Data Darbar x INDUS VALLEY CAPITAL

Tech and VC Landscape
PAKISTAN | 2024

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Pakistan: 2024 Snapshot

Broadband Subscriptions	140M
Mobile Cellular Subscriptions	195M
Companies Incorporated	27.5K
ICT Exports	$3.6B
IT Sector Workforce	~672,000
GDP of Information & Communication Sector	PKR 1.08T
App Downloads	3.6B
Total Equity Deals	15
Total Debt Deals	28
Total Equity Funding	$22.5M
Total Debt Funding	$20.5M
Share of Digital in Banking Transactions	42%

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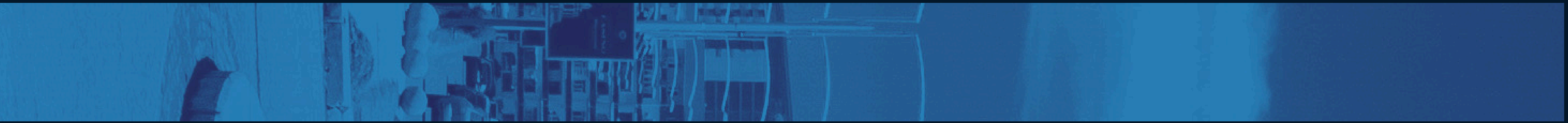
Source: Pakistan Telecommunication Authority [Updated as of Jan 2025], App Figures, Data Darbar Research, State Bank of Pakistan, Securities and Exchange Commission of Pakistan, Accelerate Prosperity
Note: The companies incorporation data is for FY24.

State of Venture Capital



Funding Wrapped | 2024

Total Funding Raised

$22.5M

YoY Change

▼ **70%**

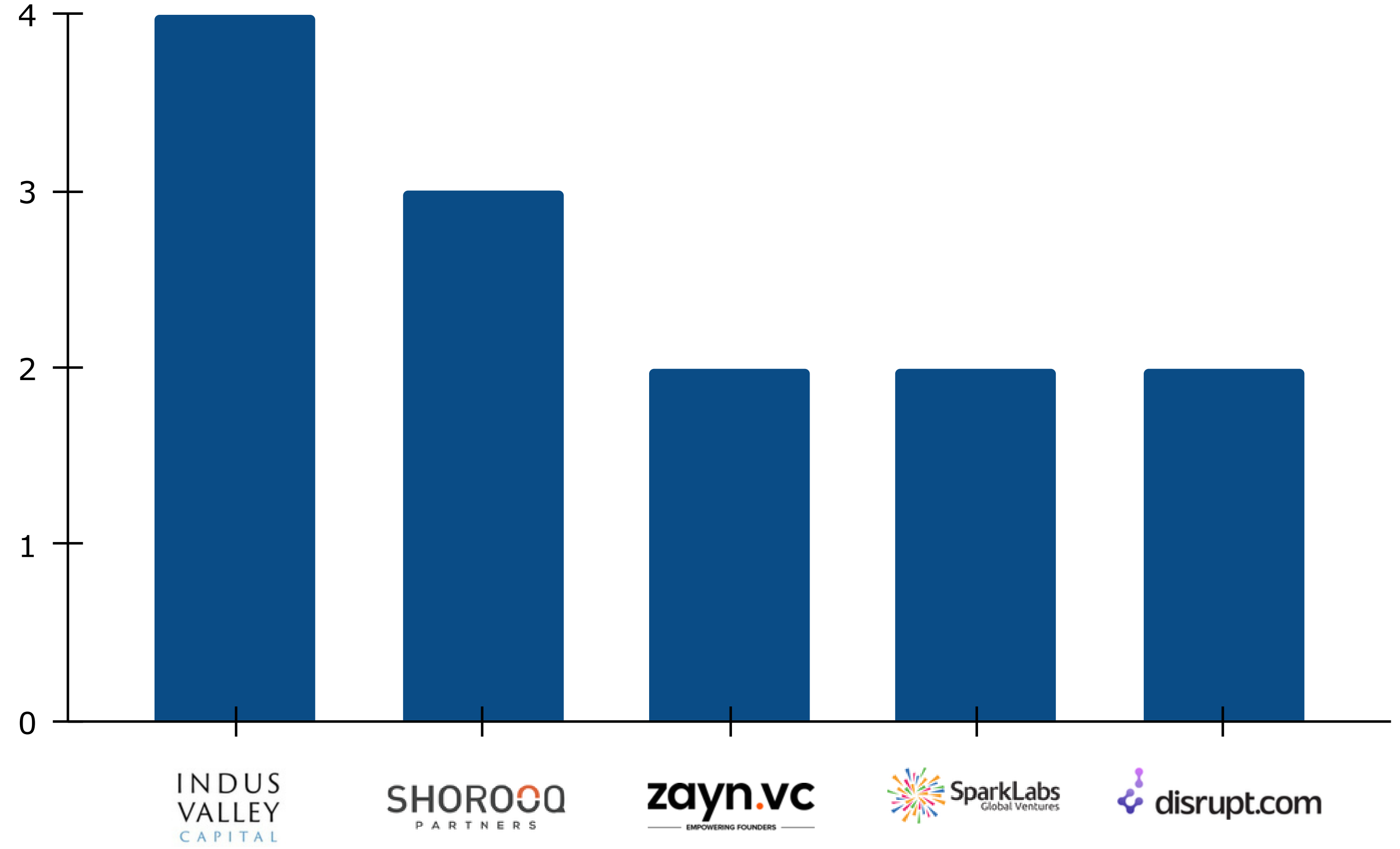
Average Ticket Size

$3.75M

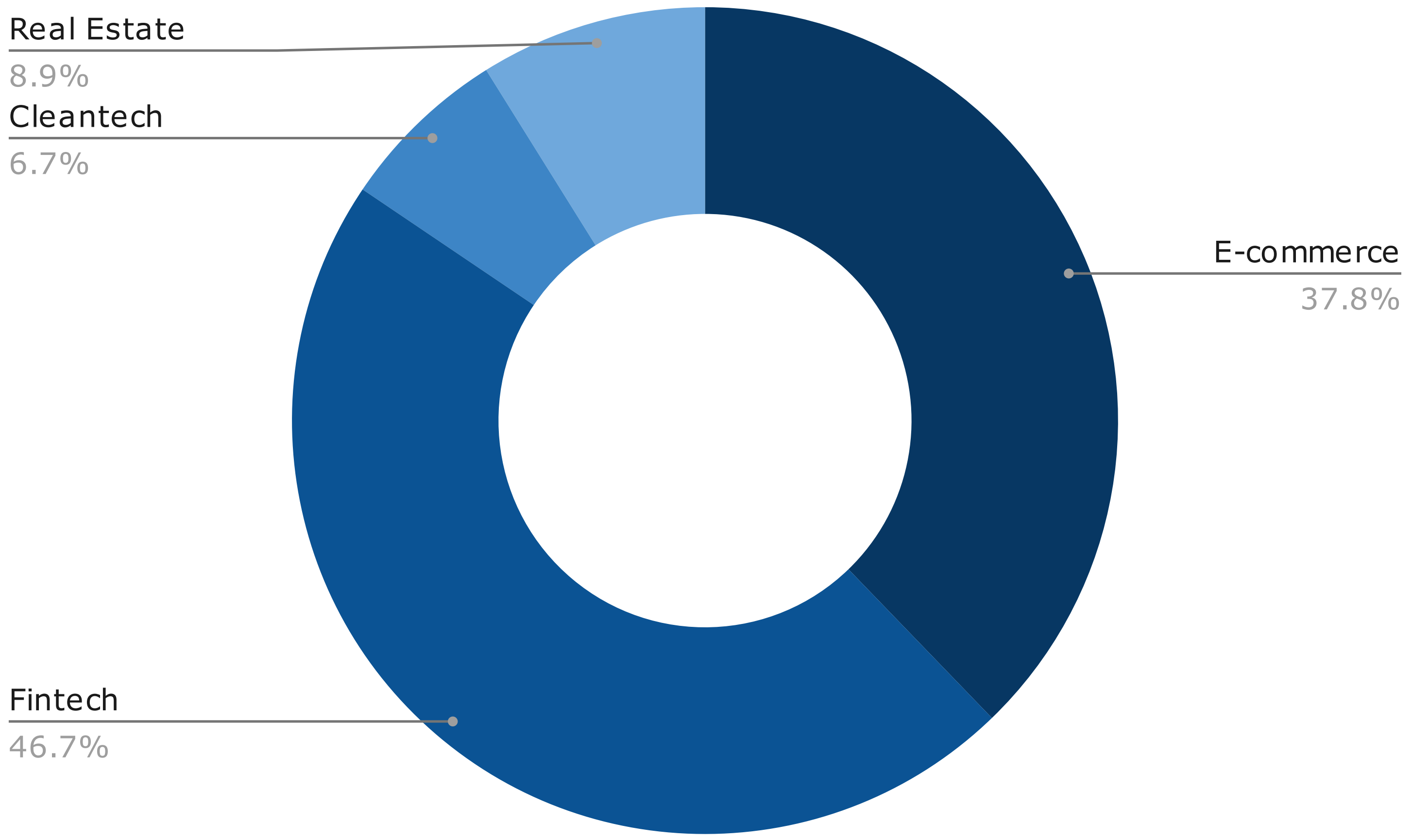
YoY Change

▲ **68%**

Most Active Investors



Most Funded Sectors



Source: Data Darbar Research
Note: Debt Funding Deals are not included here. In this part, most active investors are based on announcements.

Market Map | 2024

FinTech

KalPay
Khareedo Aaj, Payment KalPay

AFT
AKHTAR FUIOU TECHNOLOGIES

QistBazaar.pk
قسط بازار

PostEx.

neem

abhi

E-commerce

DEAL کارٹ

LAAM

BuyPass AI

CLOSET

Krave Mart

Agritech

FARMDĀR

CleanTech

ORKO

Ahya

Real Estate

COLABS

Miscellaneous

paklaunch.com

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Source: Data Darbar Research
Note: The market map includes startups raising debt and equity rounds.
Startups that raised funding through AP are excluded from this map as the deals were undisclosed

Report Methodology - Funding

- For the most part, we have compiled deal value and volume based on either startups' own press releases or social media posts. In such cases, we use the date of announcement, which can create a lag.

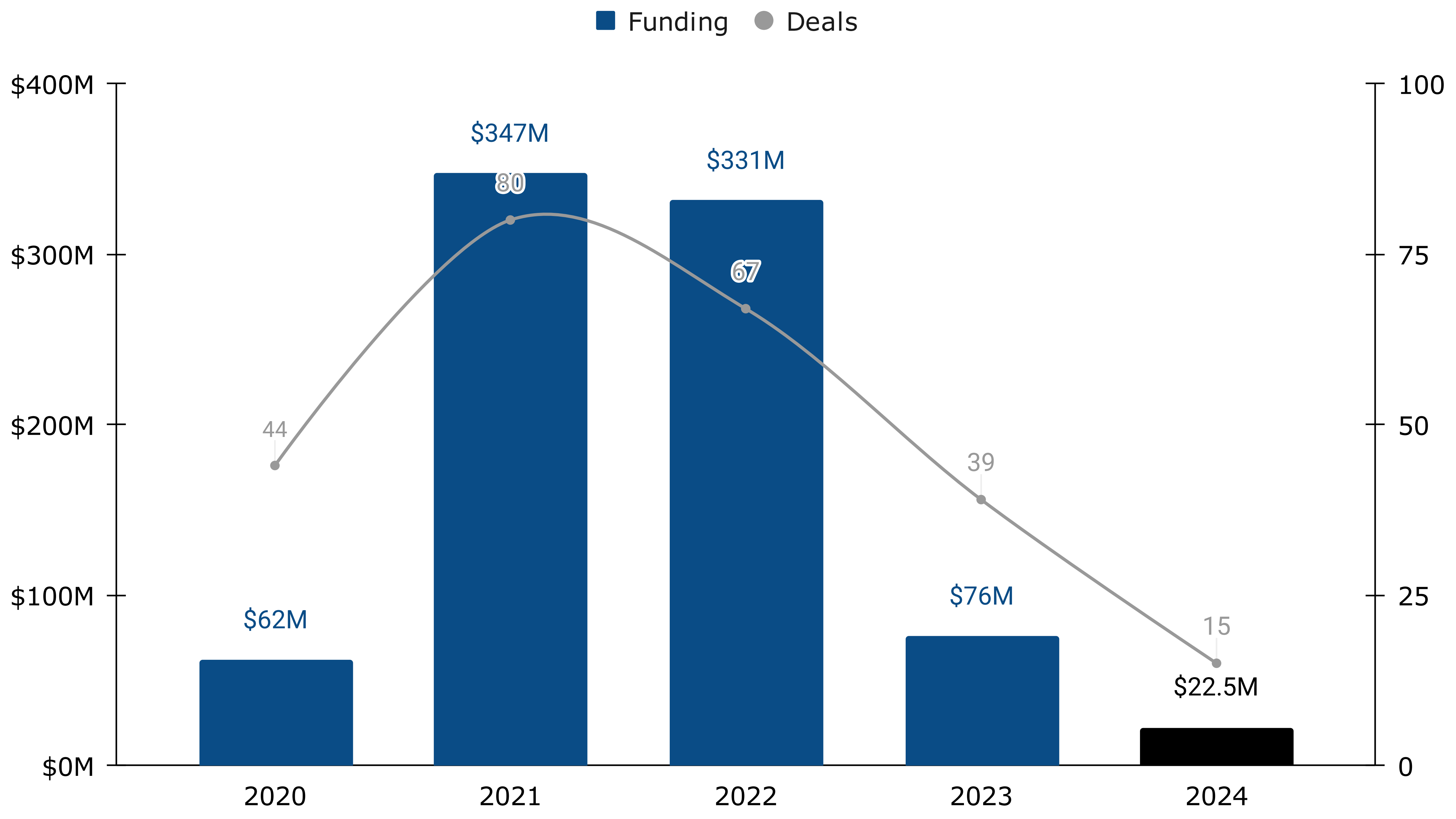
- While far from perfect, this is how data is often collected and reported for private asset classes around the globe, particularly in emerging economies like ours. Some of the problems with this approach include that rounds can often fall through mid-way or the amounts may include a mix of debt and equity. In Pakistan, Jugnu's $22M Series A is a notable example where the entire committed amount never actually came as the investor, Sary, backed out. Similarly, it's not uncommon for fintech companies to raise both debt and equity but not disclose the exact split due to confidentiality reasons.

- After publishing previous roundups, we made some adjustments to our methodology, which ended up excluding some of the rounds. Specifically, we have taken out companies like Seed Labs, which have substantial operational presence in Pakistan but primarily sell their products abroad. Previously, such deals made it to our roundups on the basis of two criteria: whether any of the founders was at least partly based out of Pakistan and if a sizable proportion of the employees were in Pakistan. While this was a fair approach, there were some inconsistencies that led to different numbers from various data aggregators. For instance, while Seed Labs was often part of the aggregates, startups like Stellic or Queros missed the cut despite even local customers.

- The following companies were removed: Lorry'z, Educative, Seed Labs, Revolving Games, and classified as "foreign". Such startups, founded by at least one Pakistani and with sizable operations in Pakistan, are typically a grey area in funding roundups and have raised at least another $65M in cumulative funding.

- Unless stated otherwise, all charts refer exclusively to equity funding. Charts featuring debt transactions are labeled accordingly and presented separately.

Deal Value and Count | Yearly

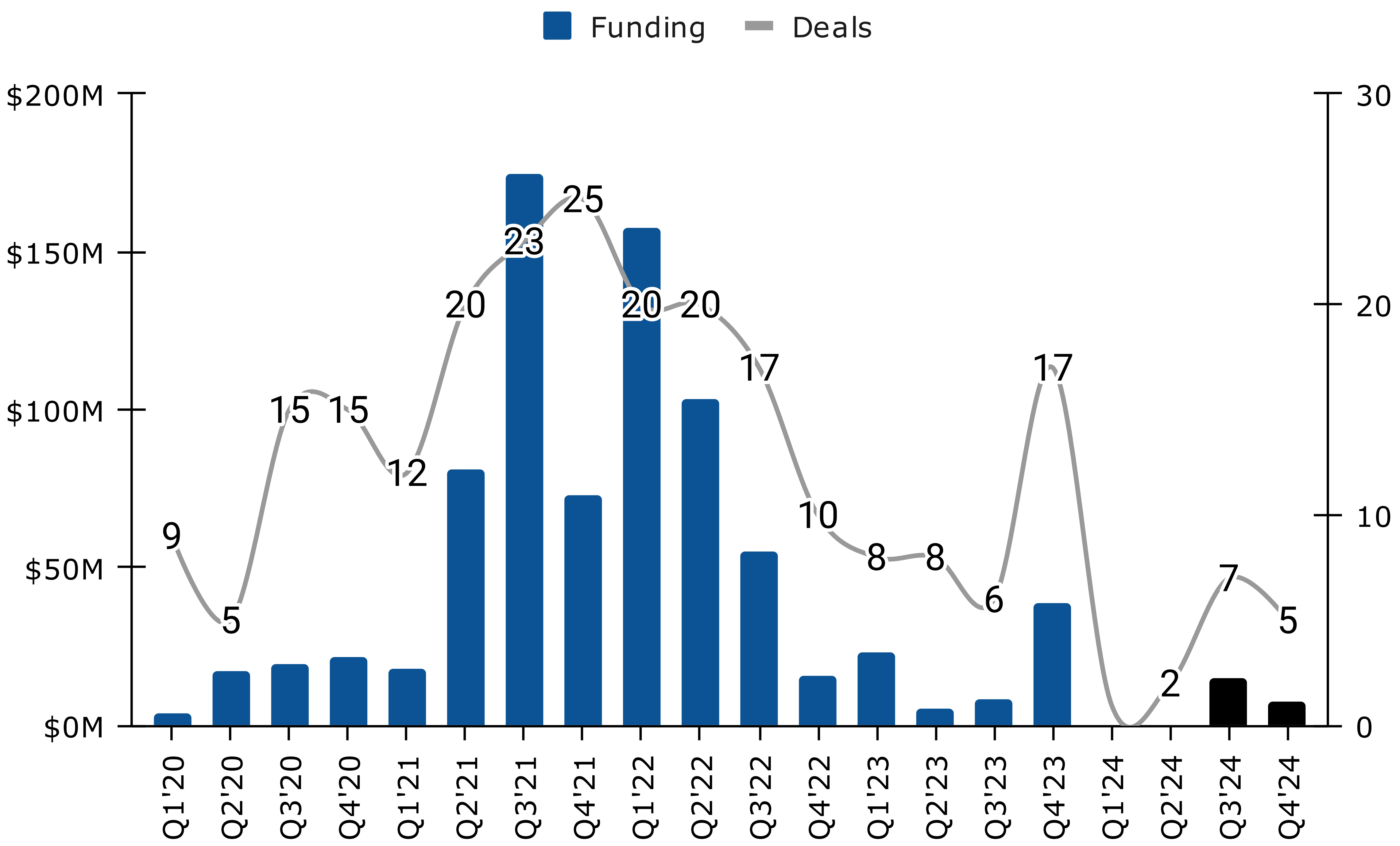


Pakistani startups endured another challenging year as disclosed equity funding fell to $22.5M, a sharp decline from $75.8M in 2023. With only 15 deals announced, these figures represent the ecosystem's weakest performance since at least 2018, when the startup landscape was still emerging.

However, the situation contains some nuance that the headline numbers don't fully capture. The reported funding total is certainly understated, as nine of the 15 announced deals did not disclose their financial terms. Additionally, the ecosystem showed signs of life through other forms of financing ,beyond traditional VC.

Source: Data Darbar Research

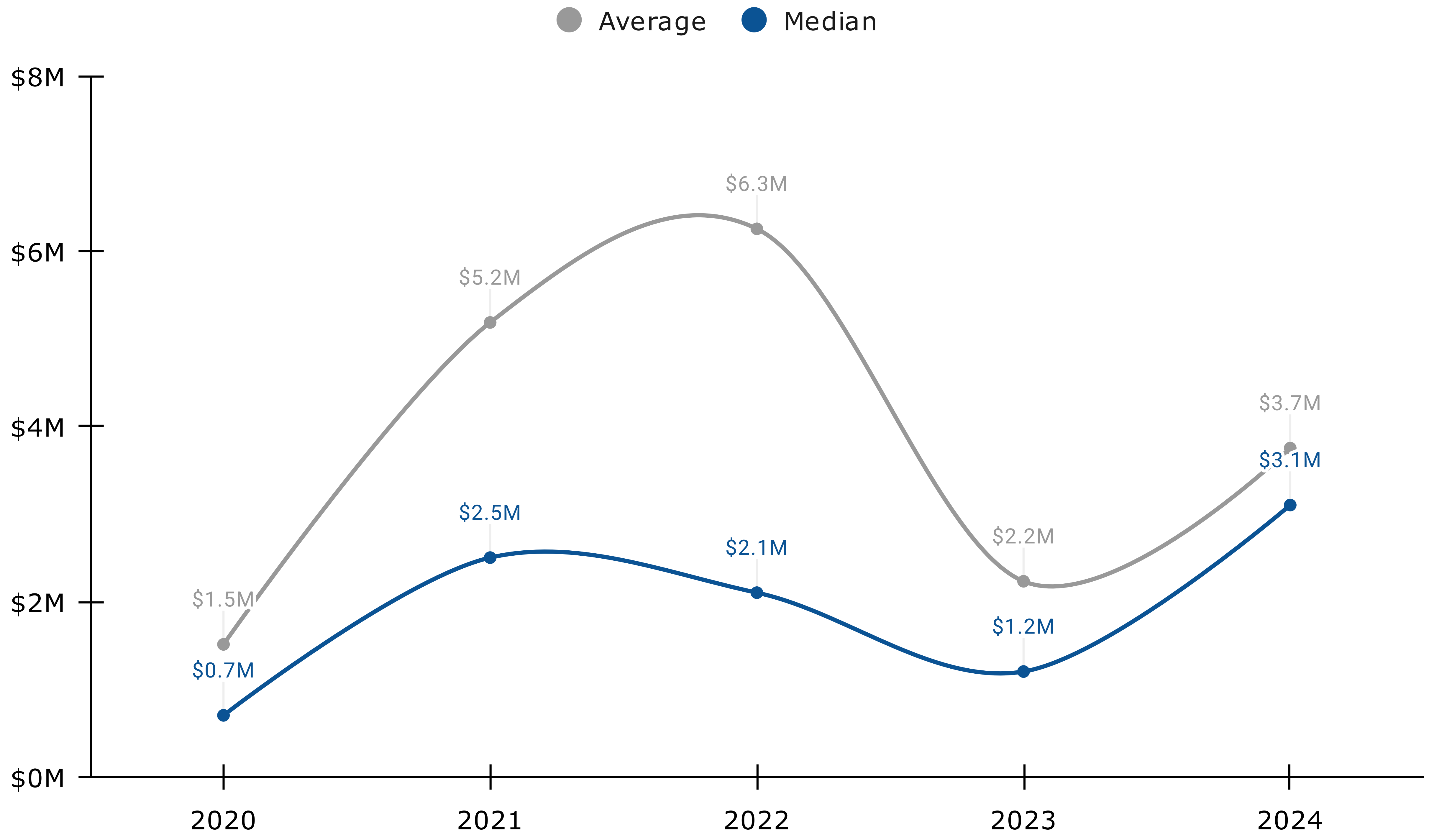
Deal Value and Count | Quarterly



Q1 recorded just a single deal, and Q2 showed minimal improvement with only two deals, both quarters lacking any disclosed funding amounts. This represented a dramatic decline from previous years, particularly when compared to the same periods in 2021 and 2022, when quarterly funding regularly exceeded $80 million across 20 deals.

Q3 funding reached $15 million across seven deals, nearly doubling the $8.3 million raised during the same period in 2023. The final quarter contributed an additional $7.5 million, considerably lower than Q4 2023's $38.8 million but still maintaining the momentum from the previous quarter

Ticket Sizes | Average and Median

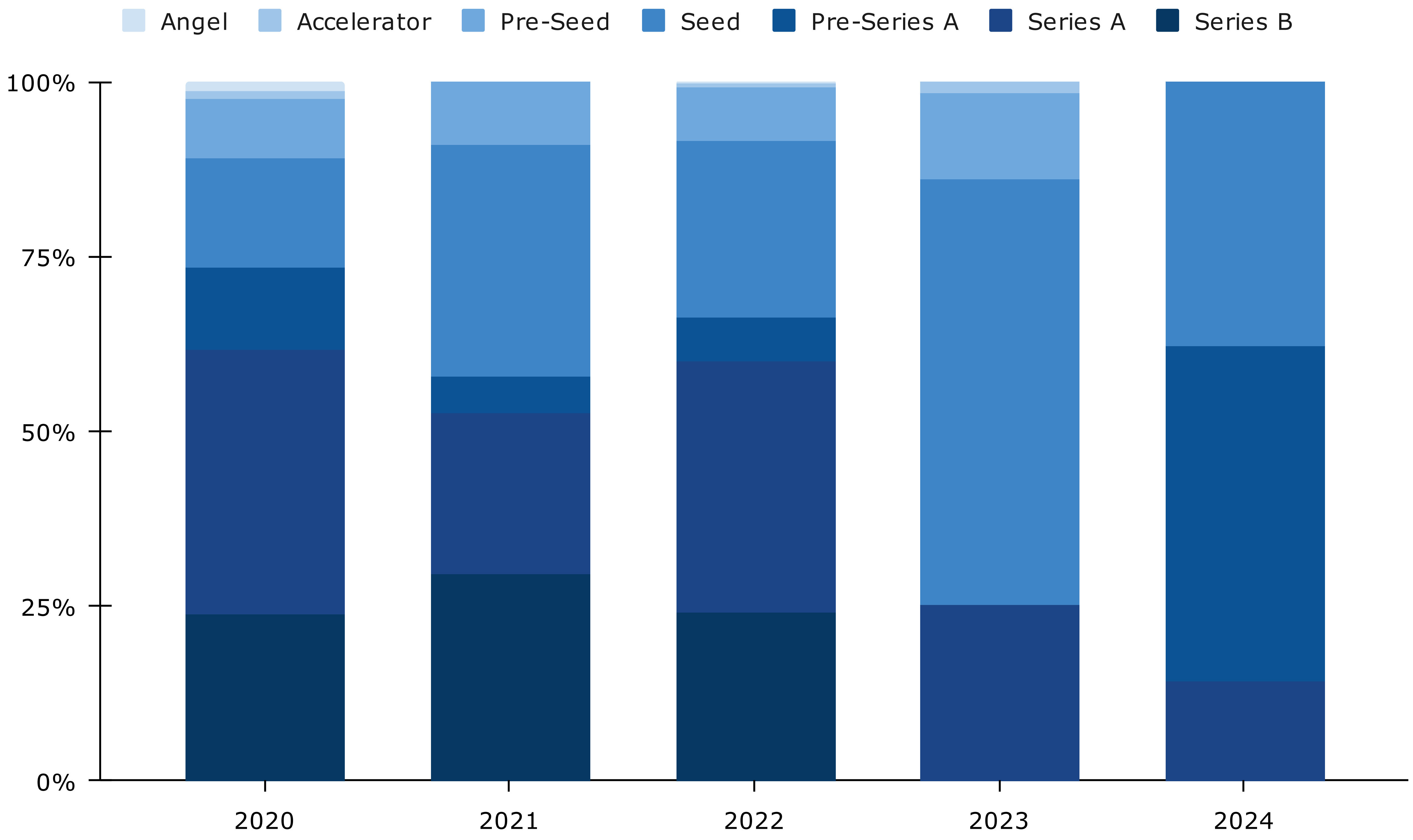


The average deal size grew from $1.5 million in 2020 to peak at $6.3 million in 2022 before plummeting 64% to $2.2 million in 2023. Despite the funding drought in 2024, the mean ticket rebounded 68% to $3.8 million, suggesting that while fewer deals were completed, investors committed more capital to individual startups.

Similarly, 2024 saw the median deal size surge to $3.1 million, a 158% increase from the previous year, outpacing the 68% growth in the average. This suggests that the deals closed in 2024 were not only larger on average but also more consistently substantial, indicating fewer outliers skewing the data.

Source: Data Darbar Research

Stage-wise funding | Deal Value

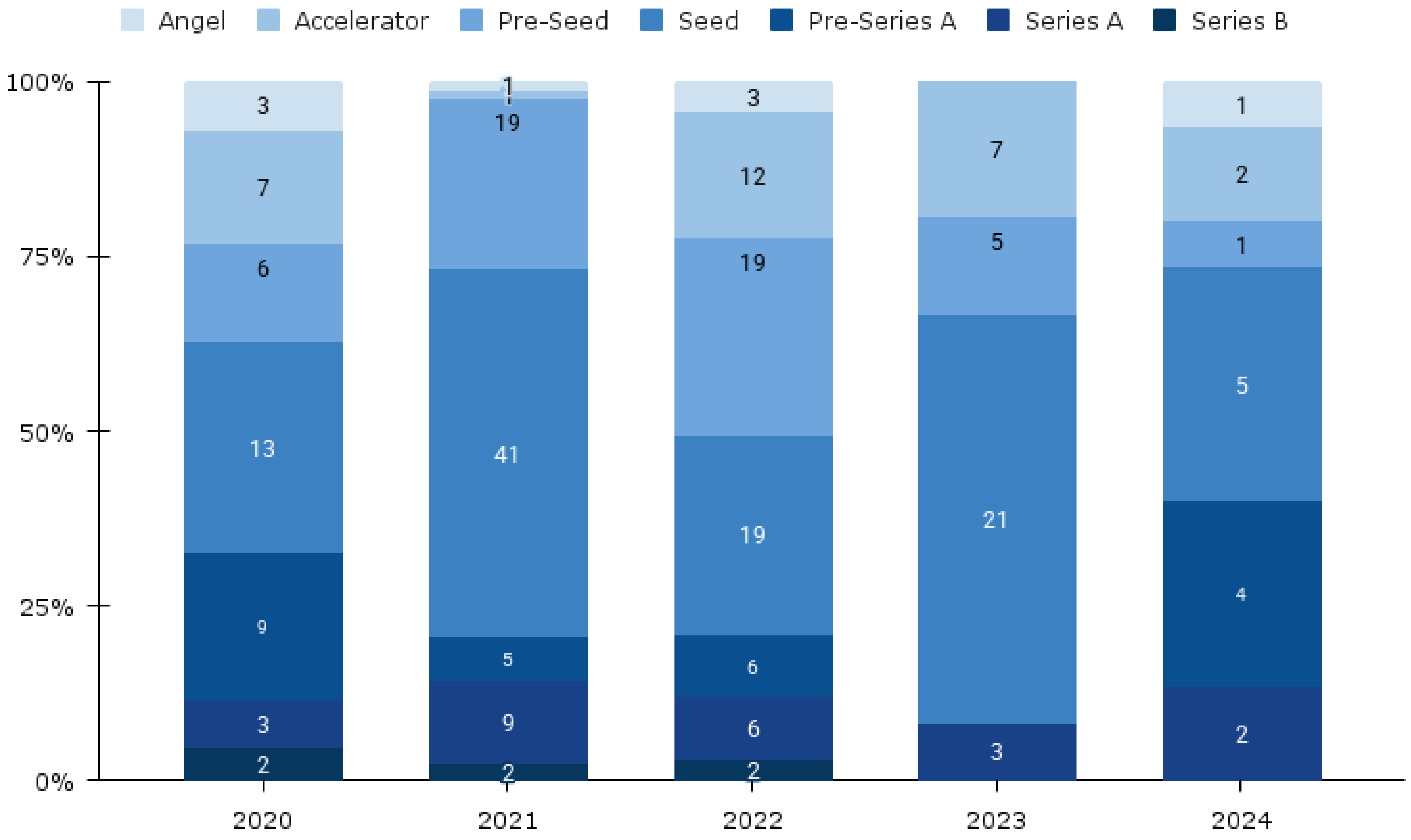


Stage distributions went through a dramatic shift in 2024, with Pre-Series A rounds suddenly dominating at 48% of all disclosed capital, a category that received minimal attention in previous years. Seed-stage companies maintained significant representation, capturing nearly 38% of funding, while Series A rounds contracted to just 14% of investment dollars, down sharply from 25% in 2023.

While Pre-Seed, Accelerator, and Angel rounds did occur in 2024, their funding amounts remained undisclosed, indicating that the majority of transparent capital flowed toward startups with proven traction rather than early-stage ventures that had attracted substantial disclosed investment in previous years.

Source: Data Darbar Research
Note: M&A, Corporate, Post-IPO and undisclosed rounds have been excluded from this.

Stage-wise funding | Deal Count



The ecosystem saw a concentration in Seed (5 deals) and Pre-Series A rounds (4 deals), which together accounted for 60% of all transactions. Series A activity remained minimal while earlier stages showed alarming weakness.

