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2025 YEAR IN REVIEW

INVESTMENTS IN MENA

INVESTMENT OVERVIEW 2025

> 2025 marked an exceptional year for the Middle East and North Africa (MENA) startup ecosystem in both investment volume and value.

A total of 647 startups raised $7.5 billion during the year, representing a sharp 225% year-on-year (YoY) increase. Even after excluding debt financing from both years, which accounted for $4 billion of the total raised in 2025, equity-led investment still recorded a solid 77% YoY growth, pointing to a broad-based expansion rather than a purely leverage-driven surge.

While the year opened on a strong footing, momentum accelerated notably in the second half. Between July and December, 310 startups secured $5.7 billion in funding, driven primarily by a standout third quarter that alone accounted for $4.5 billion across 180 transactions. In contrast, the first half of the year saw 335 deals collectively raise $2 billion, highlighting a clear skew in capital deployment toward the latter part of the year.

Beyond the growing role of debt financing, 2025 was characterised by the concentration of capital in a series of mega deals. High-value transactions involving XPANCEO, Ninja, Tabby, Lendo, Property Finder, and Tamara's landmark $2.4 billion deal played a defining role in shaping overall investment outcomes for the year.

Regional investors remained the most active participants in the ecosystem, engaging in 413 transactions, equivalent to 64% of total deal count. Saudi Arabia emerged as the primary source of regional capital, financing 227 deals on its own. At the same time, US-based investors demonstrated heightened interest in MENA startups, backing 144 companies as part of the 261 deals involving foreign investors, signalling a sustained international appetite for the region's entrepreneurial landscape.

INVESTMENT OVERVIEW 2025

$7.5B INVESTED ACROSS
647 MENA STARTUPS IN 2025

225%
YoY Increase

77% Equity Funding YoY Growth

$5.7B
Raised in H2
Led by Record $4.5B in Q3

MEGA DEALS DEFINED THE YEAR

- Tamara
- XPANCEO
- Ninja
- Tabby
- Lendo
- Property Finder

64%
of Deals
Regional Investors Led Activity
Saudi Arabia as Top Source of Capital

144
MENA Startups
were backed by US-based investors

INVESTMENT BY **COUNTRY**

Saudi Arabia reclaimed the top position in 2025, attracting $5 billion across 211 deals, placing it well ahead of its closest GCC peer.

The UAE followed, securing $2 billion through 218 startups, while Egypt ranked third with $263 million raised across 89 deals over the year.

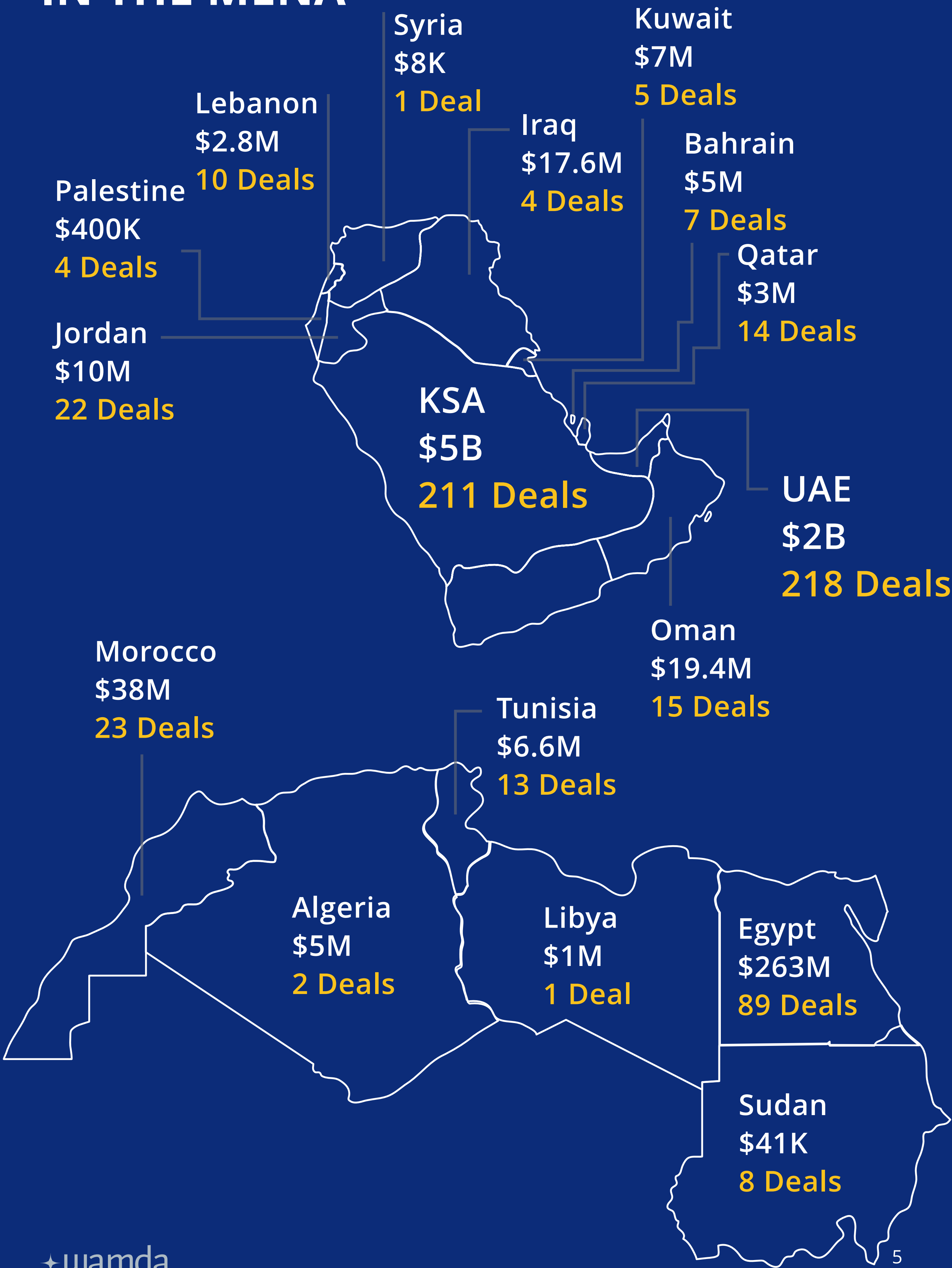
Within the GCC, activity extended beyond the two leading markets. Oman ranked fifth with $19.4 million raised across 15 deals, marking a decline from the $41.5 million recorded the previous year. Kuwait, Bahrain, and Qatar also remained present on the investment map, collectively raising $15.6 million amid relatively subdued yet resilient activity levels.

Iraq also featured among the region's funded markets, ranking sixth overall after raising $17.6 million through four deals.

