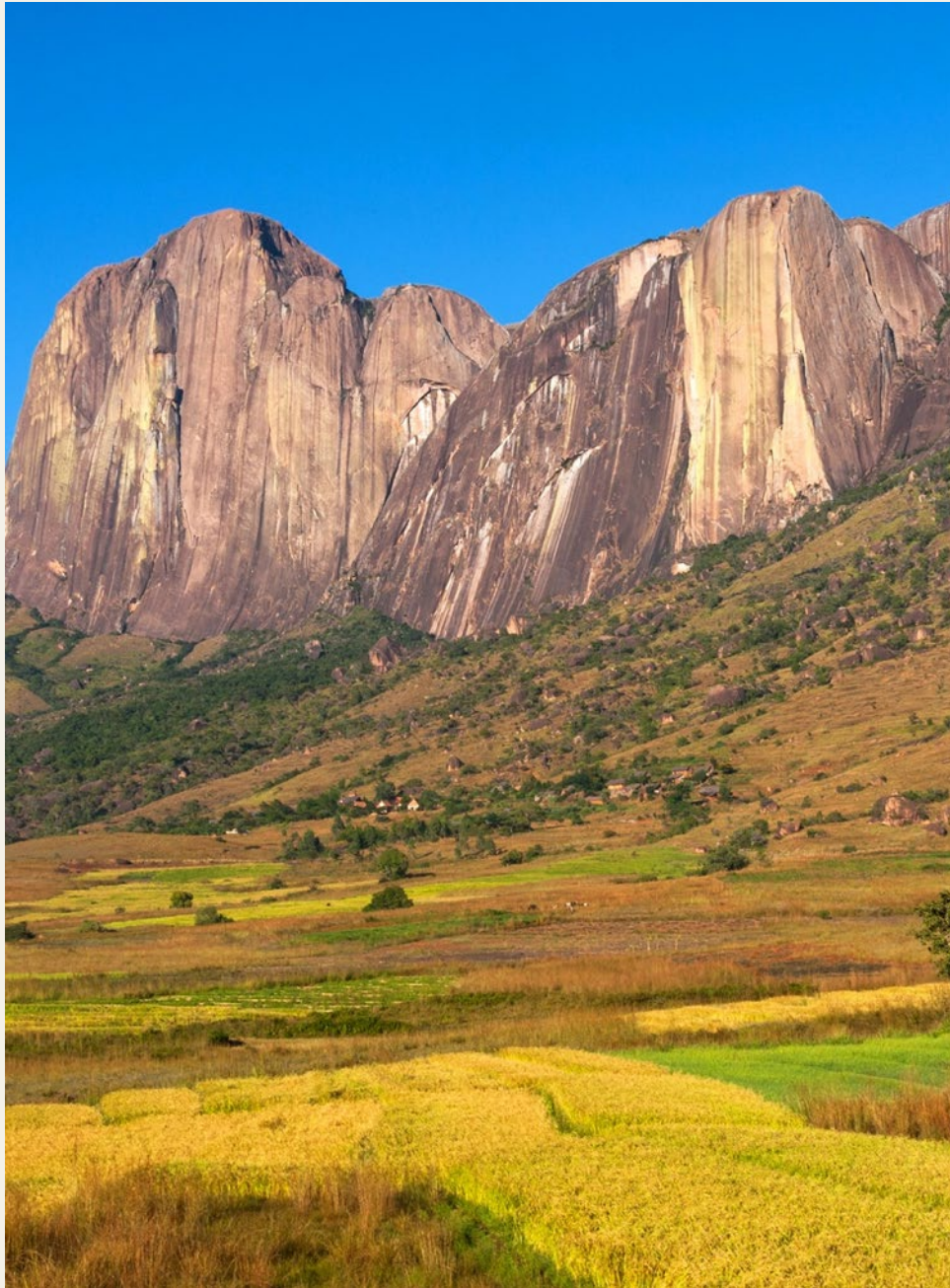




Mitsiry Biodiversity and Climate Fund



October 2026

About the Lab

The Global Innovation Lab for Climate Finance, hosted by the Climate Policy Initiative, identifies, develops, and launches sustainable finance vehicles that can drive billions of dollars into a low-carbon economy. The Lab is an independent, neutral third party that stress-tests vehicles (design & capital structure, impact framework, implementation plans) to support their development into market-ready solutions.

This Blueprint document summarizes the analytical results from the rigorous incubation program. The Lab aims to inform the market about the structures and concepts designed to enable innovation to cross-pollinate, implementation to scale, and partnerships to form.

The authors of this blueprint are Matthew Hurworth, William Wallock, and Léa Faucheux. Publication date: October 2026.

The authors would like to acknowledge the following professionals for their cooperation and valued contributions, including the proponents Emmanuel Cotsoyannis (Miarakap), Koloina Ramaromandray (Miarakap), Fanirisoa Pilaza (Miarakap), Nicolas Métro (Kinomé), Blanda Andrimamy (Kinomé); and the working group members: Cathy Oxby (Africa Green Co), Wen E Chin (CLIC), Francisco Macedo (Emergent), Lenny Martinez Martin (FAO), Fleur Brygo (FMO), Gerbrich Salverda (FMO), Basak Odemis (IFC), James Seward (IFC), Anu Hassinen (NDF), Ana Herrera (Technoserve), Woody Clarke (UK FCDO). The authors would like to acknowledge the contribution of the experts: Abubakar Lewano (WWF Kenya), Santatra Razafindratsimba (WWF Madagascar).

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SECRETARIAT

CLIMATE
POLICY
INITIATIVE

Working Group

The following organizations and individuals contributed to technical review across impact, structuring, and TA Facility aspects during Mitsiry Biodiversity and Climate Fund's incubation.

Organization	Name	Job Title
Africa Green Co	Cathy Oxby	Chief Commercial Officer
CLIC	Wen E Chin	Manager
Emergent	Francisco Macedo	Senior Consultant
FAO	Lenny Martinez Martin	Access to Finance Specialist
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What is the Mitsiry Biodiversity and Climate Fund?

Driving environmental impact through sustainable economic development and local job creation

Mitsiry is a private investment fund deploying debt and equity into **nature-positive enterprises that restore ecosystems and transform land-use value chains.**

Target Fund Size	USD 50M	USD 20M junior and USD 30M senior equity tranches
Geography	Southwest Indian Ocean	Strong pipeline and early-stage support secured for execution in Madagascar and Mozambique
tCO ₂ Sequestered or Avoided	2,500,000	Estimated tCO ₂ equivalent avoided or sequestered by current portfolio SMEs
Jobs Created	10,000	Estimated number of jobs created and maintained by portfolio SMEs
Target Fund IRR	8-9%	6.6% return for junior and 7.6% return for senior tranche

What is the Mitsiry Biodiversity and Climate Fund?