Notably absent were any Series B transactions, marking a complete disappearance of late-stage funding that had consistently maintained 2 deals annually from 2020-2022. This represents a dramatic shift from the 2021 peak, when Seed rounds alone generated 41 deals.

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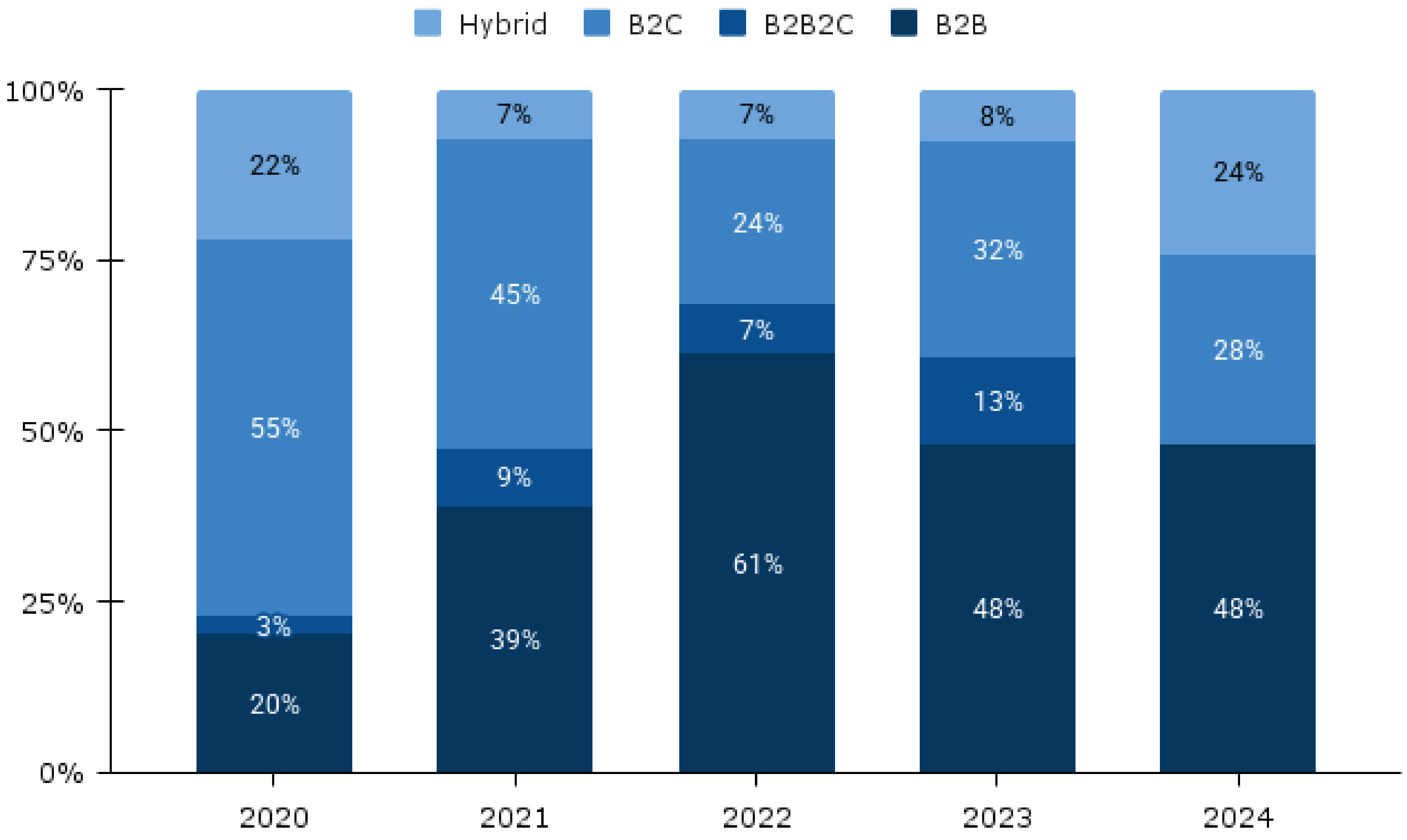
Source: Data Darbar Research
Note: M&A, Corporate, Post-IPO and undisclosed rounds have been excluded from this.

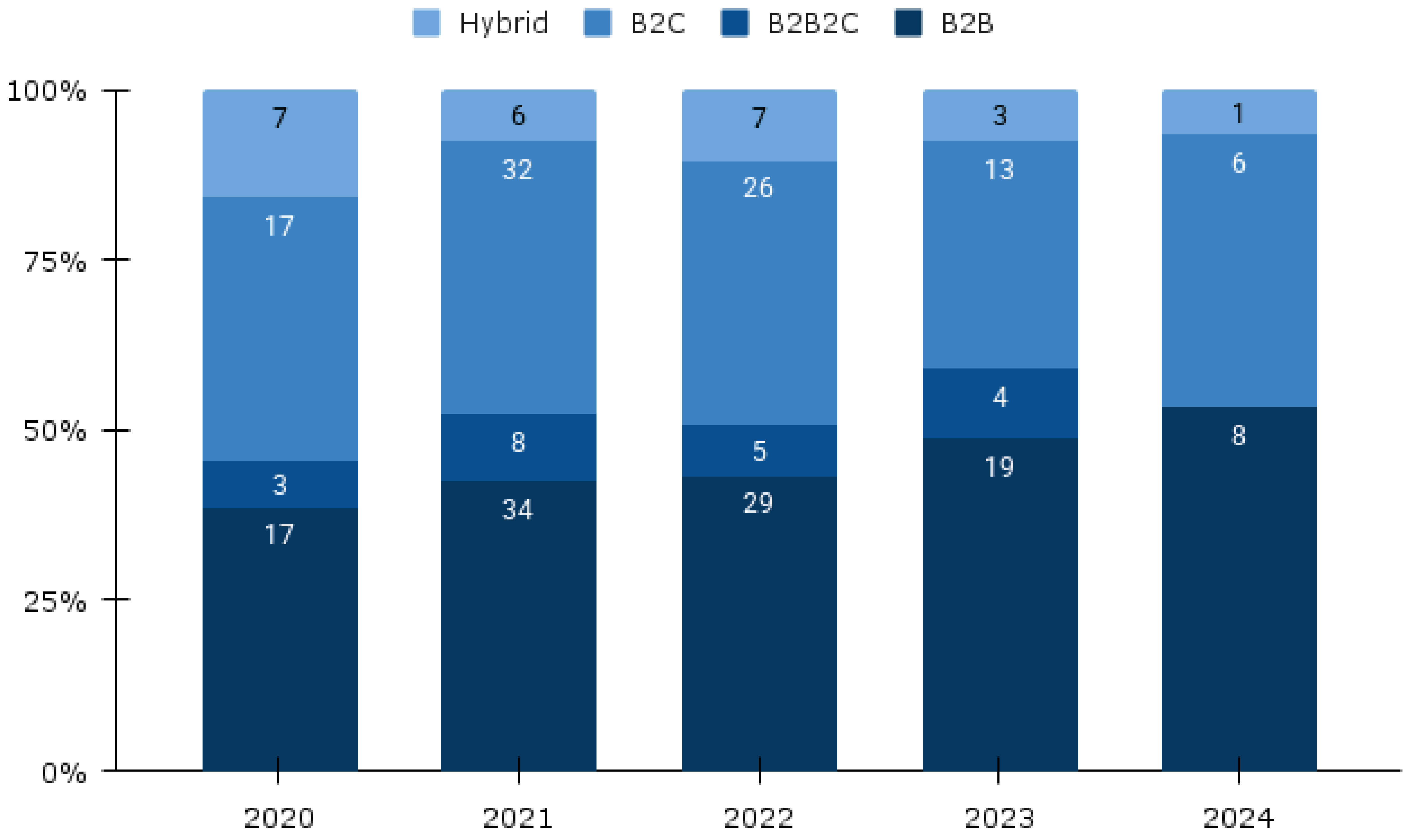
Model-wise Funding | Deal Value



B2C models, once predominant with almost half of dollar value, have gradually lost favour among investors. In 2024, their share fell to just 28%, down 4 percentage points over the preceding year. Meanwhile, B2B startups maintained their rein, at 48%, more than twice of what it was in 20%.

On ther other hand, funding to B2B2C models, after showing brief momentum in 2023, has disappeared entirely in 2024. Instead, hybrid seems to be back in action and raked in 24% of the disclosed dollar value during the outgoing year.

Model-wise Funding | Deal Count

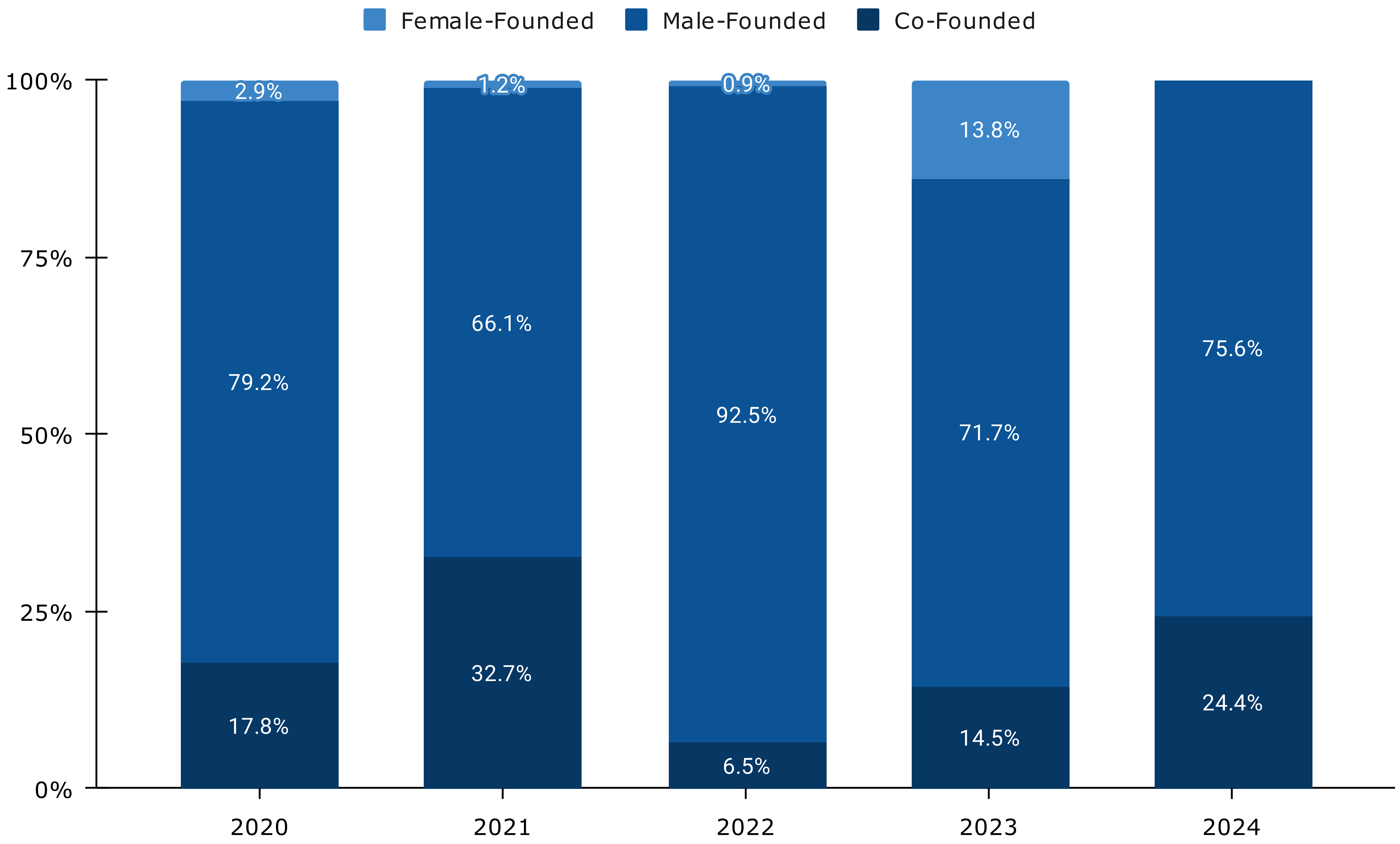


In terms of deal count, the trend was similar with B2B startups maintaining the highest volumes throughout the last five years even as the activity has now slipped sharply to eight (53% of total), down from a peak of 34 deals (43%) in 2021.

B2C ventures closely trailed behind in absolute numbers, reaching 32 deals (40%) in 2021 but falling to just 6 deals (40%) in 2024. The other two segments have remained on the fringes when it comes to deal count, witnessing only limited activity.

Source: Data Darbar Research

Gender-wise Funding | Deal Value

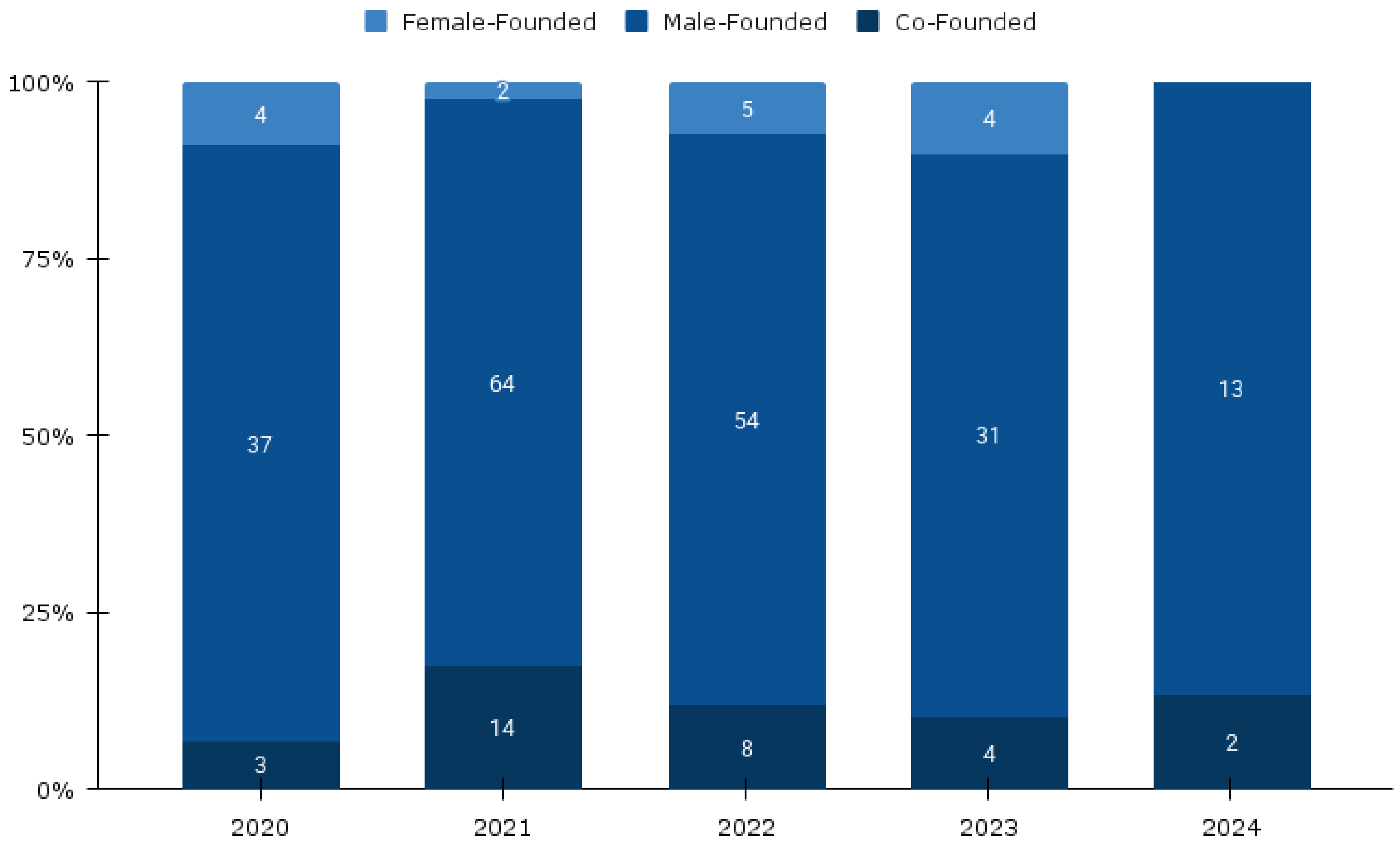


In 2024, mixed-gender founding teams raised $5.5 million (24% of total funding), continuing their consistent presence in the ecosystem but showing a nearly 50% drop from 2023's $11 million.

Most concerning was the complete absence of funding for female-only founding teams, which had previously secured $10.48 million in 2023, their strongest year on record. This regression in gender diversity comes amid an already constrained funding environment, showing that as capital becomes scarcer, female founders face heightened challenges in securing investment.

Source: Data Darbar Research

Gender-wise Funding | Deal Count



All-female founding teams never secured more than 10% of total deals in any given year, peaking at just 5 deals (7.5%) in 2022 before disappearing entirely from the funding landscape in 2024.

Exclusively male-founded startups closed 187% of all deals, continuing their historical dominance despite the overall funding contraction. Mixed-gender founding teams managed to complete only 2 deals (13% of total), half their 2023 count.

Source: Data Darbar Research

Time it takes to raise follow-on round

	Average Time	Median Time	Shortest Time	Longest Time
Pre-Seed to Seed	441 days	366 days	TAG 111 days	Elphinstone 987 days
Seed to Pre-Series A	674 days	578 days	Abhi 161 days	Find My Doctor 1599 days
Pre-Series A to Series A	595 days	449 days	Abhi 155 days	Sehat Kahani 1011 days
Seed to Series A	474 days	317 days	Airlift 88 days	Sehat Kahani 2013 days
Series A to Series B	553 days	436 days	Bazaar 205 days	Jabberwock 1968 days

Beyond equity funding?

While equity funding has drastically declined, early signs show the emergence of other forms of financing. In this respect, Shark Tank Pakistan was one notable initiative that not only helped bring the entrepreneurial ecosystem into the mainstream but also provided access to funds for early-stage companies in a variety of sectors, including but not limited to platform-based companies.

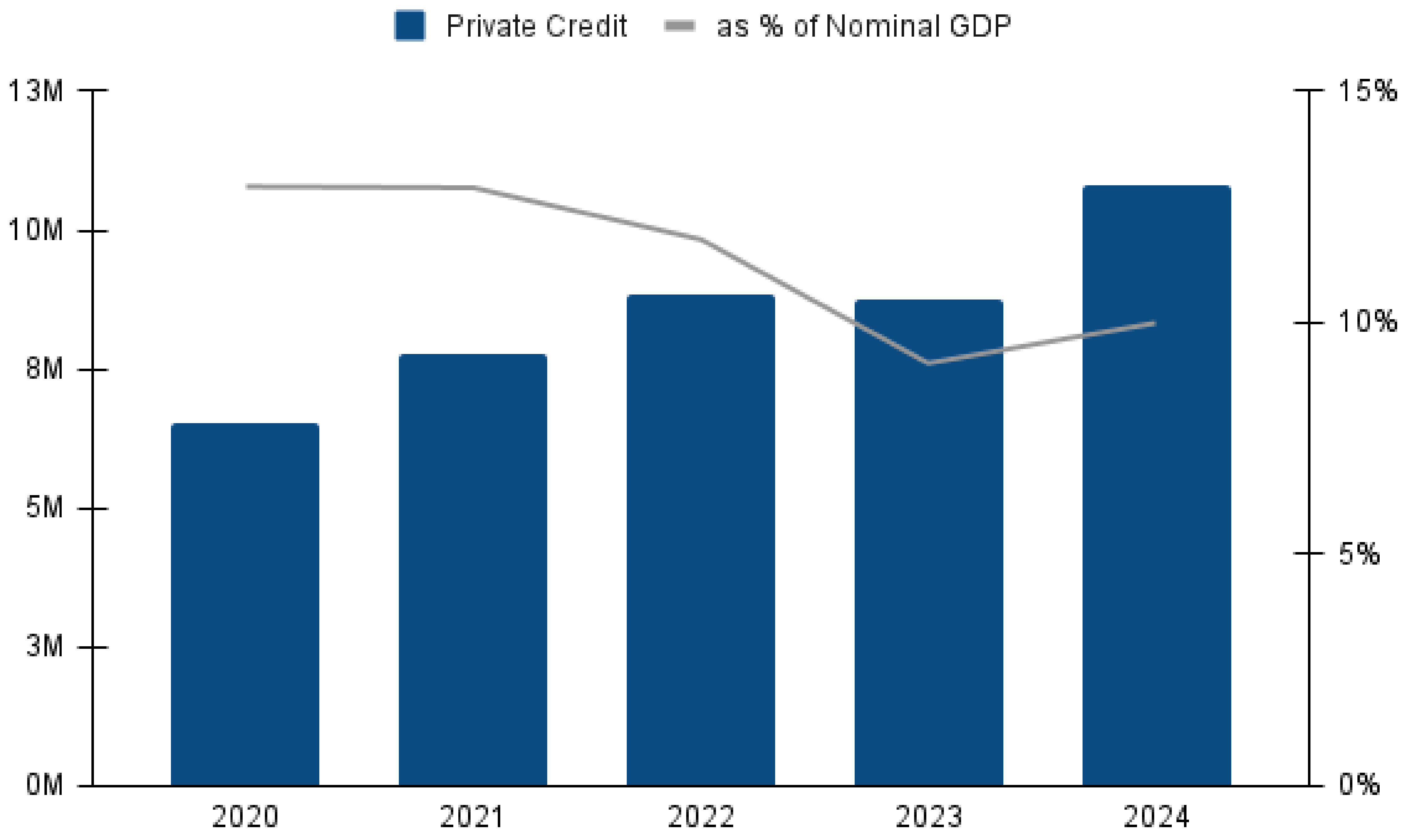
More importantly, debt financing is increasingly becoming an attractive option, particularly within the fintech sector, where credit is a cheaper option than equity for any company looking to build its loan book. During 2024, at least three companies, Abhi, Neem, and KalPay, announced raising debt financing worth at least $19M. The former, in particular, has shown a high appetite for non-dilutive sources of capital, previously issuing a Sukuk, i.e., Islamic fixed income instrument, to secure PKR 2 billion.

While private credit and venture debt are considered two separate strategies, it becomes difficult to distinguish between the two in Pakistan, as there are no dedicated funds for either of them. The extent of popularity of debt financing is further muddled in part due to both a lack of disclosures and distinction between credit and equity-based deals. At least unofficially, i.e., not announced in the press statement, there are a few more deals over the last few years that entailed a portion of debt, including startups like Finja, EduFi, and Postex.

Among institutions, Accelerate Prosperity stands out in providing access to small-ticket loans to startups, having done 96 transactions worth $3.2M in the last five years. The average ticket size grew from $30,142 in 2020 to $58,363 in 2024, with investments focusing on a myriad of sectors, including Food & Beverages, Tourism, Construction, Agriculture, and Fashion.

Source: Data Darbar Research

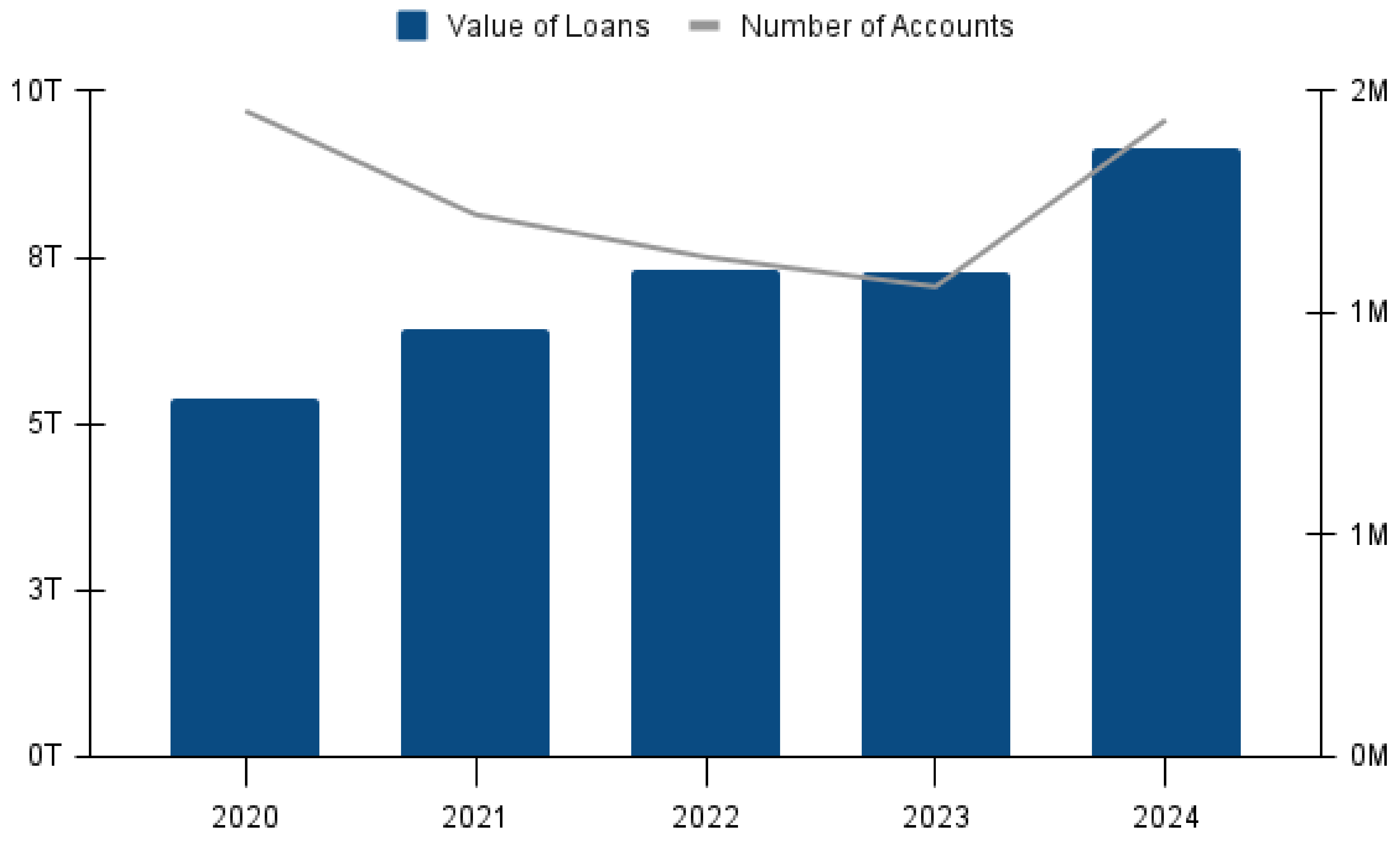
Private Sector credit slips to 10% of GDP in 2024



However, the absence of local banks remains a key bottleneck to the development of a healthy debt financing ecosystem. Over the last few years, the industry has consistently maintained an advances-to-deposit ratio of under 50%, in part due to the elevated interest rate environment. As a result, the country's private sector credit as a share of gross domestic product declined to 10% by 2024 end, compared to 13% in 2020.

Source: State Bank of Pakistan

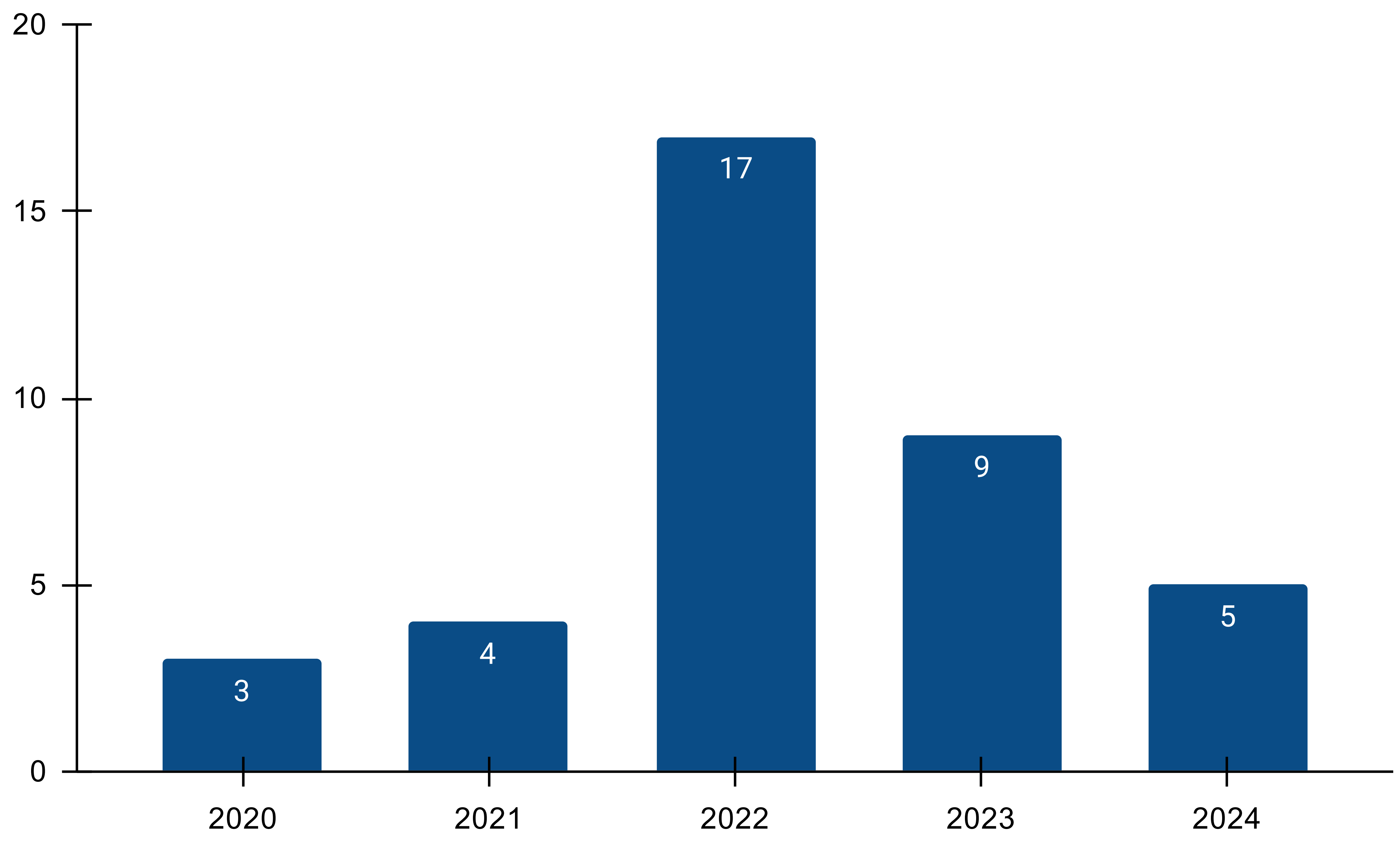
Financing uptick driven by ADR pressure



For private businesses specifically, 2024 saw a resurgence in the value of outstanding loans which reached PKR 9.1T amid concerns of additional taxation for failing to meet the minimum ADR. Consequently, the number of accounts to have availed financing also bounced back to 1.43M, higher than the previous three years and on par with December 2020 levels. Unfortunately, the share of small and medium enterprises continues to be modest, hovering between 6.3% and 7.5% during the period under review.