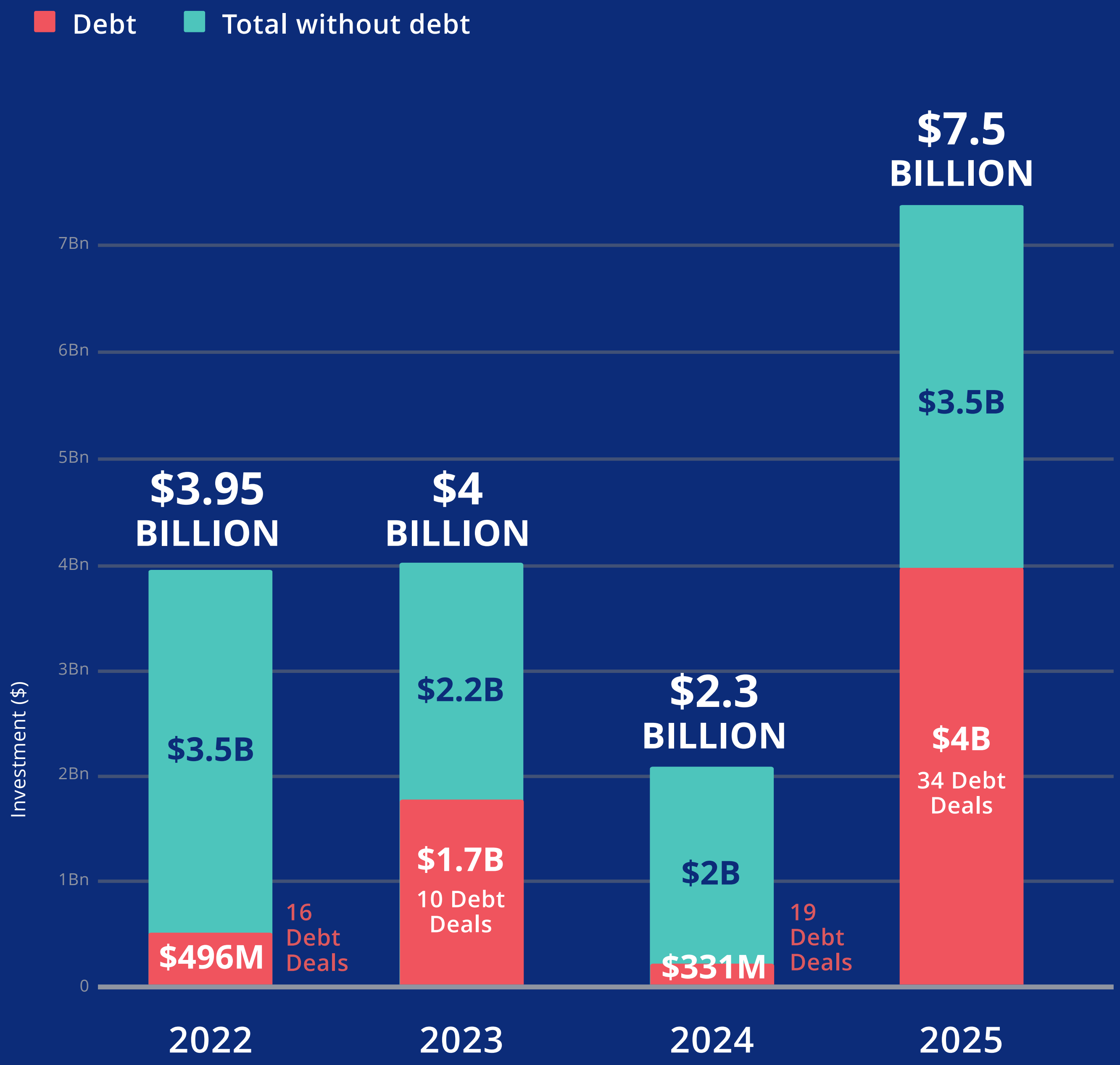
In North Africa, investor interest remained evident, led by Morocco, where 23 startups raised $37.9 million, positioning the country as the fourth most funded ecosystem in MENA. Tunisia followed with $6.6 million raised across 13 rounds, while Algeria secured $5 million through two deals. Libya recorded a single transaction, valued at approximately $1 million.

Across the Levant, Lebanon, Syria, and Palestine collectively raised $3.2 million. Jordanian startups raised $10 million across 22 deals, down from the $15 million secured in the previous year.

