



## EGYPT'S FIRST ISLAMIC INVOICE FINANCING PLATFORM AGEL RAISES AN UNDISCLOSED SEVEN-FIGURE USD PRE-SEED ROUND

*Agel an innovative contributor to Egypt's 2030 vision of Financial Inclusion and Sustainability and UN Global's Sustainable Development Goals for MSMEs*

**MENA: 21 June 2023:** Agel, Egypt's first and only Islamic FinTech, has announced today that the company has successfully closed the pre-seed round for undisclosed seven-digit figures. The investment round was led by leading MENA-focused venture capital firms, Plus Venture Capital (+VC), Seedstars International Ventures, Flat6labs, with participation from SEEDRA Ventures, Banque Misr Acceleration Program, and prominent angel investors.

Agel is committed to transforming traditional financial services and providing alternative financing options to meet Egypt's Micro, Small, and Medium Enterprises (MSMEs) needs. The company's mission is to offer customized, digital, cashless, and Sharia-compliant financing products, including Murabaha, a cost-plus financing model that complies with Islamic principles.

Established in October 2021, Abdelrahman Saeed, Co-Founder and Chief Executive Officer, and Ahmed El Sherbiny, Co-Founder and Chief Operations Officer, identified a significant opportunity to provide culturally relevant finance to the MSME sector in Egypt. This meant reshaping traditional financial services and providing an alternative financing option to cater to their needs.

Agel's strategy revolves around **empowering merchants** with the financing needed to acquire the goods and supplies required for their trade on-credit from its industry-focused network of suppliers. It also assists suppliers in increasing their sales by allowing them to sell on-credit and manage their commercial transactions effortlessly through the App. In its first year of operations, Agel tapped into Egypt's annual \$15 billion textiles industry, establishing the largest suppliers' fashion-focused network. The company plans to diversify its offerings to other lucrative industries, contributing to \$85 billion annually.

Commenting on their recent round, Agel CEO Abdelrahman Saeed said. "We are proud to be backed by prominent regional investors, who offer not only financial support but also invaluable industry knowledge and experience. Their confidence in our business model will enable us to reach our objectives and take our operations to the next level."

The newly raised funds will be deployed to grow Agel into a licensed non-banking financial institution, accelerate advanced product development to cater to its rapidly increasing customer base, and expand its footprints to the major cities in Egypt. Agel will also launch a merchant co-branded banking card service in partnership with Abu Dhabi Islamic Bank (ADIB) and other value-added services. The company's growth aligns with Egypt's 2030 vision of financial inclusion and supports the United Nations' Sustainable Development Goals (UN Global, SDG).

Commenting on the fundraising announcement, Hasan Haider, Managing Partner at +VC said: "We are excited to have invested in Agel, which has great potential for growth. While limited financing options remain a

constraint to MSMEs in Egypt, Agel is a powerful, innovative solution for quick and easy Sharia-compliant payment options. As Abdelrahman and his team work to deepen their platform capabilities and expand their services to major cities in Egypt, we look forward to supporting them as they cement their position as pioneers in the Islamic FinTech space.”

Seedstars International Ventures, General Partner, Patricia Sosrdojojo remarked, "Despite the fintech startup boom in Egypt, a lack of access to finance is still recognized as a key obstacle to the MSMEs in Egypt. In fact, loans to MSMEs account for only 6% of the total loan portfolio of Egyptian banks, well below the 10-30% required and below the MENA's (8%). By digitizing the lending and procurement process for informal SMEs, Agel is bringing efficiency and increasing accessibility in this market. We are happy to partner with the entire Agel's team as they bring the complementary and needed skills to execute such a plan successfully".

Agel COO, Ahmed El-Sherbiny noted: “Since we launched, we have witnessed a remarkably positive response from the merchants. Our unique approach to finance for MSMEs has witnessed a significant increase in demand for our services. As we deepen our product capabilities, we are confident in introducing several more easy and convenient payment options to satisfy our clients. We look forward to establishing Agel as the preferred platform across Egypt and beyond.”

"We're happy to invest in Agel to support their mission towards revolutionizing the Fintech space for MSMEs in Egypt with innovative solutions catering to their cash flow management and working capital needs. We're confident that the team has the capabilities to scale and expand its operations to further cater to the unique needs of its merchants and suppliers. We're looking forward to continuing supporting Agel in its journey towards increasing financial inclusion in Egypt and beyond", said Dina El-Shenoufy, Chief Investment Officer of Flat6Labs.

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