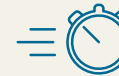
- **The Problem:** The Southwest Indian Ocean region faces a compounding crisis: extreme poverty forces communities to rely on harmful natural resource extraction, while growing climate risks place mounting pressure on some of the world's most biodiverse and fragile ecosystems.
- **The Solution:** Nature-positive enterprises deliver a solution by providing an alternative to extractive livelihoods while simultaneously restoring ecosystems and tackling climate change.
- **The Opportunity:** Mitsiry fills the market gap by providing tailored investments to support the growth of nature-positive enterprises in the Southwest Indian Ocean. It is the region's first blended fund to leverage debt and equity while supporting market growth through technical assistance.
- **The Team:** Mitsiry is anchored in a strong partnership between Miarakap, a local Malagasy fund manager, and Kinomé, a social business with deep expertise in impact and nature, along with several other local partnerships in the region.
- **Pathway to Implementation:** Mitsiry is on track to hit first close in 2026, with plans to initially deploy capital in Madagascar and then continue in Mozambique. The model can then be replicated at a larger scale across the region.

The Lab Secretariat recommends endorsing the instrument as it fits the Lab criteria.



INNOVATIVE

The Fund applies a proven investment model to a new context in the Southwest Indian Ocean, addressing a critical financing gap for nature-positive enterprises.



ACTIONABLE

The Fund is on track to reach first close in 2026 and deploy capital to an already developed pipeline in Madagascar.



FINANCIALLY SUSTAINABLE

The Fund provides competitive risk-adjusted returns, enabling the long-term phase-down of concessional capital and the development of local capital markets.



CATALYTIC

The Fund will mobilize USD 50 million for regenerative enterprises, with the potential to expand across the region through future funds once the investment model is proven.

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Miarakap and Kinomé bring decades of local investment experience



A Madagascar-based impact-focused investment manager which launched a USD 7M evergreen equity fund (14 SMEs across sectors) in 2018 and a USD 12.5M TA program (25 biodiversity-positive SMEs) in 2022.



A social business with 20 years of experience in local nature-based solutions, climate, and biodiversity conservation across 45 countries.



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**Blanda
Andrimamy**

Head of Impact and ESG
Madagascar

Mitsiry scales the investment model Miarakap proved in Fund I

Launched in 2018, the USD 7 million Fund I invested in 14 high-potential SMEs across Madagascar, generating over USD 10 million in combined annual revenue and an average portfolio IRR above 16%.

Building on Fund I's strong performance and implementation lessons, Miarakap, together with Kinomé's expertise in impact and nature, is now **scaling this proven investment model through the launch of the Mitsiry Biodiversity and Climate Fund.**

Fund I Overview

Fund Size:	USD 7 million
Sectors:	Agrifood & Essential Services
Current Stage:	Exit Phase
Performance:	2.11x EM, 16% IRR
Impact:	872 Jobs Created

Key Lessons Learned

Investment Size	Scale matters: larger investment tickets drive stronger performance
Capital Structure	Debt preferred over equity in larger companies
Business Model	Export-oriented businesses outperform local-market players
Operating Model	People-driven models outperform asset-heavy ones
Market Position	Market leaders / second best deliver superior growth and impact

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Extreme poverty drives nature degradation across the SWIO

The Southwest Indian Ocean, which holds rich ecosystems, faces severe environmental and social pressure. Madagascar holds 5% of global biodiversity, with 90% of species being endemic¹. However, the country lost 30% of its forests since 2000², and 75% of its population relies on natural resources³. Mozambique's primary forest has almost entirely disappeared.

Extreme poverty drives environmental degradation. In Madagascar, over 80% of the population lives in extreme poverty⁴, forced into unsustainable and destructive practices as survival strategies (e.g. slash-and-burn agriculture).

Structural constraints, like informal employment and poor infrastructure, worsen vulnerability. Rural energy access remains below 30% in Madagascar and Mozambique⁵, increasing reliance on biomass.

Climate change amplifies the crisis. Recurrent cyclones, droughts (>50% of land⁶), and coastal erosion destroy harvests, disrupt local markets, and intensify land degradation, reinforcing vulnerabilities, as resources become scarcer and ecosystems less resilient to climate shocks.

Breaking this cycle requires viable, income-generating alternatives that align livelihoods with ecosystem restoration.



¹ WWF Madagascar (2021)

² Suzzi-Simmons (2023)

³ FAO (2022)

⁴ World Bank (2024)

⁵ IEA (2023)

⁶ UNCCD (2026)

Nature-positive SMEs offer an alternative to extractive livelihoods but lack capital to grow

Across the region, a **generation of entrepreneurs** with regenerative, circular, and inclusive business models is emerging, but **lacks capital** to grow.

USD 74.5 billion¹	Annual finance gap for agri-SMEs in SSA
-------------------------------------	---

10%²	SMEs with access to formal financing in SSA
------------------------	---

1.1%³	Global climate finance that reaches LDCs
-------------------------	--

27M hectares⁴	Land in Madagascar with a restoration potential
---------------------------------	---

7,328 km	Coastline of Mozambique and Madagascar
-----------------	--

There is an opportunity to build a **replicable fund model** that demonstrates how **investing in nature-positive SMEs in the SWIO region** can support new jobs, regeneration, and resilience.

¹ ISF Advisors 2022

² EIB 2019

³ CPI 2023 2024

⁴ Sarobidy Rakotonarivo 2023



Mitsiry removes three barriers blocking SME growth and scale

BARRIERS

Low pipeline of investment-ready SMEs

Several entrepreneurs in Madagascar and Mozambique lack the executive and operational capacity and technical expertise needed for project development and monitoring.

SMEs lack access to adequate financing

The traditional banking system offers short-term loans with inflexible tenures, while the financial products that SMEs require do not align with investors' return, ticket size, and tenor expectations.

Inefficient local market infrastructure limits SMEs' growth

Local market infrastructure is underdeveloped, with high energy costs, limited energy coverage, poor road access, expensive transportation, and constrained material-processing capacity.

