

 Early Warning System

FMO-63082

Mediterra Capital Partners III LP



Quick Facts

Countries	Turkiye
Financial Institutions	Netherlands Development Finance Company (FMO)
Status	Approved
Bank Risk Rating	B
Voting Date	2024-06-18
Borrower	Mediterra Capital Partners III LP
Sectors	Finance, Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 21.48 million
Project Cost (USD)	\$ 177.19 million



Project Description

According to the Bank's website, Mediterra Capital Partners III LP will pursue the same investment strategy as its predecessors, taking mostly majority stakes in high-growth companies in Turkey's lower mid-market. The Fund will invest in businesses across three themes: technology driven (B2B), consumer driven (B2C) and export driven (B2E) firms. The funding objective is to support the Fund in reaching its target size of EUR 165mln.

FMO is supporting a well-established and experienced fund manager in Turkey. The Fund will contribute to enabling access to equity financing, especially in the lower mid-market. Beyond the Istanbul area, the Fund also focuses on the wider Anatolia region, which is relatively underserved. By participating in the Fund's first close, FMO will send a positive signal to other potential Limited Partners. FMO will thus play a catalysing role in helping the Fund attract other investors (DFIs and private investors) and reach its target size and objectives.



Early Warning System Project Analysis

MCP III is categorised as a B+ fund. The risk categorisation is based on their current pipeline, which is expected to include around 4-5 B+ opportunities following a review and further clarifications from the Fund Manager. Higher risk opportunities lie in the sectors of manufacturing with potentially hazardous materials, agriculture and energy. Meanwhile, other opportunities have the ambition to construct new production facilities. These investments trigger risks related to IFC Performance Standards (PS) 1-4, with in some cases key risks in the supply chain. Although unlikely given information at this stage, PS 5 and 6 risks due to land acquisition and land use change could be present. PS 7 and 8 are currently not anticipated to be triggered.



Investment Description

- Netherlands Development Finance Company (FMO)

Total FMO financing: EUR 20.00 MLN

Target size: EUR 165 MLN

Funding: FMO NV



Private Actors Description

Mediterra Capital Partners III LP (the “Fund”, “MCP III”) is a Turkey-focused private equity fund and the third fund managed by Mediterra Capital Partners (the “Fund Manager”, “Mediterra”), an established private equity firm investing in Turkey since 2011. FMO has an existing relationship with Mediterra, having invested in both predecessor funds established to date, Mediterra Capital Partners I LP (“MCP I”) and Mediterra Capital Partners II LP (“MCP II”). FMO invested EUR 20mln at MCP III’s first close.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	Mediterra Capital	Parent Company	-



Contact Information

No contacts available at the time of disclosure.

Website customer/investment: <https://www.mediterracapital.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>