Source: State Bank of Pakistan

Mergers and Acquisitions | Deal Count

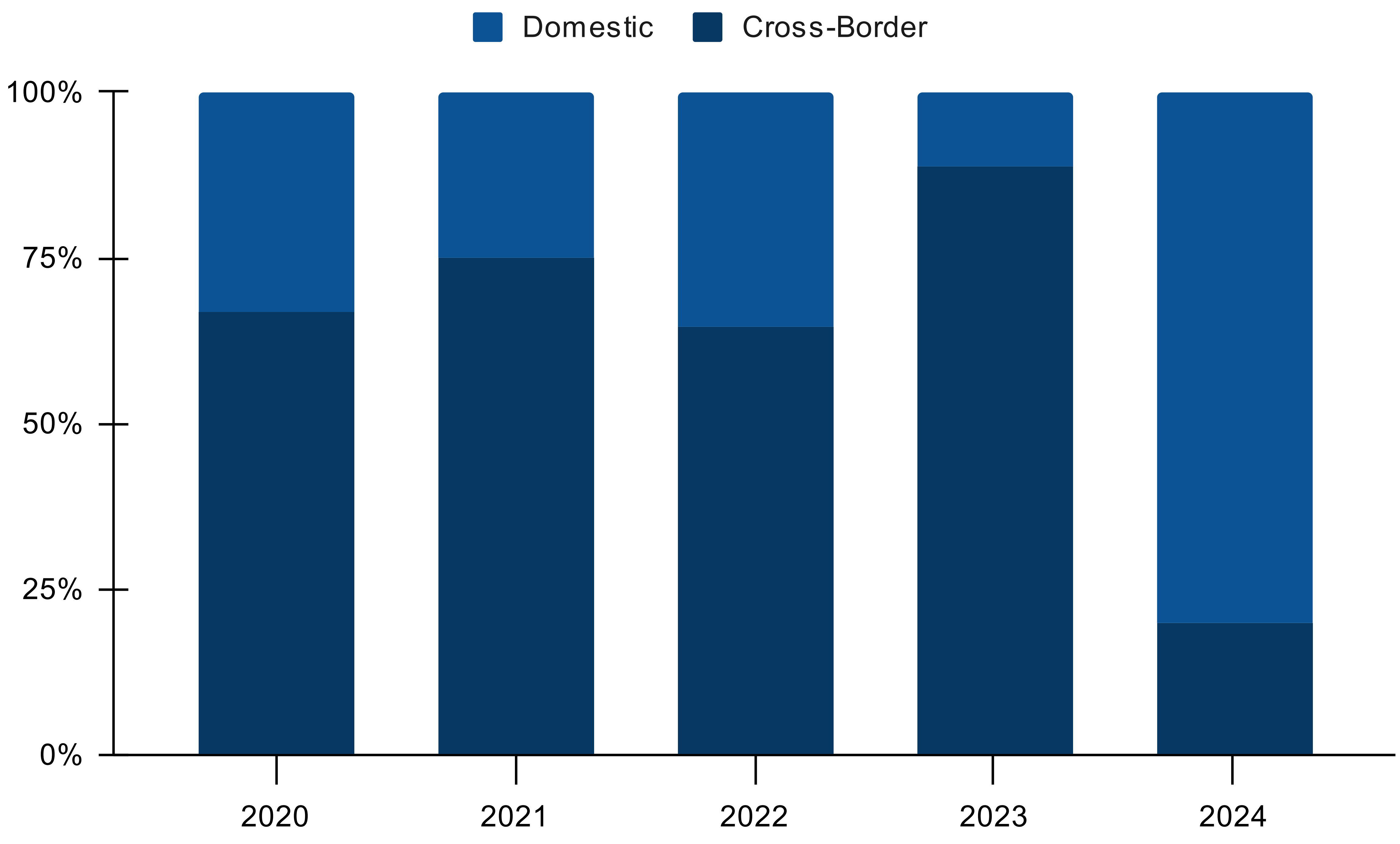


One of the key challenges in the Pakistani startup ecosystem remains the lack of exit activity, creating liquidity constraints for the investors while dimming the prospects of late-stage deals. Even in the broader technology industry, mergers & acquisitions remain an afterthought for most big players who typically prefer to take the route of organic growth.

That said, there have been at least 38 mergers and acquisition transactions in the last five years where either the target or the buyer happened to be a Pakistani technology company. The activity peaked in 2022 when such transactions peaked at 17, but have since come down to just 5 in 2024.

Source: Data Darbar Research

Mergers and Acquisitions | Origin



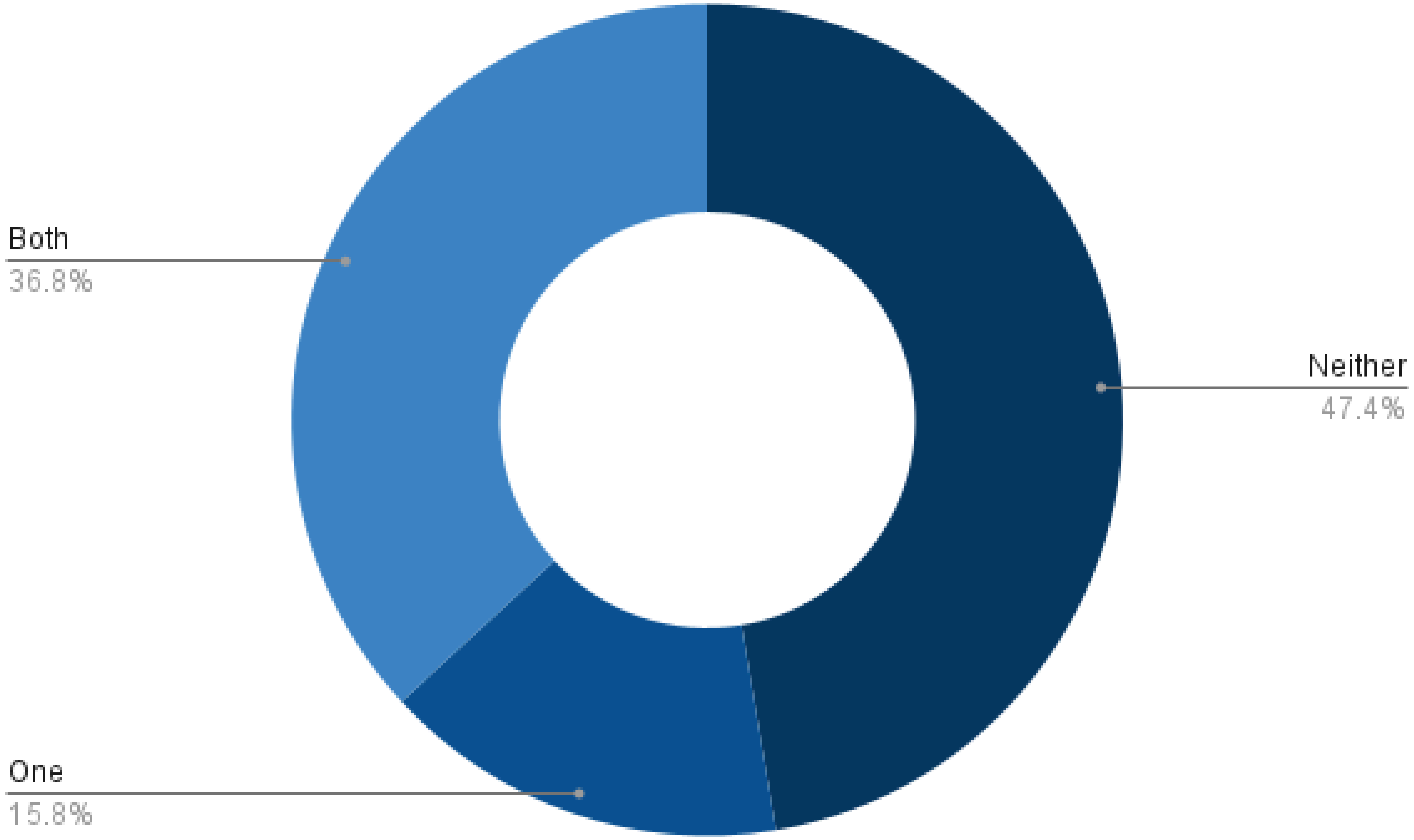
Over this period, most of the transactions, i.e., 25, have been cross-border in nature though the mix changed dramatically in 2024 when 80% of the instances were between domestic companies.

In 23 of the deals, the target was a Pakistani entit,y and among international partners, US-based companies most prominently featured the list of acquirers (5), followed by Portugal (3). Meanwhile, Pakistan-based companies were the buyer in 26 of the instances, with US entities again being the preferred target location.

Source: Data Darbar Research

Mergers and Acquisitions | Product Orientation

Parties that are product-driven



Though it may appear surprising at first, this composition exists due to our lens of including the relatively broader technology industry and not only the narrow startup ecosystem. As a result, the list includes services-based firms as well, who happen to be mostly export-oriented and tend to seek boutique firms abroad to establish their footprint in specific niches.

18 of the 38 deals were exclusively service-oriented deals, while 14 took place between product-driven entities. The remaining six transactions had one of the parties being product-focused. The former came largely thanks to the acquisition spree undertaken by 10Pearls, having done nine M&A deals over the last five years, eight of which were with foreign firms.

Source: Data Darbar Research

Mergers and Acquisitions | Notable Deals

Target	Acquirer	Year	Acquirer HQ
Sadapay	Parpara	2024	Turkey
Finja	OPay	2024	Pakistan
Call Courier	Postex	2022	Pakistan
NDC Tech	Systems Ltd	2022	Pakistan
CloudWays	Digital Ocean	2022	United States

Among exclusively product-based entities, 2022 was comfortably the standout year, recording 9 deals. Most of these were extremely early-stage,, fuelled by the relatively high liquidity still available with VC-backed startups at the time. For instance, Tez Financial was bought out by Zood while Bagallery purchased emerce.pk.

The outgoing year also saw a similar trend of M&A among startups, albeit for opposite reasons since funding constraints pushed those operating in similar verticals to partner instead of compete, as evidenced by Truck It In buying Rider or Finja selling its license to OPay.

Source: Data Darbar Research

Report Methodology - Investors

- Investments from Zayn VC includes all deals disclosed by either Bitrate Fund or the erstwhile Zayn Capital's Fintech Fund. On the other hand, Zayn Capital represents only two investments, which were part of the so-called "Debt Fund".

- As previously stated, a deal announcement may not necessarily mean that the round was followed through and the investment made it to the startup. Because of this and unannounced deals, the portfolio of investors may differ slightly.

- The number of unique investors is a rather unscientific metric and tracks the count of financiers who participated in a deal during a given quarter. Note that the sum of unique investors for four quarters will always be higher than the aggregate for the year. For instance, if Indus Valley Capital makes one deal each in every quarter, the quarterly data will record as one unique investor for every period. However, on an annual basis, it would represent just a single entity.

- Similarly, the number of new investors takes count of the financiers who have never participated in any deal before, going all the way back to 2008 i.e. year of the first deal in our database. However, this approach relies on disclosures. For example, if XYZ Capital first invested in a Pakistani companies in 2017 but only announced its second deal, made in 2021, our data will count them as a new investor that first came in 2021. in the case of institutions, this is typically not really a problem but when it comes to angel investors, the disclosures are usually incomplete. For instance, Airlift's $85M Series B included a host of angels (double digits) so understandably, only the high-profile names officially made it to the press announcement.

Notable Foreign Investors

Venture Capital & Syndicates

SEQUOIA | TIGERGLOBAL | Alumni Ventures | Acrew | First Round | Si Speedinvest | ADDITION | rtp global

Betatron Venture Group | VEF | GRAPHENE VENTURES | 20VC | Canaan PARTNERS | FJ LABS | global.ventures | graph

SOMA CAPITAL | KLEINER PERKINS | BASECAMP FUND | DRAGONEER INVESTMENT GROUP | SHOROOQ PARTNERS | 和玉资本 MSA | GFC | prosus | 500 | MOMENT VENTURES

Accelerators

techstars_ | SOSV THE ACCELERATOR VC | ANTLER | Y Combinator | ACCELERATING ASIA | PLUGANDPLAY

Corporate

flexport. | stripe | tokopedia | dubizzle group | sojitz | Huobi

Others

ADB ASIAN DEVELOPMENT BANK | CHIMERA | الإمارات للإستثمار والتنمية ش.م.خ EMIRATES INVESTMENT & DEVELOPMENT P.S.C

BILL & MELINDA GATES foundation | MALALA FUND | Sorenson Connect Beyond Words.

nubank | ON OMIDYAR NETWORK | BERENBERG PRIVATBANKIERS SEIT 1590 | British International Investment

Source: Data Darbar Research

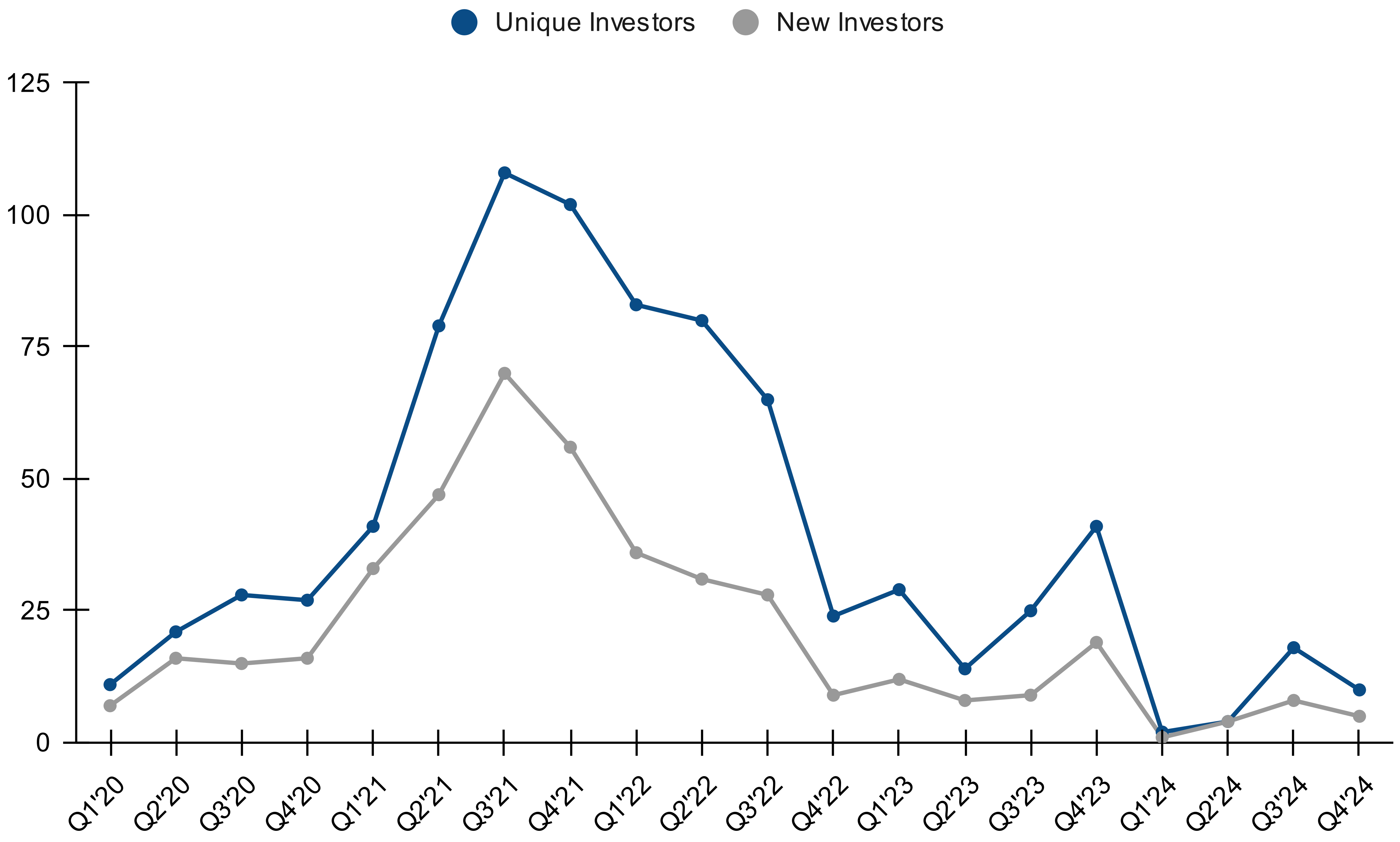
Most Active Investors in Pakistan

	Startups	Origin	AUM	Type
Zayn VC	22	Local	$55M	VC
SOSV	21	Foreign	$1.5B+	Accelerator
Fatima Gobi Ventures	20	Local	$30M	VC
Indus Valley Capital	18	Local	$50M+	VC
Sarmayacar	16	Local	$25M+	VC
i2i Ventures	15	Local	Undisclosed	VC
Deosai Ventures	13	Local	Rolling Fund	VC
Y-Combinator	12	Foreign	Undisclosed	Accelerator

Data Darbar | INDUS VALLEY CAPITAL

Source: Data Darbar Research | Note: AUM amounts and the numbers of investments were shared by the local investors themselves. Some of the deals may not have been announced in the press.
Doesn't include the 9 investments made under Sarmayacar's operator angels program and FGV's MENA portfolio

Investor Participation | Quarterly

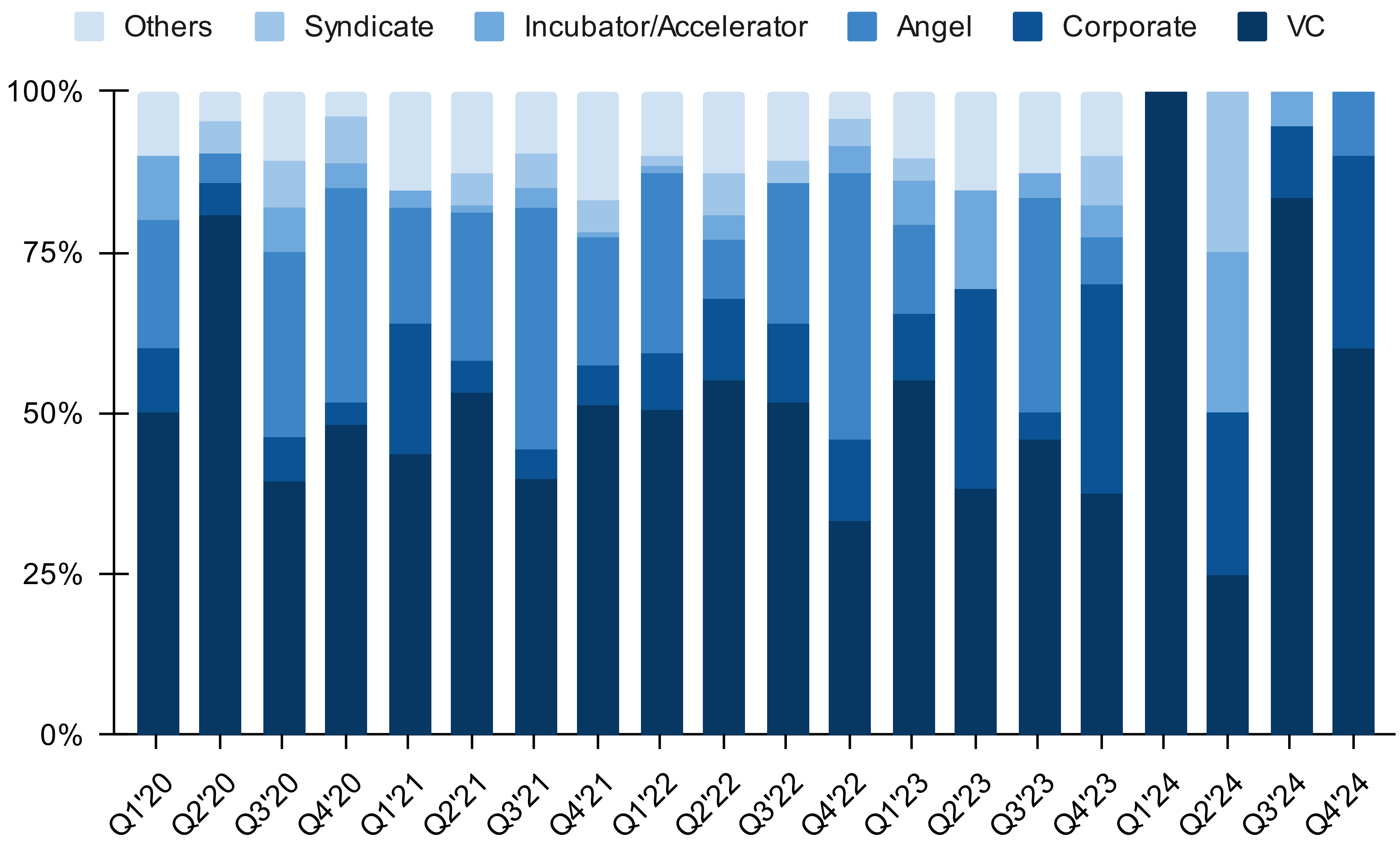


The year began with extraordinarily low investor participation in Q1, which continued in the subsequent three months with only 4 unique investors, though notably, all were new to the Pakistani startup landscape.

A marked improvement emerged in Q3, which became the most active period of the year with 18 unique investors participating, including 8 new entrants, signaling some revival in interest before slightly tapering in Q4. Currently, participation levels are near historic lows.

Source: Data Darbar Research

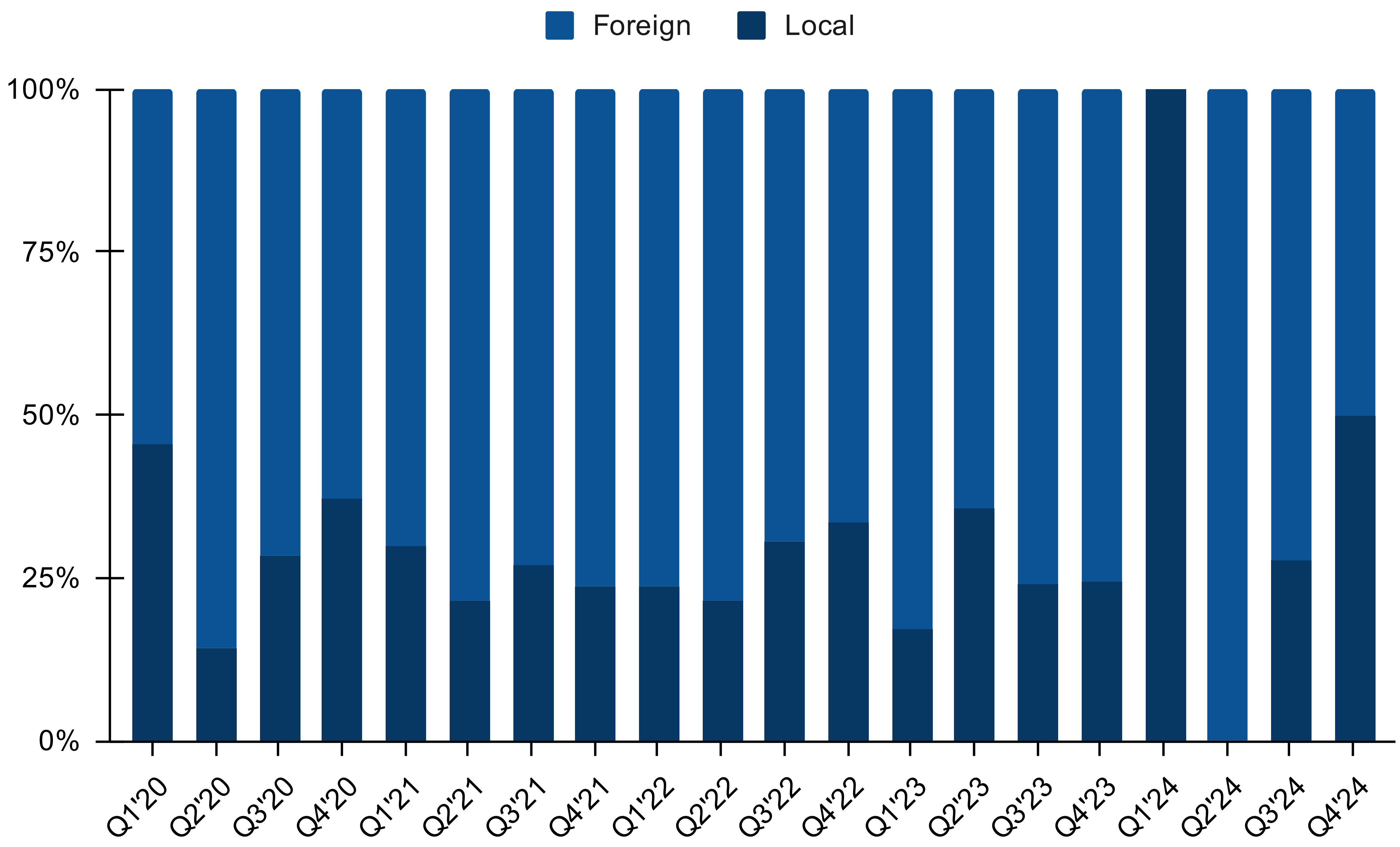
Investor Breakdown | Type



Funding in 2024 was overwhelmingly dominated by venture capital, which constituted 75% of all investor participation. Corporate investors contributed 19% of the investment activity, while angel investors, incubators/accelerators, and syndicates collectively represented just 6%. This marked a significant shift from the balanced ecosystem of 2021, when VC comprised roughly 40% of investors, with substantial participation from other categories. The near-absence of angel investors in 2024 particularly highlights the risk-averse investment climate that characterized the startup landscape throughout the year.

Source: Data Darbar Research

Investor Breakdown | Origin



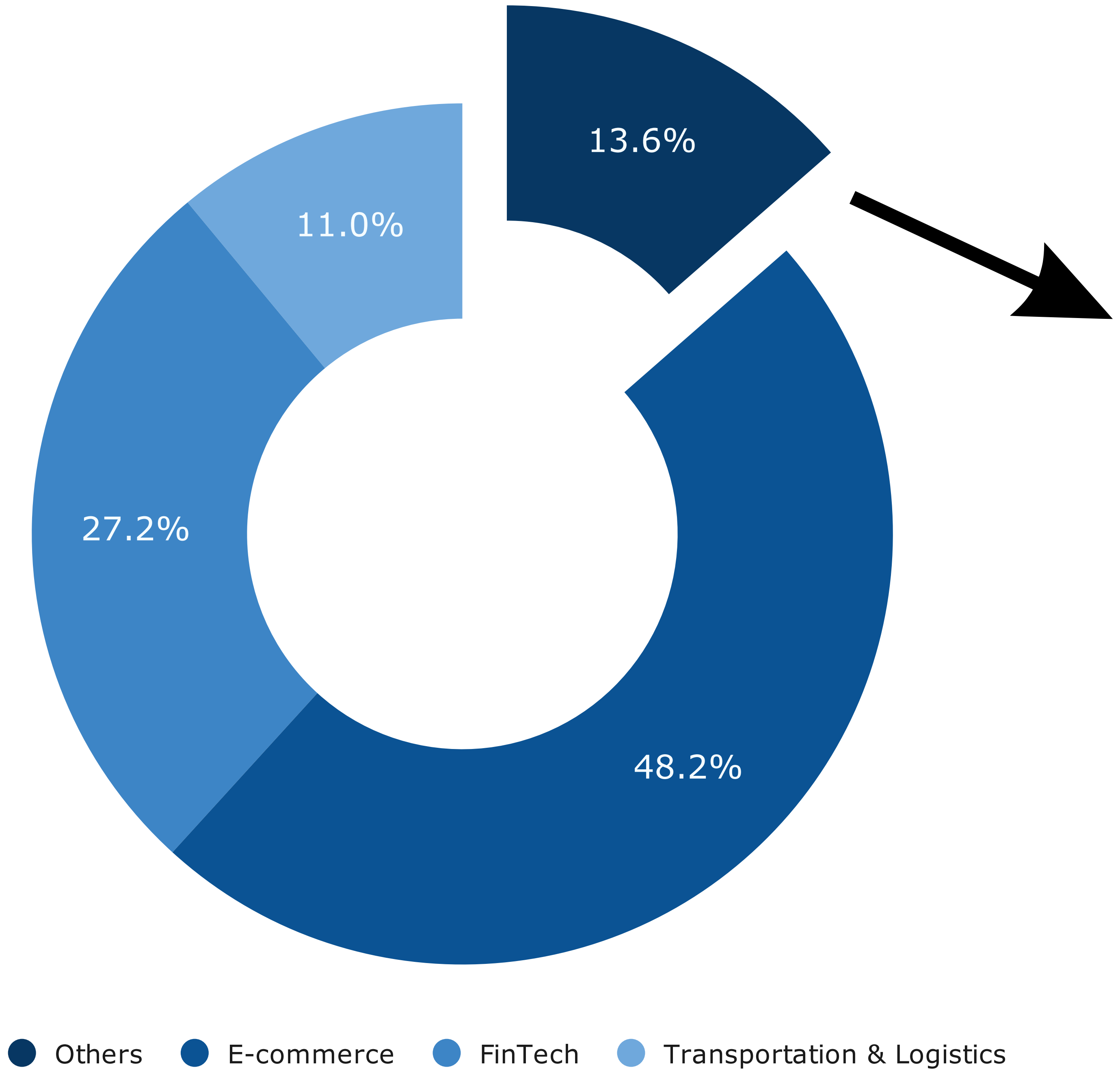
After reaching its peak in Q3 2021 with 29 local and 78 foreign investors, the ecosystem experienced a consistent decline. By early 2024, investment had contracted dramatically, with Q1 showing only 2 local investors and zero foreign participation. Though Q3 2024 demonstrated a slight recovery with 18 total investors, the numbers remain far below the 2021 heights, reflecting both global funding contractions and local economic challenges that have significantly reduced Pakistan's appeal to venture capital.

Source: Data Darbar Research

Report Methodology - Sectors

- This section has required a fair bit of judgment calls on our part as we believed the existing taxonomies, either local or global, didn't do justice. Assigning sectors to companies was possibly the most manual part of this report and required judgment calls at various points.
- For the most part, we assign sectors on the basis of a particular deal rather than at the company level. For instance, while Airlift pivoted towards quick commerce in 2020, its 2019 rounds remain under "transport and logistics". However, there were a couple of instances where we didn't follow this approach, typically when the startup was pre-produc,t as was the case with Apollo Group.
- In cases where a company was operating in two sectors, such as Cheetay or PostEx, we aggregate amounts and deals based on their primary sectors in order to avoid double-counting.
- Possibly somewhat controversial, we also made a major amendment to our SaaS classification and reclassified it to the secondary level, i.e. category. For example, instead of classifying Social Champ as a SaaS company, we assigned it the sector "Advertising and Marketing" and category as "SaaS".
- EV startups have been reclassified as CleanTech.