SOLUTIONS

Pre-investment Technical Assistance

- Hands-on support and continuous engagement for early-stage SMEs
- Investment readiness support and ESG integration

Tailored, structured, flexible products

- Equity in high-growth SMEs
- Range of debt products
- Post-investment TA support

SME growth & resilience Capacity Building

- New revenue streams from international market access, production scaling, price premiums, and high-value exports
- Improved energy infrastructure from renewables

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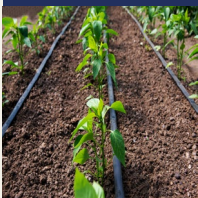
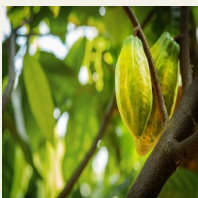
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Mitsiry turns a fragmented SME market into an investable portfolio

4 Verticals	Four verticals where poverty, biodiversity loss, and climate risk converge. Agriculture anchors the portfolio at ~50%, ecotourism and renewable energy at ~20% each, other NbS at ~10%. Each backs cash-generating SMEs that address a specific driver of ecosystem loss — with named pipeline already in place.
3 SME Tiers	Three SME tiers cover three distinct capital gaps. High-growth companies (USD 2.5M–5M) are too mature for seed and too small for DFIs, so equity here is catalytic. Established SMEs (USD 5M–15M) are bankable but underserved on patient capital. Mature leaders (above USD 20M) are served by banks on short tenors, but not on the long-term structures their growth requires.
4 Financial Instruments	Instrument follows company profile. Senior participative loans (60%) for collateral-light SMEs with recurring revenues; mezzanine debt (10%) for expansion and ownership transitions; convertible notes (15%) for early-stage or higher-growth companies; minority equity (15%) for scalable models with exit visibility. Tickets of USD 0.5–5M.
Process and Governance	Six standardized stages run for 3- 6 months. ESG risk categorization and TA needs assessment run concurrently, so impact conditions are embedded into the deal rather than bolted on afterward. Miarakap leads as Investment Advisor; the Investment Committee decides, with Innpac as Collective Investment Scheme (CIS) Manager. See Annex for details.

Mitsiry invests across four verticals where poverty, biodiversity loss, and climate risk converge

Vertical	Economic Focus	Alloc	Impact	Pipeline
 Agriculture	Sustainable agriculture, agroforestry, aquaculture	~50%	- Reduced pressure on natural resources - Diversifies cropping and water management	Jacarandas, MCI, OFC, EXA
 Ecotourism	Conservation-linked tourism and lodging	~20%	- Funds habitat and species protection - Conservation-linked livelihoods	Princesse Bora Lodge
 Renewable Energy	Solar mini-grids, home systems, productive use	~20%	- Cuts charcoal and firewood demand - Lower emissions and energy access	Anka, HERI
 Other NbS	Ecological restoration, biodiversity management, carbon credits generation, other PES mechanisms	~10%	- Restores habitat connectivity and pollinator networks - Sequesters carbon, improves water cycles, reduces erosion	Bôndy, TBSE

Mitsiry tailors investment strategies to three SME types, each facing a distinct capital gap

Three tiers of SMEs, each with distinct capital gaps, require tailored financing. Mitsiry structures them to fit each one rather than forcing one product across the board.

SME Maturity	Mitsiry Strategy
High-growth SMEs Revenue: USD 2.5M–7M Growth: High (CAGR > 20%)	High-growth businesses (2.5–3x within 5 years) tackling biodiversity loss and climate risk through innovative approaches. Too mature for seed capital and too small for DFIs, so Mitsiry's equity is catalytic.
Established SMEs Revenue: USD 5M–15M Growth: Moderate (5% < CAGR < 20%)	Market-leading, often family-led companies with strong financials and deep roots in biodiversity-linked sectors. Bankable but underserved on patient capital; from year 3, Mitsiry doubles its ticket to finance 2–3 of these.
Mature SMEs Revenue: Above USD 20M Growth: Moderate (CAGR < 20%)	Mid-sized, profitable businesses served by commercial banks on short tenors, now seeking their first institutional investor as a flexible, long-term strategic partner.

Mitsiry matches four instruments to company profile, targeting 9-18% returns

Instrument Category	Target-Company Typology	Priority Instrument	Target Share	Ticket (USD)	Target Return
Senior Participative Loans	Collateral-light SMEs with established operations and recurring revenues	Senior participative loans with revenue-linked upside	60%	2M-5M	10-14%
Mezzanine Debt	Established SMEs seeking flexible growth capital for expansion or ownership transitions	Mezzanine debt potentially alongside senior lenders	10%	2M-5M	14-18%
Convertible Notes	Earlier-stage SMEs with strong growth prospects where optimal long-term capital structure is not yet clear	Convertible notes with the potential to convert into equity	15%	1M-3M	16-22%
Minority Equity	High-growth SMEs with a scalable model and clear enterprise-value creation, focus on exit visibility, execution and governance	Minority growth equity	15%	1M-3M	14-18%

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Mitsiry replicates a proven investment model in new contexts

Mitsiry is a blended investment fund providing the debt and equity that SMEs at the poverty, biodiversity, and climate nexus cannot access from local banks or conventional funds. It invests across agribusiness and agroforestry, ecotourism, renewable energy, and other nature-based solutions, predominantly in Madagascar with planned expansion to Mozambique.

Alongside it sits a USD 5M Technical Assistance facility, a de-risking mechanism that makes pipeline bankable and keeps portfolio companies performing. With pipeline already identified, fund operations begin immediately, and TA runs alongside rather than ahead. Junior capital de-risks the fund, senior capital provides the scale, and TA support de-risks the pipeline.

How capital flows (see instrument diagram, following slide):

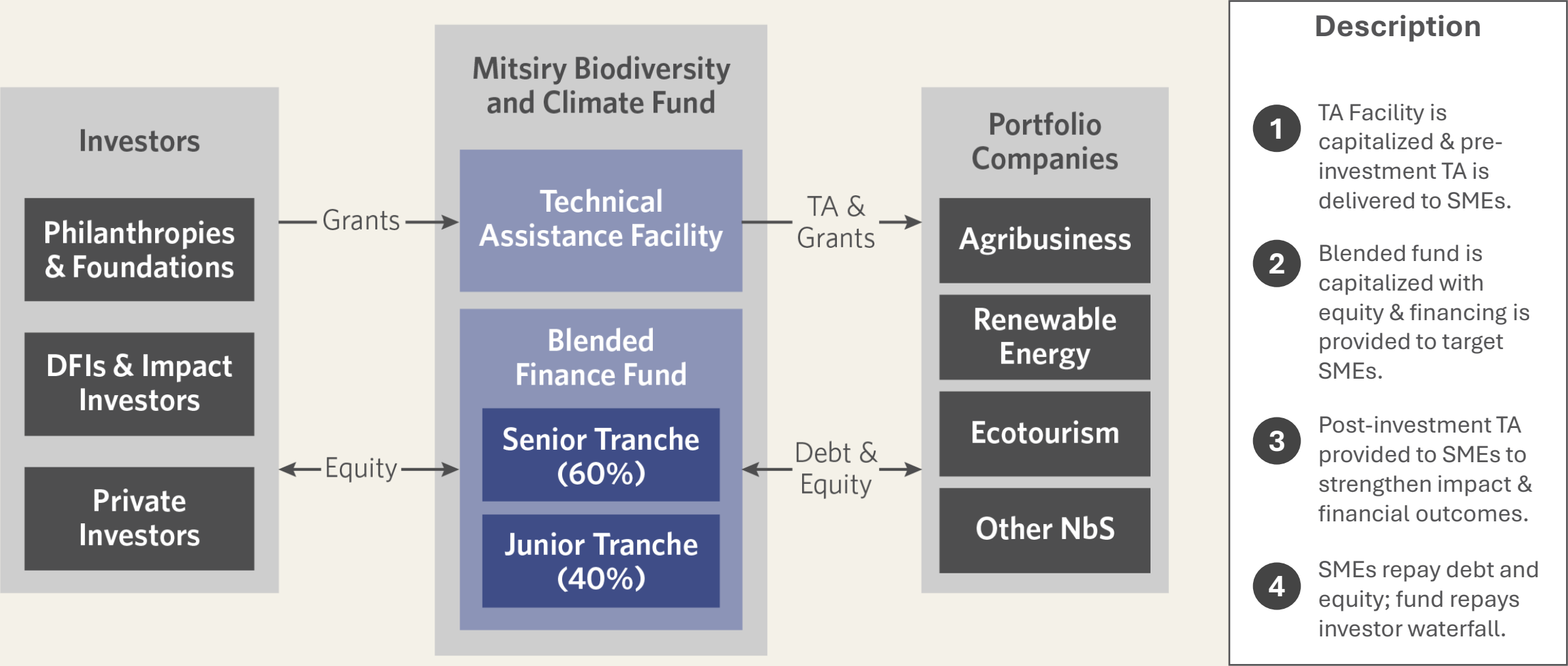
The Fund:

- **Capitalization and Deployment.** Investors subscribe to a junior or senior tranche; junior capital absorbs first losses, letting senior investors take an appropriate risk position. The fund deploys through senior debt, revenue-based loans, mezzanine, and growth equity, matched to each company's cash flow profile and stage.
- **Repayment.** SMEs service debt, and the fund realizes equity exits, with proceeds distributed through the waterfall.

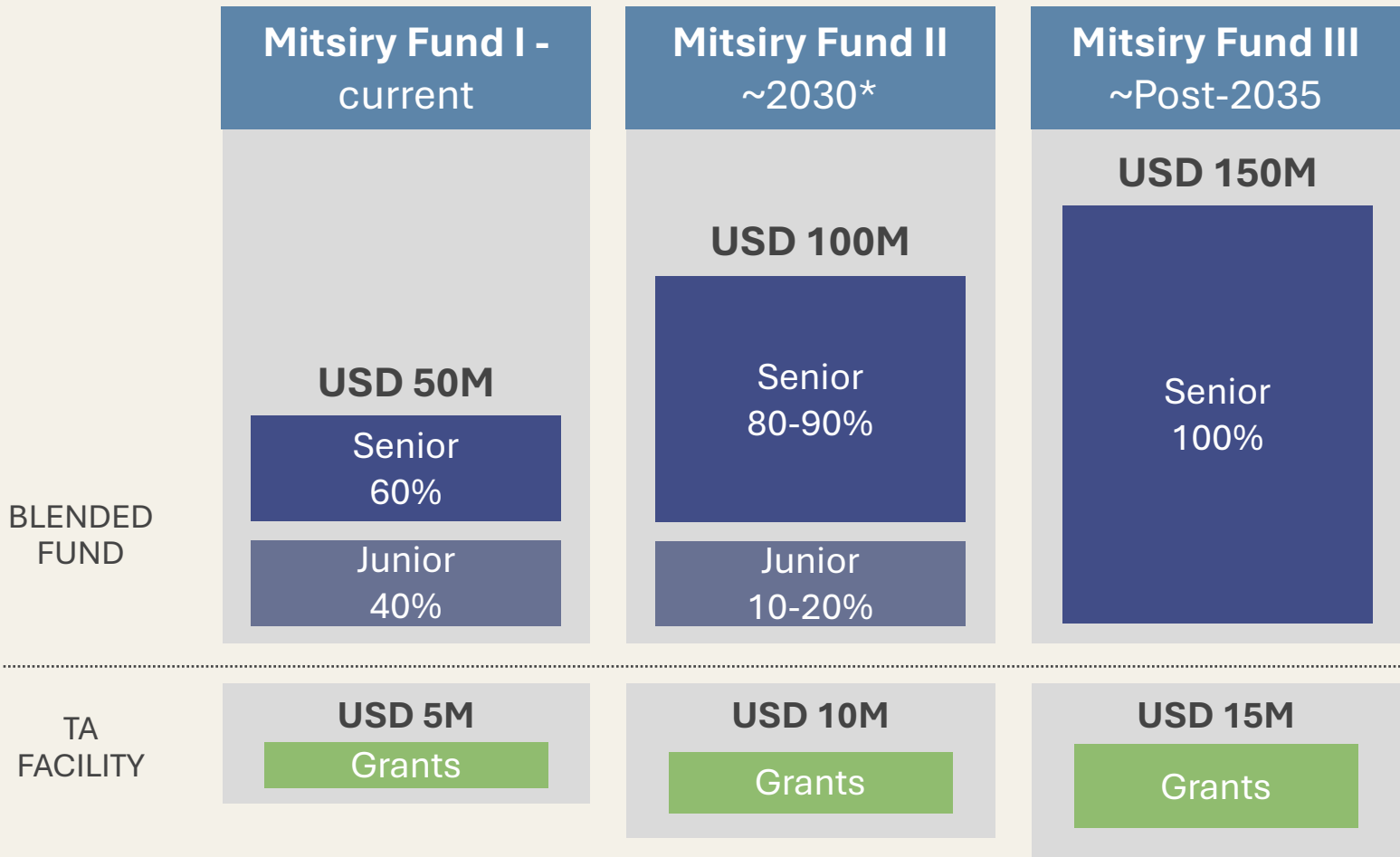
The TA Facility, in parallel:

- **Pre-Investment.** Grant-funded support builds business planning, financial systems, governance, safeguards, and impact measurement.
- **Post-Investment.** TA targets operational and impact performance, driving both repayment capacity and biodiversity and climate outcomes.

