

BLOCKCHAIN



To the Moon

After remaining on the fringes for the better part of the past decade, cryptocurrencies entered the mainstream world of investing from 2017 after massive rallying reaching a total market capitalization of \$828 billion in 2018 before cooling down. However, post Covid-19 ushered a new era for digital assets with both their volumes and values surging to unprecedented highs as new investors came in droves.



Consequently, the cumulative market capitalization of cryptocurrencies reached a record \$2.8 trillion in November 2021 while the daily volumes peaked at more than \$455 billion earlier in January of that year.

Both major and alt coins had long bull runs and posted extreme returns to close the year. While there have been corrections since, the current positions still represent substantial gains from pre-2017 days.

Cryptocurrency	Category	2021 Returns
Bitcoin	Cryptocurrency	59.8%
Ethereum	Smart Contract Platform	399.2%
Binance Coin	Exchange Token	1,268.9%
Solana	Smart Contract Platform	11,177.8%
Cardano	Smart Contract Platform	621.3%
XRP	Cryptocurrency	277.8%
Terra	Smart Contract Platform	12,967.3%
Avalanche	Smart Contract Platform	3,334.8%
Polkadot	Smart Contract Platform	187.9%
Dogecoin	Meme Coin	3,546.0%

Source: The Visual Capitalist, <https://www.visualcapitalist.com/how-the-top-cryptocurrencies-performed-in-2021/>