Sector Breakdown | Amount & Deal Count

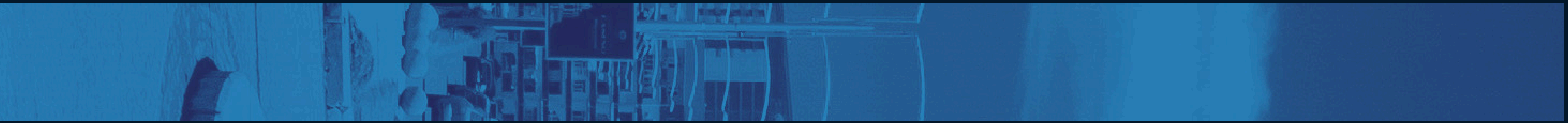


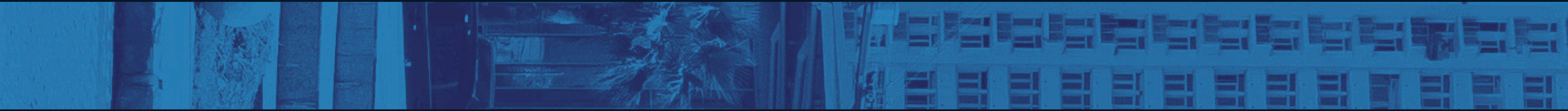
Other Sectors	Amount	Count
HealthTech	$40.1M	19
AgriTech	$16.1M	12
Travel & Leisure	$9.6M	9
EdTech	$8.9M	14
Media & Entertainment	$6.8M	3
Real Estate	$5.7M	4
Recruitment	$5.1M	7
Deals & Discounts	$4.1M	3
CleanTech	$4M	7
Developer Tools	$4M	2

Other Sectors	Amount	Count
Consulting	$2.6M	2
On-Demand	$1.9M	3
FoodTech	$1.6M	5
AR/VR	$1.2M	1
Gaming	$650K	3
Advertising & Marketing	$495K	5
Blockchain	$400K	1
Internet of Things	$230K	2
Engineering & Manufacturing	$0	2
Miscellaneous	$0	1

Source: Data Darbar Research

Spotlight: Bazaar Technologies





JOURNEY TO BECOME ONE OF PAKISTAN'S LARGEST

E-COMMERCE PLATFORM

2020

Launched **Bazaar** as a **B2B e-commerce** platform for small retailers in **Karachi**

Raised **$1.3Mn** in Pre-Seed funding led by **Indus Valley Capital**

2021

Raised **$6.5Mn** in Seed funding led by **Indus Valley Capital**, and **$30Mn** in Series A funding

Launched **Easy Khata** digital ledger app

Expanded to **Lahore Multan Faisalabad**

2022

Raised **$70Mn** in Series B funding supported by **Indus Valley Capital** - amounting to 20% of Pakistan's funding raised in 2022

Named as the 1st **Endeavor Outlier** Company

Expanded to **Islamabad Hyderabad Gujranwala**

2023

Launched **Bazaar Pro** to serve restaurants, offices & institutions

Launched in-house, made in **Pakistan**, brands

Expanded to **Sialkot**

2024

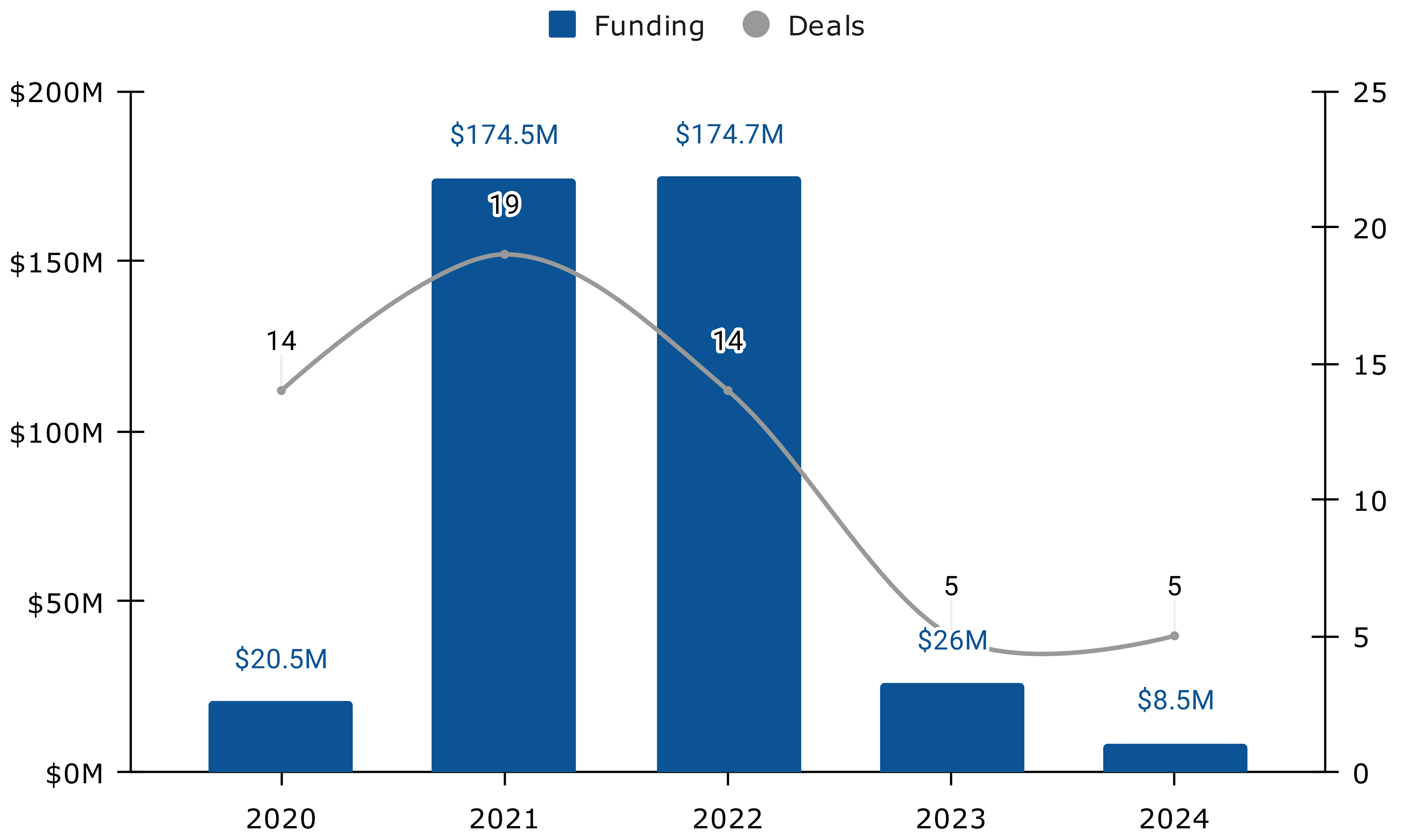
Launched **consumer grocery e-commerce**

POWERED BY A FULL STACK SUPPLY CHAIN INFRASTRUCTURE & TECHNOLOGY

- **>12+** Cities & Towns
- **>4K+** SKUs
- **>200+** Brand Partners
- **>15+** Proprietary Tech Products
- **>10Mn+** Orders Fulfilled
- **>300K+** Businesses Served

E-commerce

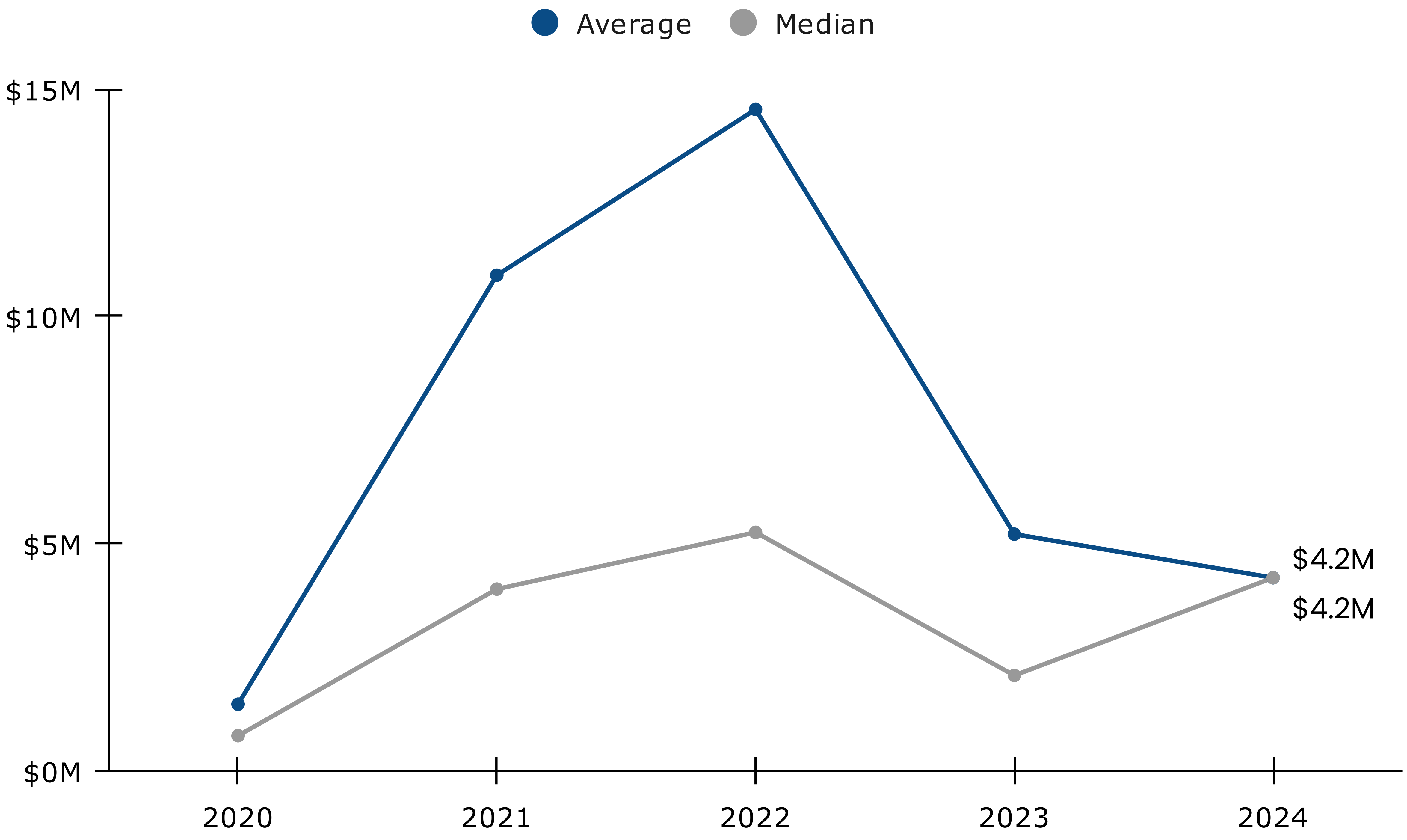
E-commerce | Deal Value & Count



Pakistan's e-commerce sector has followed the classic boom-and-bust pattern seen in early-stage ecosystems. After modest beginnings in 2020 with $20.6M across 14 deals, the sector exploded in 2021-2022, securing a staggering $174.5M and $174.7M respectively, and accounting for nearly half of Pakistan's total startup funding over the five years.

However, 2023 saw funding plummeting to just $26.1M. The downward spiral continued in 2024, with funding dropping another 67% to a paltry $8.5M. These funding levels now sit well below even the 2020 figures, with deal activity just one-third of what it was during the pre-boom era.

E-commerce | Deal Size



Starting from a modest $1.47M in 2020, investment sizes skyrocketed to $10.91M in 2021—a 643% increase—before climbing further to $14.55M in 2022. This trajectory reversed sharply in 2023, with average deal sizes falling 64% to $5.21M, followed by another 18% decline to $4.25M in 2024.

Median deal sizes tell an even more dramatic story, surging from $775,000 in 2020 to $4M in 2021, a remarkable 416% jump. before peaking at $5.25M in 2022. The subsequent contraction saw median investments fall 60% to $2.1M in 2023, before recovering to $4.25M in 2024.

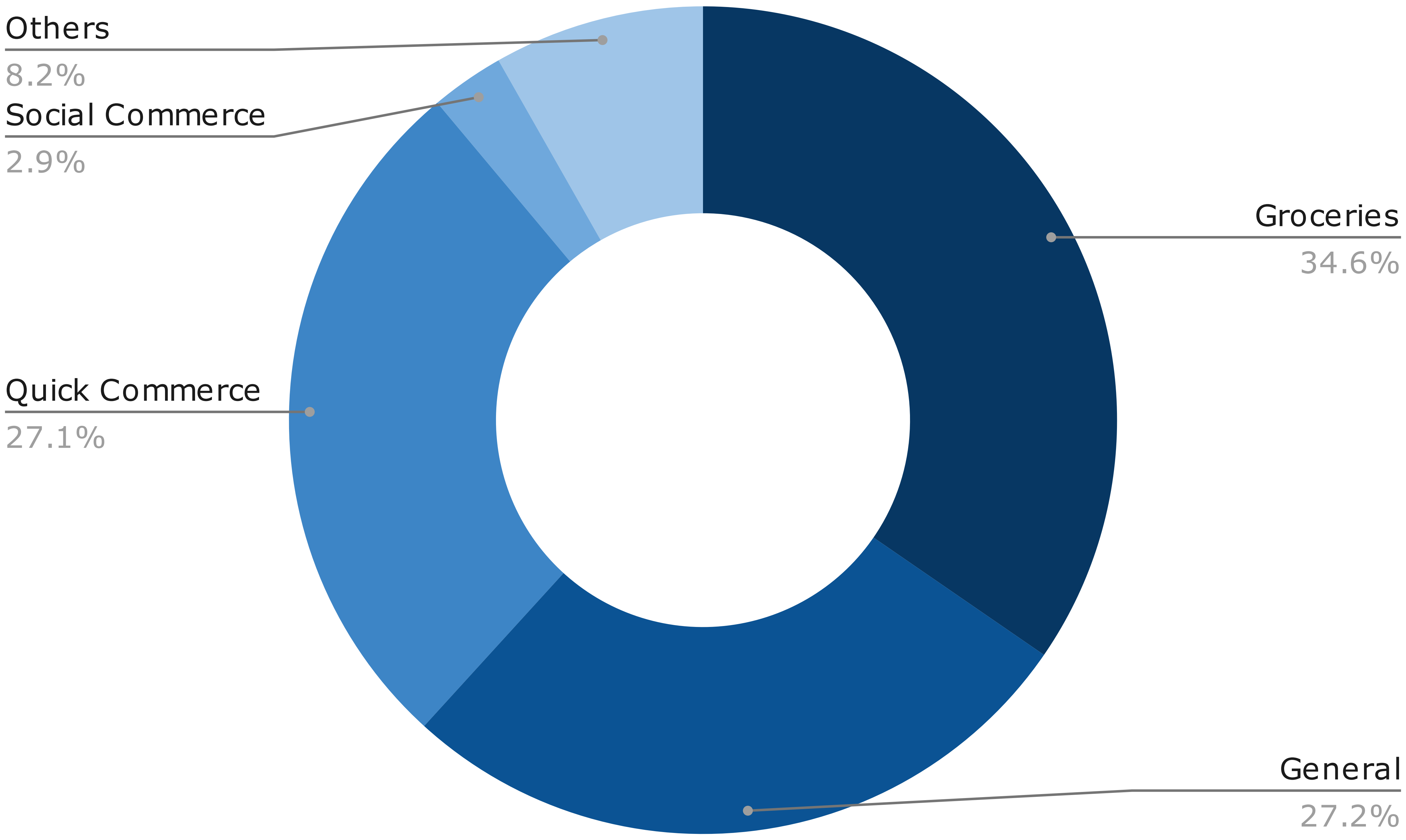
Data Darbar | INDUS VALLEY CAPITAL

Source: Data Darbar Research
Note: Average and Median are equal due to the small number of deals with disclosed amounts

E-commerce | Biggest Deals

Startup	Category	Amount	Year	Stage
AIRLIFT	Q-Commerce	$85M	2021	Series B
بازار	General	$70M	2022	Series B
دستگیر	General	$37M	2022	Series A
بازار	Groceries	$30M	2021	Series A
jugnu	Groceries	$22.5M	2021	Series A

E-commerce | Category-wise Deal Value

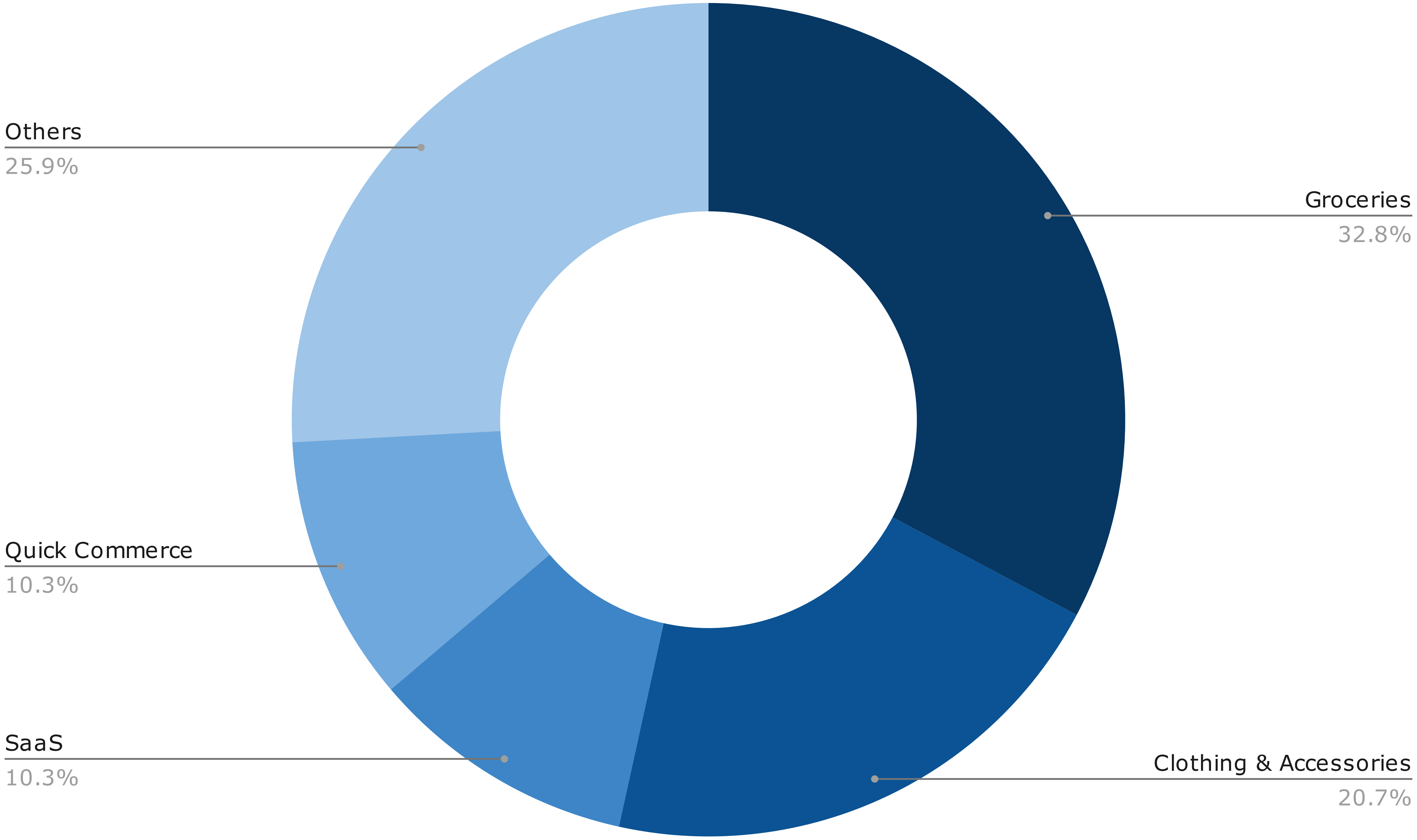


Over the past five years, groceries have dominated Pakistan's e-commerce funding landscape, capturing 35% of all investment at $139.9M, largely thanks to B2B marketplace players digitizing the kiryana stores. Quick commerce startups also feature prominently at $109.8M, largely due to Airlift's outsized rounds.

While the dearth of recent deals may suggest a change of heart among investors due to specific model challenges, it is nevertheless indicative of broad focus towards non-discretionary categories where digitization momentum remains strong.

Source: Data Darbar Research

E-commerce | Category-wise Deal Count

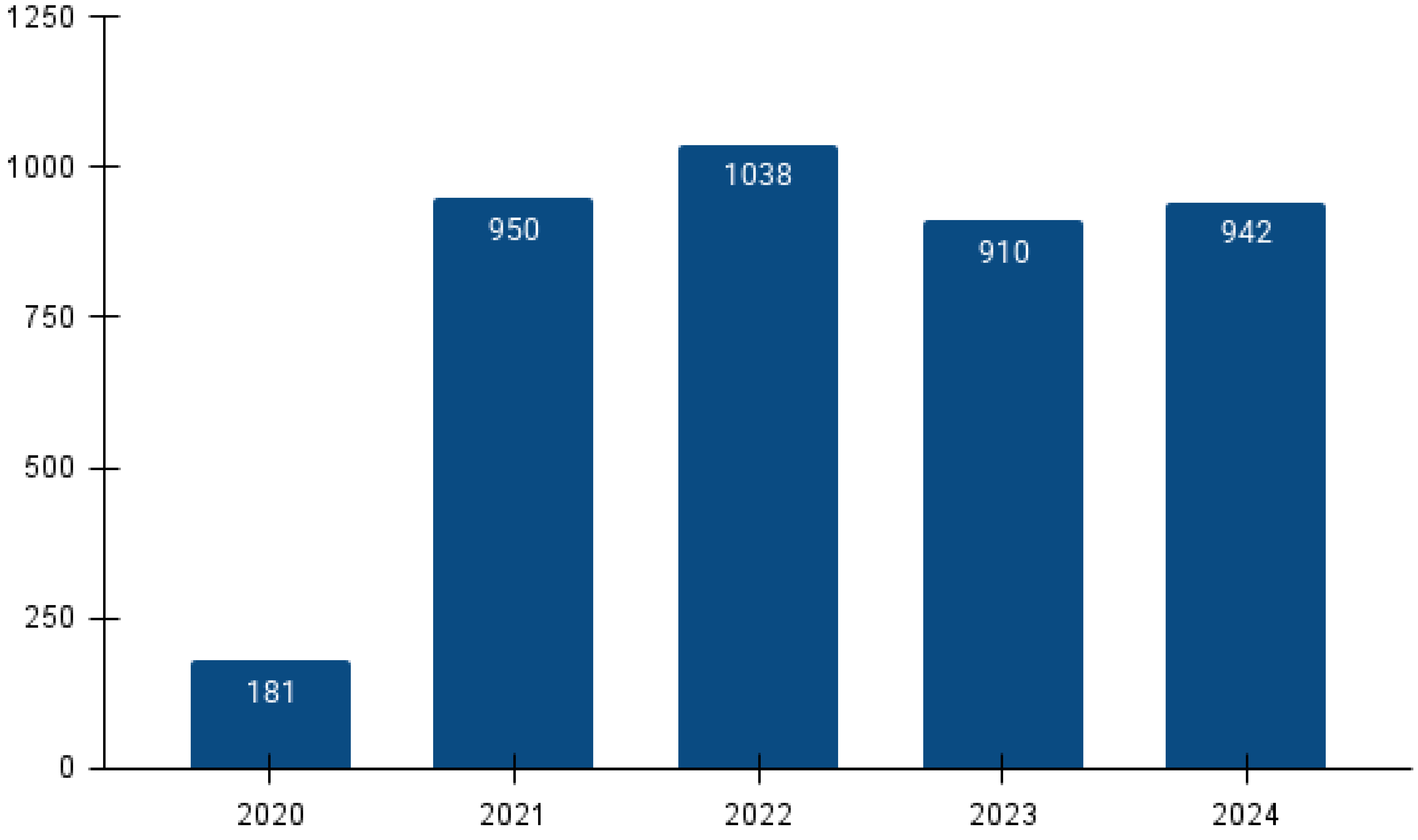


Volume-wise, the groceries category remained the undisputed leader with 19 deals , capturing a 35% share of all e-commerce deals since 2019.

Clothing & Accessories emerged as the second most active vertical with 12 deals, highlighting continued investor interest despite more modest funding amounts. Quick Commerce and e-commerce SaaS solutions tied with 6 deals each.

Source: Data Darbar Research

E-commerce | Company Incorporations

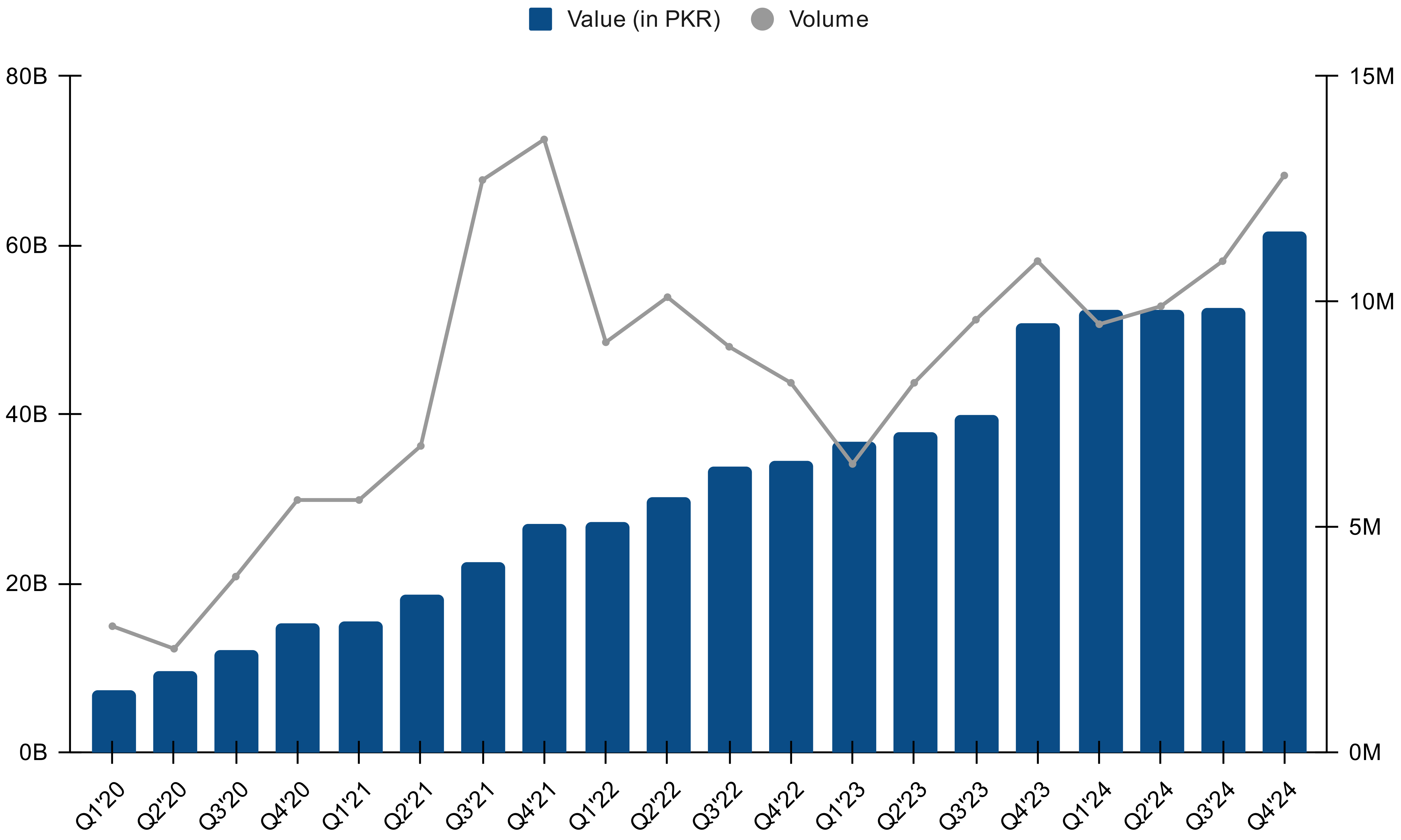


Ever since it was introduced as a standalone category, Pakistan's e-commerce sector witnessed an explosion in company registrations, surging from just 181 in 2020 to 950 in 2021, a remarkable 425% increase, coinciding with the funding boom. However, company registrations peaked at 1,038 companies in 2022 before slightly declining to 910 in 2023.

Surprisingly, despite the severe funding contraction that saw investment plummet by over 90% from peak levels, new registrations rebounded to 942 in 2024, demonstrating resilience.

Source: Securities and Exchange Commission of Pakistan

E-commerce | Prepaid Transactions



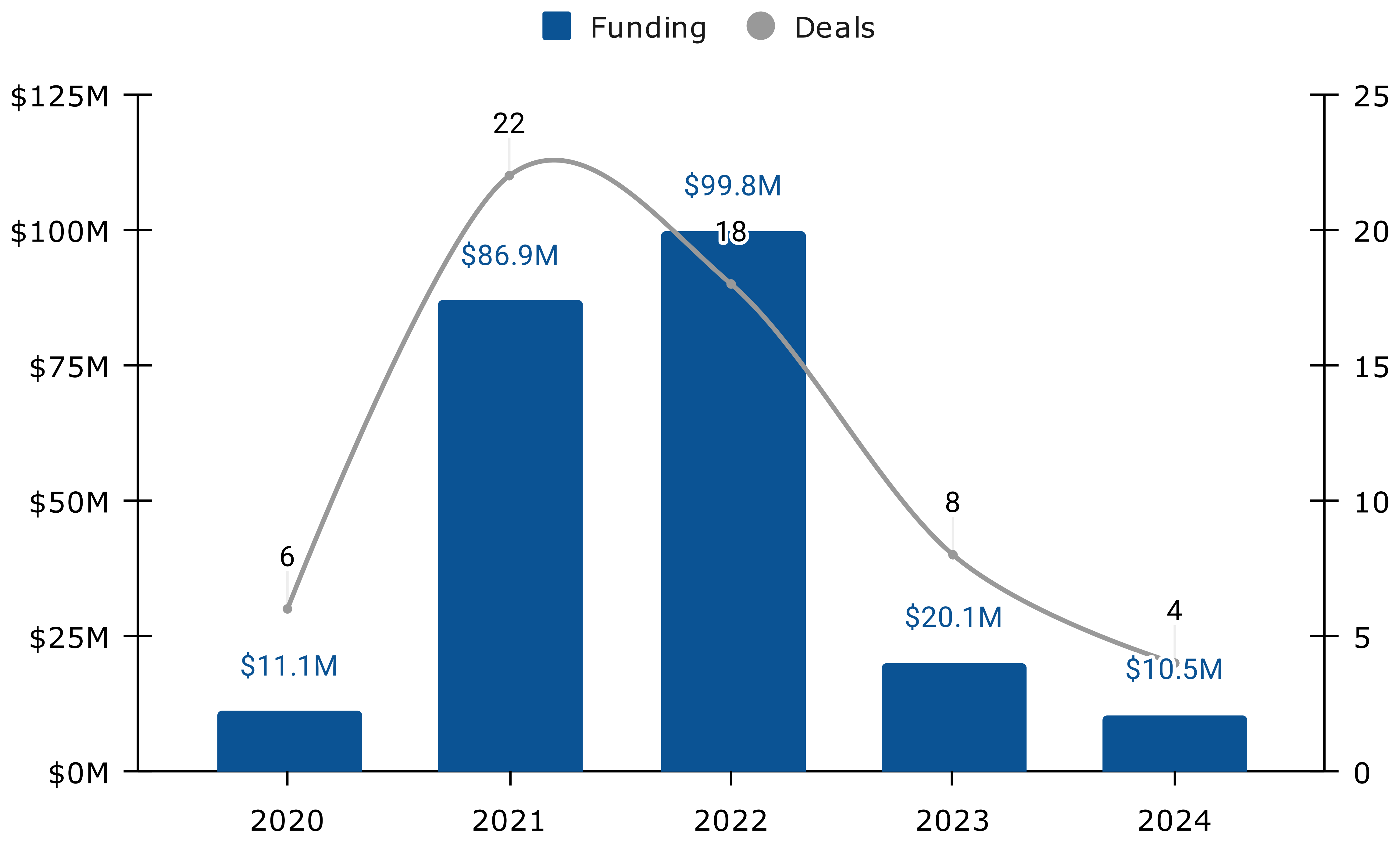
For card-based e-commerce via merchants registered with Pakistani banks, it was yet another mixed bag of a year though volumes finally scaled to a fresh peak of 43.1M in 2024, finally breaching 2021 levels. Similarly, throughput continued to rise, in large part thanks to inflationary pressures, to reach PKR 218.1B.

Despite the strong wave of digital payments, e-commerce via cards has yet to realize its potential and remains less preferable compared to other channels such as mobile banking or wallets.

Source: State Bank of Pakistan
Note: Based on card-based transactions on merchants registered with Pakistani banks

Fintech

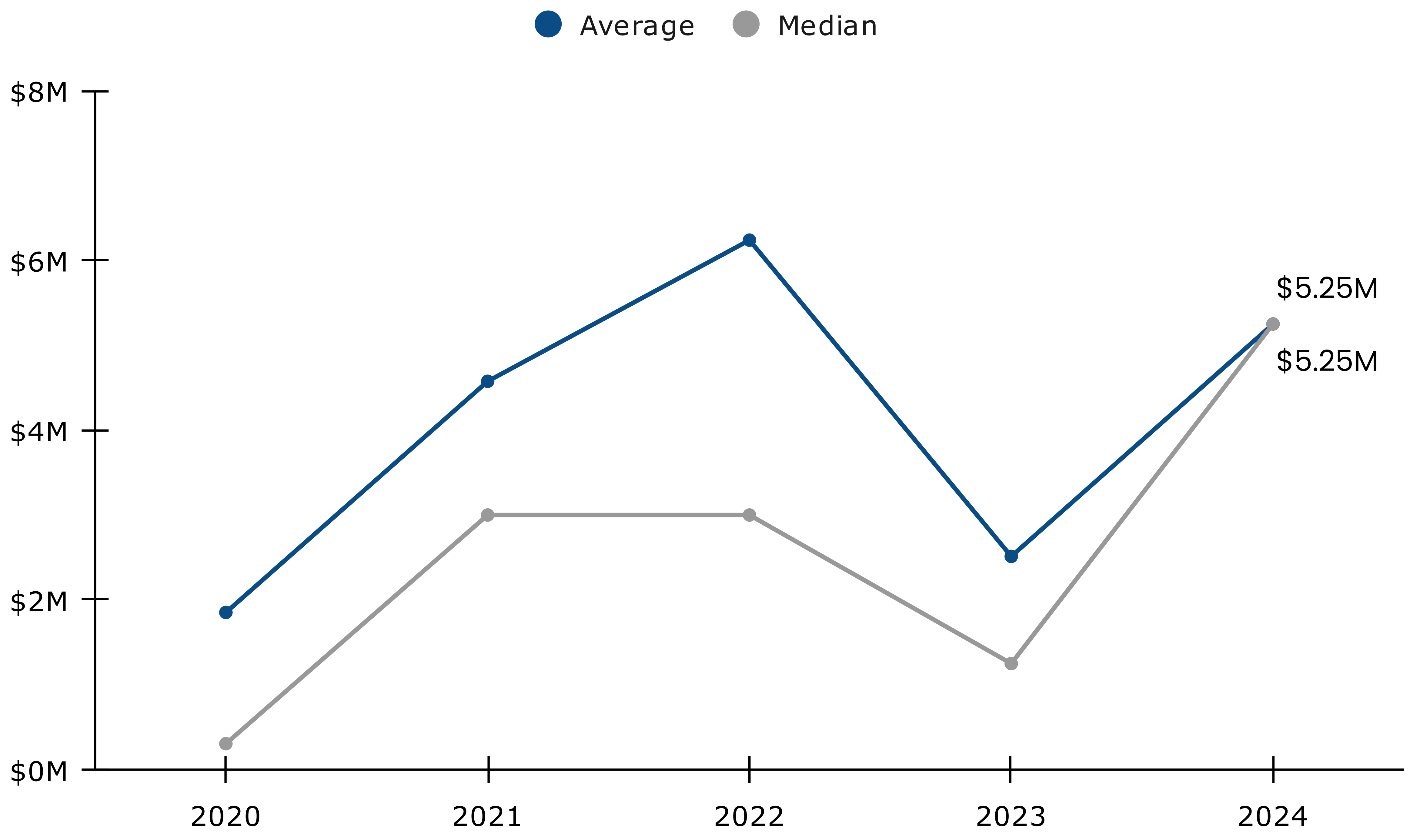
Fintech | Deal Value & Count



After peaking at nearly $100 million across 18 deals in 2022, funding to fintech startups in Pakistan has sharply declined over the last few years.