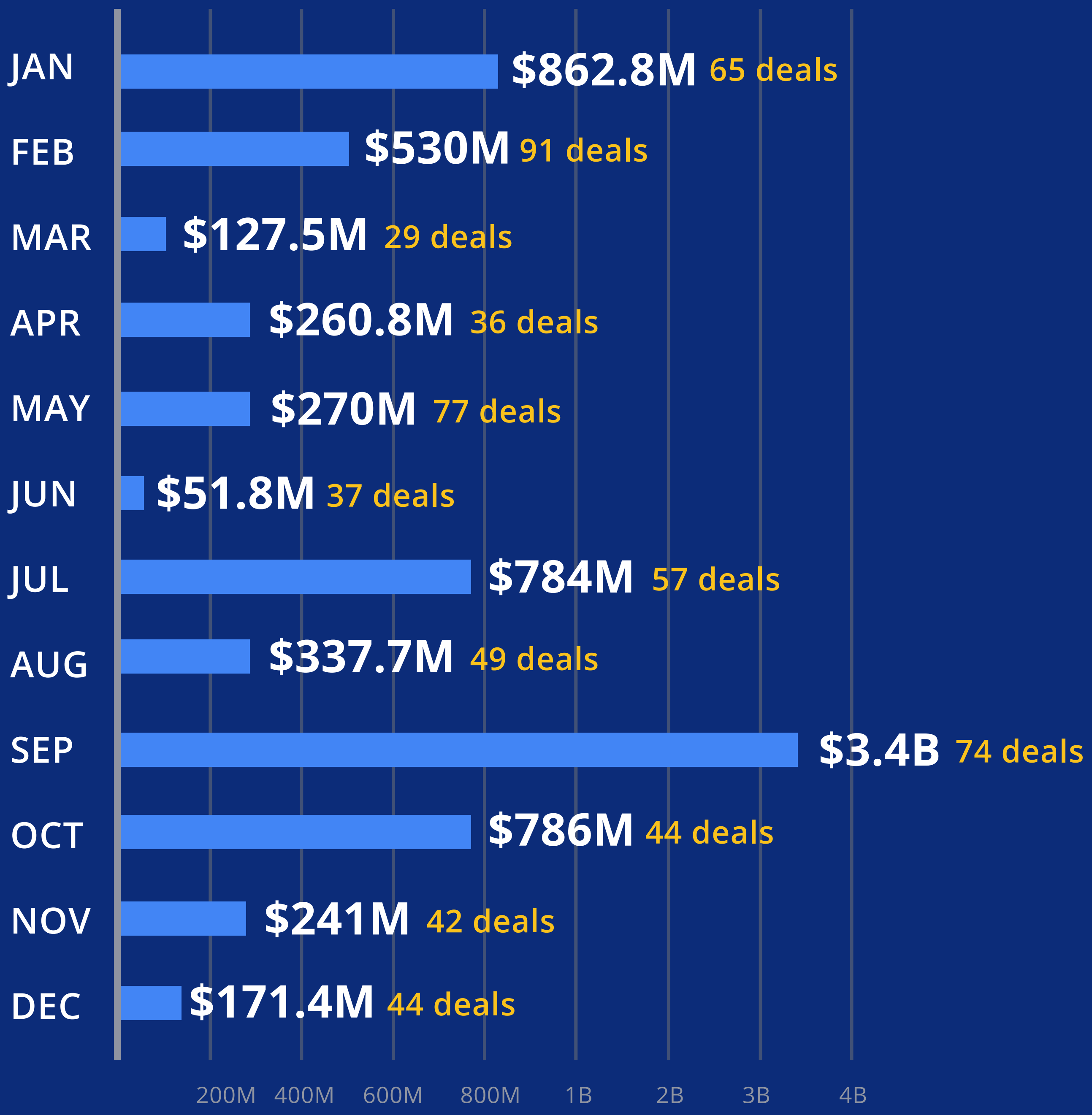
INVESTMENTS BY COUNTRY IN THE MENA



VALUE OF INVESTMENTS 2022-2025



MONTHLY INVESTMENTS IN MENA



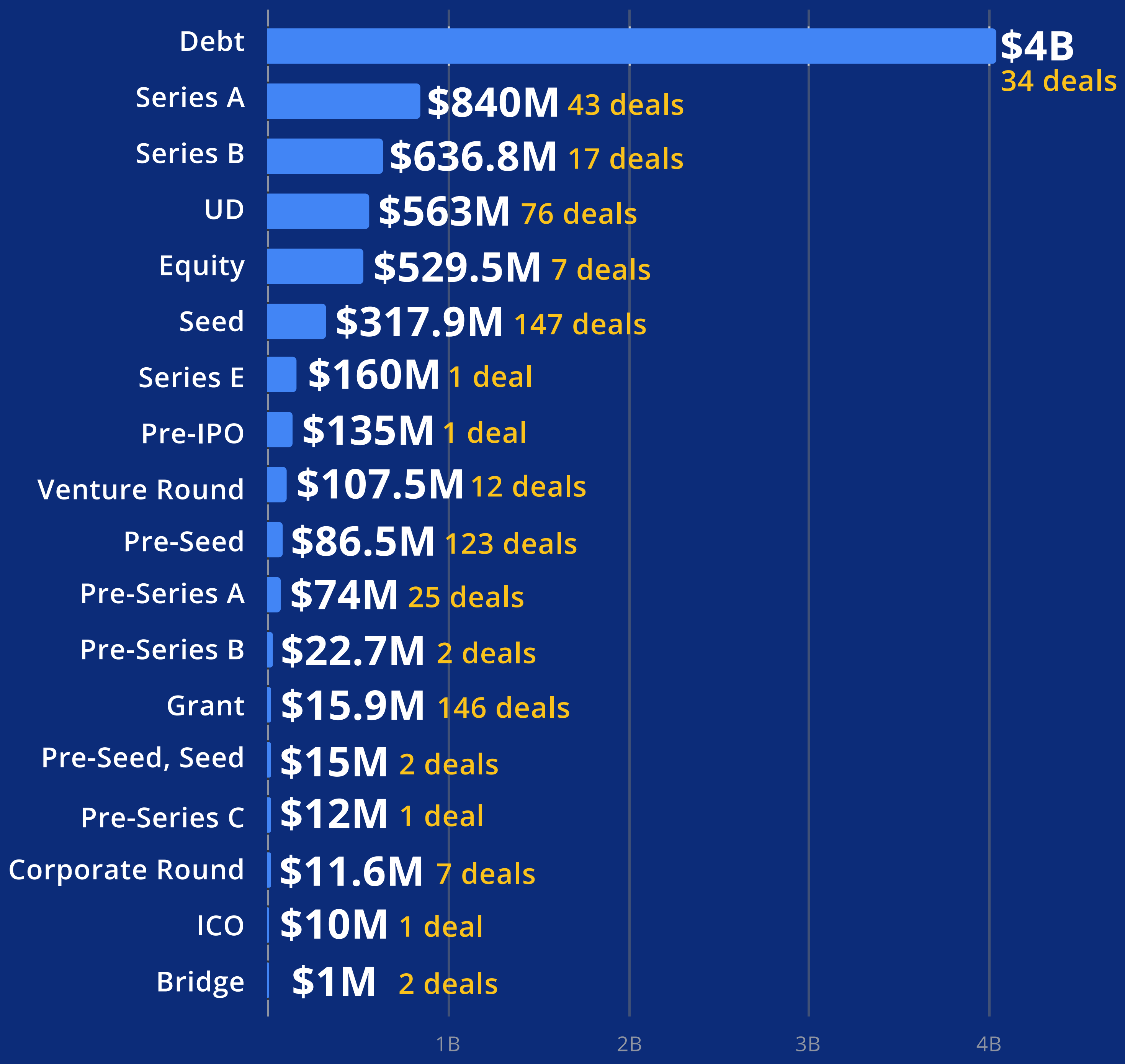
DEALS BREAKDOWN BY **FUNDING STAGE**

> Debt financing accounted for more than half of capital deployed in 2025, spread across 34 transactions.

Alongside this, investor interest remained evident at later stages of growth, with 17 Series B rounds raising a combined $636.8 million, a Series E round secured by Tabby, and a pre-IPO round for IMENA Group amounting to $135 million.