Mitsiry replicates a proven investment model in new contexts



Mitsiry is built to scale across the Southwest Indian Ocean and beyond

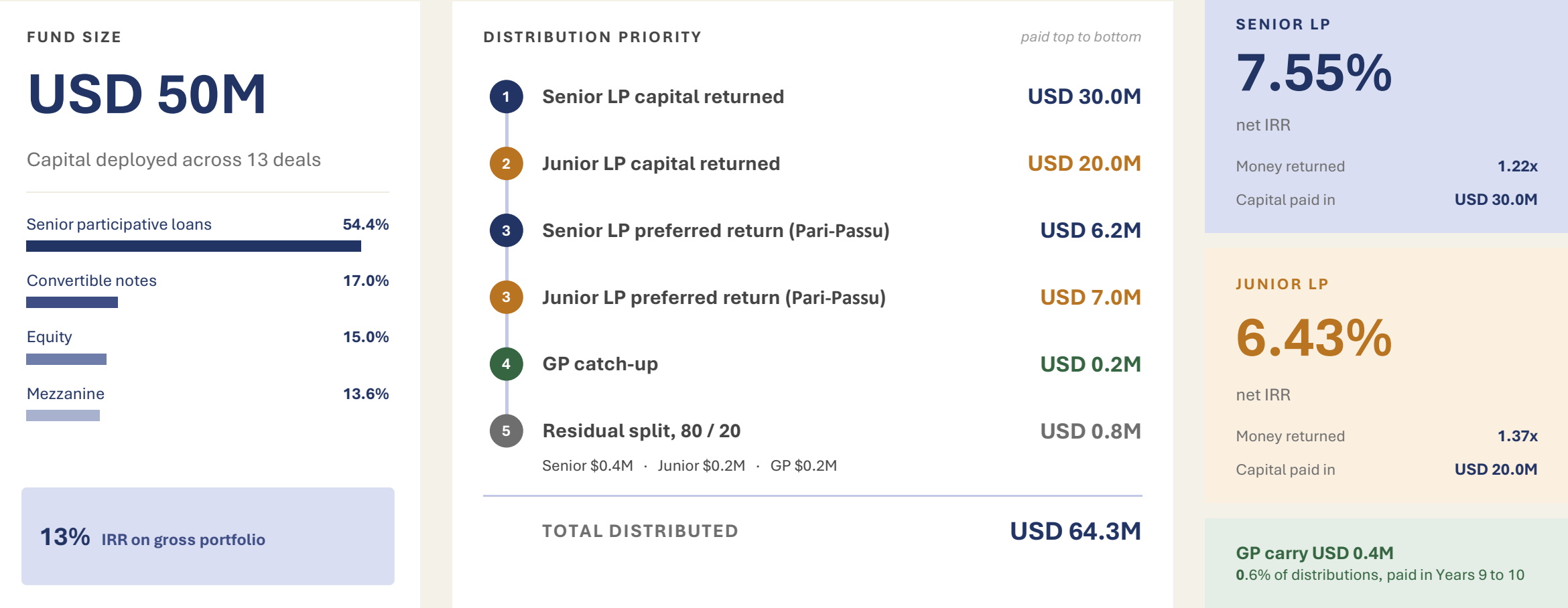


Pathway to Reduce Reliance on Junior Capital

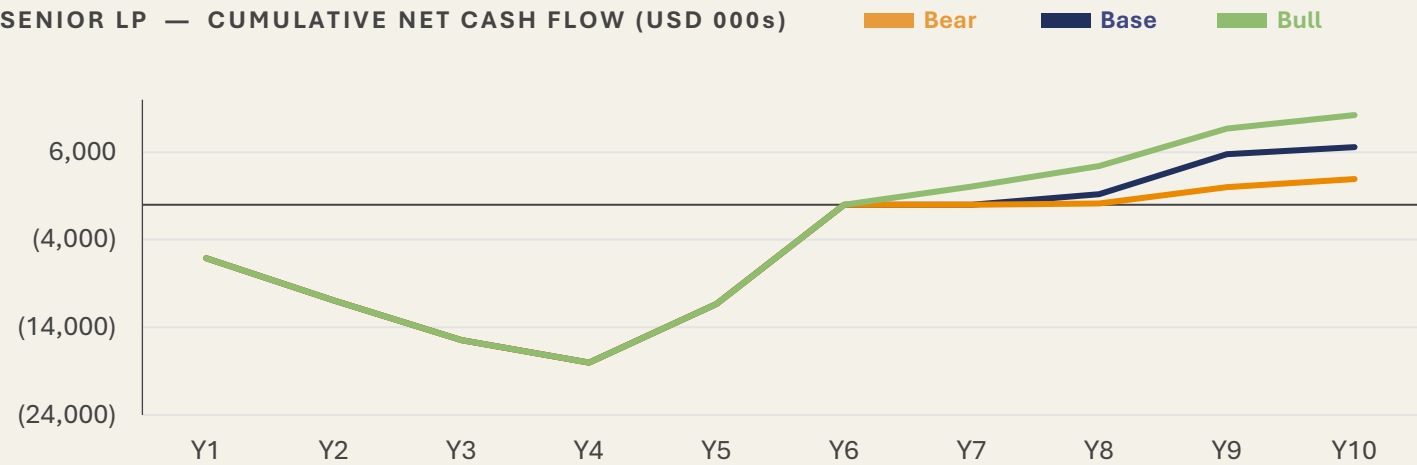
- Demonstrate the commercial viability of SMEs in the Indian Ocean region, helping to reduce perceived risk.
- Leverage the TA facility to strengthen portfolio financial performance while reducing risk.
- Strengthen fund processes and investment strategies by incorporating lessons learned.

* Timing is indicative, the fundraising process of Mitsiry Fund II will only start when at least 70% of Fund I has been deployed.

Mitsiry delivers competitive risk-adjusted returns by diversifying investments and leveraging a blended capital stack



Extensive sensitivity analysis demonstrates resilience of returns across varying conditions

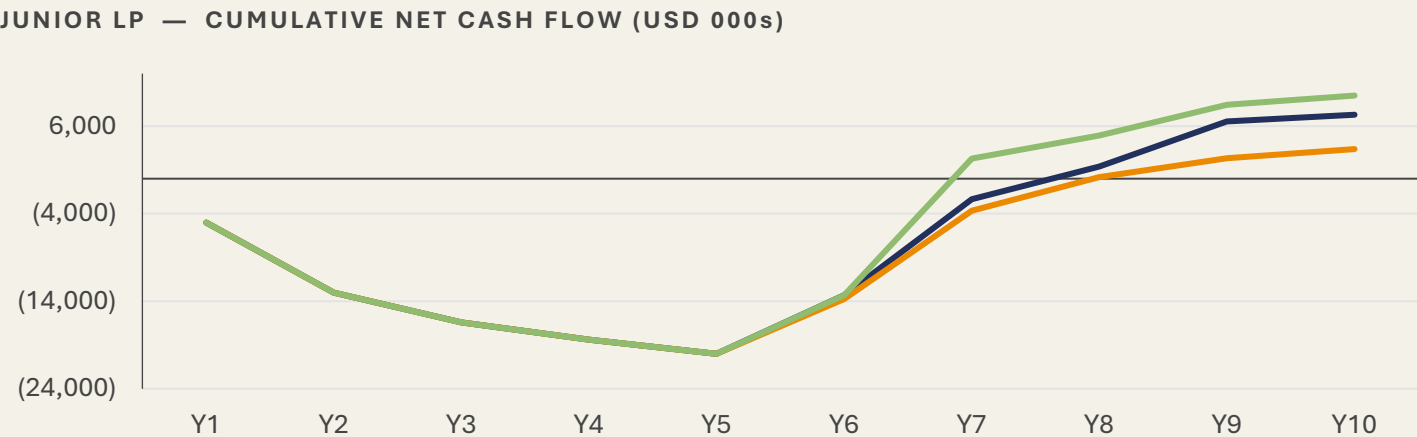


Bull Case:

Assumes the doubtful loans recover in full. Junior reaches break even by Year 7 and finishes at 1.47x, while senior lifts from 7.6% to 10.7%.

