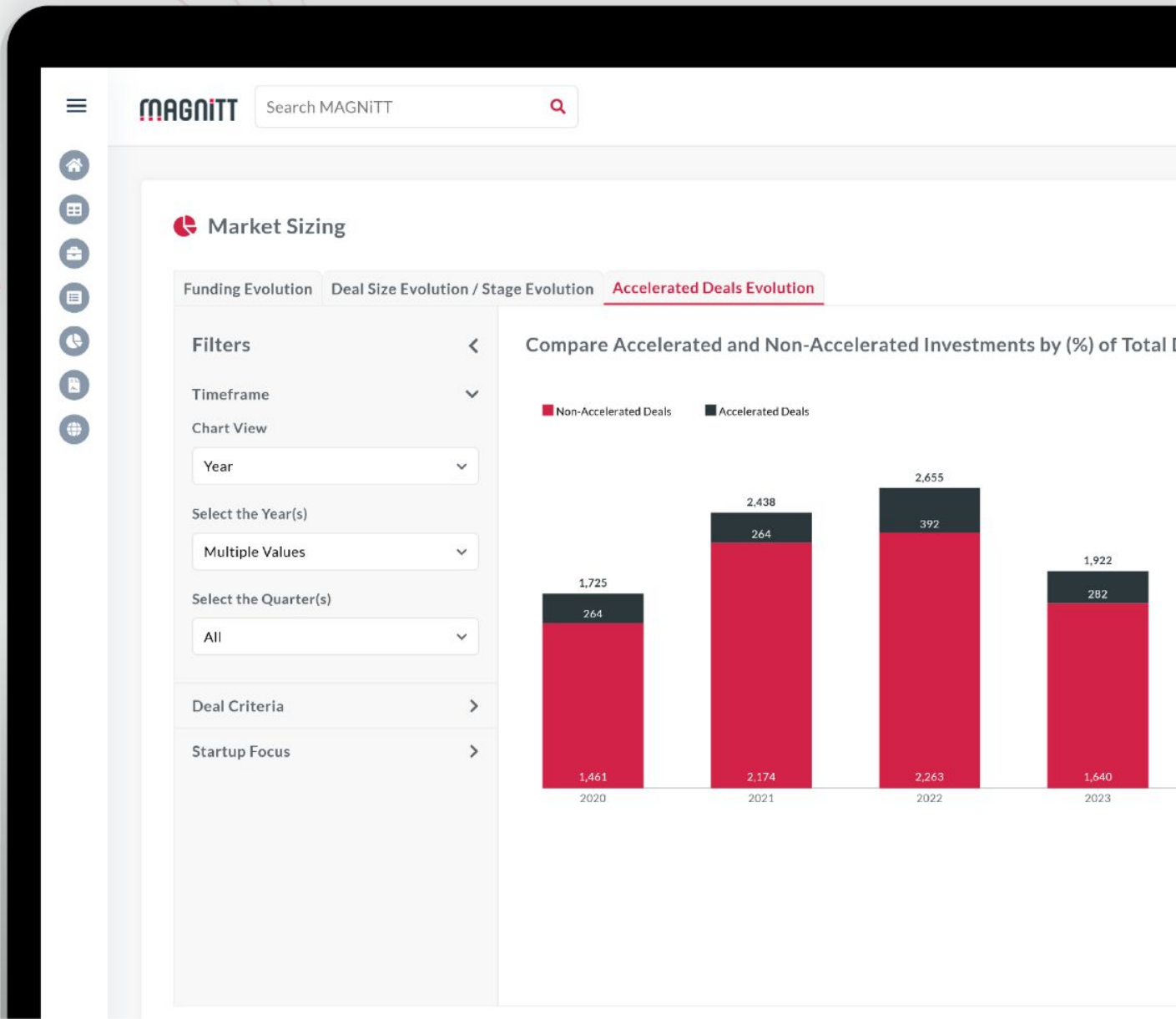


Advanced Analytics

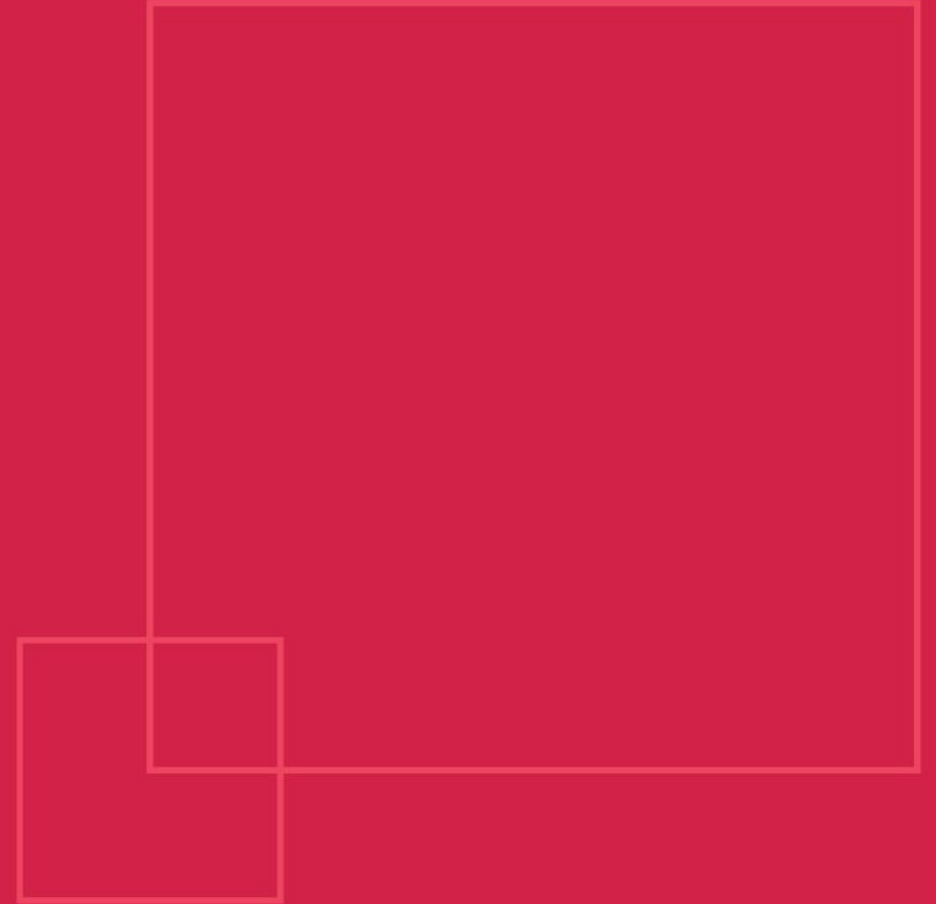
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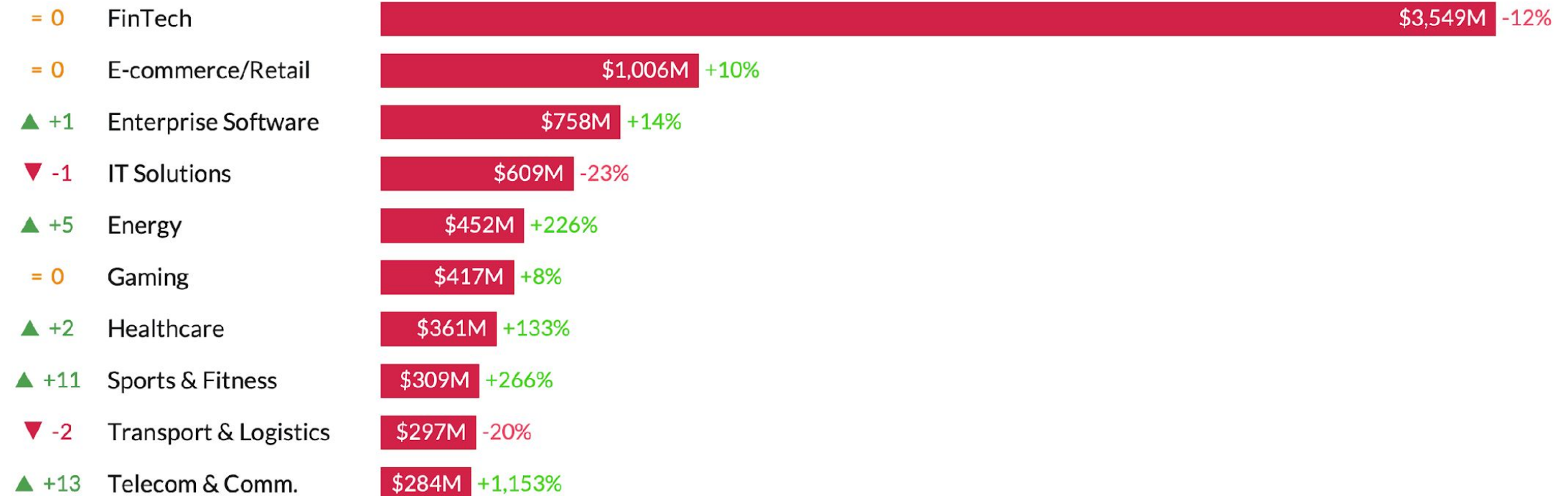
Industry Trends



FinTech remained the most-funded EVM industry in 2025 with \$3.5B, more than triple the funding for E-commerce/Retail, highlighting a significant gap with other sectors despite a 12% YoY decline in funding. Meanwhile, the top five industries accounted for 66% of total EVM funding, down from 73% in 2024