Early-stage startups attracted the bulk of investor backing in 2025, dominating investment activity in both deal volume and capital raised. Early-stage companies secured $1.3 billion across 486 deals, compared with $1 billion deployed through 44 later-stage transactions. The remaining deals did not disclose the funding stage at which the rounds were closed.

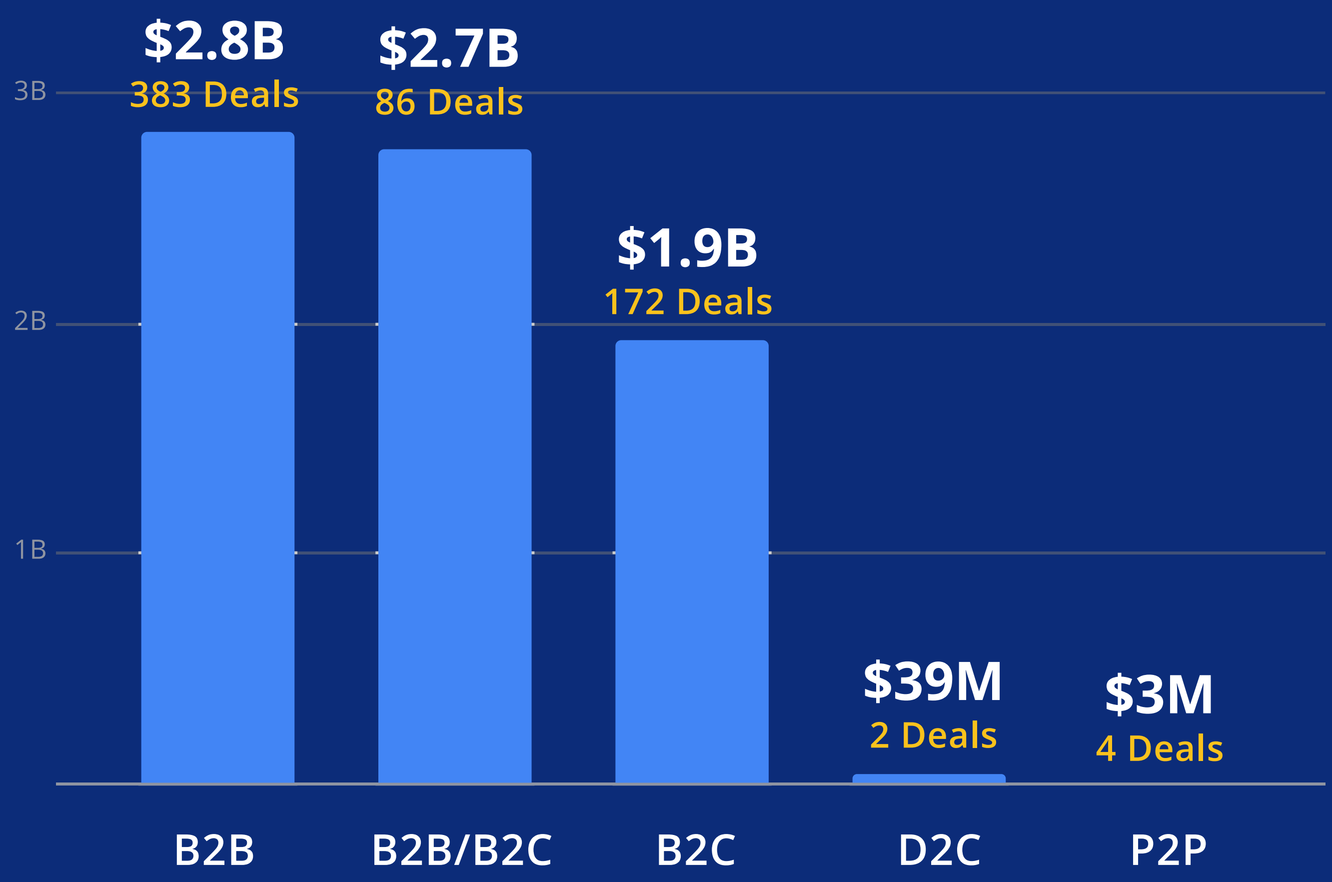
INVESTMENTS BY FUNDING STAGE



B2B VS B2C

Investor preference in 2025 tilted toward enterprise-focused business models.