Base Case:

Assumes two portfolio loans are written off and the third is restructured. Senior capital is returned in Year 6 and junior in Year 8, delivering 7.6% and 6.4%.



Bear Case:

Assumes write-offs beyond the base case, weaker recoveries, and delayed exits. Senior and Junior IRRs slip to 3.9% and 3.3%. Both tranches still return capital.

Mitsiry protects returns through four risk reduction measures

KEY CAPITAL RISKS

SOLUTIONS

Debt Default Risk

Investee-specific performance challenges or adverse macroeconomic conditions reduce expected cash flows, leading to higher-than-anticipated default rates.

Downside Risk Mitigation

- Diversification across sectors and maturities
- Use of fixed-income instruments and secured lending structures

Equity Exit Risk

Equity investments may face challenges in achieving timely exits at appropriate valuations within the fund's lifecycle.

Structured Exit Strategies

- Potential exit mechanisms include put options, trade sales to strategic buyers, and secondary transactions

Bankable Pipeline Risk

The pool of sufficiently advanced, bankable SMEs that meet the required impact criteria may be more limited than expected, potentially delaying deployment or constraining capital recycling.

Pre-investment Technical Assistance

- A TA facility provides pre-investment capacity and financial support to help SMEs strengthen readiness and meet financial and impact criteria
- Partnerships with NGOs to find pipeline in Mozambique

Currency Risk

Volatility in local currency values due to macroeconomic fluctuations or political instability can place pressure on both fund returns and SME financial performance.

FX Hedging Strategies

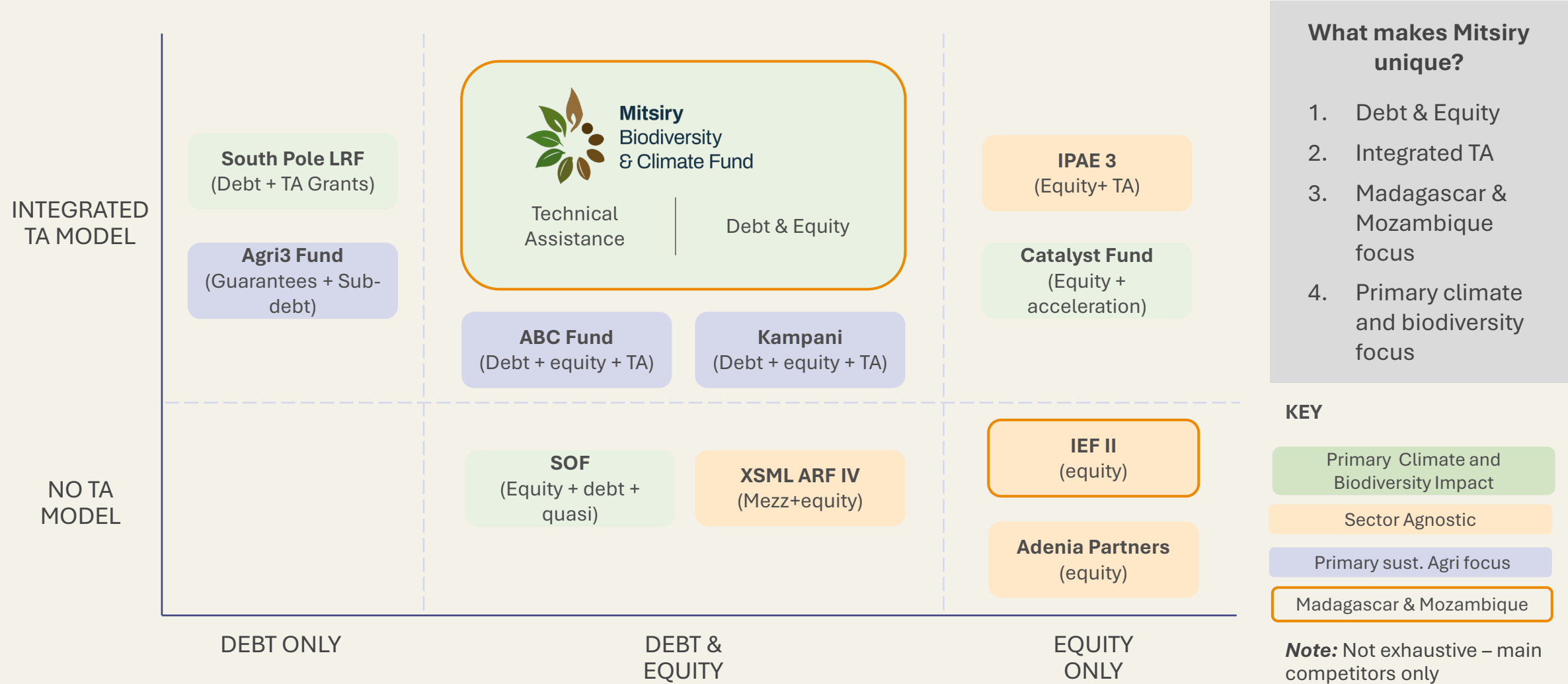
- Hard-currency lending matched to hard-currency revenue, primarily export agribusiness and ecotourism
- Depreciation premium priced into local-currency coupons

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Mitsiry fills a critical SWIO market gap by meeting capital needs that no single provider serves



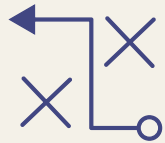
No comparable fund matches Mitsiry in approach, structure, and target market

Fund/Instrument	Climate and Biodiversity	SWIO	Debt & Equity	TA	
Mitsiry Biodiversity and Climate Fund	✓	✓	✓	✓	✓ Present
I&P Afrique Entrepreneurs 3	●	✓	✗	✓	● Partial
Inside Equity Fund II	✗	✓	✗	✗	✗ Absent
ABC Fund	●	✓	✓	✓	
Kampani	●	✗	✓	✓	
Adenia Capital IV / V	●	✓	✗	✗	
Agri3 Fund	✗	✗	✗	✓	
South Pole LRF	✓	✗	✗	✓	

Mitsiry alone pairs debt and equity with integrated TA in the SWIO

Tailored debt and equity investments

Flexible financing



Mitsiry is one of the only funds in the region to deploy both debt and equity, letting it tailor capital to each SME's cash flow and growth stage rather than forcing businesses into a single instrument.