Most Active Industries by Total Funding (\$M) in EVM

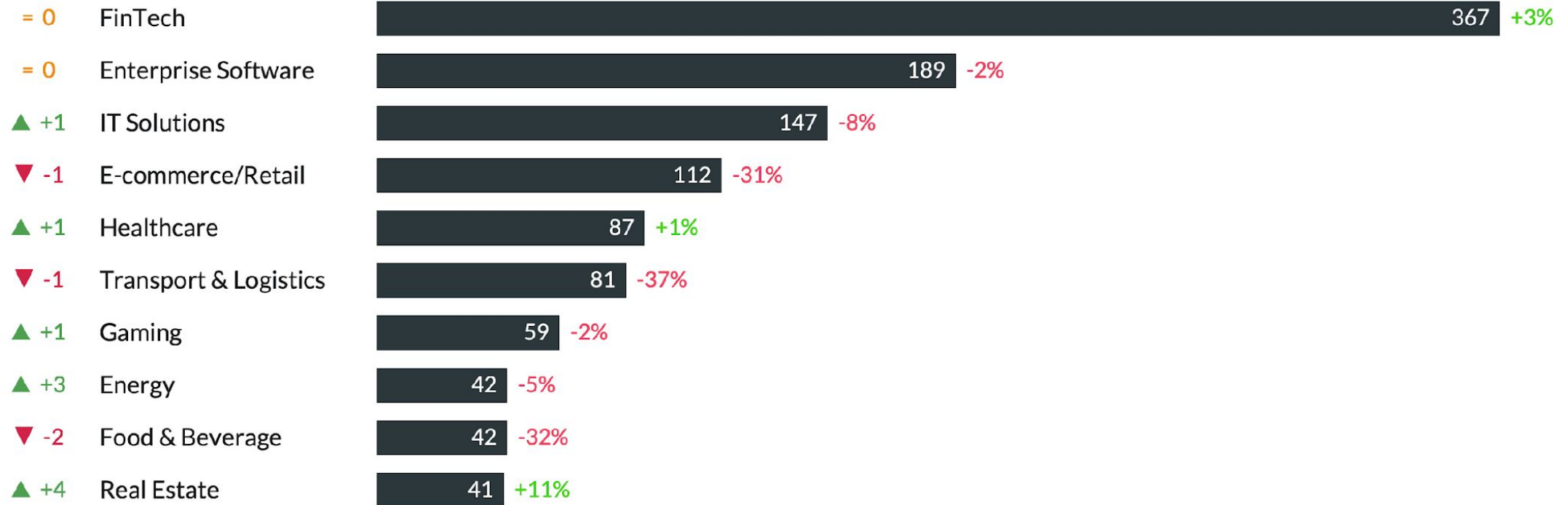
Rank Change, \$M, (2025 vs 2024)



The decline in deal activity across most top industries reflects broader market decline, yet FinTech's continued dominance underscores its position as the most transacted industry with 367 deals, a 3% YoY increase. The top five industries accounted for 59% of total deals in 2025, slightly up from 58% in 2024

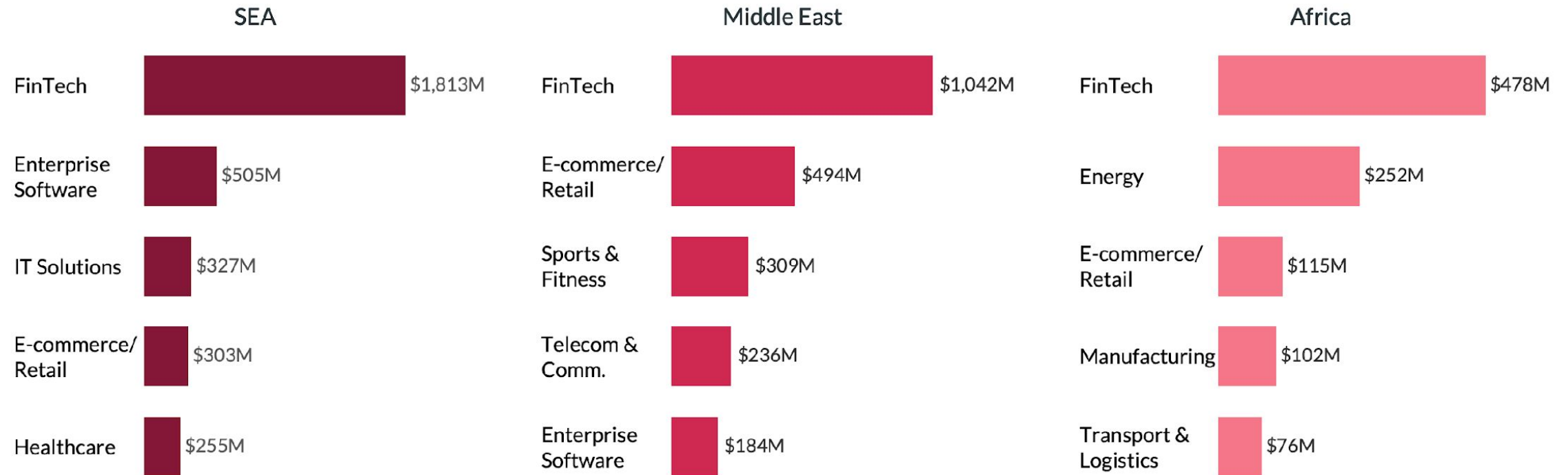
Most Active Industries by Number of Deals (#) in EVM

Rank Change, # of Deals, (2025 vs 2024)