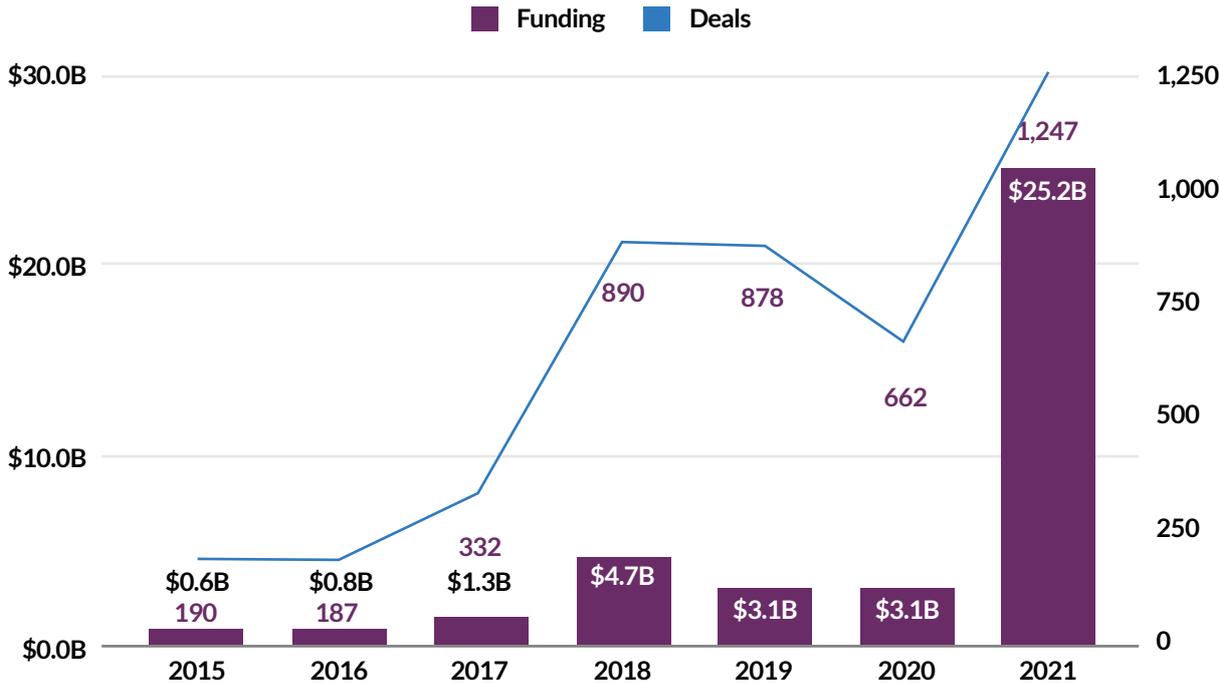
¹ <https://coinmarketcap.com/charts/>

Blockchain Startups Join the Fundraising Major League

At the same time, blockchain technology has grown beyond its initial use of cryptocurrencies to new applications across industries, from decentralized finance to video compressing tools. The ecosystem as a whole ballooned, joining the major leagues, as investors rushed to take positions. As a

result, total funding to blockchain startups surged by more than 712% to \$25.2 billion in 2021,² from just \$3.1 billion the year before and almost double the cumulative sum from 2015-2020. Similarly, the number of deals hit a record 1,247, rising from 662 the year before.

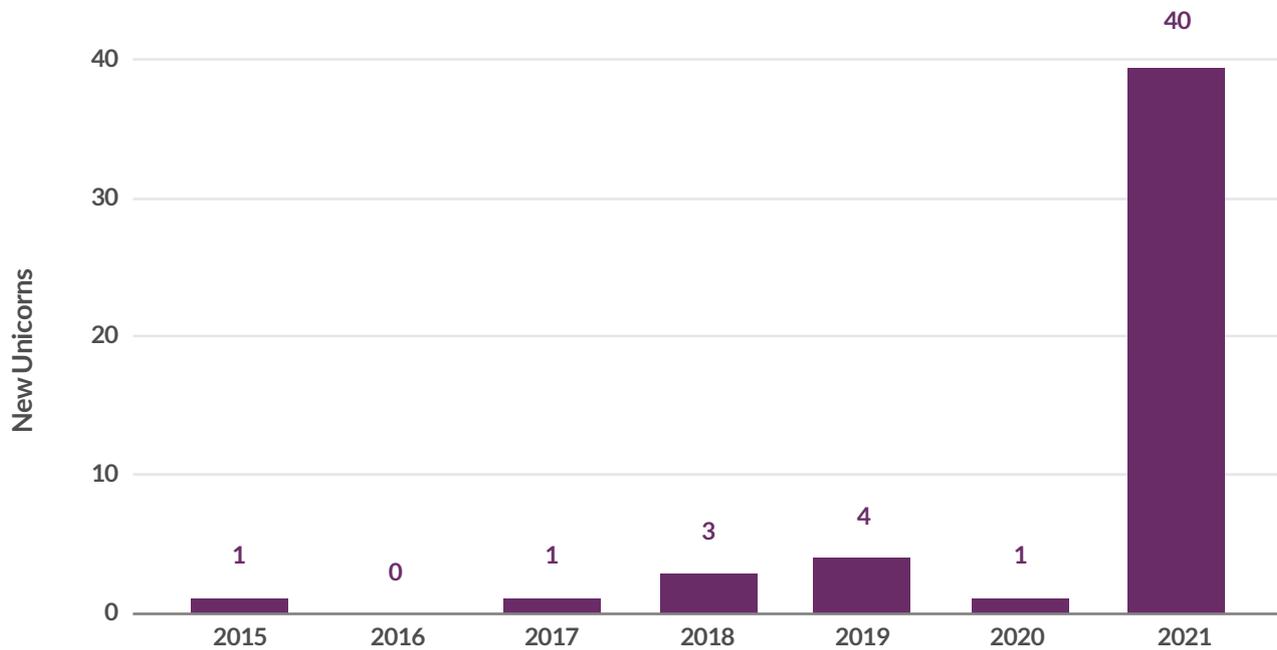
Blockchain Funding Activity



This was accompanied by an increase in average and median ticket sizes across all stages, alongwith a spike in valuations. As a result, the number of blockchain unicorns reached 47 in 2021, a sharp rise from just 9 the year before.