Business-to-business (B2B) startups attracted $2.8 billion across 383 deals, reinforcing sustained confidence in scalable enterprise solutions. Business-to-consumer (B2C) startups raised $1.9 billion through 172 deals, while companies operating hybrid B2B and B2C models secured $2.7 billion across 86 transactions.



VALUE OF INVESTMENTS **IN MENA BY SECTOR**

As in previous years, fintech remained the dominant sector in terms of capital raised.

Investment into fintech surged by 527% YoY, accounting for 58% of total funding in 2025, as 141 startups collectively raised $4.4 billion. A significant share of this capital was driven by buy now, pay later (BNPL) debt financing. Nevertheless, the scale and breadth of investment suggest that the sector continues to offer growth opportunities and remains a preferred destination for investor capital.

Proptech followed as the second most funded sector, with $1 billion invested across 36 startups, largely driven by Property Finder’s two funding rounds, which together amounted to $775 million. E-commerce retained its appeal, raising $372.5 million across 48 rounds.

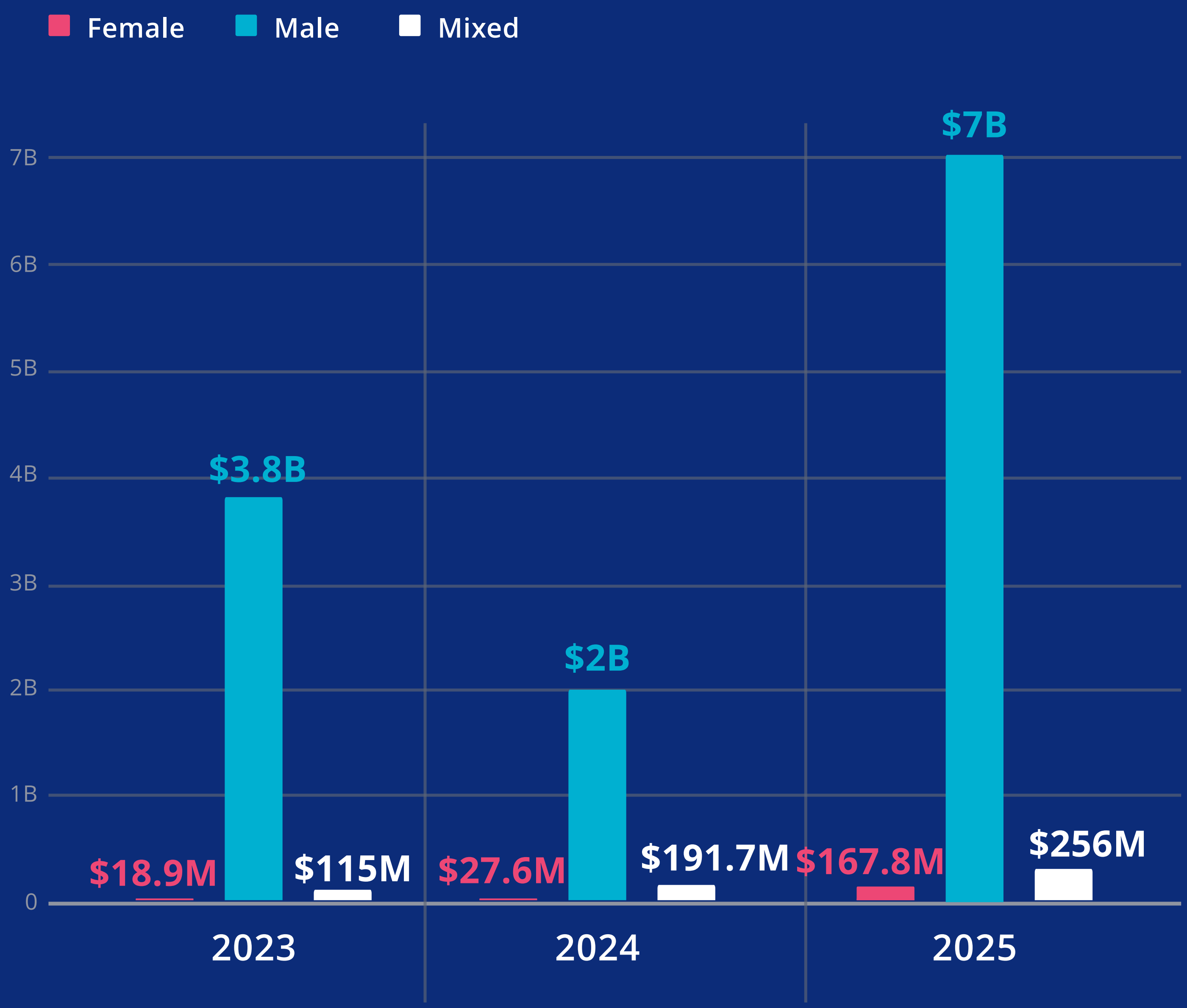
Other technology-driven sectors also maintained steady investor interest. Deeptech, SaaS, and AI solutions ranked fourth, fifth, and sixth, raising $281 million, $256.7 million, and $147.5 million, respectively.

VALUE OF INVESTMENTS BY SECTOR

INVESTMENTS **BY GENDER**

Gender-based funding metrics showed modest improvement in 2025.

Investment into female-led startups increased from 1.2% of total funding in 2024 to 2.2% in 2025. Startups co-founded by male and female teams recorded stronger gains, raising $256 million across 76 startups, equivalent to 3.4% of total investment. The remaining share of funding was directed toward male-founded startups.



TOP INVESTORS

RZM Investment
7 Deals

Sanabil 500 MENA
22 Deals

Plus VC
17 Deals

Orbit Startups
15 Deals

Antler
8 Deals

Raed Ventures
12 Deals

Impact46
14 Deals

Merak capital
22 Deals

Oraseya Capital
11 Deals

Mbrif Innovation Accelerator
11 Deals

Shorooq Partners
7 Deals

Wa'ed Ventures
10 Deals

Endeavor Catalyst
10 Deals

Plug and Play
8 Deals

Orange Corners
8 Deals

MOST ACTIVE REGIONAL AND FOREIGN INVESTORS

Top Regional Investors:

KSA
227 Deals

UAE
114 Deals

Egypt
41 Deals

Jordan
10 Deals

Morocco
8 Deals

Tunisia
7 Deals

Bahrain
6 Deals

Kuwait
6 Deals

Qatar
5 Deals

Lebanon
3 Deals

Top Foreign Investors:

US
144 Deals

Singapore
46 Deals

UK
38 Deals

Netherlands
18 Deals

France
17 Deals

Germany
15 Deals

India
14 Deals

Nigeria
13 Deals

China
11 Deals

Kenya
10 Deals

MEGA DEALS

Erad
$125,000,000

Property Finder
$775,000,000

CredibleX
$100,000,000

Hala
$157,000,000

Tamara
$2,400,000,000

Ninja
250,000,000

XPANCEO
$250,000,000

iMENA Group
$135,000,000

Tabby
$160,000,000

Lendo
$740,000,000

413
Regional

$38M
Estimtae

261
Foreign investors

KSA INVESTMENTS 2025

Competition for the top-funded ecosystem in the region typically centres on Saudi Arabia and the UAE.