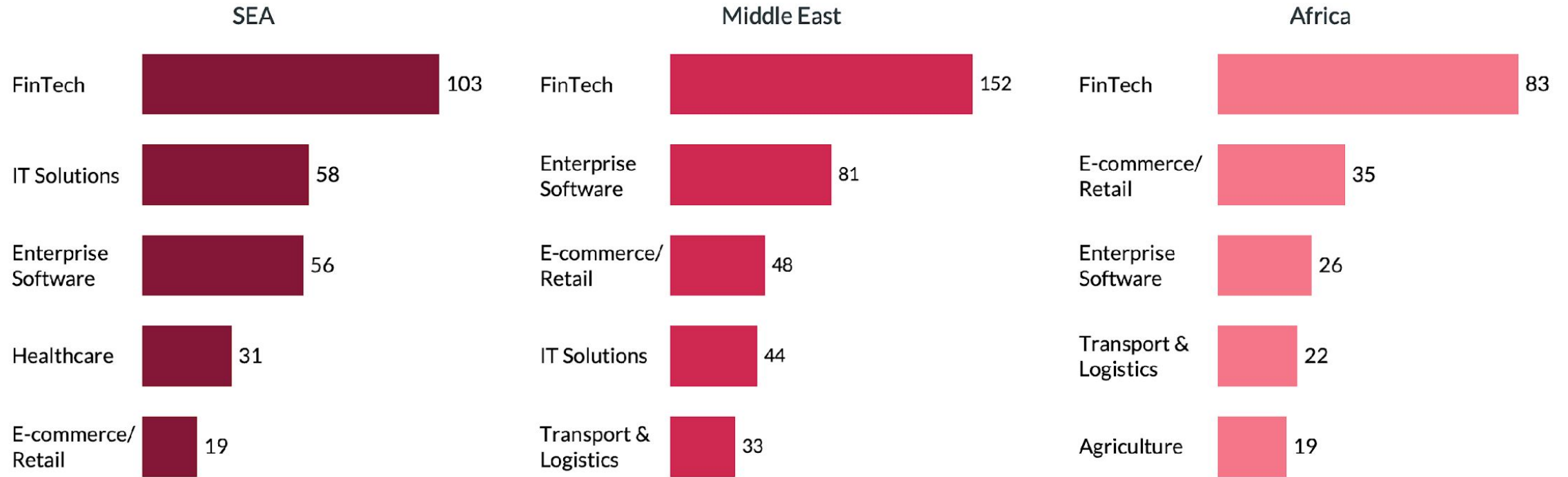
FinTech remains the most funded sector across all three regions, supported by events like Money20/20, the Arab FinTech Forum, and the FinTech Summit Singapore. In the Middle East, FinTech funding grew 164% YoY, driven by MEGA rounds including Tabby and Hala, along with a 182% YoY rise in Series A and B funding

Regional Most Active Industries by Total Funding (\$M) in SEA, Middle East & Africa



FinTech retained its spot as the most transacted industry across all three regions, with the Middle East recording the highest activity in 2025 at 152 deals, up 48% YoY, capturing 26% of the region's total deals, compared to 23% in SEA and 28% in Africa

Regional Most Active Industries by No. of Deals (#) in SEA, Middle East & Africa



Insights from the Ecosystem

“Cash usage has declined sharply now averaging only 20% among GCC consumers, according to Visa’s Where Cash Hides report.”



Godfrey Sullivan

Senior Vice President,
head of products & solutions
CEMEA at Visa



The GCC’s rapid shift to digital payments is transforming the region’s fintech and venture landscape. Cash usage has declined sharply - now averaging only 20% among GCC consumers, according to Visa’s Where Cash Hides report - while national economic strategies combined with a highly connected population, continue to accelerate demand for seamless and secure digital experiences. This momentum has positioned the region as a launchpad for innovations such as biometric authentication and tokenization, with the GCC now among global leaders in tokenized transactions.

For startups, this shift is creating new opportunities, from building financial services directly into apps, to developing tools for wealth management and regulatory compliance. Venture activity mirrors this trajectory: fintech remains the region’s most funded sector, supported by sovereign wealth

capital and regulatory sandboxes that help companies reach market faster.

As the next era of digital commerce takes shape, Visa is helping startups innovate and scale. Through Visa Intelligent Commerce, developers can access building blocks such as tokenized payments, passkey authentication, and agent identity protocols via APIs - enabling them to design secure, autonomous shopping and payment experiences from day one. In parallel, Visa’s work on stablecoin settlement and blockchain-based value transfer is creating new, efficient rails for global money movement, expanding the tools available to startups as they build for the future.



Research Sessions

Want expert advice?

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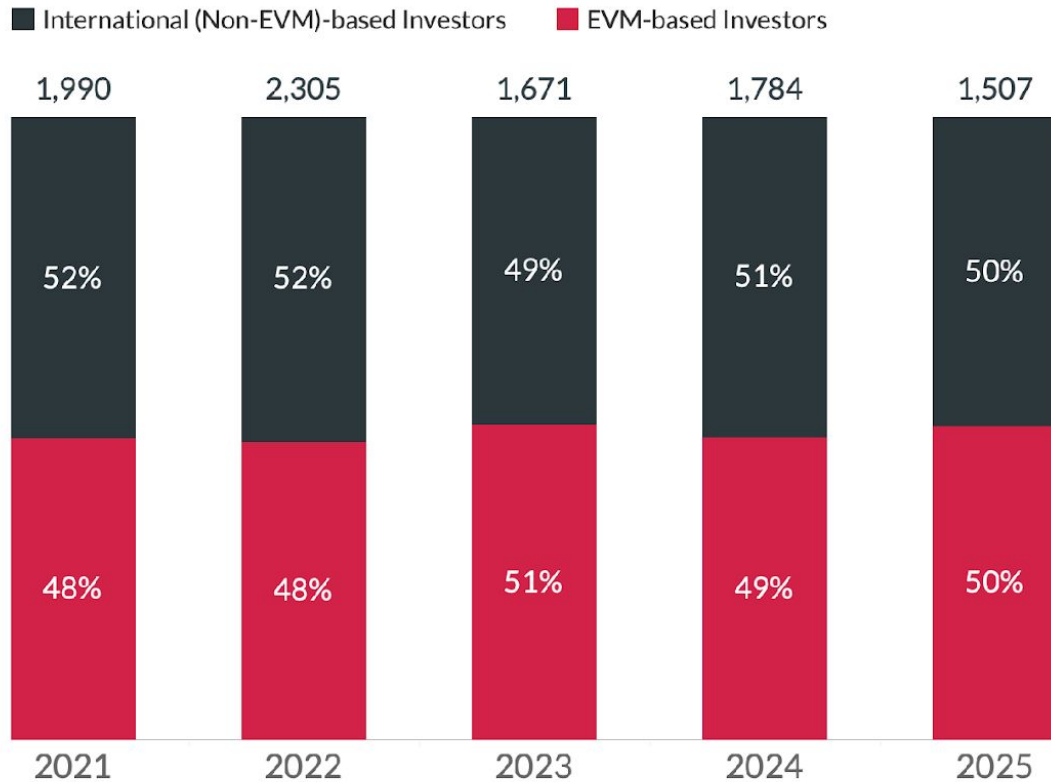
Investor Analysis