In 2024, the sector attracted just $10.5 million, the lowest in the five-year period. This marks an 89% drop in capital from its 2021 high and reflects broader investor caution. Deal count has followed a similar trend, falling from 22 in 2021 to only 4 last year, signaling a continued funding winter for the once-hot vertical.

Fintech | Deal Size



Fintech startups bucked the overall funding downturn, securing an impressive average deal size of $5.25 million, more than double the previous year's $2.51 million and approaching the sector's peak performance from 2022. The median deal size matched the average at $5.25 million, suggesting consistent valuations without outliers skewing the data. This represents a 320% increase from 2023's median of $1.25 million and indicates that while fewer fintech deals closed, investors were willing to make substantial commitments to promising financial technology ventures.

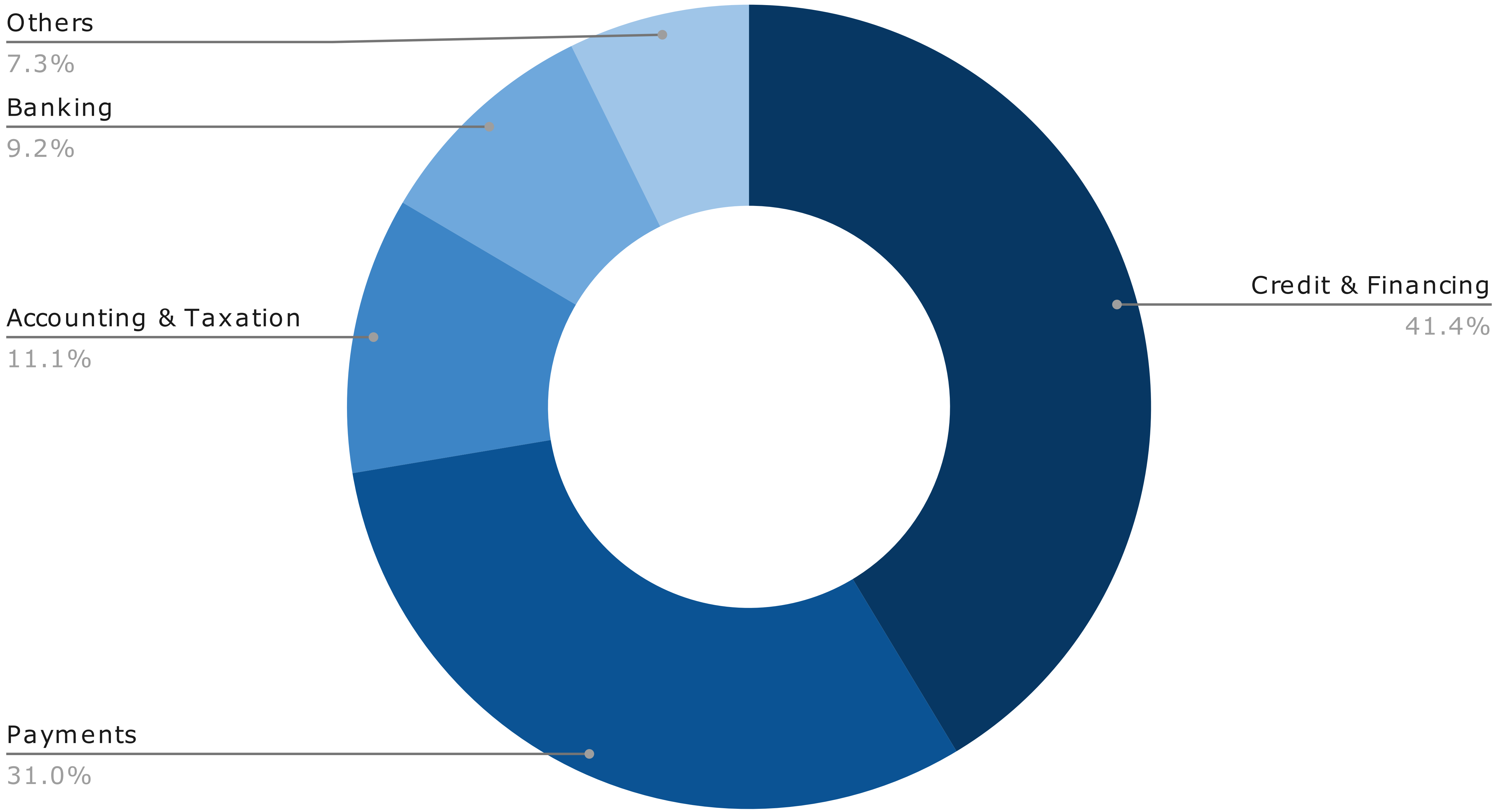
Source: Data Darbar Research
Note: Average and Median are equal due to the small number of deals with disclosed amounts

Fintech | Biggest Deals

Startup	Category	Amount	Year	Stage
	Banking	$17.6M	2022	Seed
abhi	Credit & Financing	$17M	2022	Series A
QISSTPAY	Credit & Financing	$15M	2021	Seed
NAYAPAY	Payments	$13M	2022	Seed
TAG	Payments	$12M	2021	Seed

Source: Data Darbar Research.
Note: Sadapay was not included in this list as we do not club seed extension rounds together.

Fintech | Category-wise Deal Value

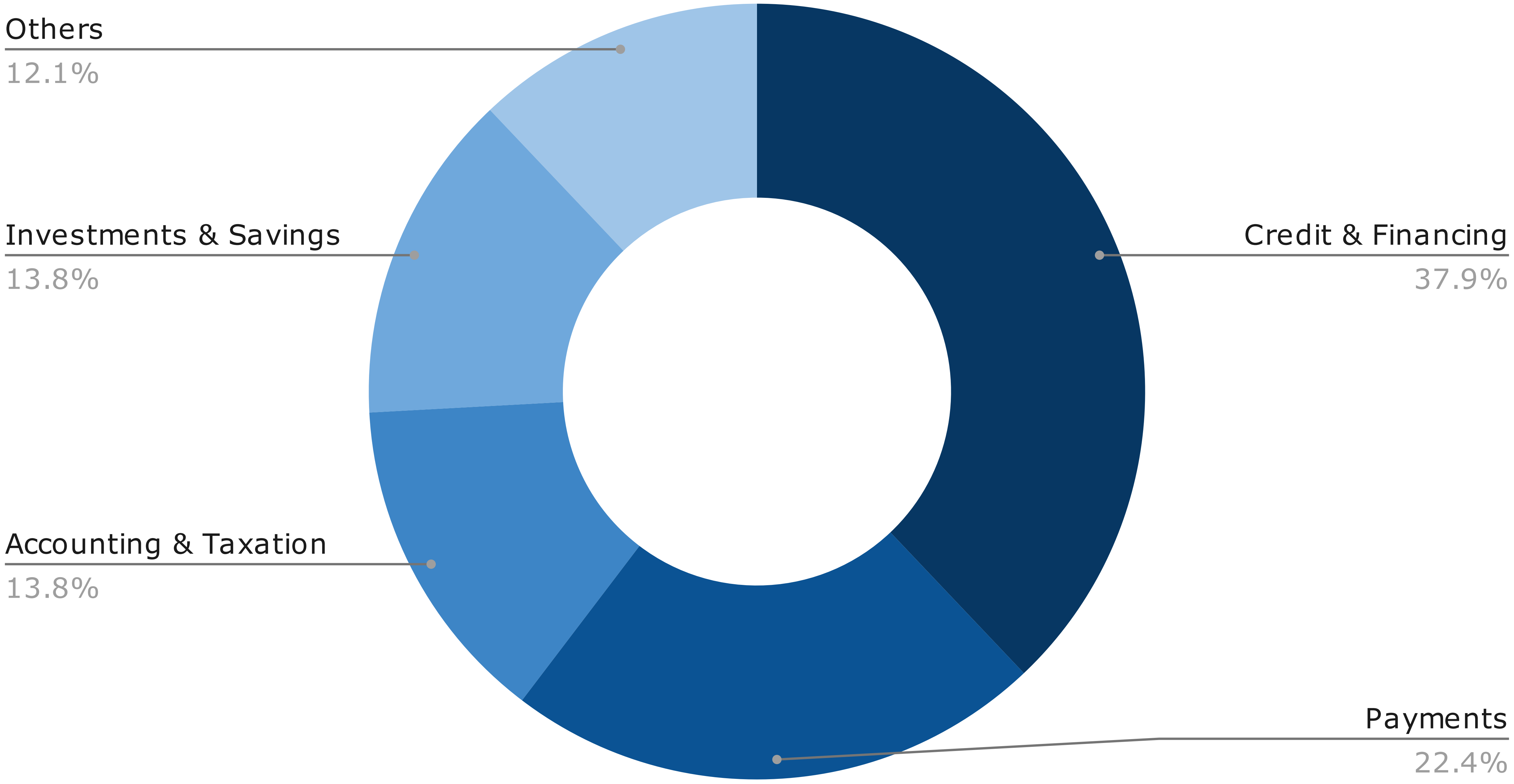


Within Pakistan's fintech ecosystem, Credit & Financing solutions have emerged as the dominant category, securing $94.5 million—nearly 41% of all fintech investment from 2020-2024. Payments platforms followed as a strong second, attracting $70.8 million or roughly 31% of sector funding.

Accounting & Taxation startups attracted significant interest, while banking innovations received modest backing. The concentration of funding in credit solutions highlights investors' bet on addressing Pakistan's substantial financing gap, where traditional lenders have historically underserved both consumers and SMEs.

Source: Data Darbar Research

Fintech | Category-wise Deal Count

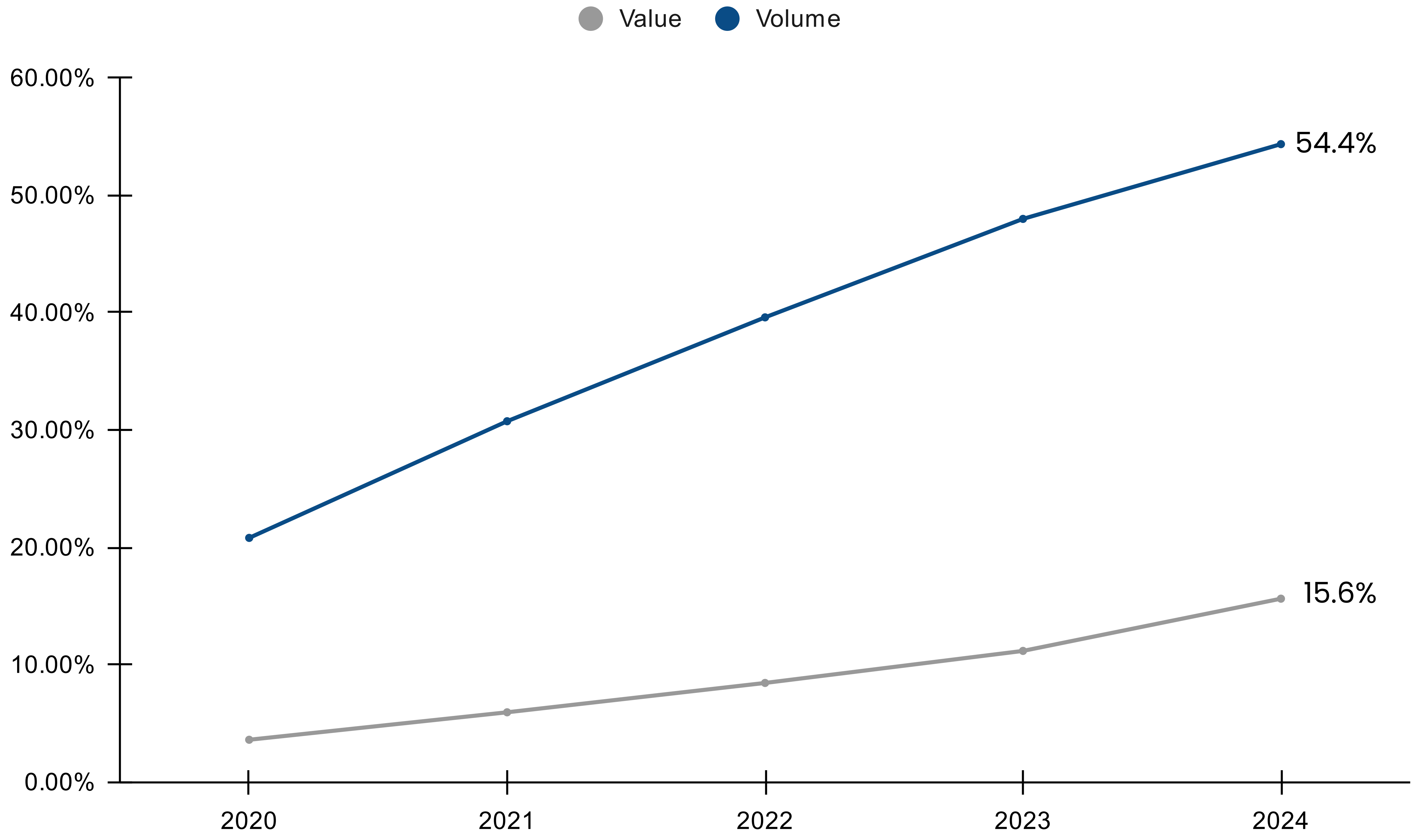


Credit & Financing emerged as the undisputed focal point of the ecosystem on the deal count front as well, capturing 22 investments since 2020, nearly 38% of all transactions. Payment solutions secured 13 deals, establishing themselves as the second most active category as investors backed ventures digitizing transactions in the cash-heavy economy.

Accounting & Taxation tied with Investment & Savings platforms at 8 deals each, demonstrating consistent investor interest in both business financial management tools and wealth-building solutions.

Source: Data Darbar Research

Fintech | Share of Digital Payments



The shift toward digital financial services in Pakistan continued in 2024, with digital channels making up 54.4% of all banking transaction volumes, up from 48.0% in 2023.

However, in terms of transaction value, digital payments still account for just 15.6%, indicating that most high-value transactions remain cash-based. This gap presents a clear opportunity for both policymakers and the financial industry to accelerate adoption of digital payments across all segments.

Source: State Bank of Pakistan
Note: Unlike SBP, we only consider mobile banking, internet banking, e-commerce and point of sale as digital channels.

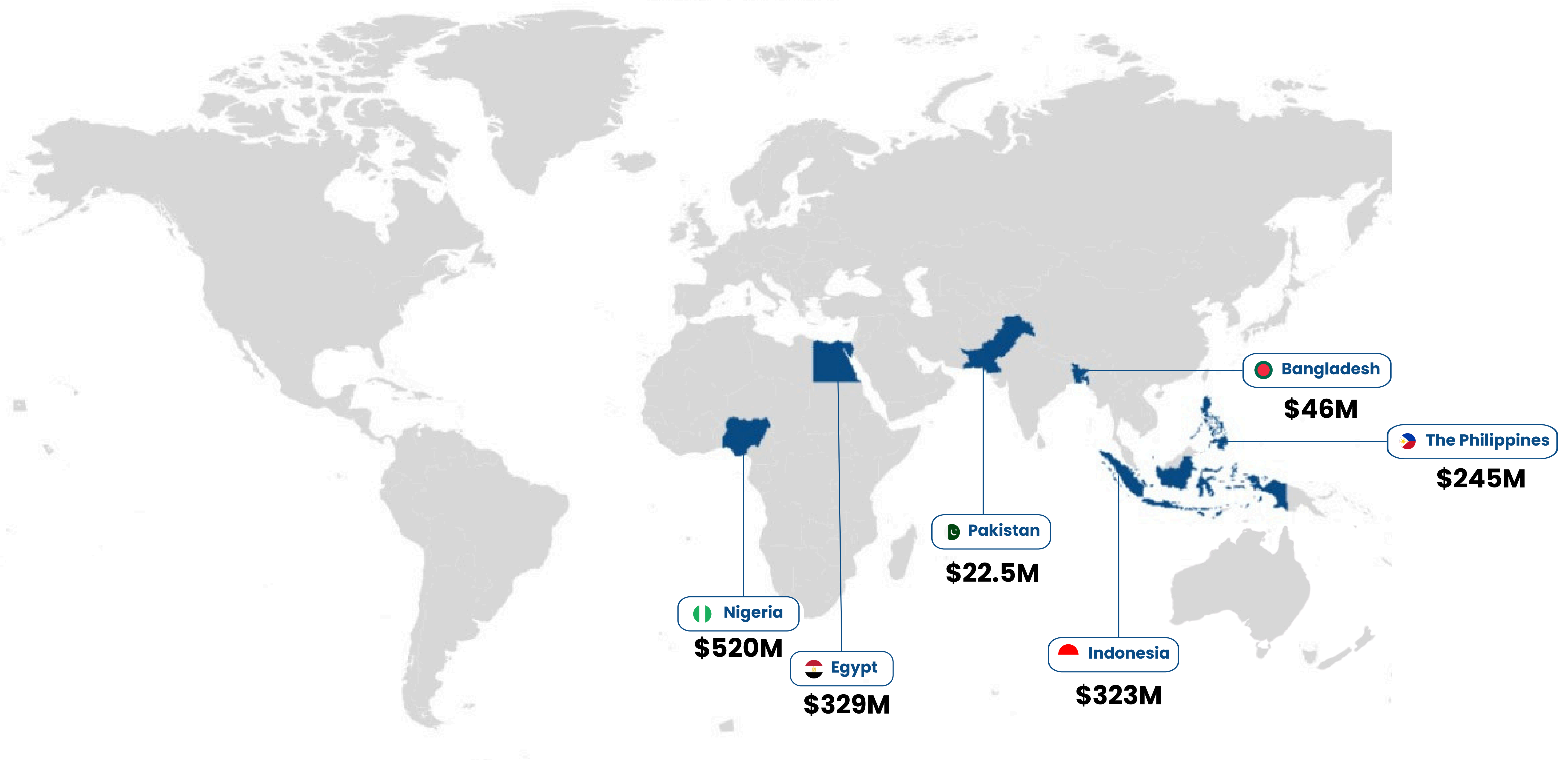
The Global Context

Key Indicators: Pakistan vs. Peers

	PAKISTAN	INDONESIA	NIGERIA	PHILIPPINES	BANGLADESH	EGYPT
GDP	$373B	$1.4Tr	$187B	$461B	$451B	$383B
Population	247M+	281M+	227M+	114M+	171M+	114M+
GDP per Capita	$6,036	$15,415	$6,207	$10,988	$9,147	$18,524
FDI	$1.8B	$21.6B	-$1.8B	$6.2B	$3.0B	$9.8B

Source: World Bank [updated as of 2024] , International Monetary Fund, UNCTAD
Note: GDP is nominal; GDP per capita is in PPP terms.

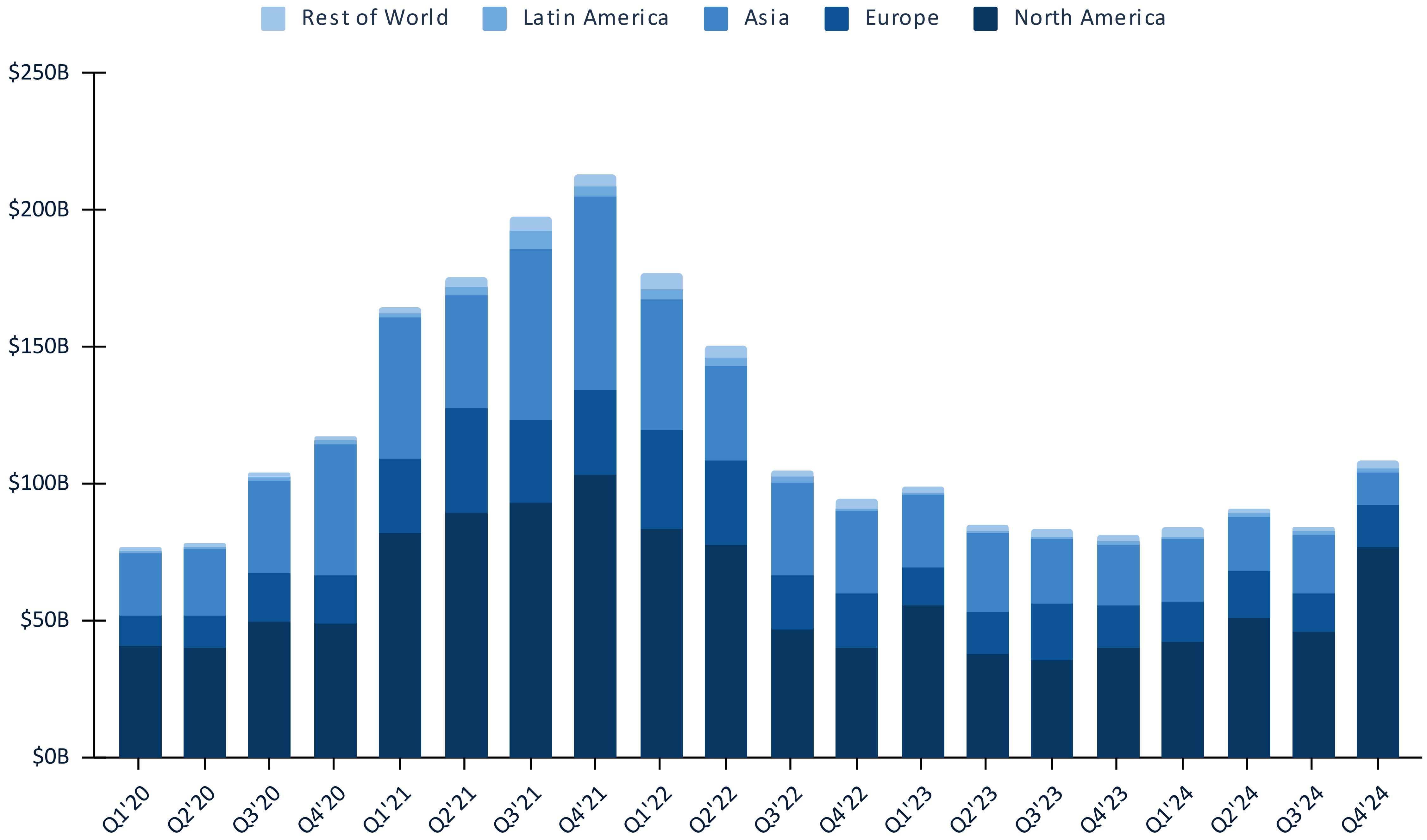
Funding Roundup: Pakistan vs. Peers



Source: Data Darbar Research [Pakistan] | LightCastle Partners [Bangladesh] | Crunchbase and DSA [Philippines & Indonesia] | Partech [Nigeria] | Magnitt [Egypt]

Global VC shows mixed recovery at $368.6B

VC amount deployed by region



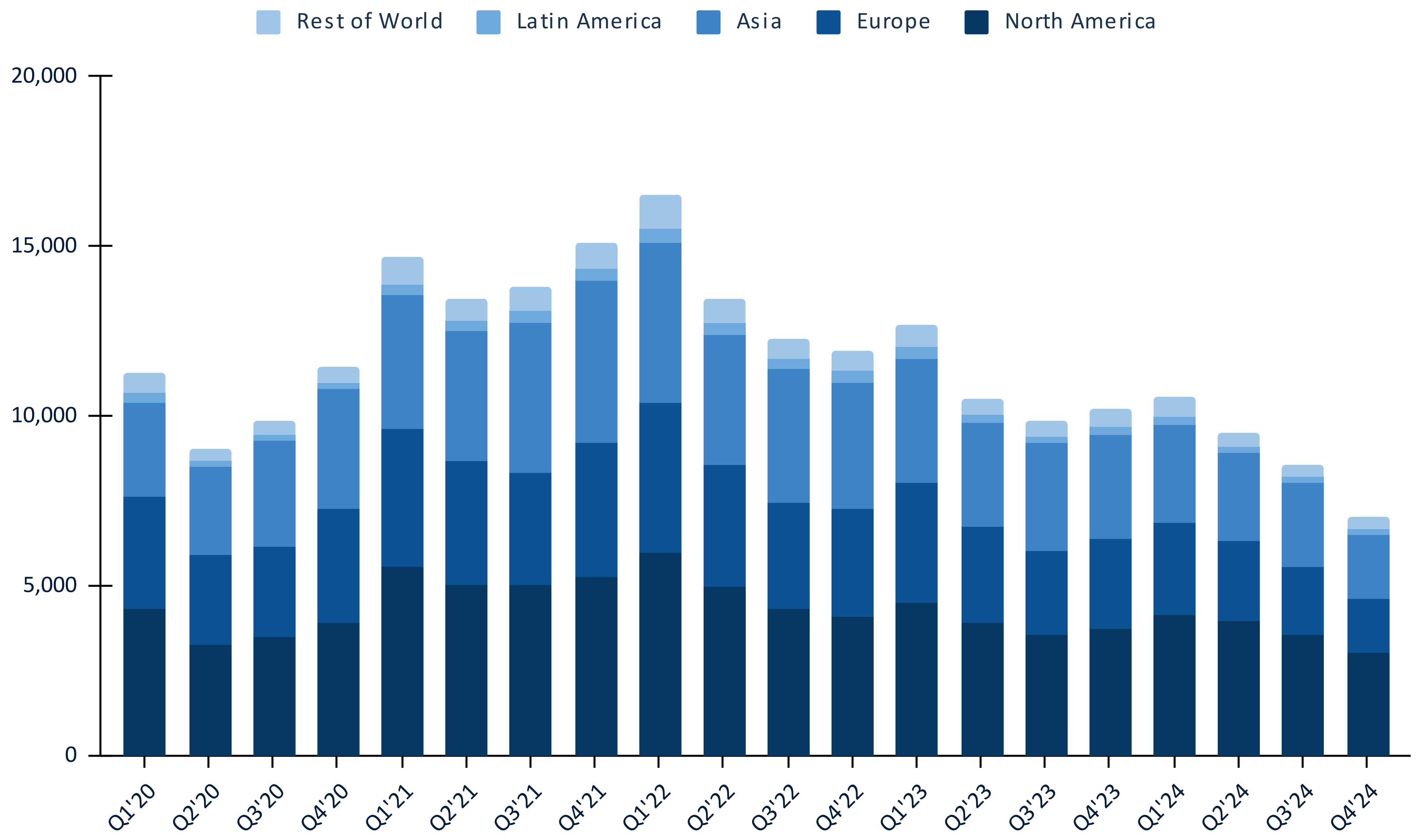
Region-wise, North America led with $216.4 billion, a 19% increase from 2023 and approaching pre-downturn levels. Europe maintained stability at $61.6 billion, showing slight growth from 2023 but remaining below peak years.

On the other, Asia's woes continues as funding fell 17% to $75.9 billion and less than half its 2021 peak. Latin America ($4.8 billion) and the rest of the world ($10 billion) saw modest activity. This growing disparity between North America's robust recovery and Asia's continued decline highlights the increasingly West-focused nature of global VC.

Source: Pitchbook

Deal volume dips as funding conditions tighten

VC deals by region



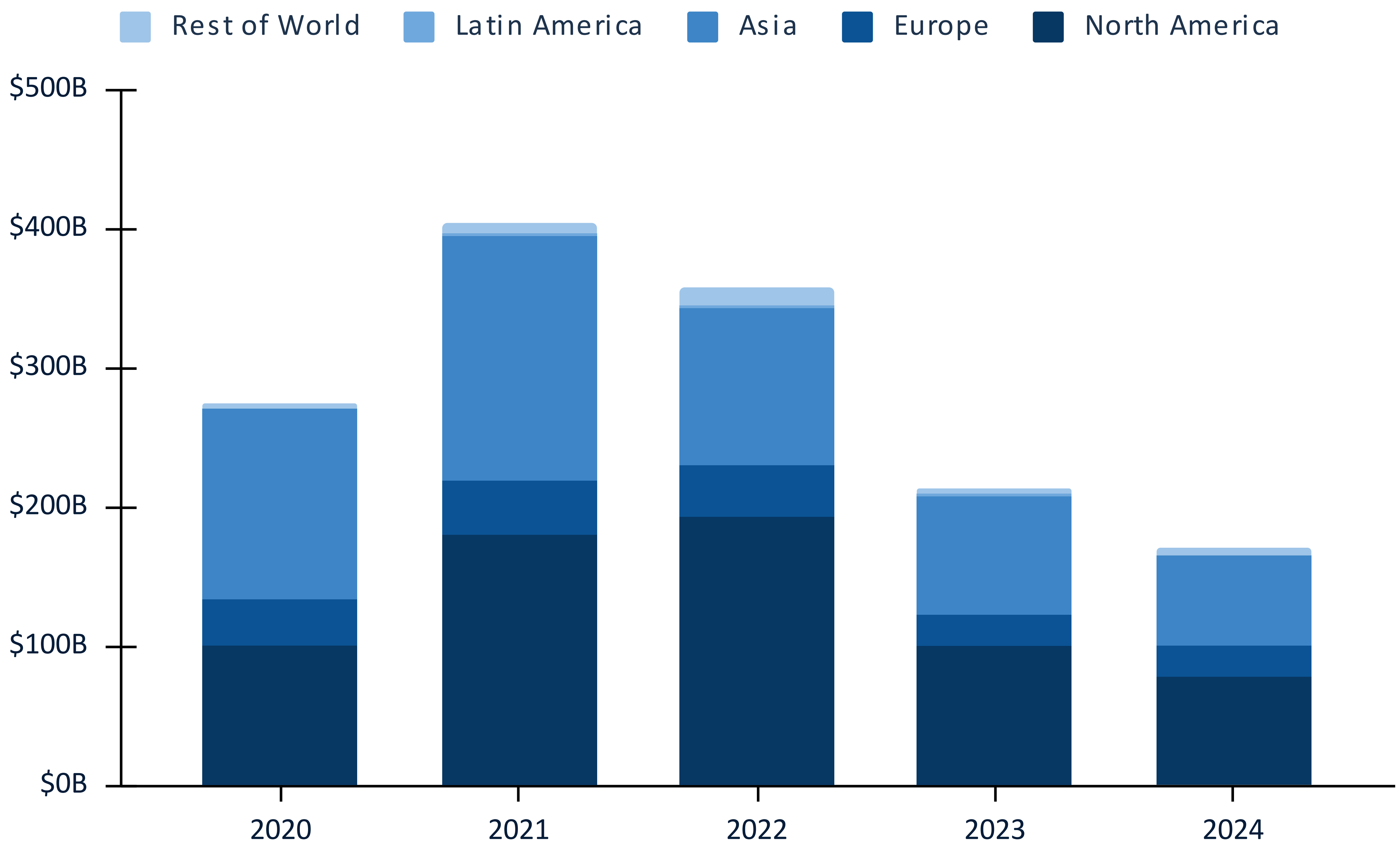
Looking at the deal count, all regions experienced a notable decline compared to 2023 as aggregate volumes reached at multi-year lows in Q4. However, the regional composition remained somewhat similar with North America recording 14,635 deals in 2024, down approximately 15% from 2023's 17,354 deals with Q4'24 showing the steepest drop to 3,008.

Europe's 2024 total of 8,760 deals represented a 25% YoY decline from 11,648 the year before while Asia saw a similar pattern with 9,807 deals in 2024, down 24%.