In 2025, Saudi Arabia clearly led, recording a substantial 618% YoY increase in funding and capturing the largest share of capital deployed across MENA. Sector-level analysis shows that fintech dominated the Saudi investment landscape, attracting $3.8 billion across 49 startups. This activity was heavily driven by debt financing, which accounted for 67% of total funding in the country and 92% of fintech-related investment.

E-commerce ranked second, raising $283 million across nine deals, followed by SaaS, which secured $135.4 million through 37 transactions.
The acceleration in Saudi investment activity was largely supported by national initiatives and government-backed entities alongside other regional investors. These players collectively backed 154 rounds in 2025, while international investors participated in 64 deals.

Saudi Arabia also hosted the majority of the region's later-stage activity, with 19 growth-stage deals totalling $803 million. At the same time, 161 early-stage startups raised $358.6 million, reflecting continued depth across the funding spectrum.

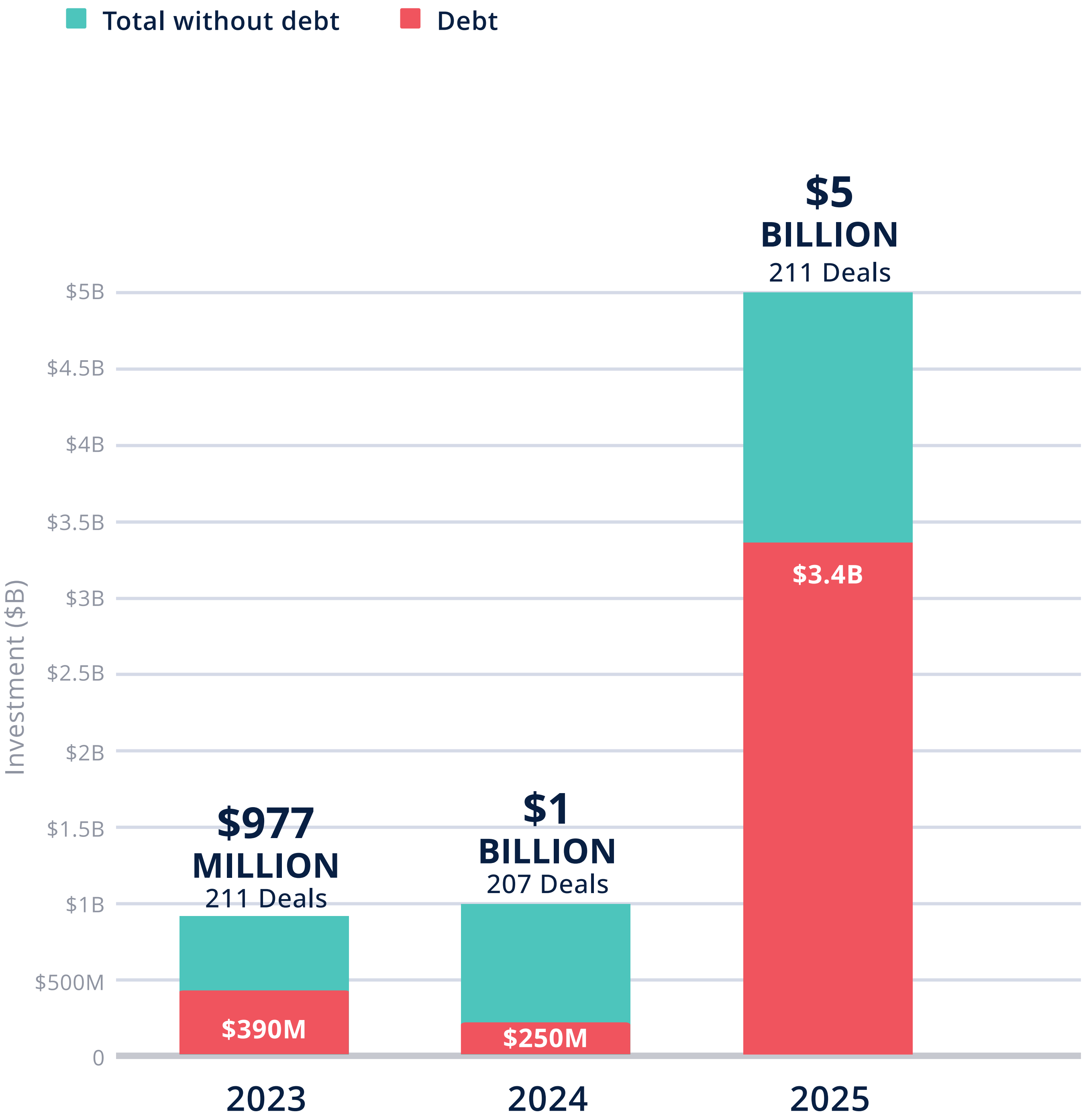
$5B
KSA total investments 2025

154
Foreign investors

211
deals closed in KSA

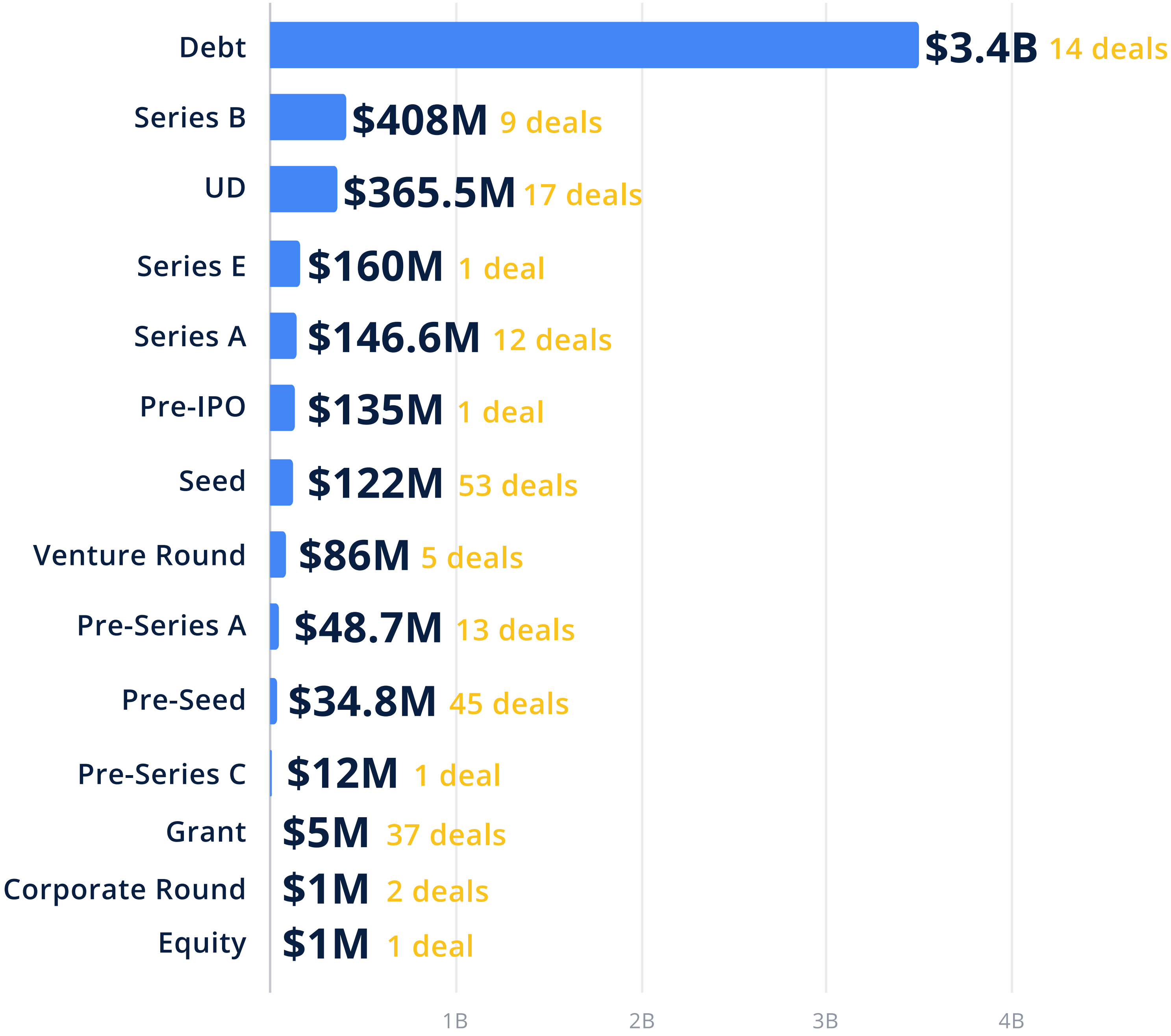
64
Regional

KSA INVESTMENTS BREAKDOWN 2023-2025



VALUE OF INVESTMENTS BY SECTOR IN KSA

INVESTMENTS BY FUNDING STAGE IN KSA



UAE INVESTMENTS 2025

Although it ceded its position as the top-funded ecosystem, the UAE continued to demonstrate its maturity and resilience in 2025.

The country recorded a 92% YoY increase in funding and sustained strong engagement from both regional and international investors, who participated in 109 and 117 deals, respectively.

Debt financing accounted for only 22% of the UAE's $2 billion raised, with the majority stemming from equity investments. Later-stage startups attracted particular attention, as 16 companies raised $759.6 million, while 162 early-stage startups secured $768.4 million.

Fintech led in deal activity, with 57 startups raising $497 million. However, proptech emerged as the most funded sector by value, with $868 million invested into 21 startups. Deeptech ranked third, raising $251 million across four deals, followed by AI-focused startups, which secured $112.5 million through 22 transactions.