Investor activity across EVMs declined YoY from its 2022 peak, reaching a five-year low of 1,507 investors in 2025. However, participation remained geographically diversified, with the USA representing the largest single source of investors at 21% of total unique investors

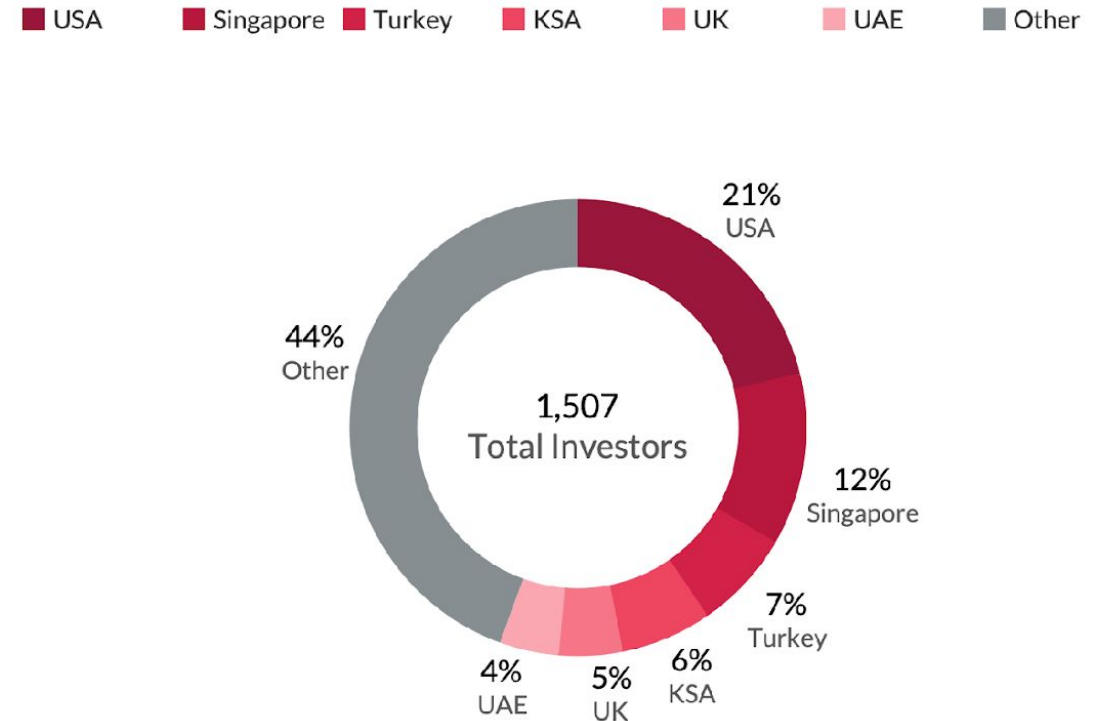
EVM Breakdown of Investors by EVM/International

% share, Number of Investors, (2021 - 2025)



EVM Breakdown of Investors by Country of Origin

% share, (2025)



During 2025, Antler, 500 Global, and +VC ranked as the top three investors by deal count. While all three invested across EVM regions, Antler and 500 Global focused primarily on Southeast Asia, while +VC concentrated mostly on the Middle East, with some activity in North Africa

Most Active Investors by # of Deals in EVMS

(2025)

Investor	HQ	Investor type	Estimated Capital Deployed	# of Investments
Antler	Singapore	Venture Capital (VC)	\$33.9M	62
500 Global	United States of America	Venture Capital (VC)	\$20.5M	55
+VC	United Arab Emirates	Venture Capital (VC)	\$6.3M	49
Orbit Ventures	Singapore	Venture Capital (VC)	\$6.0M	36
F6 Ventures	Egypt	Venture Capital (VC)	\$4.1M	28

In terms of capital deployed, Opportunity Ventures, GVC Capital Partners, and GIC ranked as the most active investors during 2025, with Opportunity Ventures committing \$250M to XPANCEO in the UAE

Most Active Investors by Deployed Capital in EVMS

(2025)

Investor	HQ	Investor type	# of Investments	Estimated Capital Deployed
Opportunity ventures	Hong Kong	Venture Capital (VC)	1	\$250M
CVC Capital Partners	Luxembourg	Asset Management	2	\$185M
GIC-Government of Singapore Investment Corporation	Singapore	Investment Company	1	\$135M
STV	Saudi Arabia	Venture Capital (VC)	15	\$98M
Accel	United States of America	Venture Capital (VC)	6	\$93M