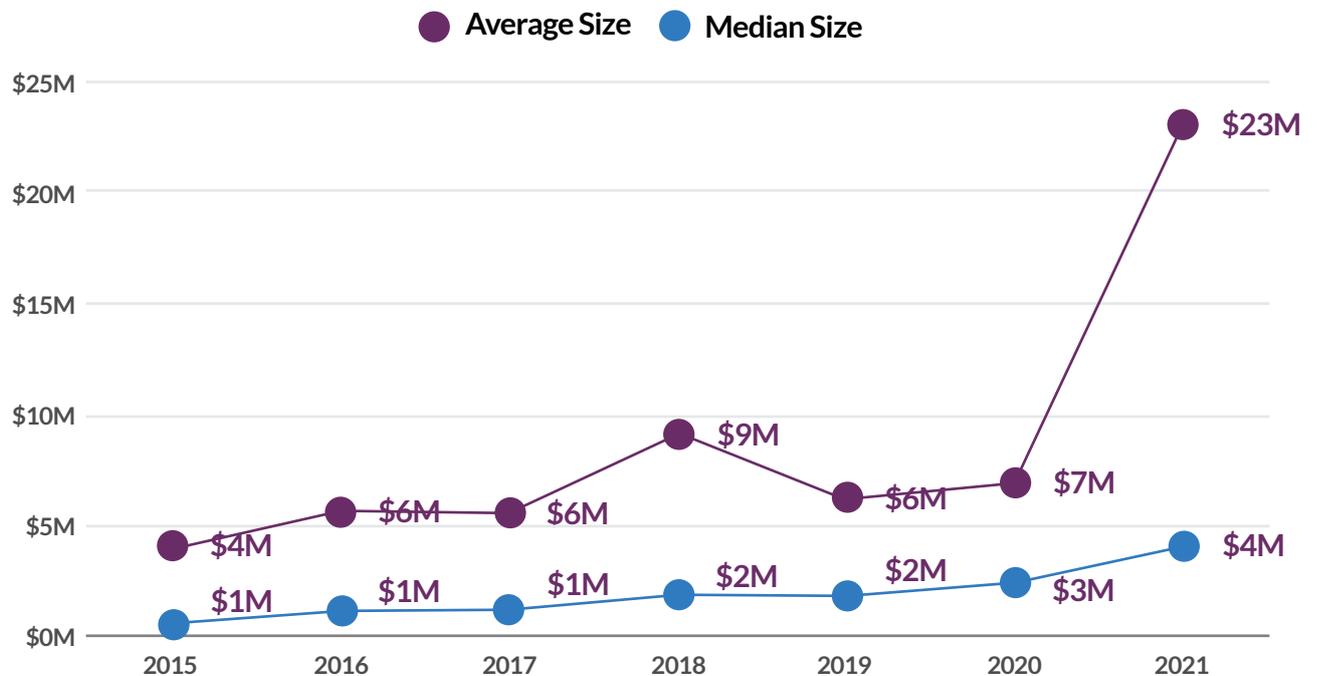
² CB Insights Blockchain Trends 2021

New Blockchain Unicorns created per year



Source: CB Insights Blockchain Trends 2021

Evolution of Average and Median Ticket Sizes

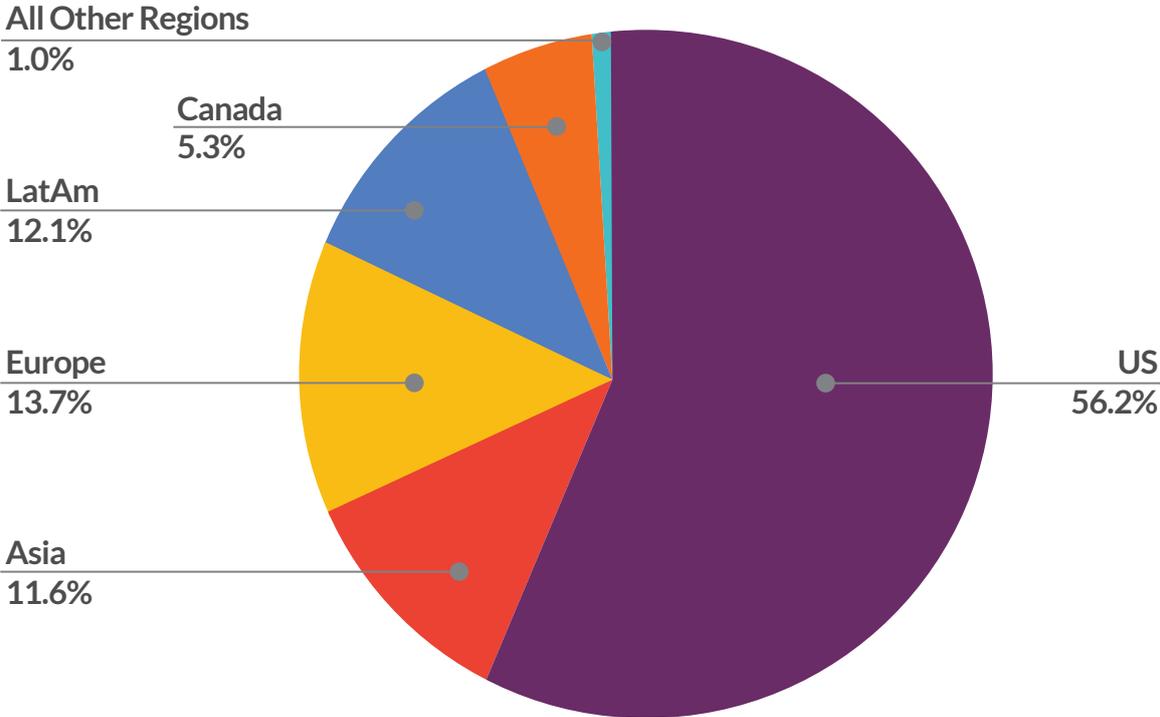


Source: CB Insights Blockchain Trends 2021

Most Valuable Blockchain Companies – 2021 end

Company	Valuation as of December 31, 2021	Country
FTX	\$25.0B	Bahamas
OpenSea	\$13.3B	United States
Bitmain Technologies	\$12.0B	China
Ripple	\$10.0B	United States
Fireblocks	\$8.0B	United States
Dapper Labs	\$7.6B	Canada
Gemini	\$7.1B	United States
Blockchain.com	\$5.2B	United Kingdom
Sorare	\$4.3B	France
Chainalysis	\$8.2B	United States