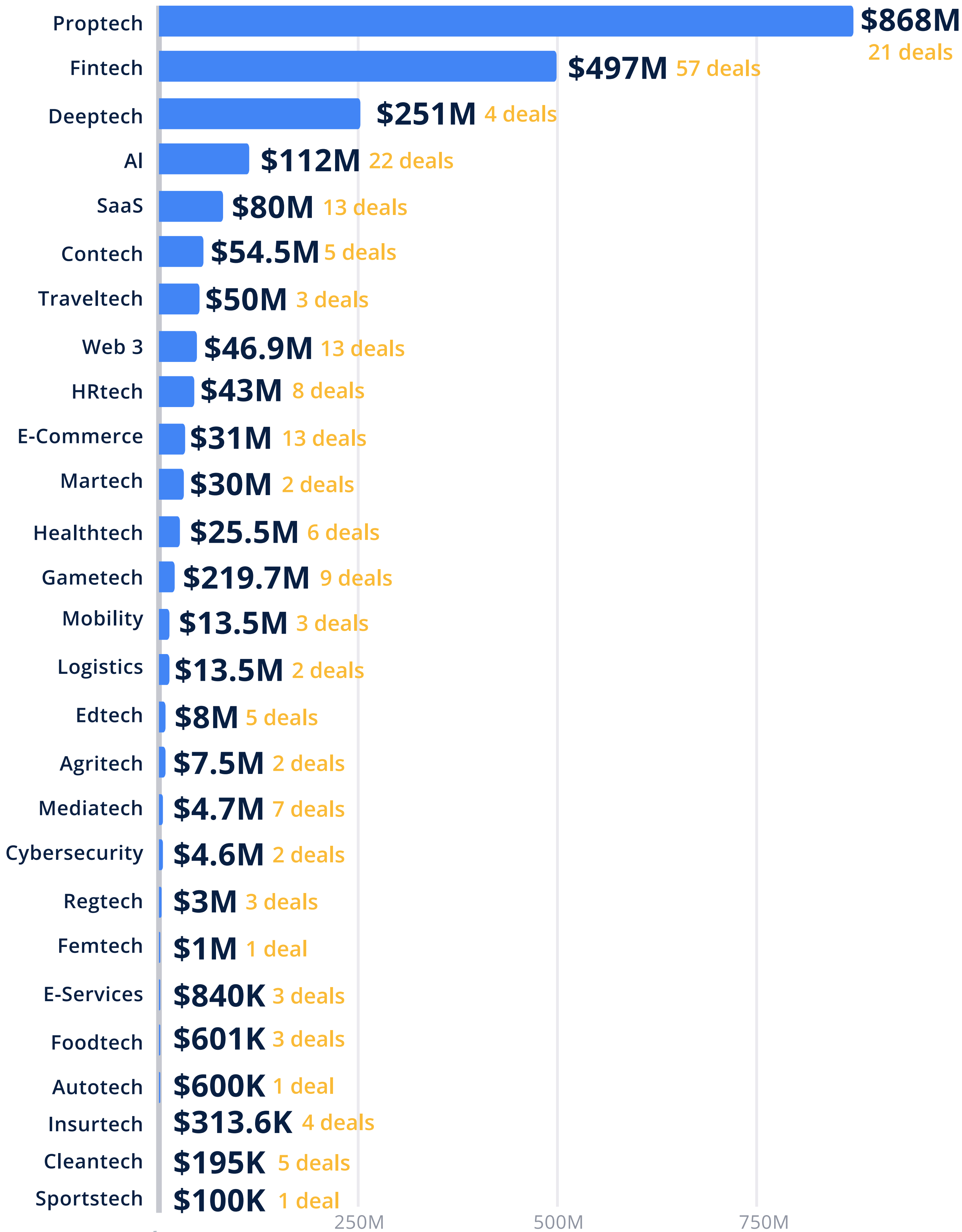
$2B
UAE total investments 2025

117
Foreign investors

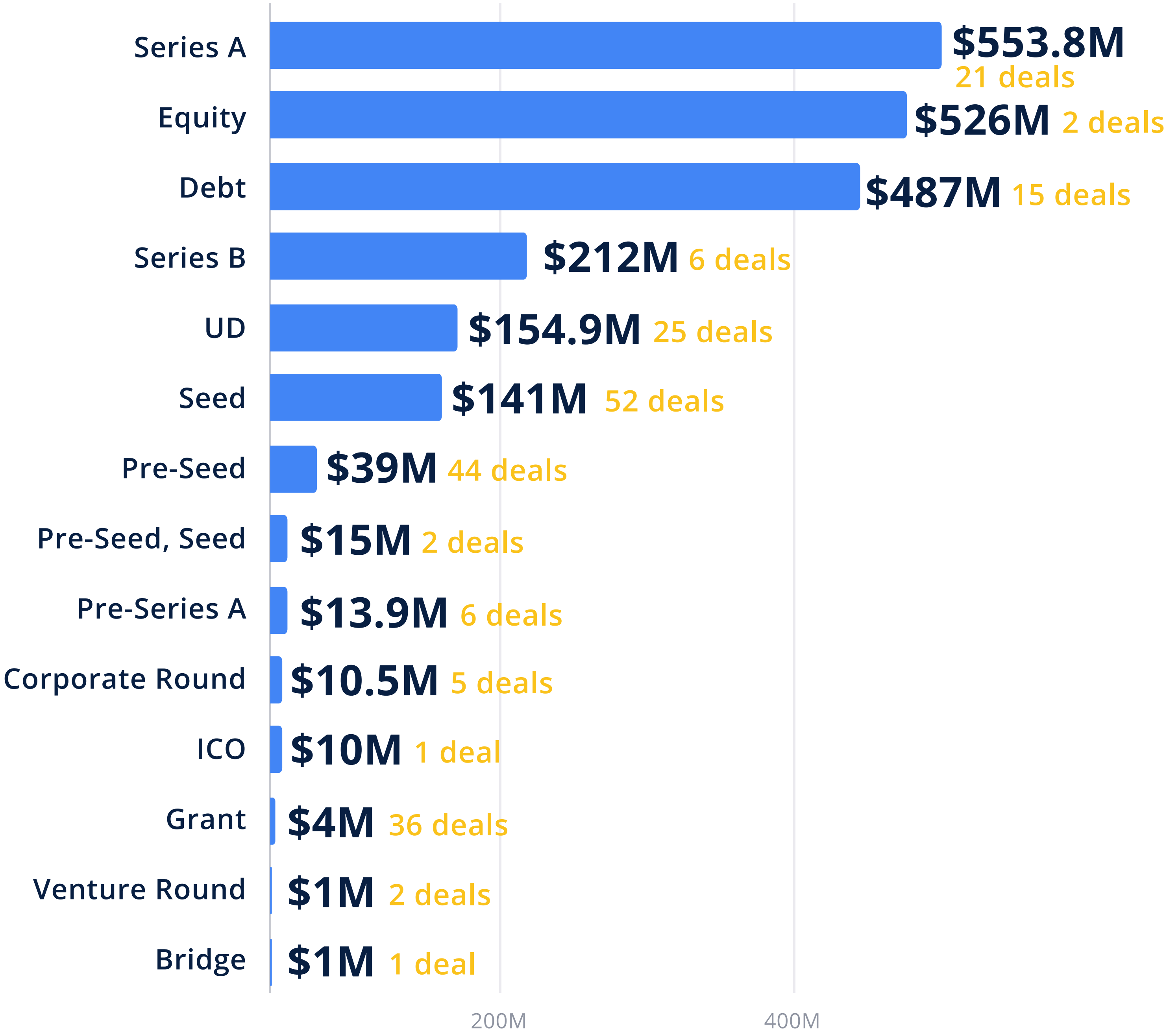
218
deals closed in UAE

109
Regional

VALUE OF INVESTMENTS BY SECTOR IN UAE



INVESTMENTS BY FUNDING STAGE IN UAE



EGYPT INVESTMENTS 2025

The Egyptian startup ecosystem experienced a challenging year in 2025.

While it retained its position as the third most funded market in the region, total investment declined by 21% YoY. Deal activity, however, showed a marginal increase, rising from 84 deals in 2024 to 89 in 2025. Debt financing accounted for nearly 19% of total funding.

Despite efforts to streamline company registration processes and promote entrepreneurship through various initiatives and public messaging, the regulatory environment remained a constraint, particularly in relation to foreign investment frameworks.

Several prominent local venture capital firms limited their activity during the year, largely focusing on follow-on investments within existing portfolios rather than backing new founders. Fund closures and new capital deployments remained notably limited.

Although Egypt's macroeconomic indicators showed signs of stabilisation in 2025, including easing inflation and rising foreign reserves, broader uncertainty continued to weigh on investor sentiment. Regional geopolitical tensions and potential disruptions to Suez Canal traffic remained key risk factors for the economy.

Of the 89 deals closed during the year, 43 involved foreign investors, while the remainder were backed primarily by regional capital. The market saw no mega deals, with only three later-stage transactions completed, totalling $33 million. Early-stage activity dominated, as 63 startups raised $133 million.

Sector-wise, proptech led investment in Egypt, raising $75 million across three deals. Fintech followed with $65.5 million raised through 16 transactions, while e-commerce startups secured $35 million across nine deals.