Integrated technical assistance

TA facility



A USD 5m TA facility runs alongside every investment, pre- and post-deployment supporting SMEs to meet ESG, biodiversity, and climate targets while building financial, governance, and operational capacity.

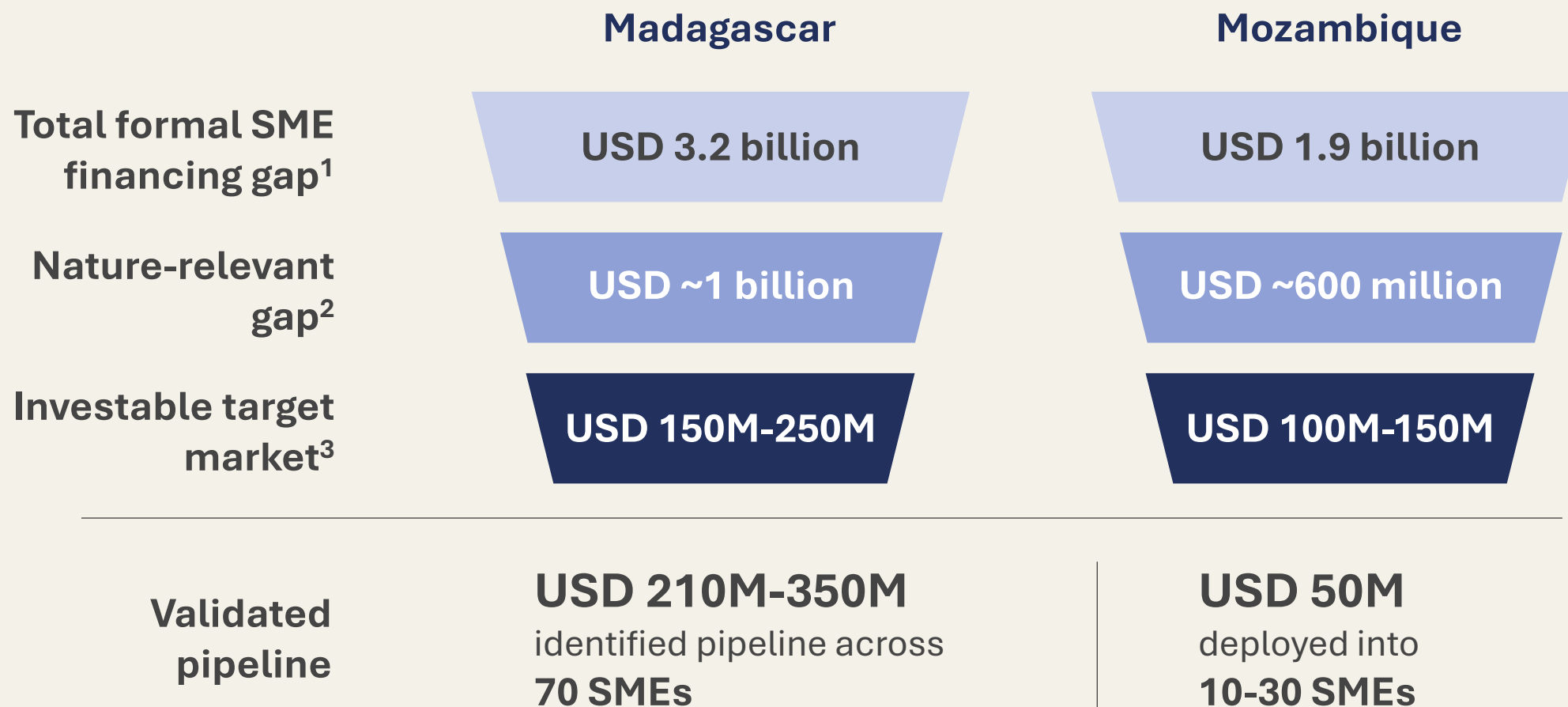
Climate, biodiversity and livelihoods

Impact-focused capital



Every eligible SME must fall within one of Mitsiry's three mandate areas - sustainable natural resource use, nature-based solutions, or climate mitigation - with livelihoods at the core, since poverty is the primary driver of Madagascar's climate and biodiversity crisis.

Mitsiry targets up to a USD 400 million SME financing gap in Madagascar and Mozambique



¹ SME Finance Forum 2025

² CPI estimates based on CGIAR 2023, ISF Advisors 2022, World Bank 2026

³ CPI estimates applying a 15-25% rate to the nature-relevant gap, to reflect the small proportion of investable SMEs, high transaction costs, and investor risk aversion

A pipeline of 70 SMEs spans Madagascar, with project preparation already underway

70 SMEs have been identified. Four illustrative deals are shown below.

17 of the 70 SMEs are in the **active pipeline**, of which **8** have already entered the investment process and represent potential investments of USD 20M – USD 30M.

Enterprise	Sector	Vehicle	Ticket Size	Revenue	Key Impact Targets
Enterprise #1	Agribusiness	Participative Loan	3M-5M	10M-15M	• Employees: 100 • Producers: 7,000
Enterprise #2	Agribusiness	Participative Loan & Equity	3M-5M	1M-5M	• Employees: 300 • Households: 3,000
Enterprise #3	Renewable Energy	Equity	3M-5M	1M-5M	• Installed Capacity: 15 MWc • Beneficiaries: 15,000
Enterprise #4	Ecotourism	Participative Loan	2M-3M	1M-5M	• Employees: 120 • Hotels: 3

All figures are illustrative and based on Mitsiry's existing pipeline.

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Why a Technical Assistance Facility (TA Facility)?

Bridging the gap to help nature-positive SMEs become investable, high-impact opportunities.

The Mitsiry Technical Assistance Facility (TA Facility) is a **de-risking and value-creation tool** that strengthens pipeline maturity, optimizes conditions for capital deployment, and enhances impact creation.