Source: Pitchbook

Global VC market contracts sharply for second year

Global VC amount raised by region

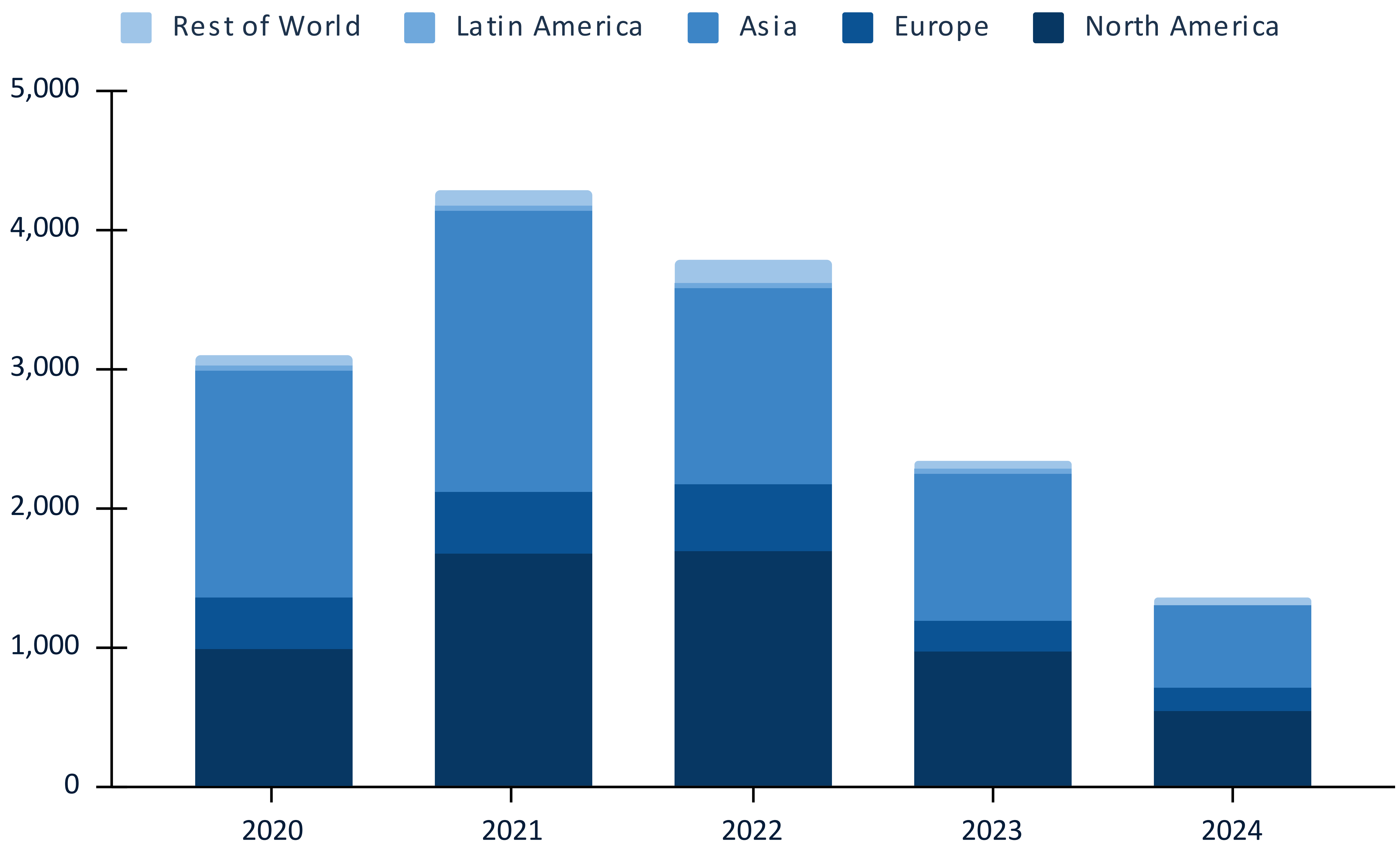


Global VC fundraising contracted significantly in 2024. North America raised $78.4B (down 21% from 2023), Europe remained relatively stable at $22.2B (just 2% below 2023), while Asia saw a sharp 25% decline to $64.2B. Latin America experienced the most dramatic drop, plummeting 82% to just $0.4B. Only the "Rest of world" category showed growth, increasing 18% to $4.6B. This widespread decline continues the cooling trend from the 2021-2022 peak period, with total global fundraising now 56% below the 2022 high, reflecting increased investor selectivity in a challenging economic environment.

Source: Pitchbook

Global VC fund count down 65% from peak

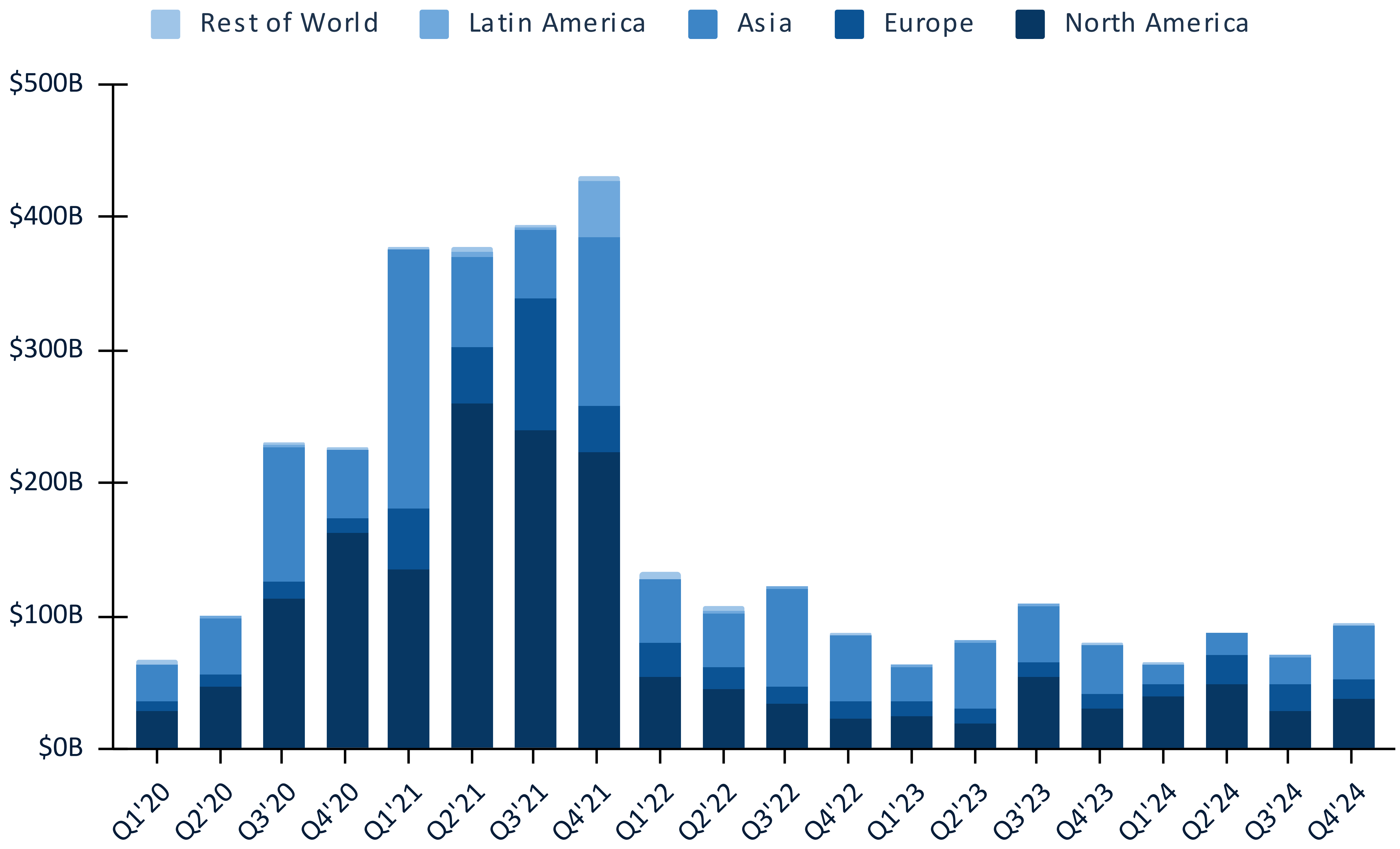
Global VC fund count by region



2024 saw severe contraction in global VC fund count across all regions. North America's funds plunged 45% year-over-year to 529, while Europe dropped 21% to 173 funds. Asia experienced the largest absolute decline, falling 44% to 586 funds. Latin America collapsed to just 14 funds (down 58%), and "Rest of world" decreased 33% to 42 funds. With these declines significantly outpacing the drop in capital raised, the data reveals a strong consolidation trend toward fewer but larger VC funds globally, with total fund count now 65% below the 2021-2022 peak period.

VC Exit values show modest recovery

Dollar value of exits



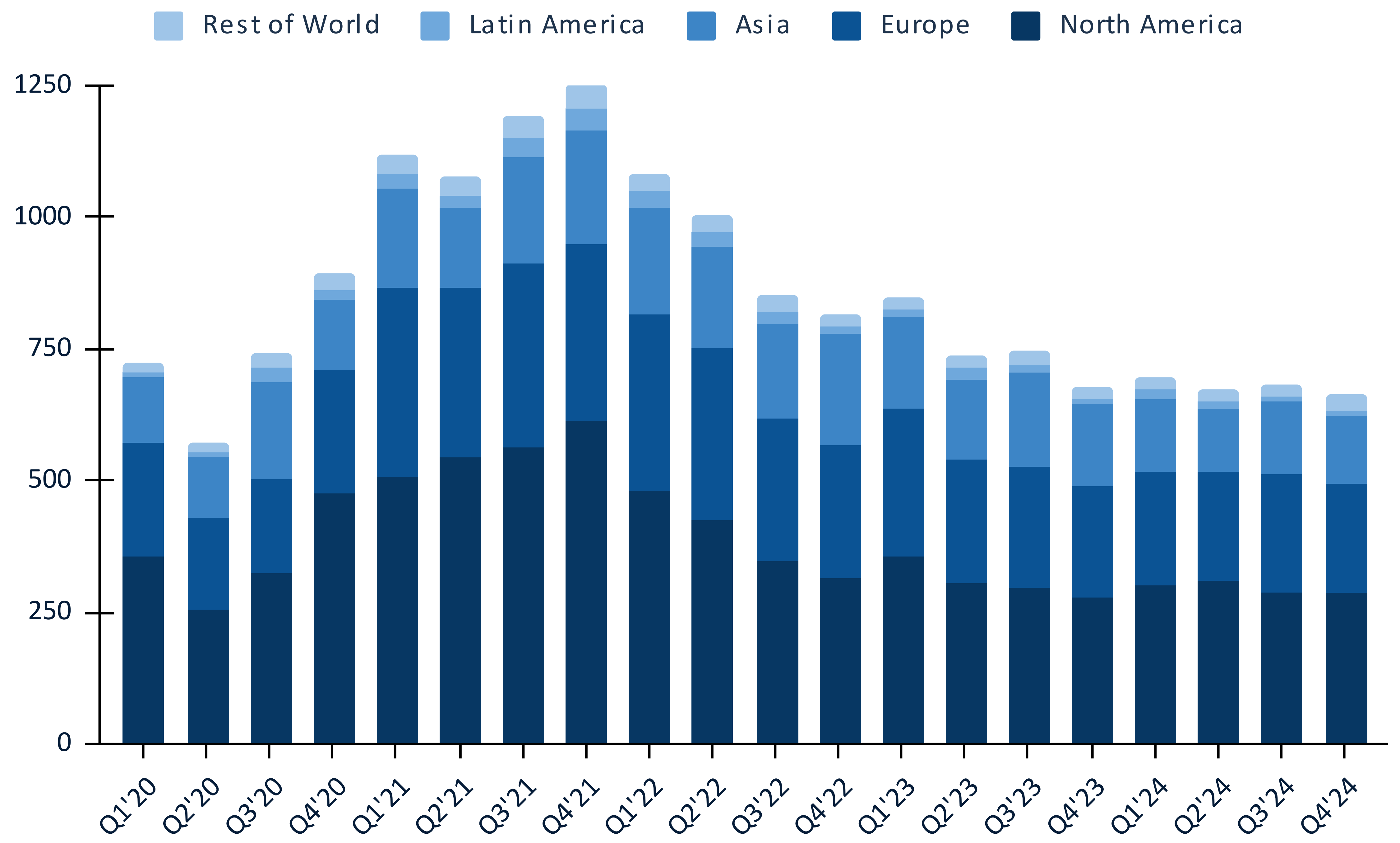
2024 VC exit values showed modest recovery from the previous year's lows but remained far below peak levels. North America totaled $153.8B (up 20% YoY but 82% below 2021's peak), with consistent quarterly performance. Europe showed stronger improvement with $66.8B (up 51% YoY), driven by strong midyear activity. Asia recorded $91.4B (down 15% YoY) with notable Q4 recovery to $41.3B. The global exit environment has normalized to pre-pandemic patterns across all regions, with total 2024 exit value ($318.1B) still 75% below the 2021 peak but showing early signs of stabilization.

Data Darbar | INDUS VALLEY CAPITAL

Source: Pitchbook

VC Exits return to pre-2020 levels

Number of Exits

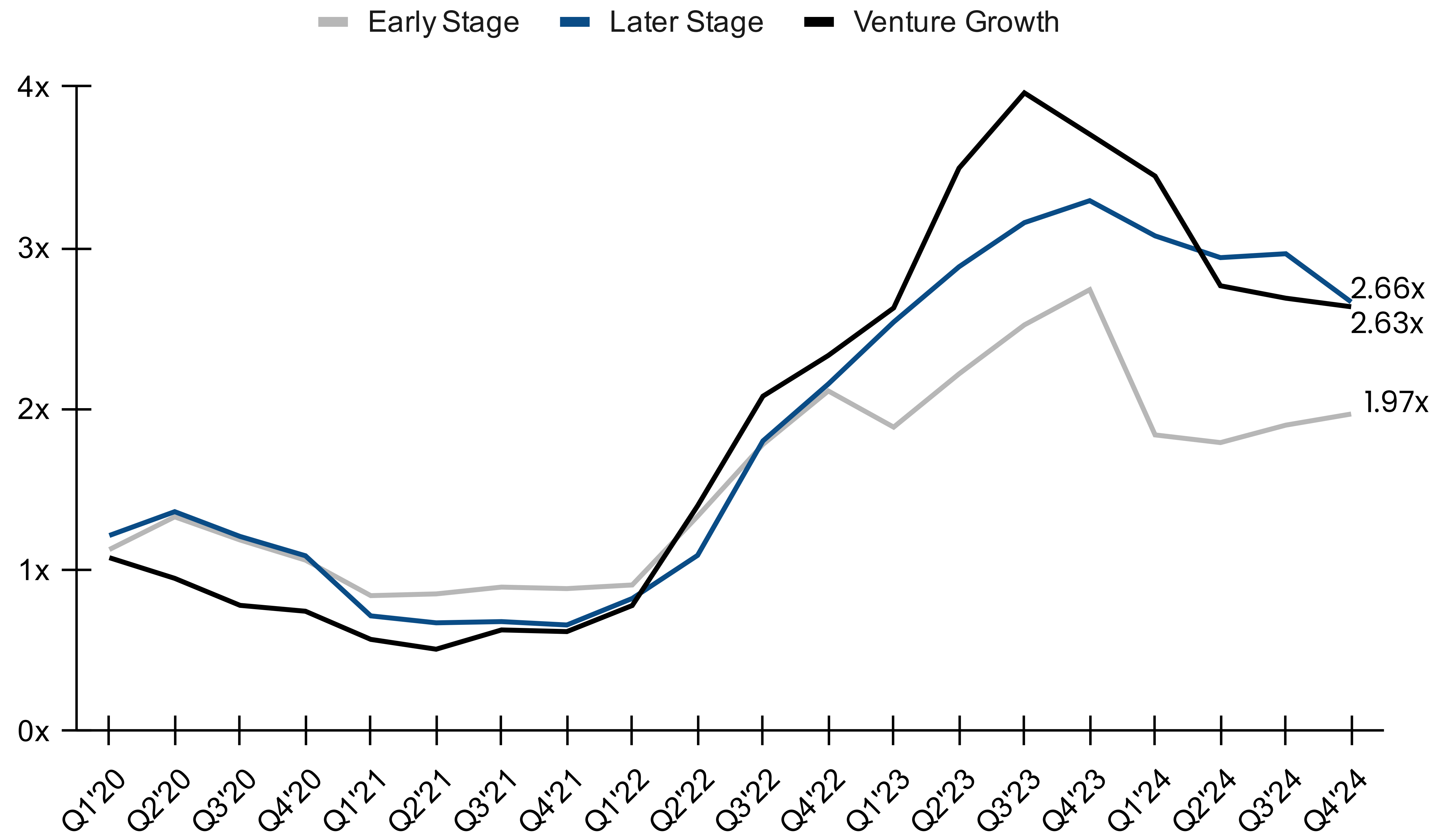


Global VC exit activity remained subdued in 2024, continuing the cooling trend from post-pandemic peaks. North America averaged 296 quarterly exits in 2024, relatively stable compared to 2023 but 47% below 2021's peak levels. Europe maintained consistent quarterly performance between 207-226 exits, showing minimal change from 2023. Asia continued declining with an average of 130 quarterly exits in 2024, down 21% from 2023. Overall, 2024 exit activity across all regions has normalized to pre-pandemic levels, firmly cementing the end of the exceptional 2020-2021 exit environment.

Source: Pitchbook

Funding environment tightens across all VC stages

Capital Demand-Supply Ratio



The wild swings in funding trend over the last five years can be explained by the demand and supply of capital. During the Covid-19 era, the market had become the friendliest to founders it had ever been before moving to the other extreme towards the end of 2023.

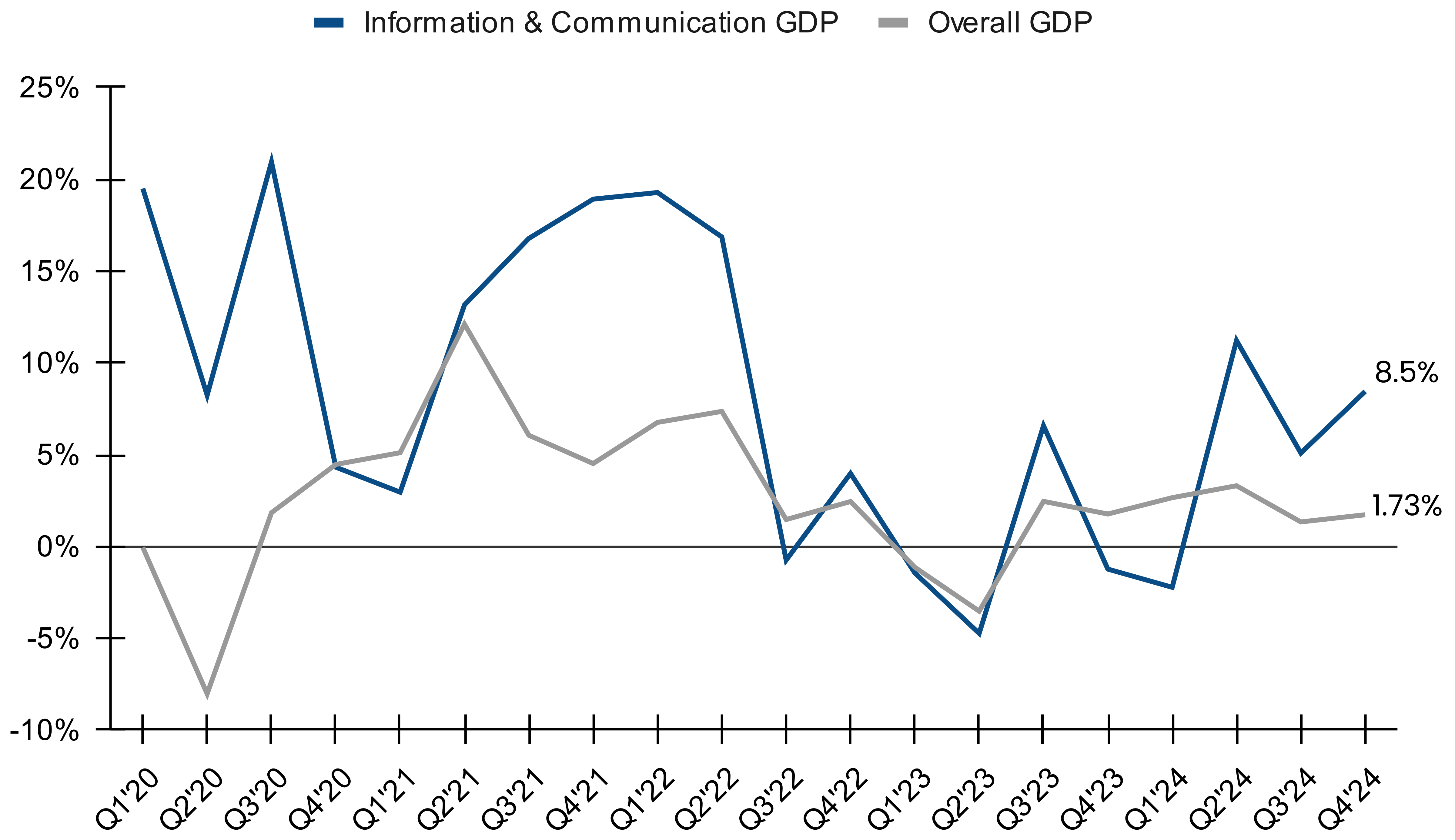
However, this year saw the balance restoring a little as capital demand-supply ratio finally declined, most visible in growth stage where the situation was perhaps the worse.

Source: Pitchbook

Technology: A Deeper Look

IT sector outpaces the overall economy

GDP Growth Rate

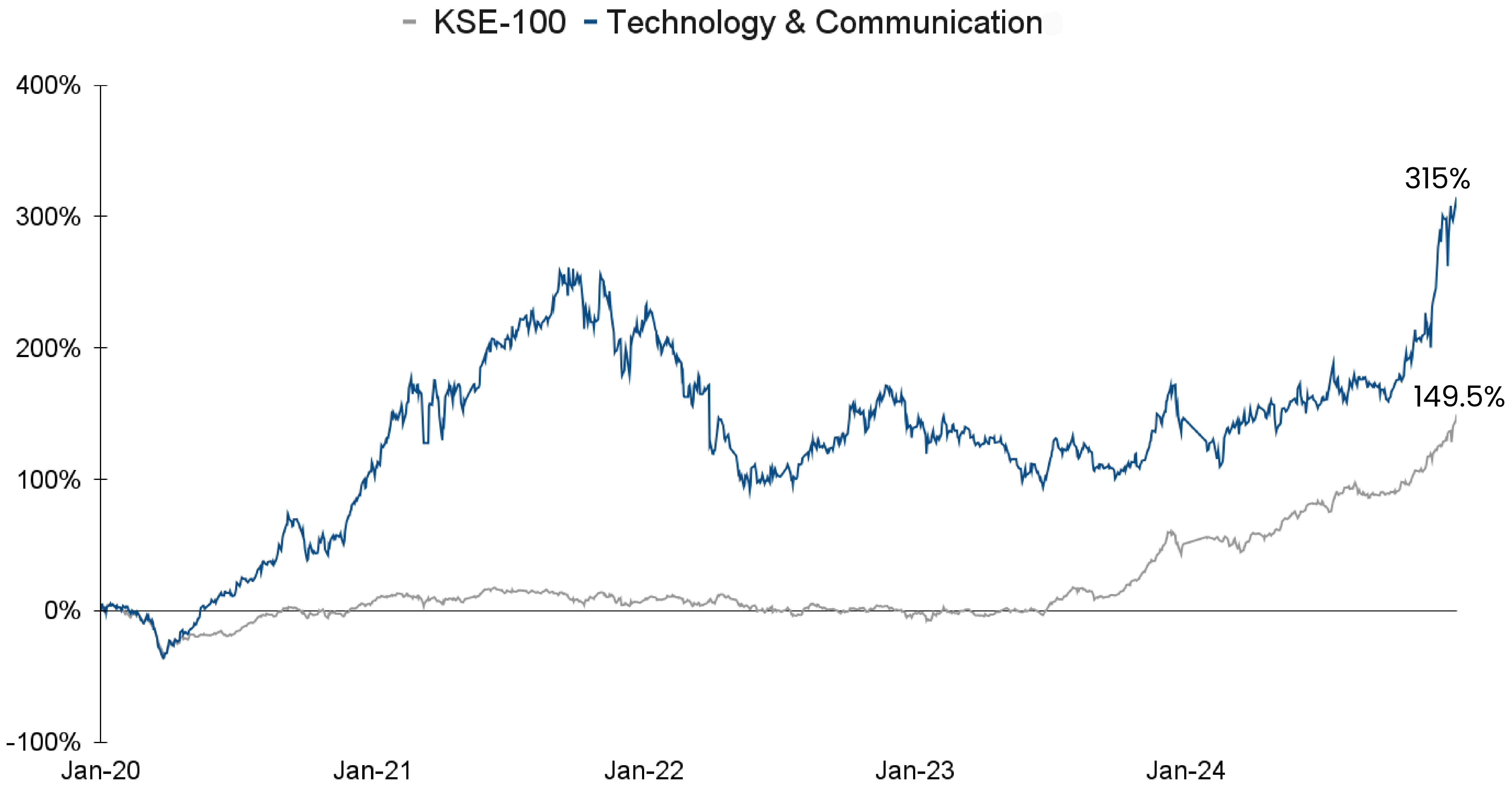


While overall GDP growth in Pakistan has remained subdued in recent years, the Information & Communication Technology (ICT) sector has consistently outperformed the broader economy. Despite short-term fluctuations and showing initial signs of negative growth rate, the sector bounced back and has demonstrated strong long-run momentum, closing 2024 with a robust 8.5% growth rate compared to just 1.73% for overall GDP. This consistent divergence highlights the ICT sector's growing role in supporting Pakistan's economic recovery, even as broader growth remains slow.

Source: State Bank of Pakistan

T&C Outperforms KSE-100 by 165% since Covid crash

Cumulative Return



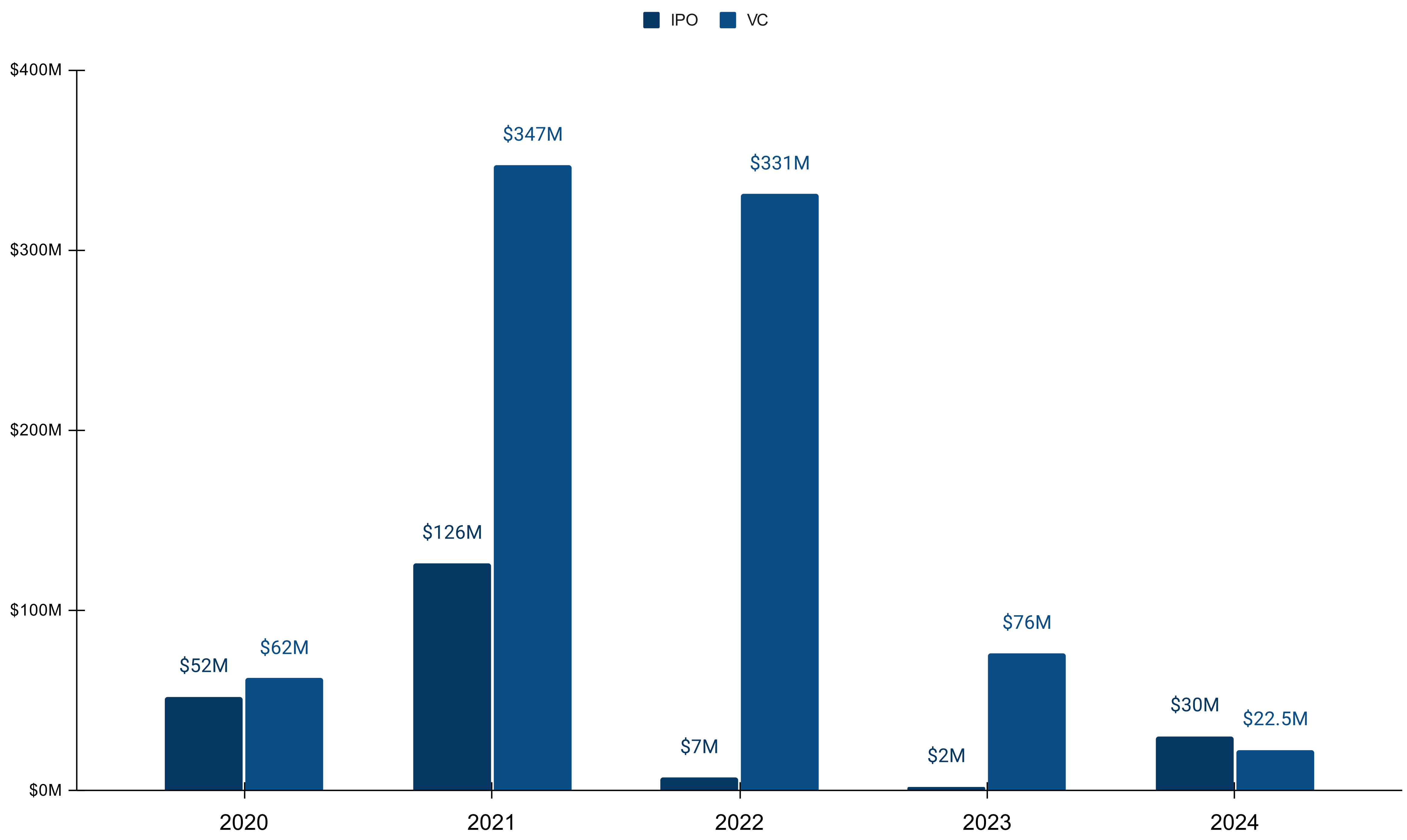
Since at least 2020, the Technology & Communications sector has consistently outperformed the KSE-100 index, posting cumulative gains of 315%, more than twice of what the benchmark has managad over the last five years.

Part of it can be explained by the trigger effect caused by Covid-19, which finally raised the weight of tech in market's capitalization. While the trend has continued till date, it has unfortunately not been broad-based and can mostly be attributed to Systems Ltd.

Source: Mettis Global

IPO recovery amid venture capital decline

Capital raised



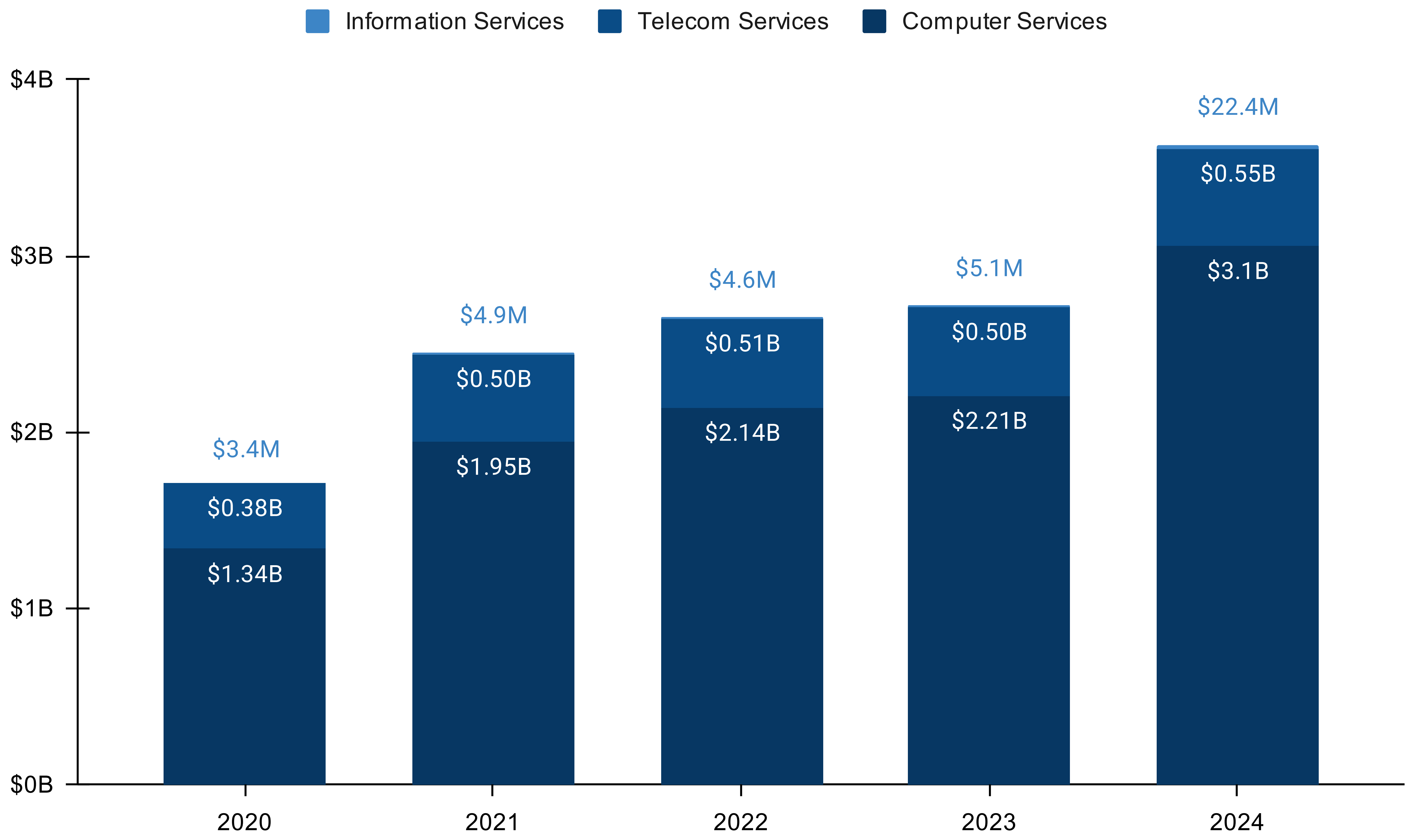
In 2024, Pakistan's capital markets showed signs of revival with IPOs rebounding to $30.2 million, a fifteen-fold increase from a tiny base of $2M in 2023, while venture capital funding contracted to $22.5 million, a 70.4% decline from the previous year.