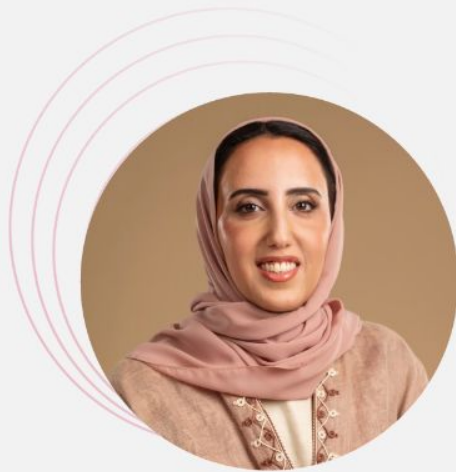
The largest five transactions in 2025 led by Airwallex (\$330M) and followed closely by other major transactions, collectively represented 13% of total EVM funding, reflecting a strong concentration of MEGA rounds in the GCC and Singapore

Five Largest Transactions in EVMs by Disclosed Funding (2025)

Startup	Industry	HQ Location	Investors	Amount (\$)
Airwallex	FinTech	Singapore	Robinhood Ventures,Lingotto Investment,T. Rowe Price,Addition,Activant Capital,TIAA Ventures	\$330M
Ninja	E-commerce/Retail	Saudi Arabia	VII Ventures ,Altea Partners,Riyad Capital,Tamasuk Al Rajhi	\$254M
XPANCEO	Sports & Fitness	United Arab Emirates	Opportunity ventures	\$250M
Airalo	Telecom & Comm.	United Arab Emirates	Antler,CVC Capital Partners,Peak XV Partners	\$220M
SupaBase	Enterprise Software	Singapore	Coatue Management,Felicis Ventures,Y Combinator,Craft Ventures,Accel	\$200M

Insights from the Ecosystem

“The long-term impact will be driven by how effectively founders are connected to capital, customers and real market opportunities.”



**Basma AlBadi
AIDhaheri**

Head of Value Creation
at HUB71

HUB71

Abu Dhabi’s increased investment in the venture ecosystem is fundamentally changing how and where economic value is created. The focus has shifted from enabling startups to actively accelerating their ability to scale efficiently and compete globally.

The long-term impact will be driven by how effectively founders are connected to capital, customers and real market opportunities. In Abu Dhabi, these elements are increasingly integrated, allowing startups in sectors such as AI, ClimateTech and FinTech to move faster from product development to commercial scale.

At Hub71, our role is to ensure that high-potential startups can translate innovation into sustainable growth by accessing the right partnerships, talent and international pathways at the right time. Looking ahead, the priority is not just expansion but by scaling proven models, strengthening cross-border engagement and continuously removing barriers for founders with global ambitions. That is where lasting economic value will be created.

Custom Solutions

Custom charts, tags, and colours.

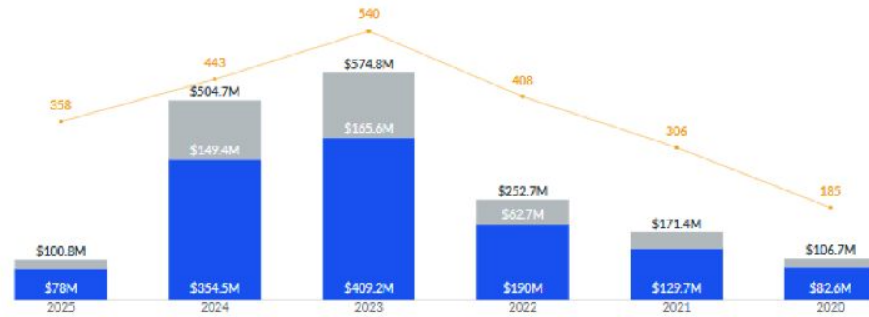
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Total Funding by Stage 5 year evolution

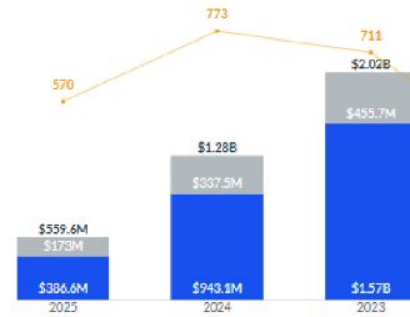
Pre-SEED

of Deals Mega Deals (100M+) Undisclosed Deals Deals (<100M)



SEED

of Deals Mega Deals (100M+) Undisclosed Deals



Series A

of Deals Mega Deals (100M+) Undisclosed Deals Deals (<100M)



