



## **oliv secures first fintech lending license from Egypt's FRA**

- oliv has obtained the first digital factoring license from the FRA under Egypt's new fintech law
- oliv uses its digital technology to offer invoice factoring to SMEs under 48 hours
- This builds on the government's achievements in digital transformation and financial inclusion
- The company is currently in various partnership discussions with local financial institutions

**Cairo, Egypt - Monday, 16th of December 2024;** oliv, a financial technology company focused on financing SMEs, announces that it has secured Egypt's first digital factoring license from the Financial Regulatory Authority (FRA). This is the first business lending license to be issued under the fintech law number 5 for the year 2022 and the FRA decree 268 for the year 2023 which is tailored for venture-backed fintech companies. It allows oliv to offer fully digital factoring and reverse-factoring services to Egyptian businesses. This license was granted after careful review and guidance by the FRA. This included diligent examination of the company's operating procedures, credit and risk strategies, and technology infrastructure.

The company's mission is to support Egyptian SMEs in overcoming working capital challenges. The SME sector remains significantly underserved. Market studies indicate a staggering funding gap of \$39 billion. SMEs in Egypt contribute to about 43% of the country's gross domestic product (GDP), and account for over 75% of the total employment in the Egyptian market.

To address this gap, oliv's first product offers invoice financing to SMEs that use the Tax Authority e-invoicing platform. It involves minimal manual interactions and no technology requirements from clients and delivers funding in less than 48 hours. oliv's CEO, Ziad Mokhtar said, "While the problem of SME financing is not new, the underlying digital infrastructure has materially changed. A growing digital footprint is being created for hundreds of thousands of businesses preparing them for receiving digital financial services. This is driven by the Egyptian government's successful efforts to drive financial inclusion through digital transformation, and by the rise of the technology sector in the country". Mokhtar has over 22 years of experience launching and investing in technology companies in Egypt serving various industries.

oliv is backed by credible regional and international investors including Cairo-based Algebra Ventures and San Francisco-based Alter Global. Hatem Sabry, oliv's CFO, who brings over 19 years of experience in corporate banking, investment banking, and technology company leadership, said, "This unique license allows us to directly finance SMEs from our balance sheet with the simplest and fastest digital experience in the market". Debt financing is crucial to scaling the company's operations. "We are currently in strategic partnership discussions with several local banks and venture debt providers to diversify our funding sources and further support local SMEs with our innovative product", Sabry added.

By 2028, oliv aims to offer its factoring services to over 5,000 clients. In 2023, the size of the factoring industry in Egypt, as per FRA reports, amounted to EGP44 billion with only 605 clients served. This represents less than 0.3% of GDP which is 10 times smaller than similar markets. By achieving its goal, oliv will significantly grow this industry, democratizing access to working capital financing and allowing SMEs a fair chance to grow and thrive.

Zaki Hashem & Partners law firm provided legal counsel throughout the incorporation and licensing process. Link Data Centers provided technology infrastructure, hosting and cybersecurity services. VLens provided technologies required to implement compliant digital identity, verification, and contracting capabilities.

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### **About oliv:**

oliv is a digital invoice financing company serving small and medium businesses in Egypt. Its service involves minimal manual interactions and no technology requirements from clients and delivers funding in less than 48 hours. The company operates under a digital factoring license from the Egyptian Financial Regulatory Authority.