For the first time since 2019, IPO proceeds exceeded funding through VC rounds, potentially indicating investor preference for established businesses during economic uncertainty. However, these figures likely underrepresent actual startup activity, as numerous deals went undisclosed.

Source: Data Darbar Research, Mettis Global. Brokerage Reports
Note: For IPO, we used the average annual exchange rates from interbank market..

Computer Services lead tech export revival

Value of Export Proceeds by sub-sector

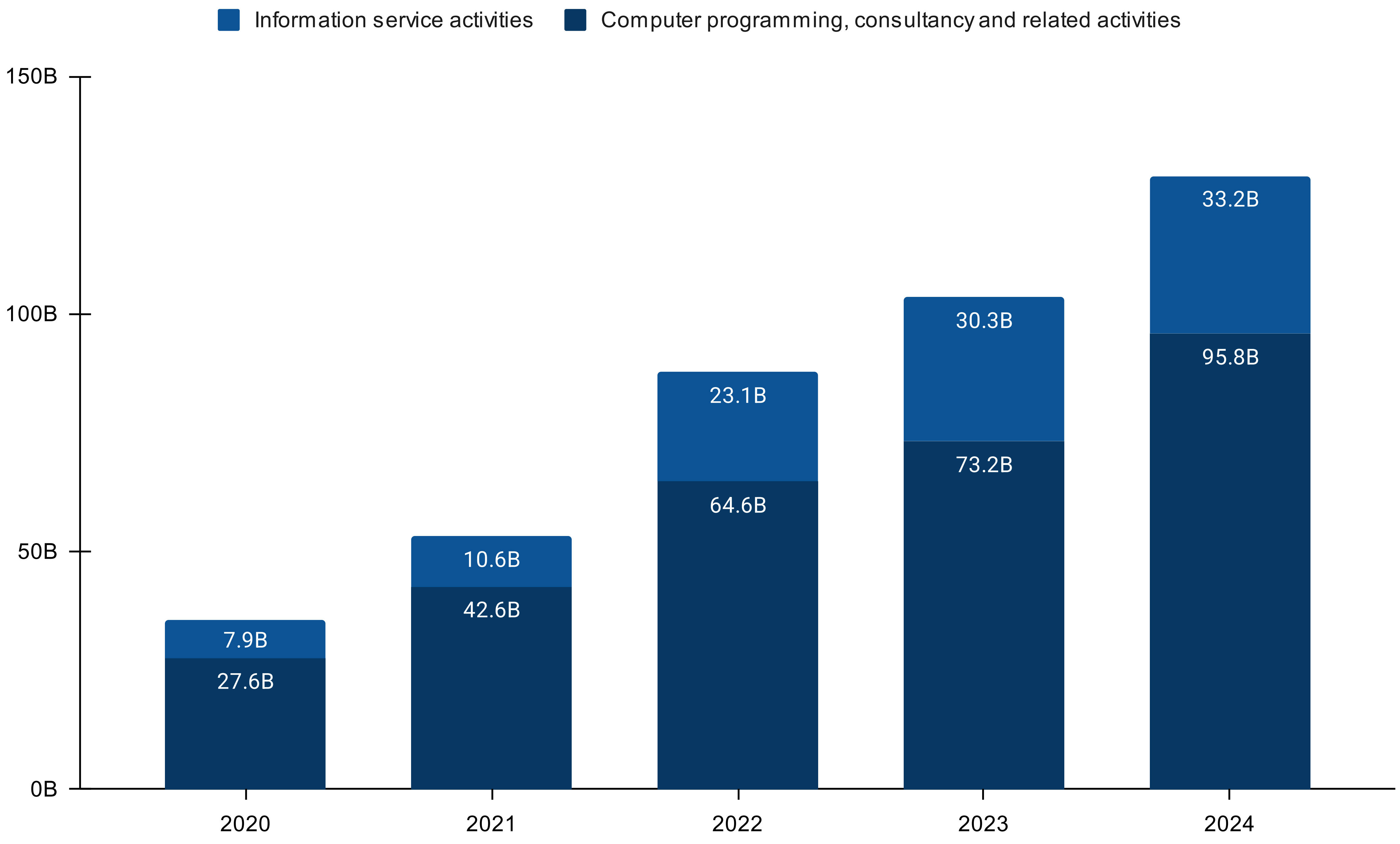


After a few years of slowdown, ICT exports staged a strong comeback as gross proceeds touched a record of $3.6B in 2024, up 33.7% over the previous year and the second-strongest increase in the last decade.

Of this, computer services accounted for the lion's share, reaching $3.1B in export value, a substantial 38.5% YoY increase from 2023. Though the base is still negligible, the performance of information services was also noteworthy as proceeds from the category surged to $22.4M, an extraordinary 341.5% YoY growth.

Tech Sector deposits surge 25% in 2024

Outstanding Deposits held by Information and Communication Sector



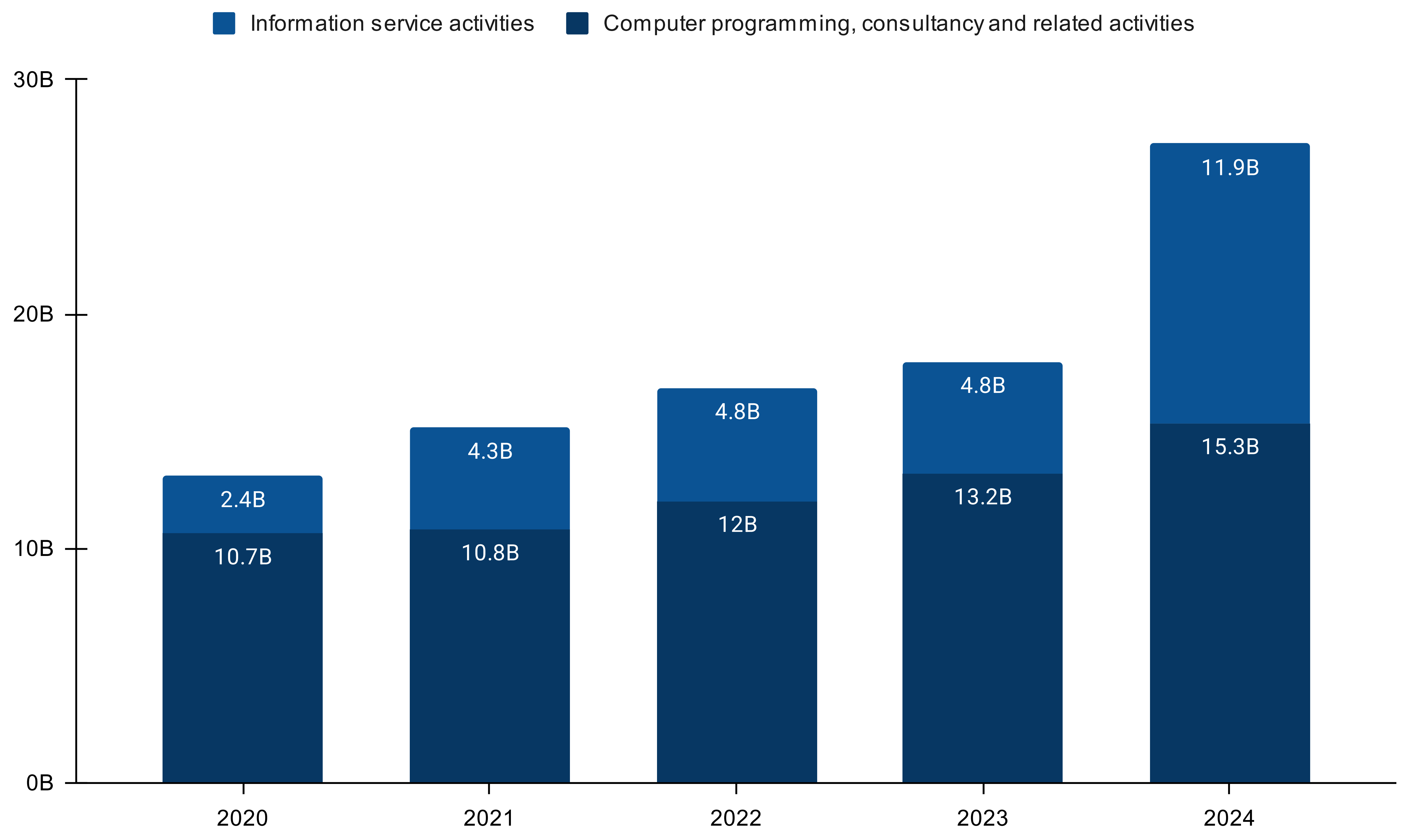
As of 2024, total deposits held by ICT companies reached PKR 129.0 billion, marking a significant 24.6% increase from 2023 levels. This represents a remarkable 262% expansion since 2019, underscoring the sector's growing balance sheet.

Naturally, the bulk of it can be attributed to computer programming, consultancy and related activities, which accounted for almost a three quarters of all deposits and now approach the PKR 100 billion mark.

Source: State Bank of Pakistan

ICT Financing hits PKR 27.3B in 2024

Outstanding Loans to Information and Communication Sector



As of 2024 end, the total outstanding financing to ICT companies reached PKR 27.3 billion, representing a remarkable 51.7% increase from 2023 end.

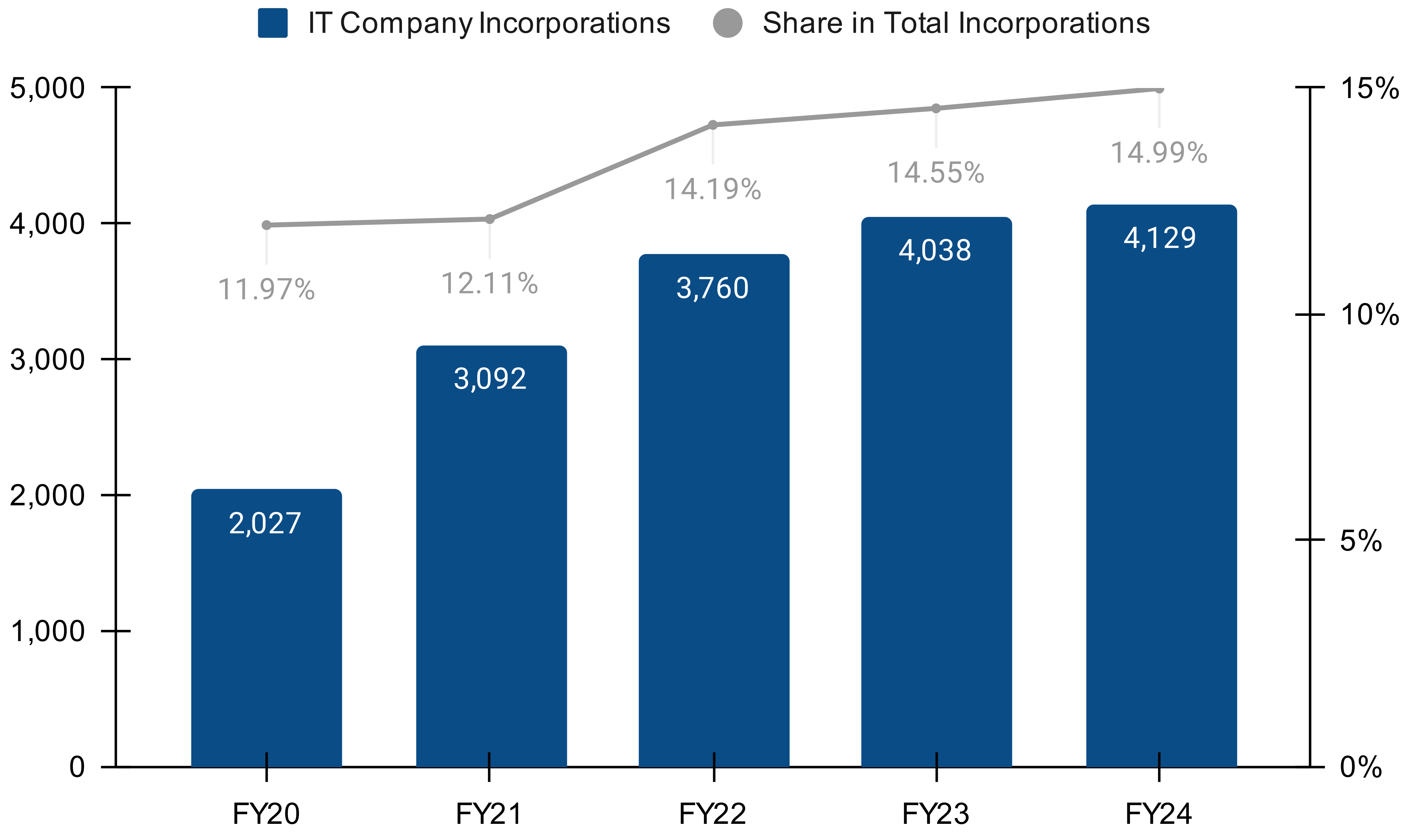
The sector has seen consistent increase in bank financing with information service activities driving the lion's share of this newfound momentum, expanding nearly fivefold from just PKR 2.4 billion in 2020. On the other hand, computer programming services, while growing at a steadier pace, has seen outstanding loans jump by approximately 44% over the same period.

Data Darbar | INDUS VALLEY CAPITAL

Source: State Bank of Pakistan

IT Firms make up 15% of new businesses in FY24

Number of Incorporations



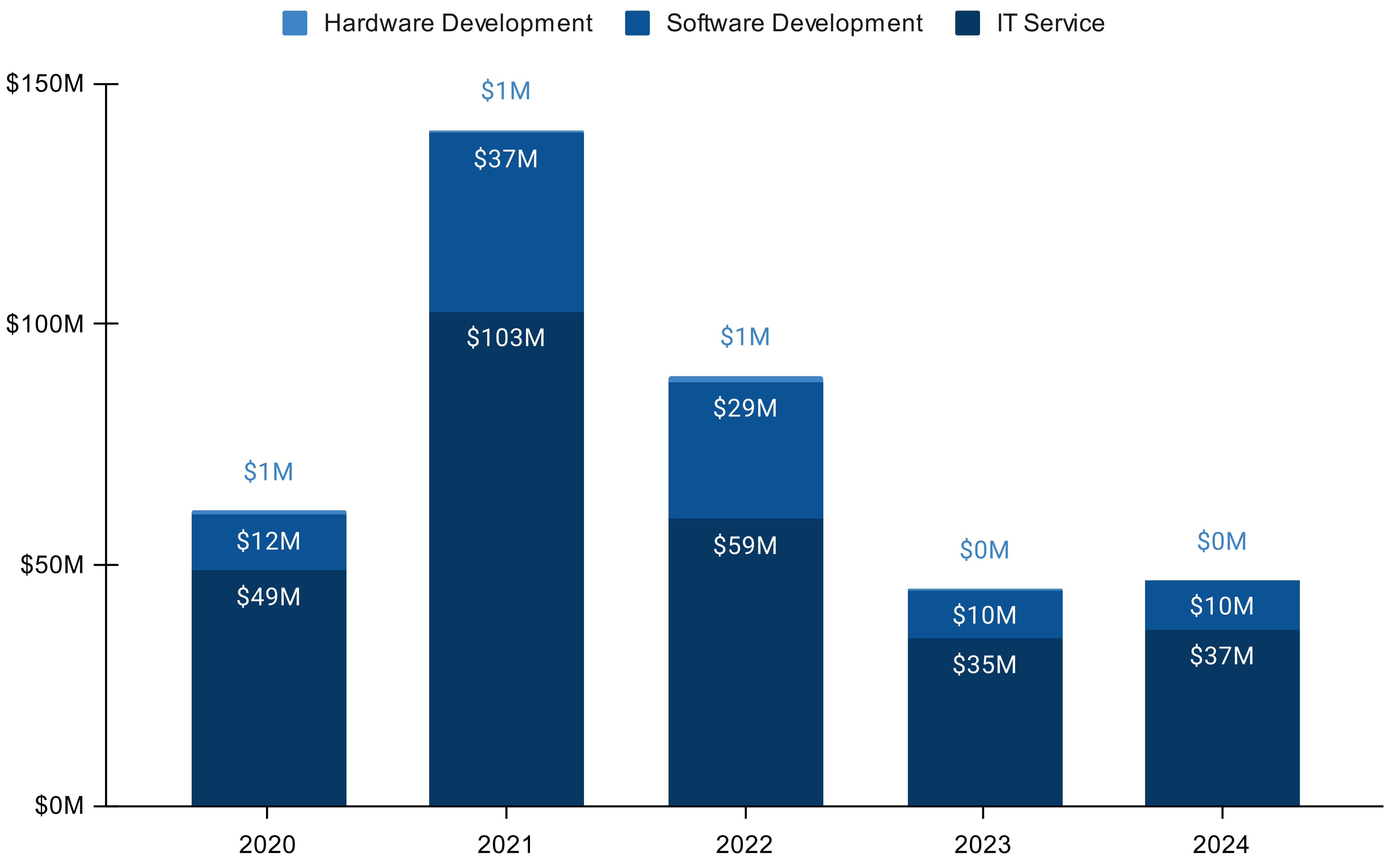
Despite the economic uncrtainty of the past few years, domestic corporate activity has remained robus as company incoporation data shows. In FY24, 4,129 new IT firms were registered, comprising nearly 15% of all new businesses that came online nationwide.

This represents a marginal increase from the 4,038 IT companies formed in FY23, extending a five-year growth trend that has seen the sector's share of total incorporations rise steadily since FY20.

Marginal growth in FDI after years of decline

18

Gross FDI inflows



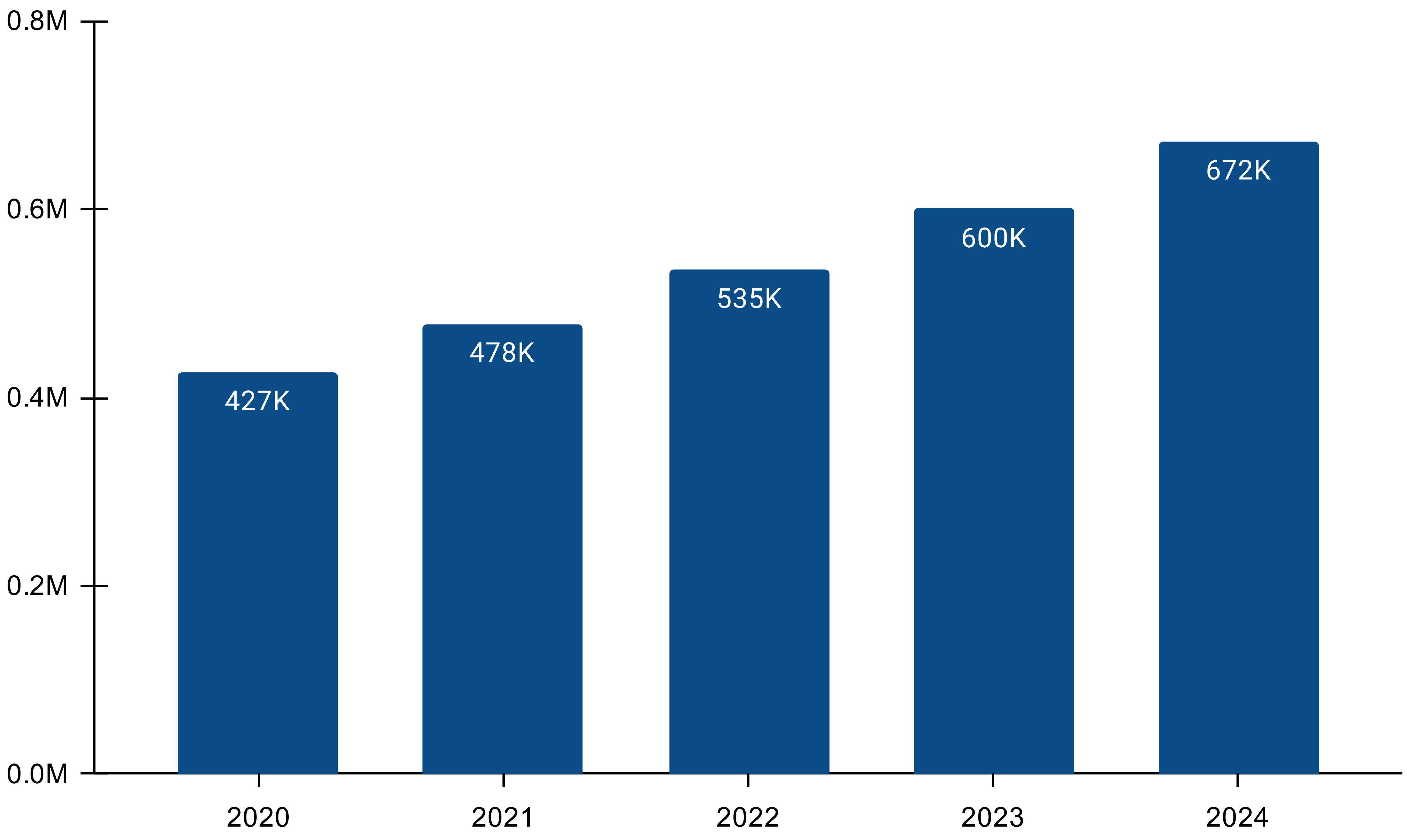
FDI patterns in 2024 showed minimal change from 2023, with software development inflows staying nearly flat at $10.16 million (up just 1.5% from $10.01M) while hardware development was once again non-existent.

IT services showed modest recovery, increasing 5.3% to $36.54 million from $34.71 million in 2023, but still far below the 2021 peak of $102.64 million and poses a serious gap in Pakistan's burgeoning IT sector as few foreign investors are seeking any exposure to this growth story.

Source: State Bank of Pakistan

Workforce growth outpaces training in tech sector

People employed in the Information and Communication Sector



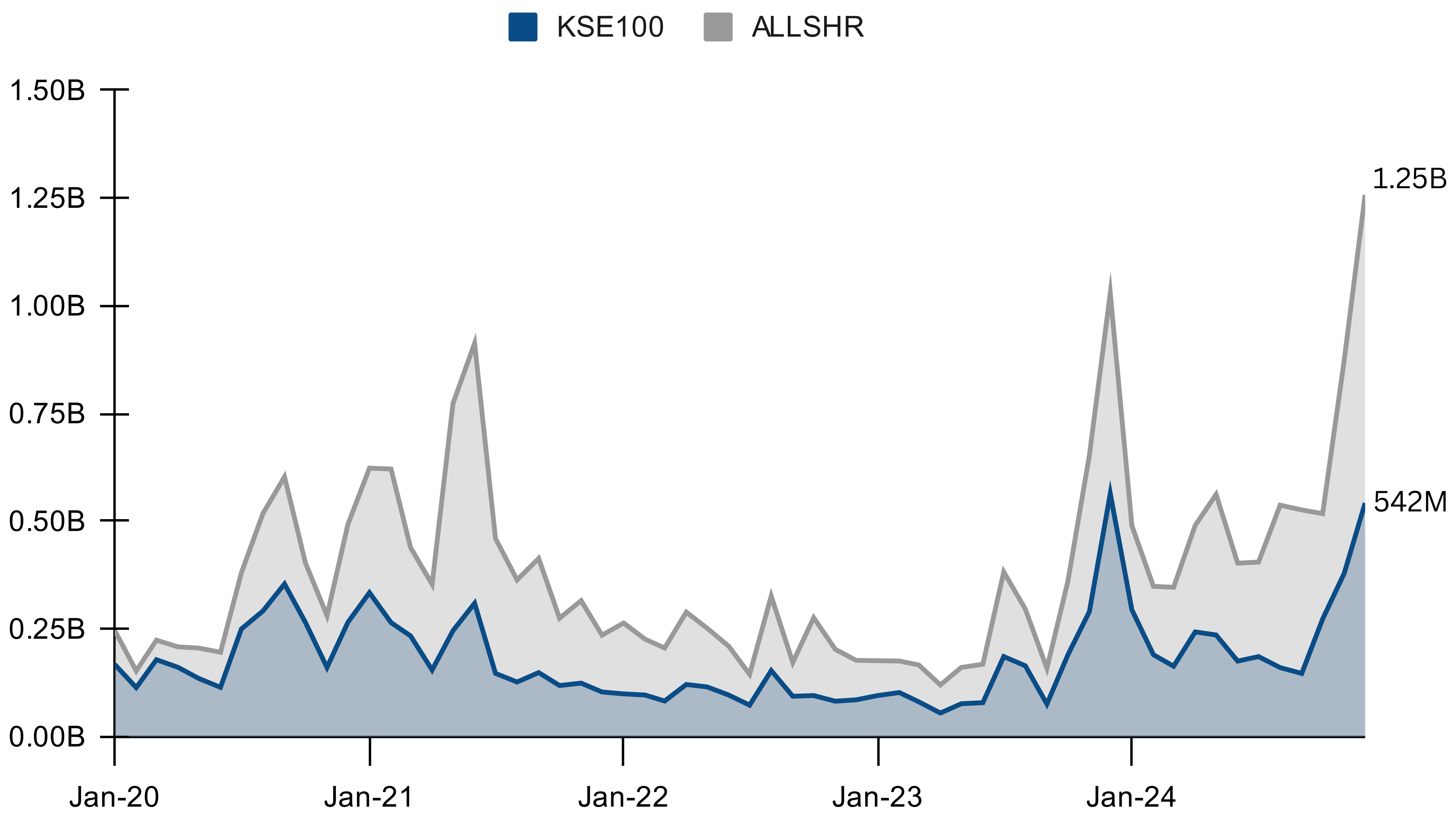
Talent availability remains the most important determinant of technology sector's growth in Pakistan. Over the last few years, the sector has emerged as a major source of employment, particularly in urban centers.

As of 2024, there were an estimated 672,000 people employed in the Information & Communication sector. While the existing annual pipeline of ~30K graduates is manageable at the moment, the country needs to significantly expand capacity, both through formal and vocational training.

Source: Data Darbar projection is based on Labour Force Survey 2017-18

Equities

Average Monthly Share Trading Volume

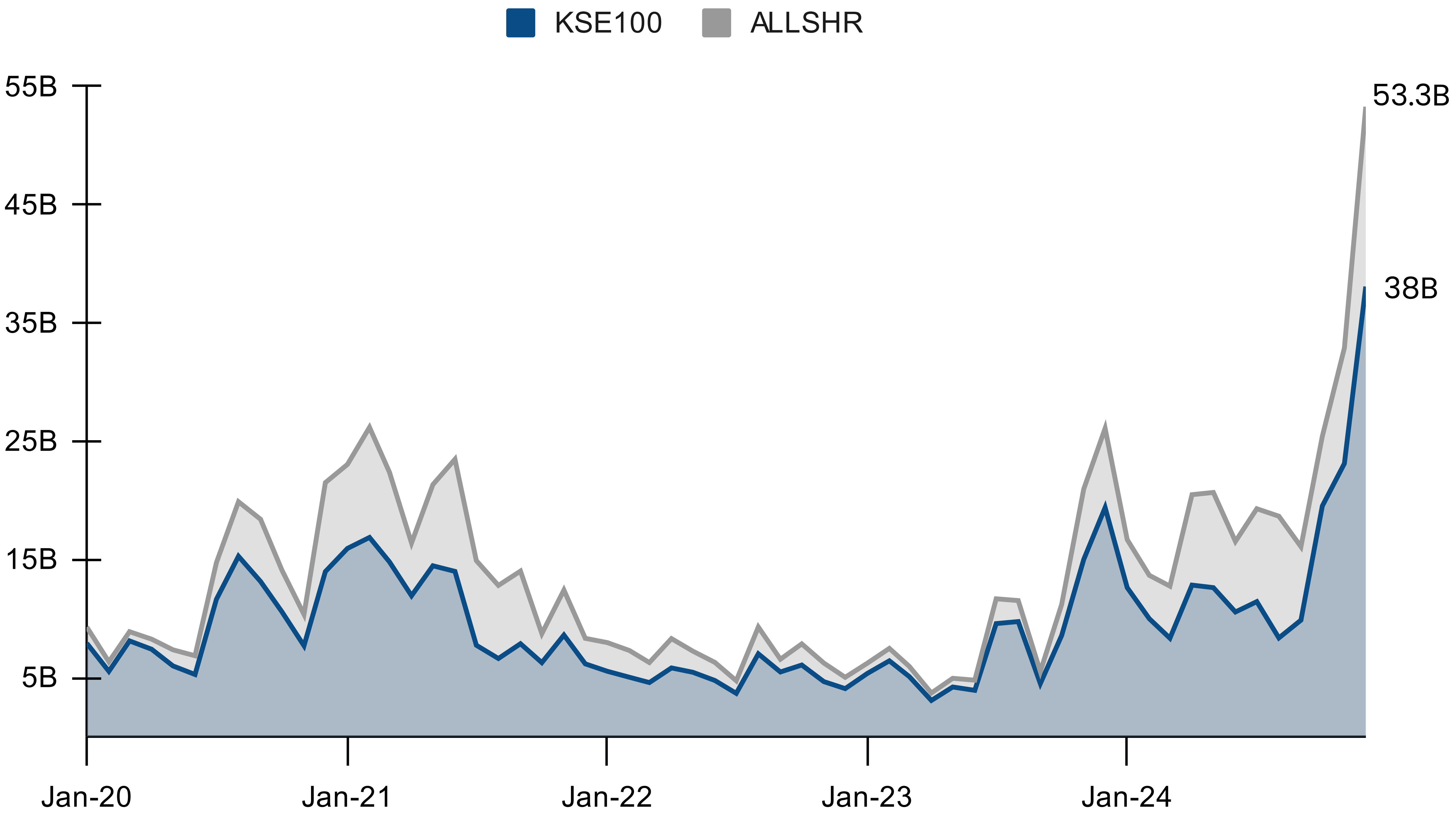


2024 generally maintained improved trading activity, with average daily volumes in December 2024 nearly matching the previous year's high with 542 million in KSE-100. Meanwhile, All-Share volumes exceeded 2023's peak, reaching a daily mean of 1.26 billion shares.

The year displayed a distinct pattern with moderate Q1 volumes, followed by a mid-year slowdown before surging in Q4, when average daily KSE-100 volumes per month approached 400 million shares.

Source: Mettis Global

Average Monthly Traded Value



After December 2023's strong PKR 19.4 billion in KSE-100 traded value, the market began 2024 cautiously with a monthly average of PKR 10.3 billion in Q1. However, momentum built dramatically throughout the year, culminating to end December at an exceptional PKR 38.1 billion, nearly doubling the previous year's peak and comfortably the strongest month since 2020.

The broader market showed mirrored this trend, with All-Share traded value reaching PKR 53.3 billion by year-end, more than double December 2023's figure.

KSE-100 market capitalization at record levels

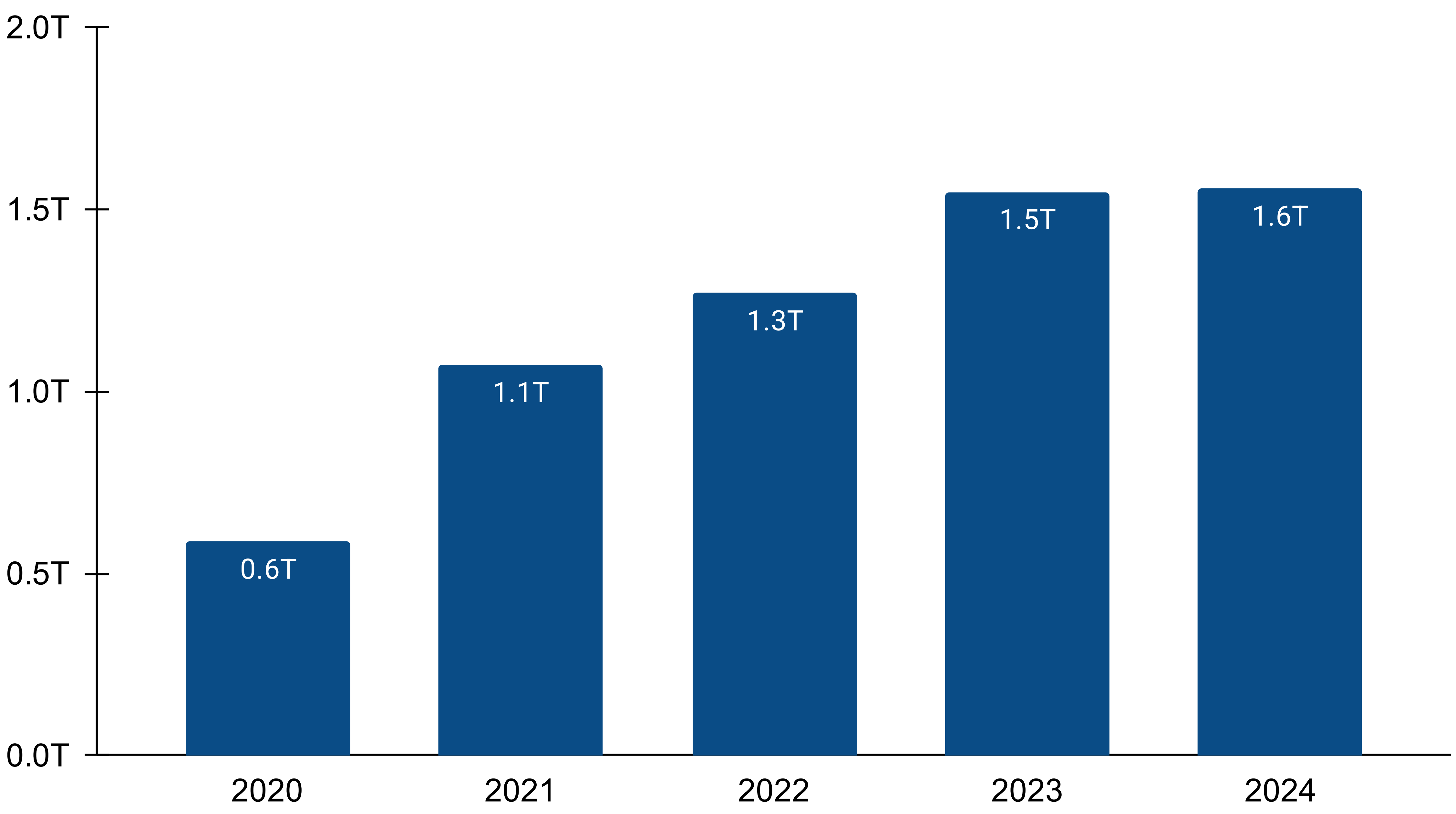
Carrying the momentum from the previous year, 2024 started off on a high note and continued to scale upwards. By December, the total market capitalization had reached PKR 3.5T, comfortably the highest level in a decade.