Late Stage

of Deals Mega Deals (100M+) Undisclosed Deals



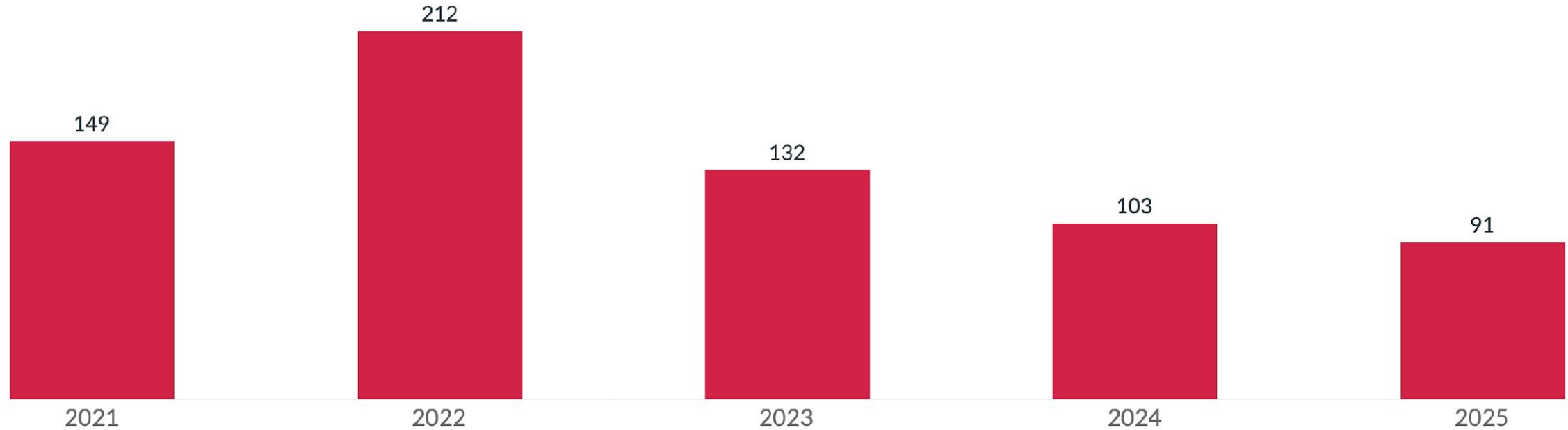
M&A Evolution



M&A activity across EVMs slowed YoY for the third year in a row, with only 91 transactions recorded in 2025, in contrast to the Middle East and Africa, which saw an 19% and 12% YoY increase in M&A activity during 2025, respectively, led by the UAE and Egypt as the most active market with a strong international appetite

Overall EVM M&A Evolution

of M&As, (2021 - 2025)



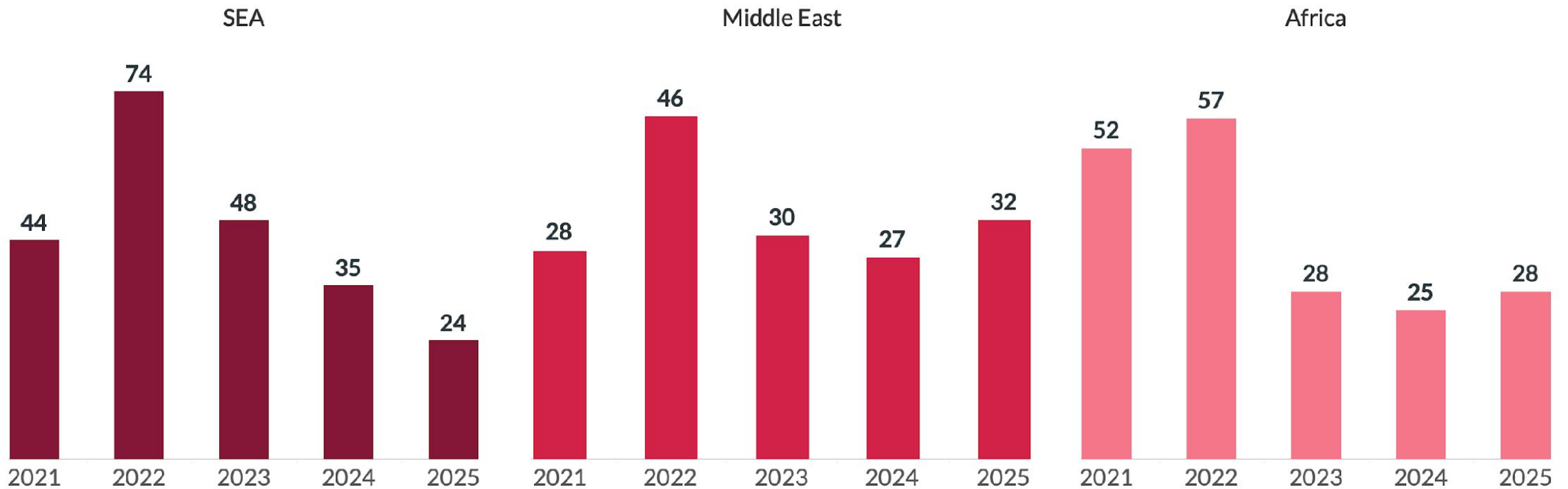


M&A activity peaked across all three regions in 2022 before declining steadily, with the Middle East and Africa showing signs of stabilization in 2025 at 32 and 28 deals, respectively, while SEA continued its decline to 24 M&As during 2025

M&A Annual Evolution in SEA, Middle East, Africa

of M&As, (2021 - 2025)

SEA Middle East Africa



Insights from the Ecosystem

“High-quality targets are still able to demand tight diligence windows and exclusivity periods to preserve competitive tension.”



Abdullah Mutawi
Partner at Taylor Wessing
TaylorWessing

The recent rise in M&A activity across the Middle East and wider Emerging Venture Markets reflects both strategic demand and a maturing venture ecosystem. Regional corporates are accelerating digital transformation and increasingly acquiring proven tech capabilities rather than building them internally.

We are also seeing more corporates establishing CVC arms, creating additional channels for venture-building, spin-outs and targeted M&A. At the same time, many venture-backed companies have reached a point where sustainable unit economics, governance maturity and regional scale are better achieved through business combinations, driving both consolidation and roll-up or platform-building strategies.