Blockchain Funding in 2021 by Region³



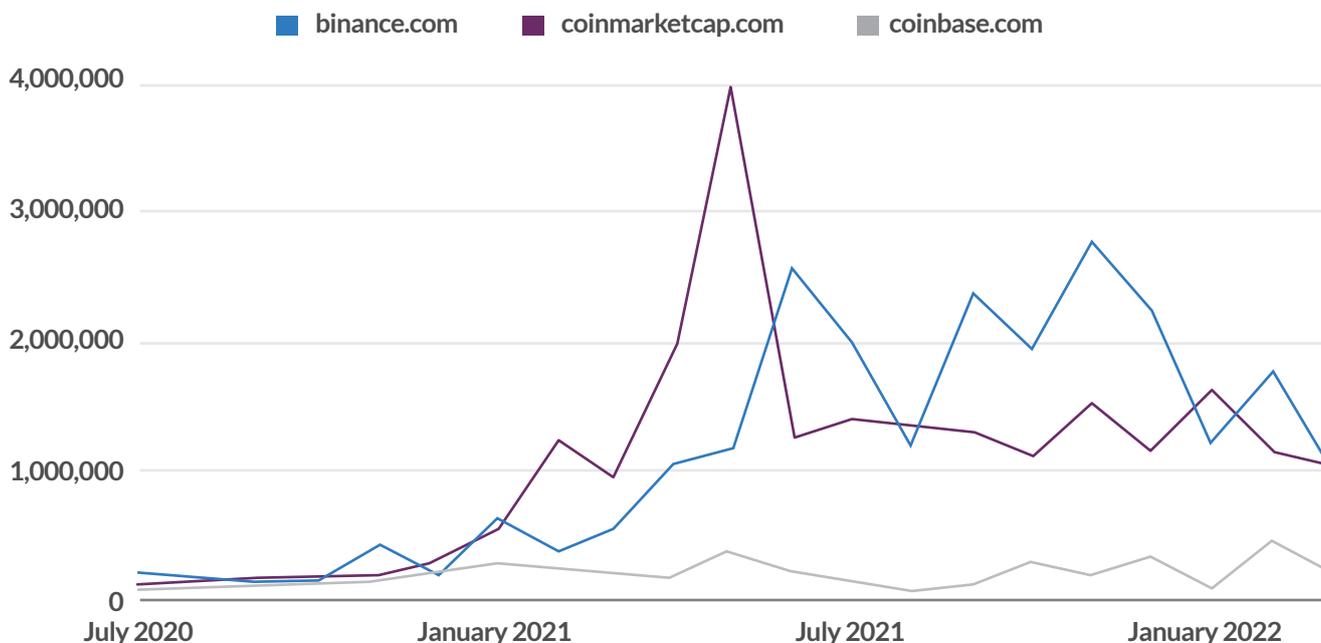
³ <https://blog.chainalysis.com/reports/cryptocurrency-gains-by-country-2021/>

Pakistan's Crypto Rise

Pakistanis seem to have bought into the cryptocurrency race, as the country ranked third on Chainalysis' Global Crypto Adoption Index 2021 – only behind Vietnam and India – with an estimated traded value of over \$20 billion between July 2020 and June 2021. Another report from the same organization suggests that Pakistanis realized crypto gains of over \$604 million in 2021.⁴ Other indicators, such as traffic to leading crypto related websites or major exchanges among the top charts on the Google Play Store, confirm the uptake.



Traffic to Major Crypto Websites from Pakistan



Source: Semrush

⁴ <https://blog.chainalysis.com/reports/cryptocurrency-gains-by-country-2021/>

Such mass appeal has attracted not only local but international players to tap into the market. Both Binance and Binomio have been active for a couple of years with the latter even having its own community management team in the country. Recently, Bahrain- headquartered crypto exchange Rain Financial appointed its Pakistan Manager while UAE-based Fasset expressed its plans to expand to the country after raising \$22 million Series A and hired senior leadership.

Like other developing countries, trading of crypto assets still faces regulatory uncertainty

which limits the options available to Pakistani customers. For example, all payments on Binance are done via p2p transfers which adds to the transaction charges.⁴ A glance across the border reveals a similar trend where massive crypto assets have been volatile due to regulatory changes. Whatever the legal status of digital assets may be, the blockchain technology offers plenty of use cases in other sectors where both the policymakers and industry have made good headway.

Blockchain Beyond Digital Assets

Beyond crypto and digital assets, blockchain presents a massive opportunity for Pakistan's digital economy with use cases across industries from supply chain to logistics where the decentralized network can speed up processes and bring in transparency. According to a working paper by the Atlantic Council, the country can realize upto \$109 billion in earnings over the next 20 years by harnessing its talent to remotely work for leading blockchain companies globally.⁵

One area where both regulation and industry have made considerable progress is the fractionalization of real estate. The Securities and Exchange Commission of Pakistan had inducted two startups working on the tokenization of real estate into its regulatory sandbox. In a similar vein, it published a concept paper on Asset Fractionalization with the aim of bringing transparency and encouraging



formal investment into the real estate sector. Since then, a number of startups, such as xState, have come to the fore trying to solve this problem.

