Early Warning System

FMO-62472

ADP III HOLDING 5 L.P.

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Quick Facts

Countries	Egypt
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	B
Voting Date	2023-05-19
Borrower	ADP III Holdings 5 LP, Development Partners International, Kazyon
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	$ 25.30 million
Loan Amount (USD)	$ 25.30 million

Project Description

As stated on the project disclosure page, the FMO by contributing to a consortium led by FMO's partner DPI supports the further domestic growth trajectory of the Company and its international expansion with growth capital. Part of the consortium's funds will be earmarked to acquire shares from smaller shareholders seeking an exit. FMO invests via ADP III Holdings 5 LP, which is an investment vehicle led by DPI and holds the consortium's stake in Kazyon.

Kazyon as a retail discounter sells products ranging from dry and fresh food products to household essentials. Kazyon reaches the low-income consumers with average grocery basket of a few dollars and growth of Kazyon and the hard-discount retail sector overall can improve access to cheaper basic goods for a larger part of the population.

Early Warning System Project Analysis

The FMO categorized the project as B+.

Investment Description

- Netherlands Development Finance Company (FMO)

Financial Intermediary

Financial Intermediary: A commercial bank or financial institution that receives funds from a development bank. A financial intermediary then lends these funds to their clients (private actors) in the form of loans, bonds, guarantees and equity shares. Financial intermediaries include insurance, pension and equity funds. The direct financial relationship is between the development bank and the financial intermediary.

- Development Partners International (DPI) (Financial Intermediary)

Private Actors Description

As stated by the FMO, founded in 2014, Kazyon is a discount grocery retailer in Egypt with over 5,000 employees, 4 distribution centres, and over 600 stores spread across 18 governorates as of April 2023. Kazyon is offering a wide range of fast-moving consumer goods such as packaged foods, beverages, toiletries, dry goods and other consumables.

As stated on the company's website, DPI is among Africa’s leading investment institutions.

Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
Development Partners International (DPI)	Investor	Finance	invests in	Kazyon	Client	Industry and Trade

Contact Information

Financial Intermediary - Development Partners International:

Address: 2nd Floor Jubilee House, 2 Jubilee Place, London, SW3 3TQ, United Kingdom
Email: info@dpi-llp.com
Phone: +44 (0)207 349 5030
Website: https://www.dpi-llp.com/

Client - Kazyon:

Address: Yamama center, 3 Taha Hussein, Mohammed Mazhar, Zamalek, Cairo Governorate 11561, Egypt
Email: info@kazyon.com

ACCESS TO INFORMATION

As part of FMO's ex-ante disclosure (disclosure of transactions before contracting), you can send requests or questions for additional information to: disclosure@fmo.nl

ACCOUNTABILITY MECHANISM OF FMO

Communities who believe they will be negatively affected by a project funded by the Dutch Development Bank (FMO) may be able to file a complaint with the Independent Complaints Mechanism, which is the joint independent accountability mechanism of the Dutch Development Bank (FMO) and the German Investment Corporation (KfW). A complaint can be filed in writing, by email, post, or online. The complaint can be filed in English or any other language of the complainant. The Independent Complaints Mechanism is comprised of a three-member Independent Expert Panel and it can provide either problem-solving, compliance review or both, in either order. Additional information about this accountability mechanism, including a guide and template for filing a complaint, can be found at: https://www.fmo.nl/independent-complaints-mechanism

Other Related Projects

- FMO-62461 ADP III HOLDING 5 L.P.