From a legal and transactional standpoint, deal structures and diligence have become more

rigorous, although high-quality targets are still able to demand tight diligence windows and exclusivity periods to preserve competitive tension. Buyers are seeking clearer visibility on regulatory compliance—particularly in data, payments and health—alongside more robust financial disclosures. Earn-outs, deferred consideration, enhanced warranty and indemnity protections and tighter conditions precedent are increasingly common, while W&I insurance is being adopted more widely to streamline execution.

An additional trend is the use of share capital, alongside or in lieu of cash, as consideration. This introduces mutual due diligence and valuation workstreams and necessitates dual-side warranties. Overall, the market is moving toward a more disciplined, risk-managed M&A environment favouring companies with strong fundamentals and clean governance.

Methodology



MAGNiTT Methodology

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.

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.

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 programmes, 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.

Data lags: The data contained in this report comes directly from MAGNiTT, reported as of **January 5, 2026**. 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 analysed is based on the startup's HQ as chosen and verified by the startup and reflected on the MAGNiTT platform. When analysing 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 analysed is based on the startup's Primary Industry (main operational focus) as chosen and verified by the startup and reflected on the MAGNiTT platform. When analysing a particular industry, our research does not include:

- Startups whose secondary focus is that industry

Historical changes: We continue to improve historical data as we further verify our data sets and expand by geography while reaching out to new funding Institutions. Continued improvements in our technology and data operations will lead to more accurate and comprehensive data sets on the platform for our research analysis.

About MAGNiTT





MAGNiTT is the leading Private Equity, Venture Capital, and Venture Debt data intelligence platform for Emerging Venture Markets.

Based in the GCC and active across multiple high-growth regions, including the Middle East, Africa, Southeast Asia, Pakistan & Türkiye. MAGNiTT serves as the data authority for MENA private capital, supporting informed decision-making for governments, institutional investors, and market participants operating in complex and historically opaque markets.

The Market Challenge

Emerging venture markets are among the fastest-growing private capital ecosystems globally, yet they remain some of the most difficult to analyse. Inconsistent disclosures, fragmented reporting, and limited historical depth continue to constrain policymakers, investors, and advisors' ability to assess risk, benchmark performance, and allocate capital with confidence. As these markets mature and integrate into global capital flows, data quality and comparability have become critical constraints on sustainable growth.

Who does MAGNiTT Support

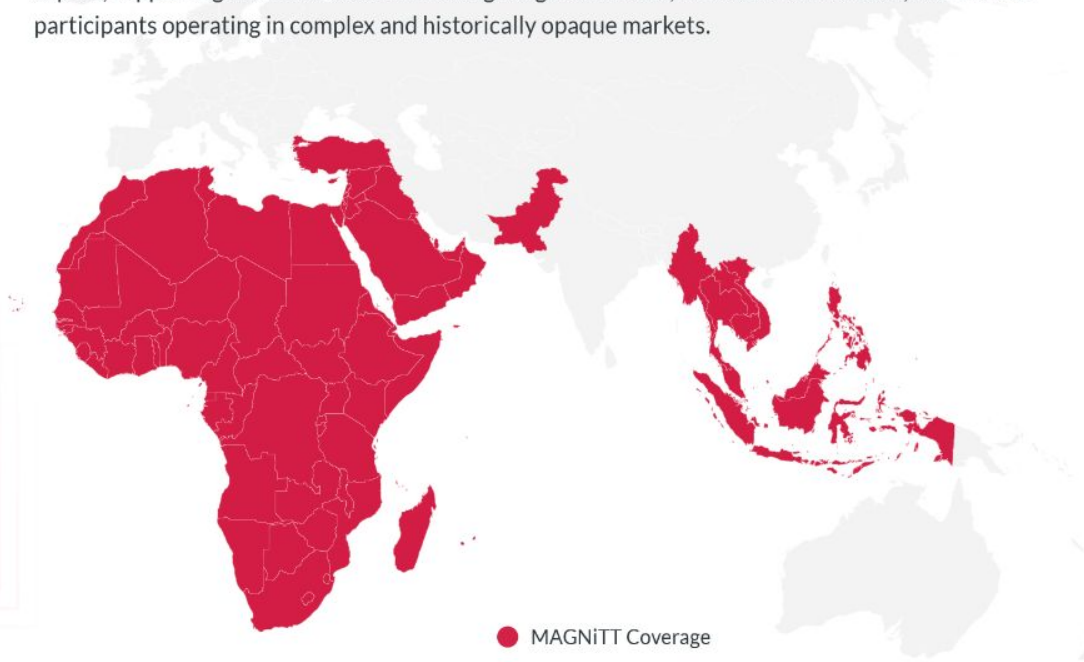
The platform tracks venture capital, private equity, and venture debt activity, maintaining comprehensive datasets on companies, investors, investment rounds, and exits. MAGNiTT is widely used by regional governments and sovereign entities, global institutional investors, corporates, consulting firms, and media organisations seeking credible insight into private capital activity in emerging markets.

MAGNiTT's Role as Markets Mature

As private capital becomes an increasingly central driver of economic development in emerging markets, the need for accurate, timely, and globally comparable data will only intensify. MAGNiTT's role is to provide the foundational data infrastructure and intelligence layer that underpins this next phase of market development, enabling policymakers, investors, and advisors to evaluate opportunities, manage risk, and benchmark emerging markets with the same level of confidence as in more established economies.

Our data

34,800	22,500	15,000	10,500	6,700	1,300
Startups	Funding Rounds	Investment Firms	Founders	Investors	Exits



We are the Reference for



MAGNiTT

Filling the VC & PE Data Gap



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