Similarly, some startups have entered the Non-Fungible Tokens (NFT) space, such as Rare Sense which lets celebrities – such as actors,

⁴ <https://www.sbp.org.pk/bprd/2018/C3.htm>

⁵ <https://urdubit.com/>

cricketers among others – monetize by selling experiences to their fans through blockchain.

Gaming studios have entered the foray as well, producing play-to-earn games leveraging blockchain technology, such as The Gamestorm Studios which recently announced two web3 games in the pipeline.⁶ The government has also made adoption of blockchain technology in different industries. For example, the National Freight and Logistics Policy makes the promotion of blockchain as part of its pillar, through which record management and trade finance can be optimized.⁷

To showcase the developments in the blockchain ecosystem, Binance in collaboration with COLABS also organized a Web 3.0 Summit in June where leading companies in the space discussed the trends and potential Pakistan could harness by leveraging the blockchain technology.⁸



⁶ <https://www.dawn.com/news/1669106>

⁷ <https://www.reuters.com/markets/currencies/indias-finmin-says-central-bank-launch-digital-cryptocurrency-2022-02-01/>

⁸ Realizing the Promise and Potential of “Web3” for Pakistan | Atlantic Council Issue Brief

Blockchain Players in Pakistan



Bloctech
SOLUTIONS

Bloctech Solutions

Bloctech Solutions is a growing Pakistani IT company with a highly skilled and energetic software development team. They have experience in analysis and project management, as well as development. Bloctech Solutions is a service provider of software solutions and professional services mainly in Blockchain Space through decentralized application development and integration of world-class technologies. They build blockchain solutions, softwares, decentralized applications and provide consultancy for blockchain startups.⁹

⁹<https://www.bloctechsolutions.com/>

¹⁰<https://www.binance.com/en>

¹¹<https://onioncryptosignals.com/>



BINANCE

Binance

Binance is a cryptocurrency exchange which is the largest exchange in the world in terms of daily trading volume of cryptocurrencies. It was founded in 2017 and is registered in the Cayman Islands. Binance was founded by Changpeng Zhao, a developer who had previously created high frequency trading software.¹⁰



Onion Technologies

Onion Technologies is a tech company which is totally focused on Crypto based mobile apps which makes trading and understanding Crypto easy for new traders and also helps experienced ones with their trades.¹¹



Seed Labs

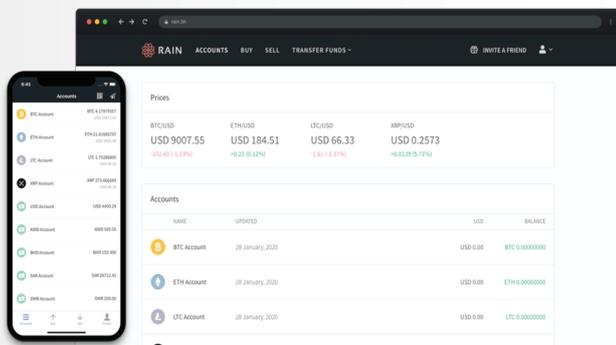
Seed Labs

A blockchain-based trading platform for options and stocks, Seed Labs offers solutions for decentralized derivatives on commodities, stocks and digital assets through the use of blockchain technology. It offers products for retail and institutional investing. It also offers real estate data analytics based on current and historical records.¹²



Rain Financial

Rain is licensed by the Central Bank of Bahrain as a Category 3 Crypto - Asset Services Provider. They are headquartered in the Kingdom of Bahrain, with operations in Pakistan as well.¹³



¹² <https://seed.im/>

¹³ <https://www.rain.bh/>

¹⁴ <https://www.linkedin.com/company/fassethq/>

¹⁵ <https://www.linkedin.com/company/rare-sense-inc/?originalSubdomain=pk>



Fasset

Fasset is a global digital asset gateway that brings unparalleled accessibility to the digital asset space. Through their simple, safe and innovative digital assets, they provide people in emerging markets the opportunity to build a better future. They are pioneering web3 technologies and driving adoption of digital assets for the next billion.¹⁴

Rare Sense



Rare Sense is bringing blockchain and cryptocurrency adoption to the masses by providing compelling experiences that are easily accessible, secure and trustable.

