

## FOR IMMEDIATE RELEASE

### UK's CDC Group backs Fatima Gobi Ventures' Pakistan-focused fund

- The new funds injection will boost Techxila Fund I's investments in early-stage tech companies across Pakistan.
- CDC brings its environmental, social and governance (ESG) and impact investing acumen to Techxila's portfolio companies.
- Techxila fund manager Fatima Gobi Ventures is the most active VC investor in Pakistan and expects the market's strong growth fundamentals to draw more foreign VCs into the local startup scene.

**Lahore, PAKISTAN, Sept 30, 2021** -- CDC Group (CDC), the UK's development finance institution and impact investor, has made an anchor investment in Techxila Fund I, a fund managed by local venture capital (VC) firm Fatima Gobi Ventures (FGV). CDC's commitment will help to boost Techxila Fund I's investments in Pakistan-focused early stage startups, helping to drive transformational impact and spurring economic and social development in the country.

Increasing interest from international investors such as global VC firms, bodes well for Pakistani startups. In the first half of 2021 alone, Pakistani startups raised more funding from VCs than the previous five years combined. Despite a global pandemic, foreign funds accounted for over 70 per cent of Pakistan's total VC funding in 2020 and 2021. This rise in VC funding has helped fuel the country's economic growth – the country has seen an increase in its middle-class over the last two decades, with estimated [84 million Pakistanis \(42 per cent of the population\)](#) considered middle-class in 2017. In the first half of the year, [101 million broadband users and 98 million 3G/4G subscribers were recorded in the country](#) – indicating the significant market penetration and showing there is still much room for growth.

CDC's funds injection into Techxila will enable FGV to expand its investment portfolio across a myriad of verticals including FinTech, Logistics, EdTech, and HealthTech sectors. Such tech-enabled business models can contribute to job creation at scale and enhance consumer access to essential goods and services. By partnering with local VC firms such as FGV, CDC aims to catalyse domestic VC markets and channel funding to early-stage

entrepreneurs. Additionally, the partnership will support FGV in putting Environmental, Social and Governance (ESG) practices at the forefront of its investments and this alignment is expected to have a positive demonstration effect for other investors in the market.

FGV itself is a joint venture between Pakistan conglomerate Fatima Ventures and pan-Asian VC Gobi Partners. Now the most active investor in Pakistan, FGV's investees were involved in more than 40 per cent of the country's announced funding deals as of September 2021. FGV's strong combination of Fatima Ventures' local expertise and Gobi Partners' regional know-how has helped the VC spot first movers and get ahead of key trends.

**Habib Yousuf, Country Director, Pakistan, CDC Group, said:**

“Pakistan is a key VC market for CDC, due to the depth of entrepreneurial talent in a large and growing domestic market, with numerous opportunities for delivering impact through tech-enabled business models. We are excited to be building an enduring partnership with Fatima Gobi, which is well-positioned to support local entrepreneurs and help stimulate innovation and transformational impact that will drive sustainable economic development.”

Techxila Fund I portfolio companies have set several milestones for Pakistan's nascent startup scene. In August 2019, the fund backed Lahore-based logistics company Airlift's seed round. Three months later, Airlift raised US\$12 million, then Pakistan's largest Series A round. In August 2021, Airlift's mega Series B round of US\$85 million was another record-breaking feat, being the largest Series B for a Pakistani startup.

Techxila also backed Lahore-based B2B marketplace Tajir in a June 2020 seed round. A year later, the Y Combinator graduate raised a US\$17 million Series A round led by renowned US VC Kleiner Perkins, marking the firm's first investment in a Pakistani startup. Separately, FGV-backed digital payments startup Safepay has received funding from US fintech giant Stripe.

In June 2021, Techxila participated in Islamabad-based fintech TAG's US\$5.5 million seed round, the largest seed round in the MENAP (Middle East, North Africa, Afghanistan, and Pakistan) region. In addition to being backed by general partners of leading US VC Andreessen Horowitz, TAG was accepted into Y Combinator. Techxila also joined TAG's follow-up seed round in September 2021, which at US\$12 million, more than doubled its past record-setting raise. TAG is now valued at US\$100 million.

**Ali Mukhtar, General Partner for FGV, said:** “We are elated to welcome CDC, a pioneer in impact investing and renowned partner in ESG integration, to the Techxila team. CDC’s backing is a vote of confidence in the massive growth potential of Pakistani startups. Now, FGV can leverage CDC’s expertise in ESG, sustainability, and impact matters for the benefit of Techxila’s portfolio companies. This partnership is an exciting development for both FGV and Pakistan’s burgeoning startup ecosystem.”

“We have been the most active investor in Pakistan in 2021 and our companies are also strong ESG proponents, whether it is bringing economies of scale to SME retailers, digitizing local supply chains, or building Pakistan’s first digital retail bank. More VCs entering emerging Pakistan need to understand that ESG and valuation uplifts are not mutually exclusive. Investing in Pakistan’s early-stage startups is great for the triple bottom line: profit, people and planet,” Mukhtar said.

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### **About Fatima Gobi Ventures**

By bringing together one of the largest conglomerates in Pakistan, Fatima Group and one of the most active multinational VCs in Asia, Gobi Partners, Fatima Gobi Ventures (FGV) fuses local expertise with regional VC know-how.

FGV takes a data-driven approach to investing, backed by decades of venture experience in the flourishing entrepreneurial ecosystems of Northeast and Southeast Asia. The firm finds companies locally that have the edge and drive to go beyond Pakistan’s borders. FGV also accelerates the growth of founders by benchmarking their businesses and linking them to the developed markets in Asia.

For more information, please visit [www.fatimagobi.vc](http://www.fatimagobi.vc)

### **About CDC**

CDC Group is the UK’s impact investor with over 70 years of experience of successfully supporting the sustainable, long-term growth of businesses in South Asia and Africa. The company is a leading player in the fight against climate change and has committed more than \$1bn of climate finance over the last four years. CDC is also a founding member of the 2X challenge which has raised \$10bn to empower women’s economic development.

The company has investments in over 1000 businesses in emerging economies and total assets of \$9.3bn. In 2020, CDC committed over of \$1.5bn to businesses in Africa and Asia, and aims to invest up to \$1.75bn in 2021 – with a focus on driving inclusive growth, job creation and supporting economic recovery from COVID-19. CDC is funded by the UK government and is a champion of the UN’s Sustainable Development Goals. All proceeds from CDC’s investments are reinvested to improve the lives of millions of people in Africa and South Asia.

CDC’s expertise makes it an ideal partner for private investors looking to devote capital to making a measurable environmental and social impact in countries most in need of investment.

For more information, please visit [www.cdcgroup.com](http://www.cdcgroup.com)

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