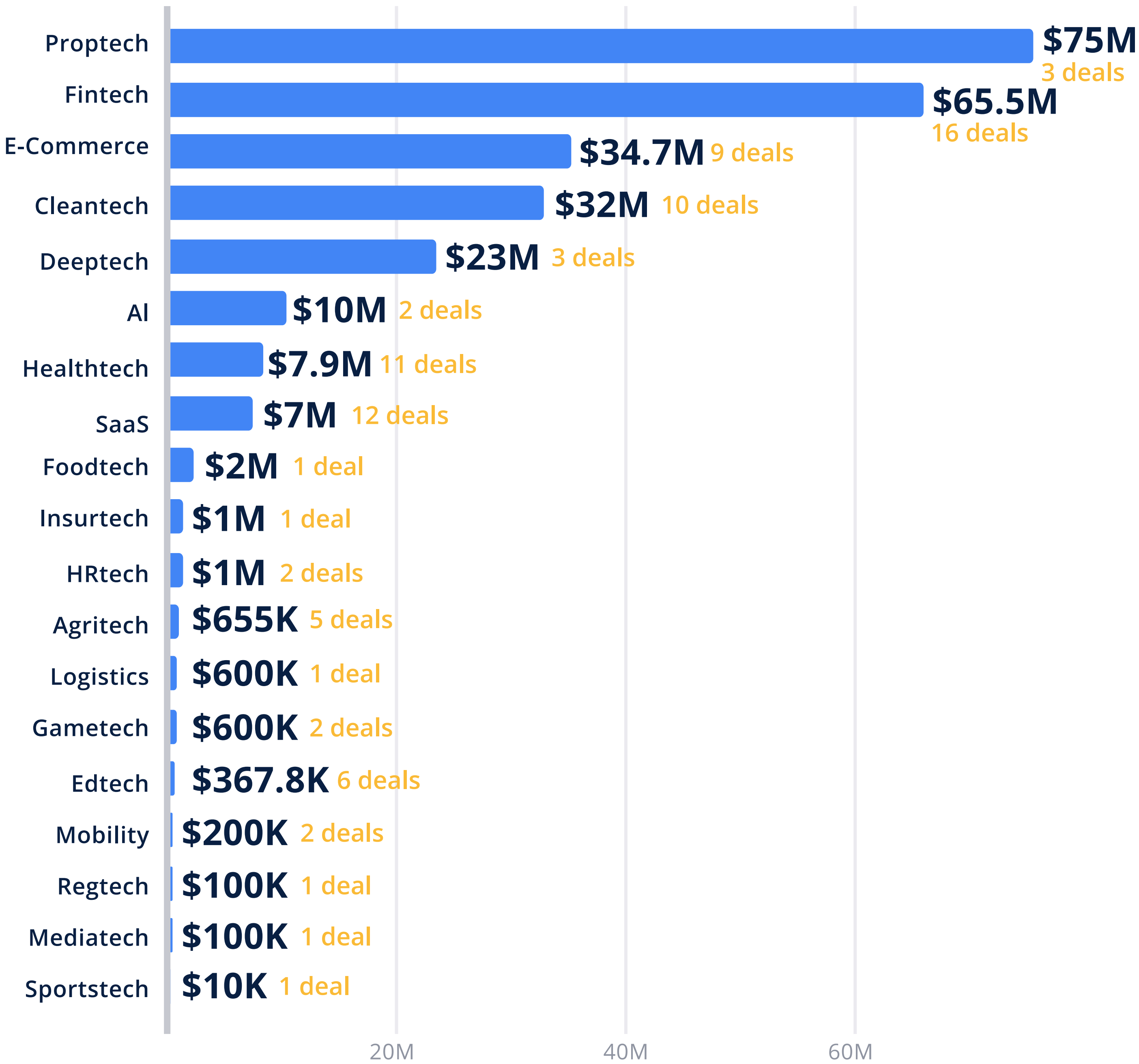
$263M
Egypt total investments 2025

43
Foreign investors

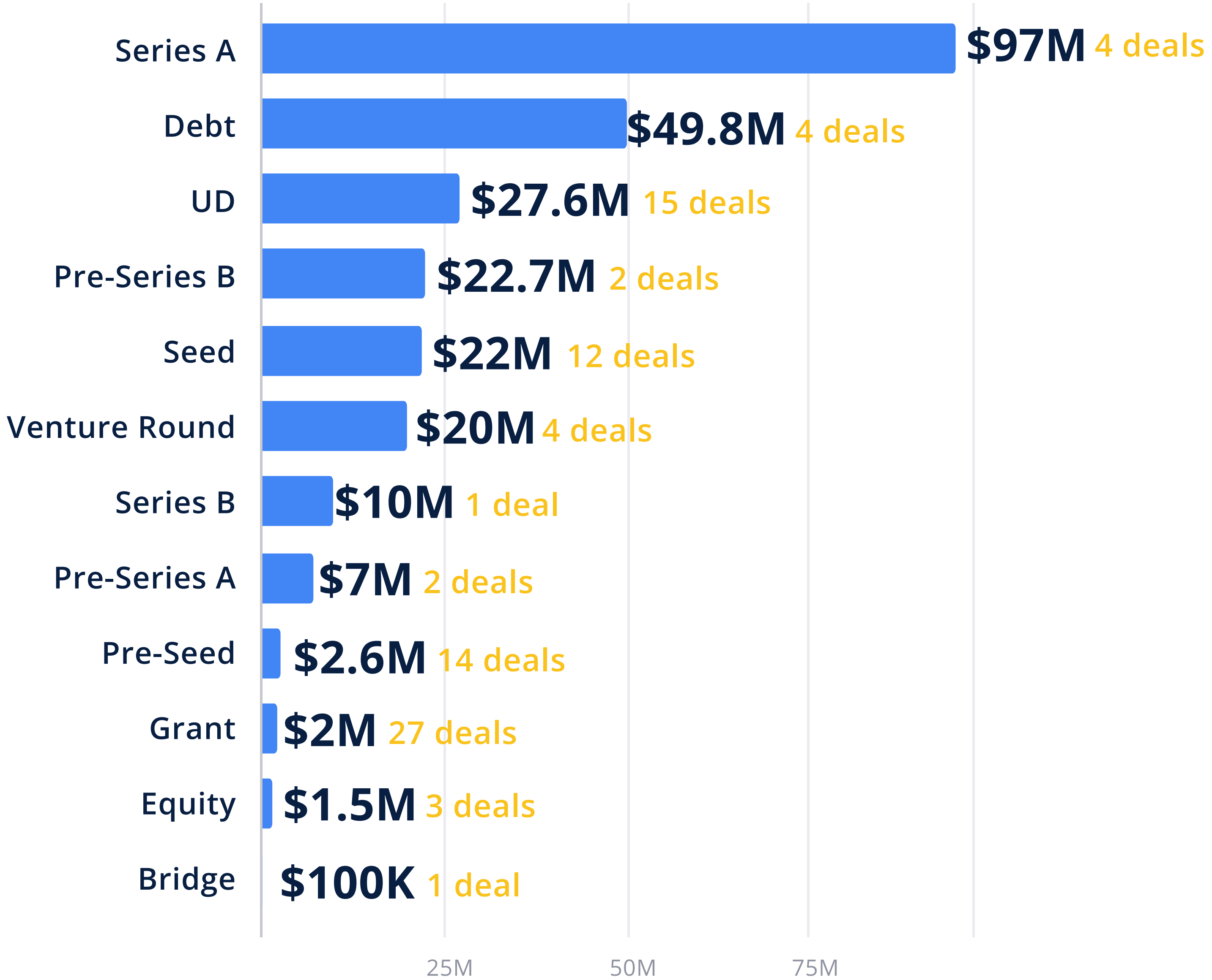
89
deals closed in Egypt

66
Regional

VALUE OF INVESTMENTS BY SECTOR IN EGYPT



INVESTMENTS BY FUNDING STAGE IN EGYPT



EXITS

> Mergers and acquisitions activity gained momentum across MENA in 2025, reinforcing the emergence of more defined exit pathways within the region's startup ecosystem.

A total of 66 acquisitions were recorded during the year, marking a 54% year-on-year increase and signalling a pickup in consolidation activity alongside elevated investment levels.

Exit activity remained closely linked to the region's most mature and capital-intensive sectors. Fintech led M&A activity with 14 acquisitions, reflecting both the sector's scale and the growing tendency toward consolidation as platforms expand product breadth and market reach. SaaS and e-commerce followed with eight exits each, while martech recorded five acquisitions.

Geographically, the region's most established ecosystems were the focal point of M&A activity. The UAE led with 21 exits, underlining its role as the primary hub for company formation, scaling, and acquisition-driven exits. Egypt ranked second, reflecting continued demand for locally built companies with proven products and operational resilience, while Saudi Arabia followed with 13 exits, further strengthening its position as an increasingly attractive market for strategic acquisitions alongside its rapid funding growth.

66
in total acquired in 2025

The acquired HQ:

UAE	21
Egypt	18
KSA	13
UK	3
Sweden	1
Qatar	1
Oman	1
Morocco	1
Kuwait	1
Jordan	1
Iraq	1
Cote D'Ivoire (Ivory Coast)	1
Canada	1
Brazil	1
Bahrain	1

In the sectors of:

Fintech	14
SaaS	8
E-Commerce	8
Martech	5
Proptech	4
Healthtech	4
Gametech	3
Foodtech	3
Edtech	3
Mobility	2
Logistics	2
HRtech	2
Cybersecurity	2
Autotech	2
Web 3	1
Venture Studios	1
Mediatech	1
Deeptech	1

2026 OUTLOOK

> With investment activity reaching new highs in 2025, the MENA startup ecosystem enters 2026 shaped by consolidation, scale, and selective expansion.

Record investment levels were driven by a narrow set of mega deals alongside sustained early-stage activity, while exits became more visible across the region's most mature markets. Saudi Arabia and the UAE continued to anchor capital deployment and exit activity, with Egypt maintaining deal flow despite a contraction in value.

Looking ahead to 2026, focus is likely to remain on technology-led sectors and markets showing early structural momentum. Developments such as Morocco's co-hosting of the 2030 World Cup may support longer-term ecosystem building, while early signals from Syria point to a gradual re-engagement with the regional startup landscape, potentially drawing measured investor interest toward a nascent market with growing demand for digital products. The durability of growth will ultimately depend on broader capital distribution, stronger equity participation, and the ability of emerging markets to translate activity into sustainable funding and exits.

The data from this report is compiled from publicly announced investment rounds. Many startups did not disclose how much they raised, for them we assigned a conservative estimate of $100,000 for early stage deals, while later stage deals were assigned $1 million.

Wamda's monthly investment reports are created in collaboration with Digital Digest.

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