Decentralized Finance (DeFi) is disrupting how we view borrowing and lending. Non Fungible Tokens (NFTs) are redefining ownership. Blockchain is bringing new possibilities to gaming. Rare Sense is at the forefront of this revolution.¹⁵



Softtik Technologies

Softtik Technologies provides customized blockchain solutions worldwide. They aim to reshape and decentralize the financial market system by bringing a wide range of digital applications and solution.¹⁶



Tenup.io

TenUp is also a masternode based POS coin. TenUp believes that every individual is blessed with some great skill set and some of those have great passion and enthusiasm to transform their ideas into identities. To



provide a push to such creative and intellectual minds, TenUp has come up with a completely unique solution. They have created a blockchain-based venture capitalist platform to connect the ideas with the investors who are ready to put their trust in highly feasible proposals and providing the transparency and trust that is currently lacking especially when distances are involved.

Their other projects include Tenup smart, a project initiated to launch MetaVerse solutions by crypto influencer Waqar Zaka in collaboration with NED University of Engineering and Technology Pakistan which has the best AR and VR lab, dedicated PhD professors for this project.¹⁷

¹⁶ <https://softtik.com/>

¹⁷ <https://tenup.io/>



xstate

xstate is using technology to make real estate investments affordable, accessible and profitable for all. xstate now allows anyone with a limited budget to invest in premium real estate by tokenization of assets. It also supports peer-to-peer exchange where the xstate investors can freely buy and sell their real estate shares any time. Their vision is "ab zameen hogi sab kee"¹⁸



BlockShift Technologies

BlockShift Technologies was founded with a vision to do something outside of the box and to help those who share the same vision. They like to innovate and help those who innovate. They like to solve real-world problems and help those who like to solve real-world problems too. BlockShift Technologies is a community of young and thriving innovators who want to do something outside of the box.

They are one of the early companies in Pakistan to adopt blockchain technology and to provide a platform for other innovators to build a brand new stage of decentralized applications. They have helped multiple businesses from startups finding their first customer to brick-and-mortar stores in establishing their e-commerce websites. Their journey is fueled with positive and sometimes constructive feedback from our customers.¹⁹

¹⁸ <https://www.linkedin.com/company/xstatepk/?originalSubdomain=pk>

¹⁹ <https://www.blockshift.com.pk/about/>

²⁰ <https://blockapex.io/about-us/>

²¹ <https://btcpk.net/>



BlockApex

BlockApex was formed with a singular vision - to protect and safeguard the move towards a decentralized world.²⁰ BlockApex cultivates veterans in web security, whether it be the classic Web 2.0 or a more decentralized Web 3.0. Their on-chain expertise includes blockchain quality assurance, smart contract auditing and tokenomics/financial model optimization. Their off-chain elements include DApp penetration testing, cloud security and monitoring and advanced adversary simulations.²⁰



BTC PK

BTC PK is a cryptocurrency exchange enabling users to buy, sell and exchange cryptocurrencies on the platform. Users can also monitor and view prices and access market data for cryptocurrencies. The app is available for Android platform at present.²¹



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ABOUT THIS INDUSTRY ROUNDUP

Pakistan Software Export Board developed this paper by hiring services of independent consulting firms to prepare this roundup on Pakistan's Blockchain sector. The paper focuses on Pakistan-based companies in this vertical and apprises the reader of the expertise available in Pakistan in the Blockchain domain.

DISCLAIMER

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