However, most of these gains are nominal as the dollar-denominated market cap of $12.6B in December was not only a far cry from the peak of $25.2B in mid 2017 but also consistently below the levels observed during the 2014-2019 period.

Source: Mettis Global
Based on KSE-100 Index

Price-Driven profits push PSX to new highs

Profit After Tax (in PKR)

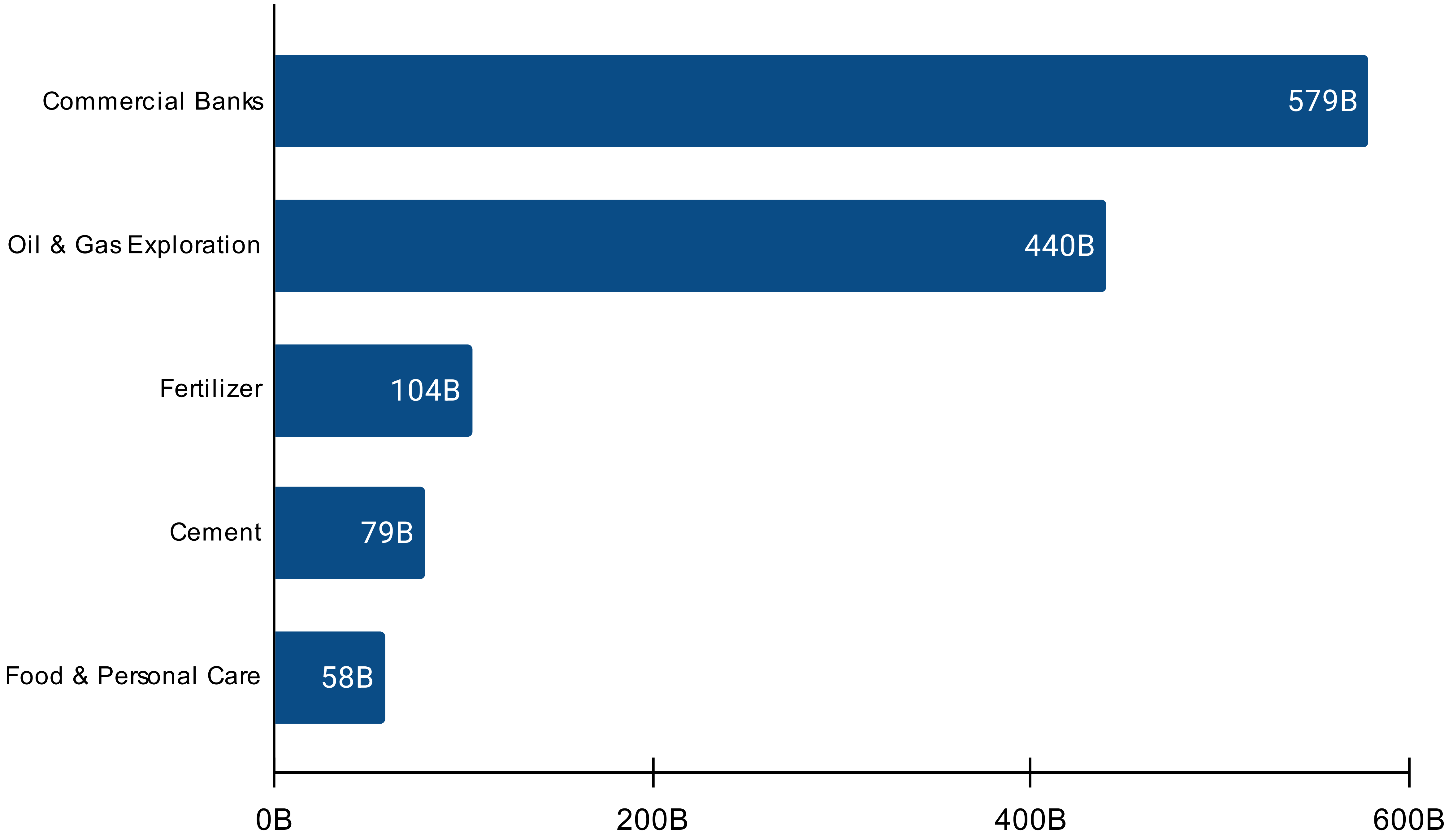


Despite a turbulent couple of years for the economy and lacklustre investor activity on the PSX, the underlying fundamentals of the listed companies have held up.

This is quite clear by the growing profits posted by listed companies, with the net income of All-share index reaching a record PKR 1.6T, though the rate of increase certainly slowed down. However, the impact of inflation here cannot be overstated, as many blue-chip companies achieved these results on the back of price hikes while volumes were hit hard.

Source: Mettis Global

State-linked sectors continue to lead corporate earnings



Commercial banks once again maintained their dominant position in 2024, generating PKR 578.7 billion in profit after tax, albeit with a modest 5.9% year-over-year increase. Oil & gas exploration followed closely behind, contributing PKR 439.7 billion and showing similar growth momentum.

Fertilizer producers secured the third place with PKR 104.4 billion in earnings while cement was at a distant fourth. The only change took place in the fifth spot as food & personal care replaced chemicals sector.

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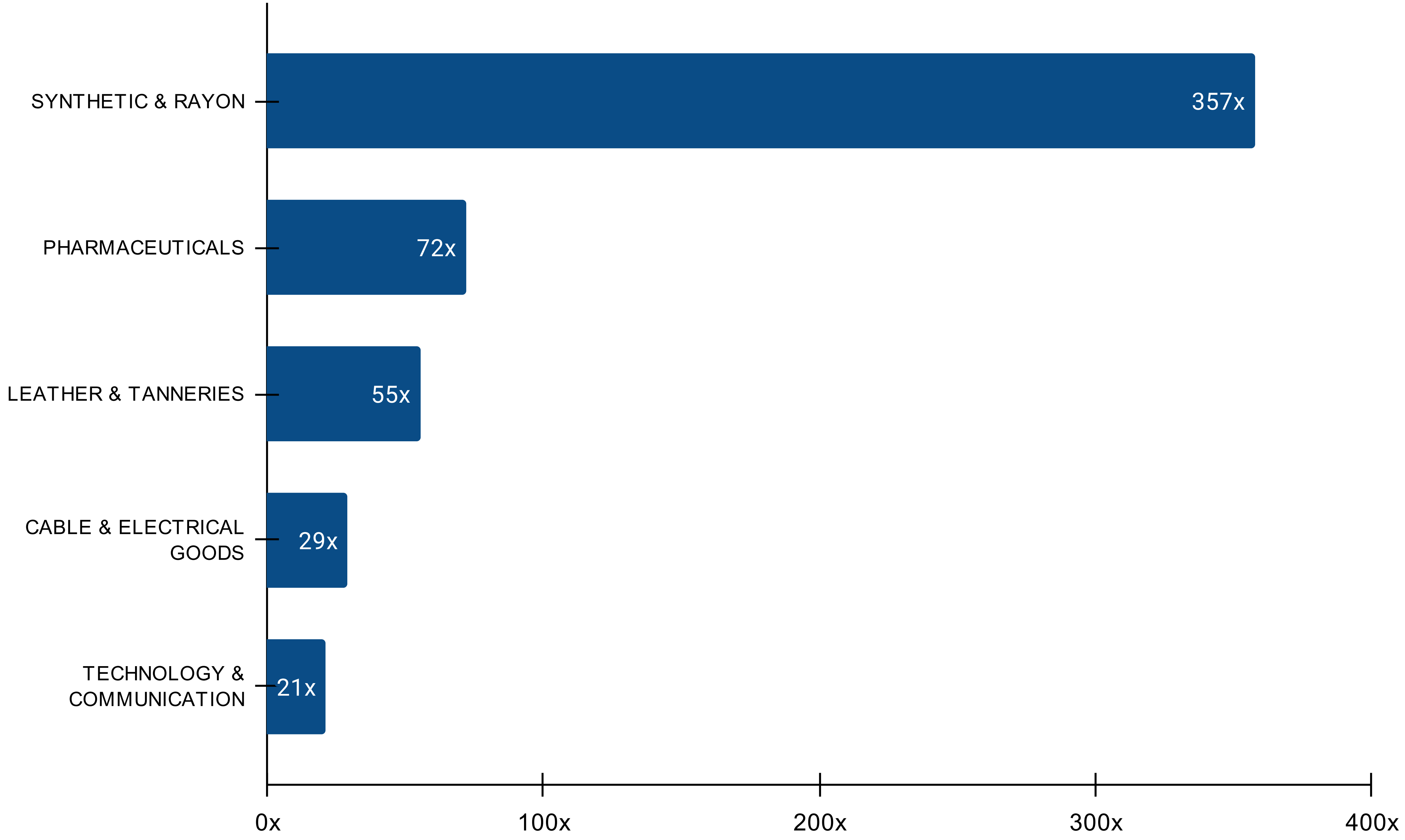
Source: Mettis Global and StockIntel
Note: All-share constituents, based on trailing 12-month basis.

Tech keeps its spot among high-value sectors



In terms of valuations, synthetic & rayon sector stood out by a margin with a price-to-earnings ratio of a whopping - and outlier - 357x, in part thanks to a small base. Pharma was a distant second, commanding a PE of 72x, followed by leather & tanneries at 55x.

Technology also made it to the fifth place, continuing its long-running tradition of being one of the best-performing sectors by valuation.

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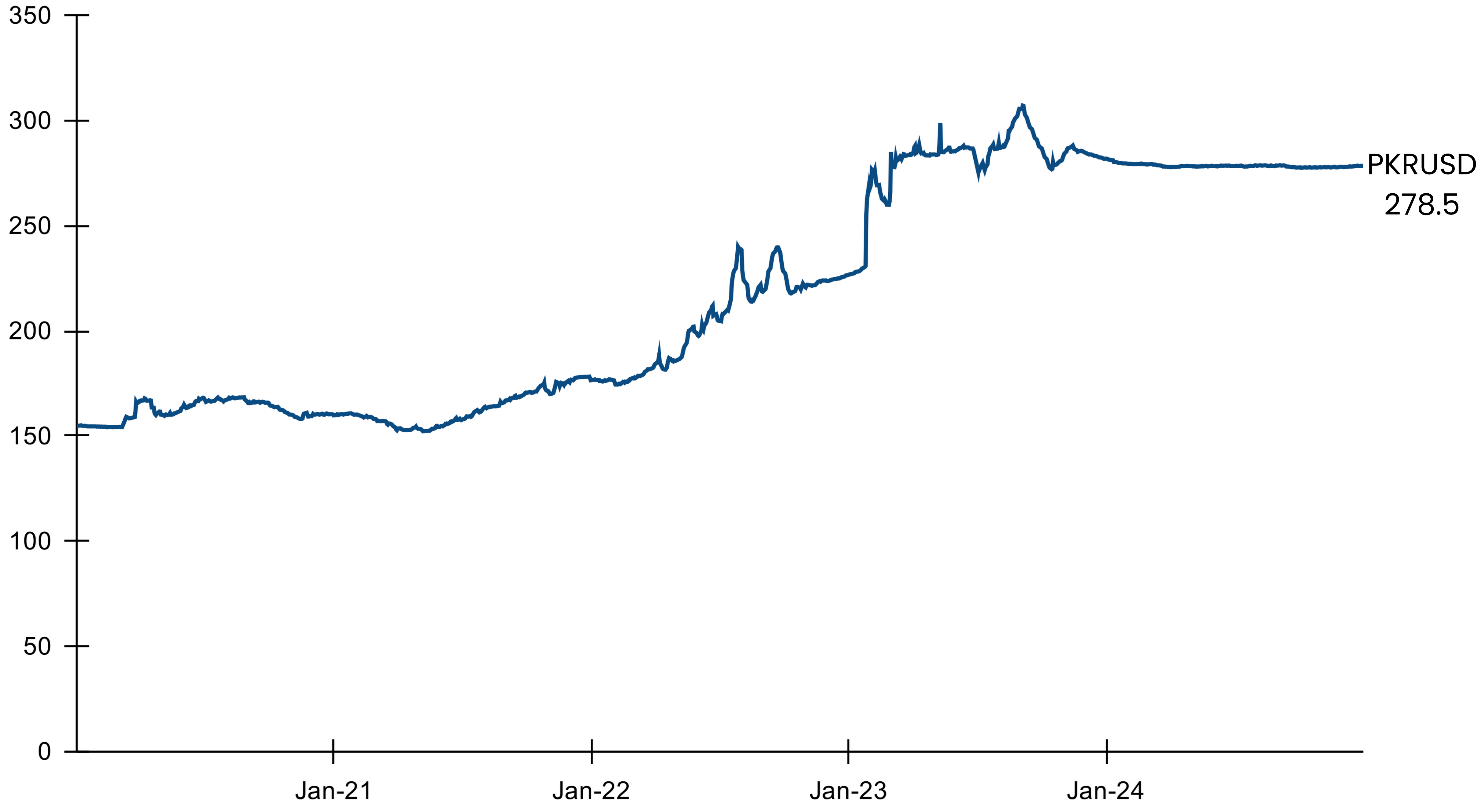
Source: Mettis Global
Period: As of 2024 end, on TTM basis.

Forex

PKR shows signs of recovery in 2024

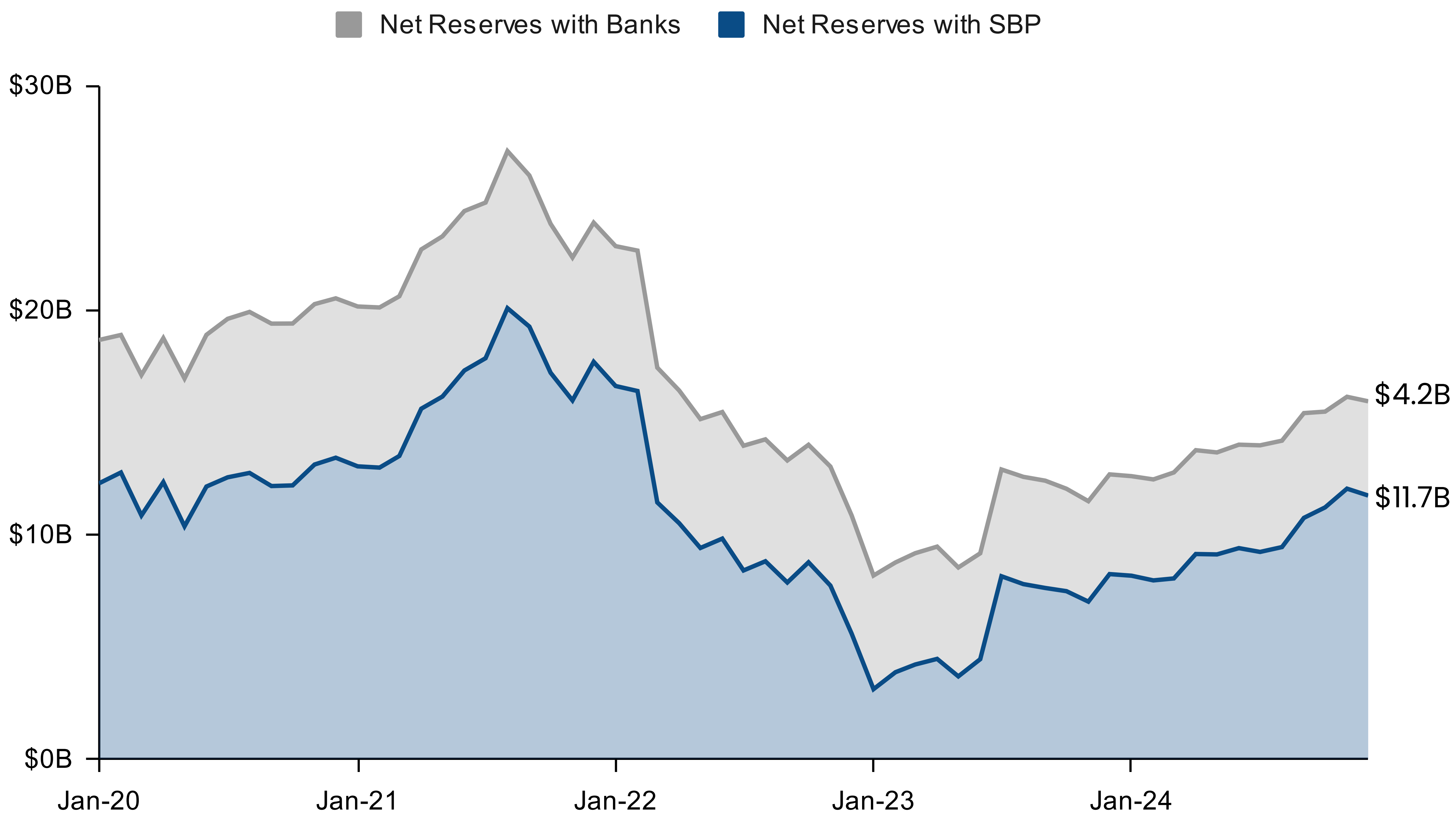


In 2024, the Pakistani Rupee demonstrated notable stability, appreciating by 1.2% against the US Dollar from 281.89 in January to 278.55 by December. This marks a significant shift from the extreme volatility of 2022-2023.

After brief fluctuations in Q1 (particularly January's range of 2.39 rupees), the currency settled into remarkably narrow trading bands for the remainder of the year, with most monthly ranges below 0.5 rupees. The most stable periods occurred in Q4, with October and November seeing minimal fluctuation.

Source: State Bank of Pakistan

FX reserves show steady recovery throughout 2024

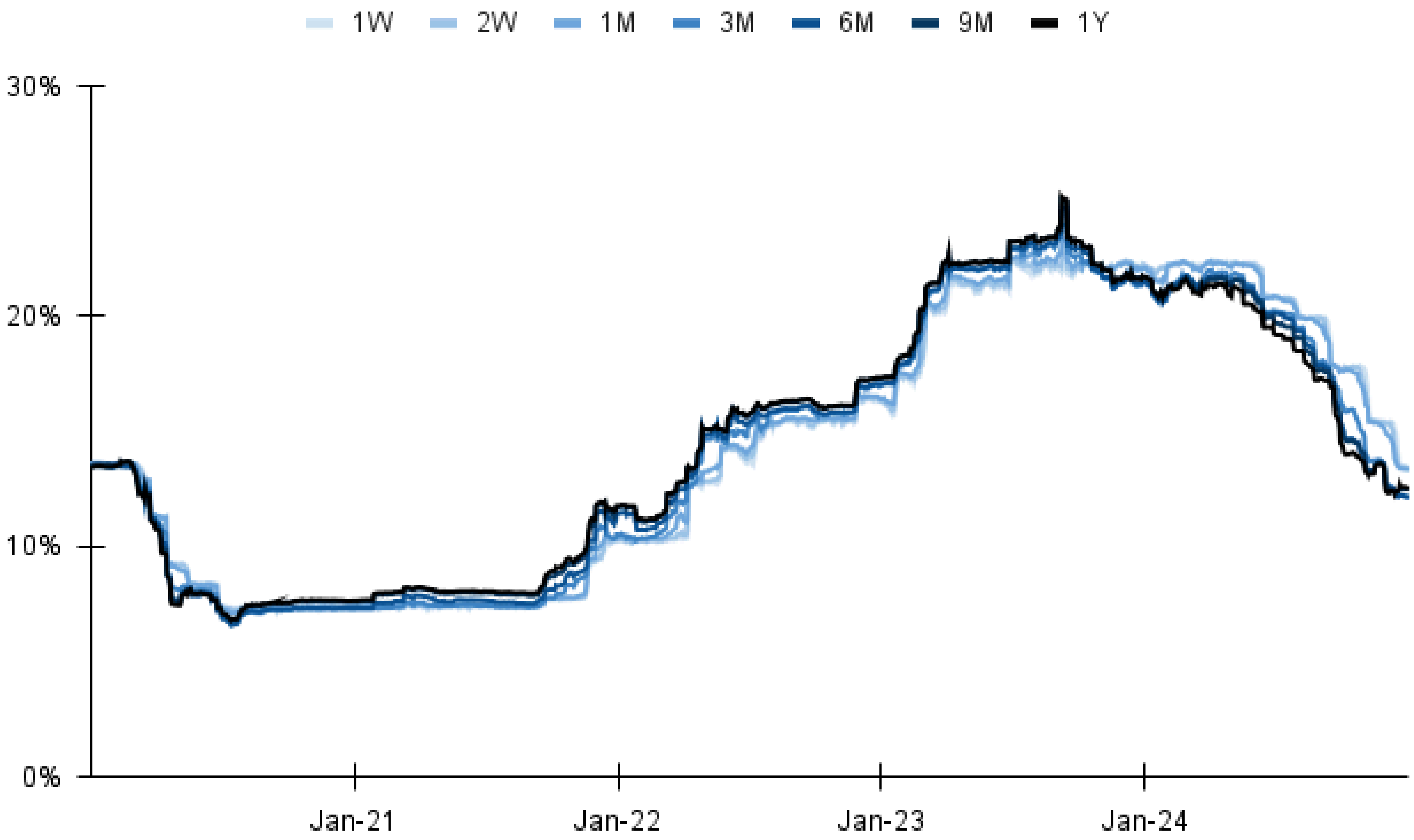


Foreign exchange reserves strengthened consistently through 2024, with SBP-held reserves rising by 43.7% to reach $11.73 billion by December. Total reserves, including commercial bank holdings, climbed to $15.93 billion by year-end, marking a 26.5% annual improvement.

The final quarter of 2024 showed particularly robust growth, with reserves increasing 14% in the last six months alone. This recovery builds on the stabilization that began in 2023, though current levels remain below the historical peak of $27.07 billion seen in 2021.

Fixed Income

2024 interbank rates show early signs of moderation

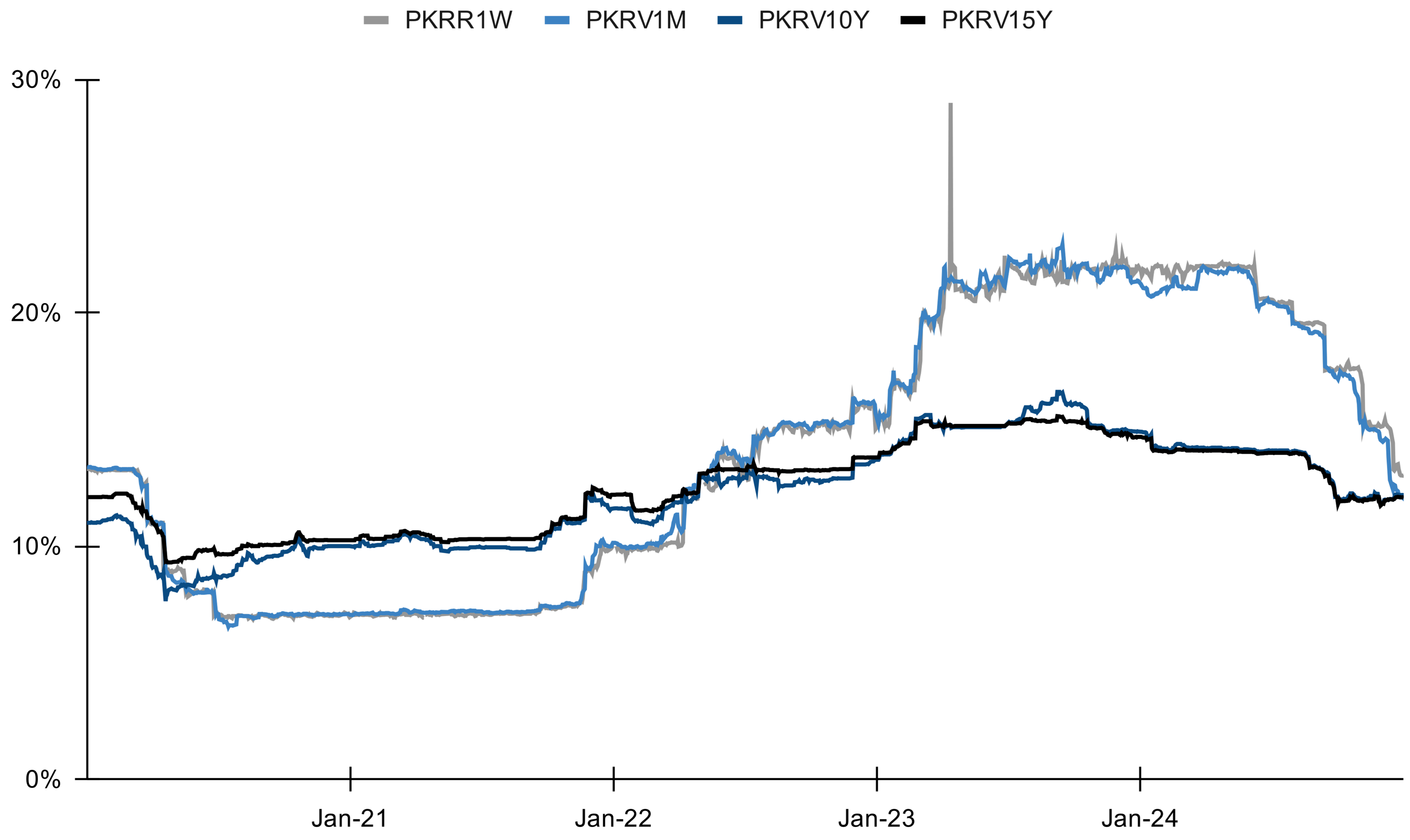


After reaching historic lows around 6.6-7.2% across all tenors in mid-2020 during the COVID-19 pandemic, KIBOR experienced a dramatic upward trajectory as the State Bank of Pakistan implemented aggressive monetary tightening to combat inflation. The most substantial spike occurred in September 2023, when rates reached unprecedented heights with the 1-year KIBOR touching 25.16% and the 3-month benchmark at 24.04%.

By late 2024, KIBOR has moderated to more sustainable levels, though still remaining elevated compared to pre-tightening norms,

Source: State Bank of Pakistan

Bond yields retreat but remain elevated



Bond market yields rose significantly since the central bank began raising rates in late 2021. Most notably, in early 2023, shortly after the record devaluation, the PKR1W rate shot up to 29% in April amid deteriorating forex reserves and talk of sovereign default.

2024 saw a gradual normalization in the market, with short-term rates moderating to approximately 13-15% in recent months. The 10-year benchmark also stabilized around 12%, reflecting a more balanced risk assessment from market participants.

Source: State Bank of Pakistan

About Us

Data Darbar is a data + media startup trying to bring transparency in private markets across emerging economies. Our benchmarking reports and analyses provide a comprehensive overview of market trends, investment opportunities, and emerging sectors, empowering decision-makers with actionable intelligence. Since starting in 2022, we have become a credible source of data and insights on issues as well as opportunities related to the digital economy.

Our work is trusted by:

Mutaher Khan

Co-Founder

Mutaher Khan is the co-founder of Data Darbar and has been mapping Pakistan's financial and technology sectors for the last six years. He has previously worked for Mettis Global and Dawn.

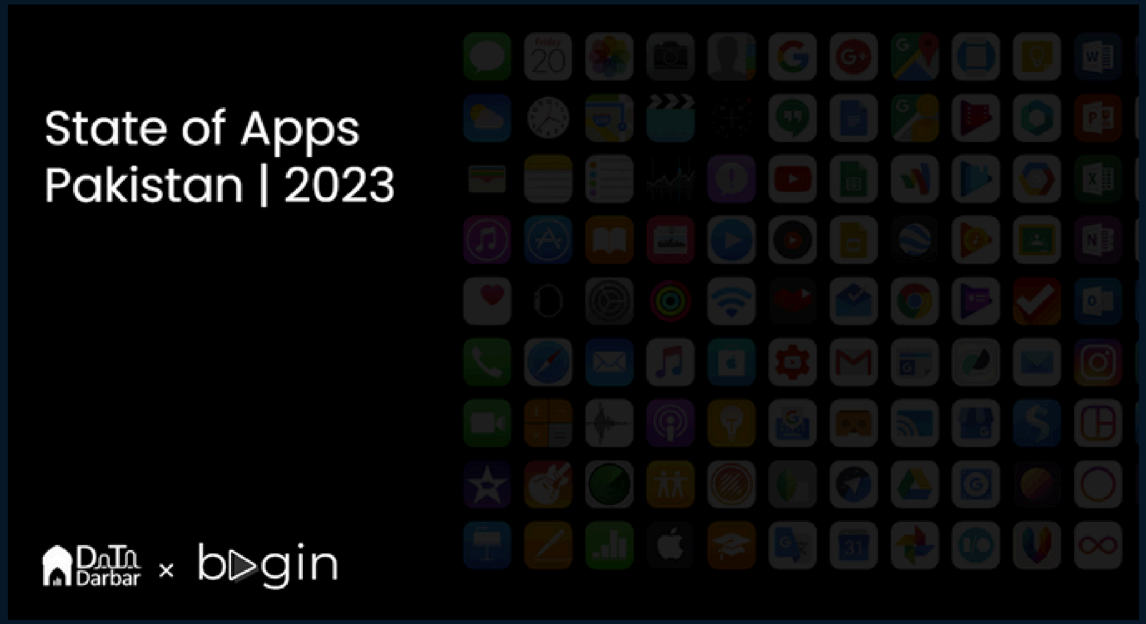
Natasha Uderani

Co-Founder

Natasha Uderani is the co-founder of Data Darbar. She has been involved with some of the leading tech startups in Pakistan, including Careem and Cheetay. She previously worked as a startup engagement manager for NIC Hyderabad.

Check out some of our other work

Tech and VC Landscape



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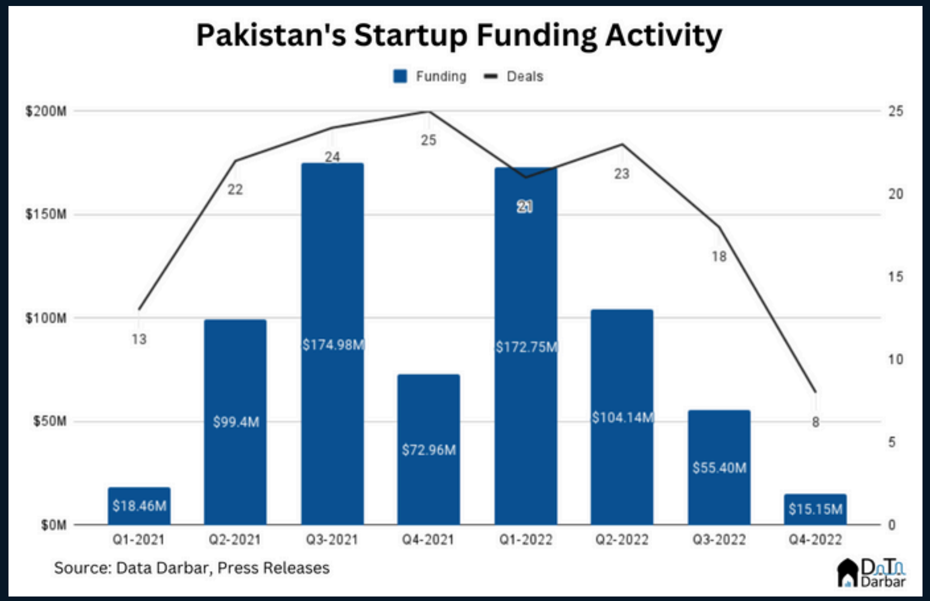

Due Diligence

More Signal. Less Noise.

Our Team

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Analyst

Our Partners

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