Barrier addressed

- SMEs have high potential but limited investment readiness and access to capital
- SMEs have constrained structuring, operational, financial, and ESG capacity

Size

- **USD 5M TA facility**
- Average ticket size depends on the type of support: USD 10-100k pre-investment and USD 150k post-investment

Four-Step Approach

PRE-INVESTMENT

1. De-Risk

Reduce operational, financial, and ESG risk exposure

2. Prepare

Build financial, governance, and investment readiness

POST-INVESTMENT

3. Measure

Embed robust impact measurement and monitoring

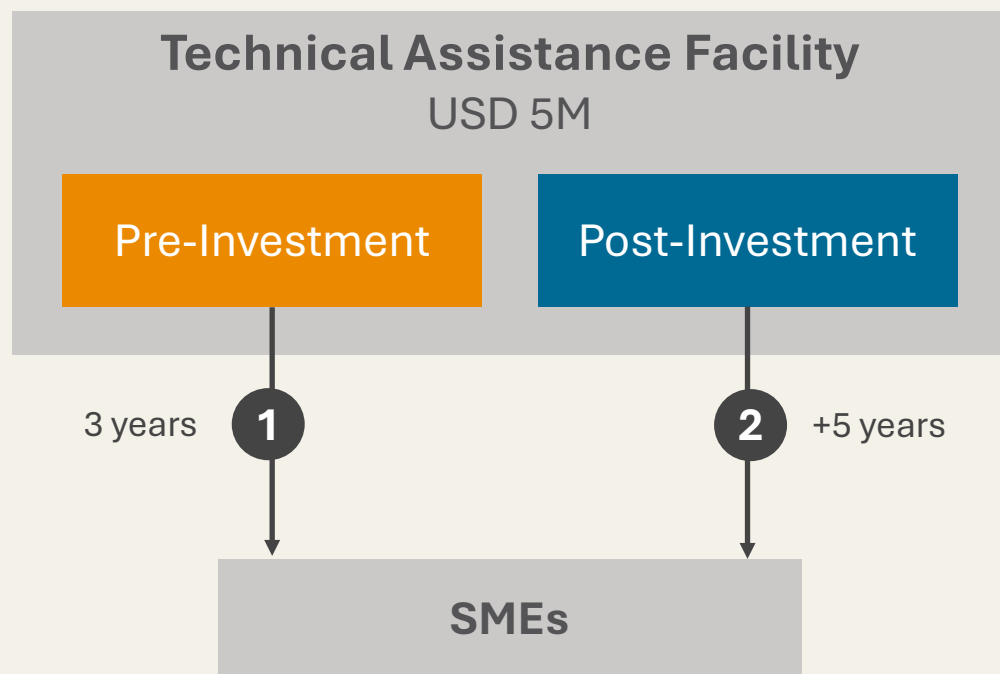
4. Amplify

Scale business performance and impact

The TA Facility backs SMEs through the full investment lifecycle, from investment readiness to post-investment growth

The USD 5 million Technical Assistance Facility provides flexible capital deployment tailored to company maturity and a focus on high-impact SMEs.

Over the investment lifetime, each SME receives USD 200k-450k in total TA support, split between pre- and post-investment stages.



- 1 Pre-investment grants** (direct grants or matching grants with TA Facility funding of up to 80%): finance feasibility studies, baseline assessments, financial diagnostics, and ESG & governance structuring.
- 2 Post-investment matching grants** (TA Facility co-financing of up to 70%; SMEs contribute at least 30% in cash or in kind): finance operational improvements, MRV systems, and business scale-up.

Two examples show how the TA Facility moves a company from pipeline to portfolio

TA support targets critical operational and ESG bottlenecks during pre-investment to ensure investment readiness, then drives post-investment value creation to accelerate scale.

	Enterprise #1	Enterprise #2
Sector	Agribusiness	Agribusiness
Vehicle	Participative Loan	Participative Loan & Equity
Ticket Size	USD 3M–5M	USD 3M–5M
Revenue	USD 10M-15M	USD 1M-5M
Impact Targets	Employees: 100 Producers: 20,000	Employees: 300 Households: 3,000
Pre-Investment	Strategy & Governance: Entity, flows, and risks mapping; 2030 business plan.	Investment: CapEx structuring & industrialization feasibility study Finance & ESG: Fiscal and social compliance review
Post-Investment	Operations: Investor management & value chain software ESG & Impact: Upstream ESMS strengthening	Impact: Upstream value chain environmental impact assessment Performance: Acquisition & scale-up framework
Overall Impact	Integrated agricultural production, processing, and export model supporting thousands of smallholder producers across multiple regions while strengthening rural incomes, reducing emissions, and promoting reforestation.	Nature-based coastal production model supporting thousands of local producers through diversified livelihoods, sustainable production practices, biodiversity protection, and renewable inputs for international markets.

The TA Facility targets a minimum of USD 5 million across pre- and post-investment support for up to 15 SMEs

Budget Allocation

Current pipeline (10 SMEs)	Future pipeline	Running costs
USD 2M	USD 1.7M	USD 1.3M

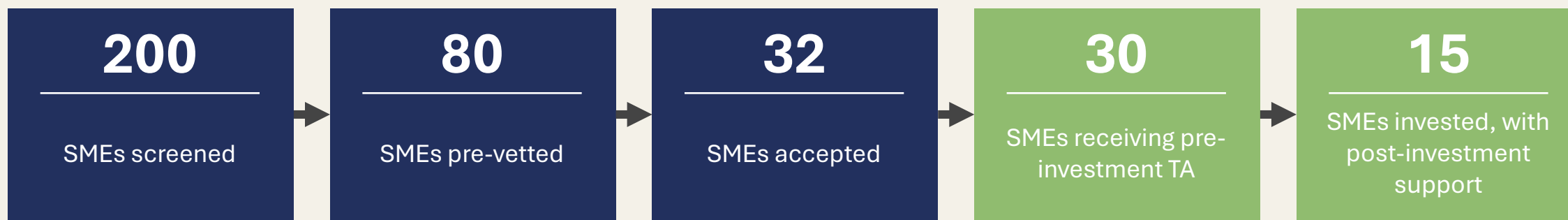
	Pre-Investment TA	Post-Investment TA
Current Pipeline Needs (10 SMEs)	USD 700,000	USD 1.3 million
Expected Portfolio Impact	• 50 % pipeline conversion to investment • 30 SMEs made investment-ready • Reduced perceived investment risk	• USD 80M annual sales generated; revenue and EBITDA growth • 10,000 jobs created & sustained • 100% ESG-compliant portfolio
Priority Targeted Funders	Philanthropies, foundations, trust funds	Fund investors, DFIs, multilateral climate funds

Fund & TA Facility Development Support



Mitsiry's TA Facility is building a stronger, investment-ready SME ecosystem in Madagascar and Mozambique

Through disciplined screening and tailored pre-investment TA, Mitsiry will turn SMEs into investment-ready opportunities for itself and other financiers, while strengthening the ecosystem and reducing investment risk in Madagascar and Mozambique.



Assumptions:

- Mitsiry will coordinate with partner TA providers (e.g., WWF Nectar Fund and SSNUP) to route 2 screened SMEs to pre-investment TA elsewhere, reinforcing a coordinated ecosystem
- Mitsiry will channel the 15 SMEs that do not meet its investment criteria toward other investors and support services where appropriate, even though they will not receive post-investment TA from Mitsiry

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Every dollar Mitsiry invests drives climate and biodiversity impact today while building lasting resilience

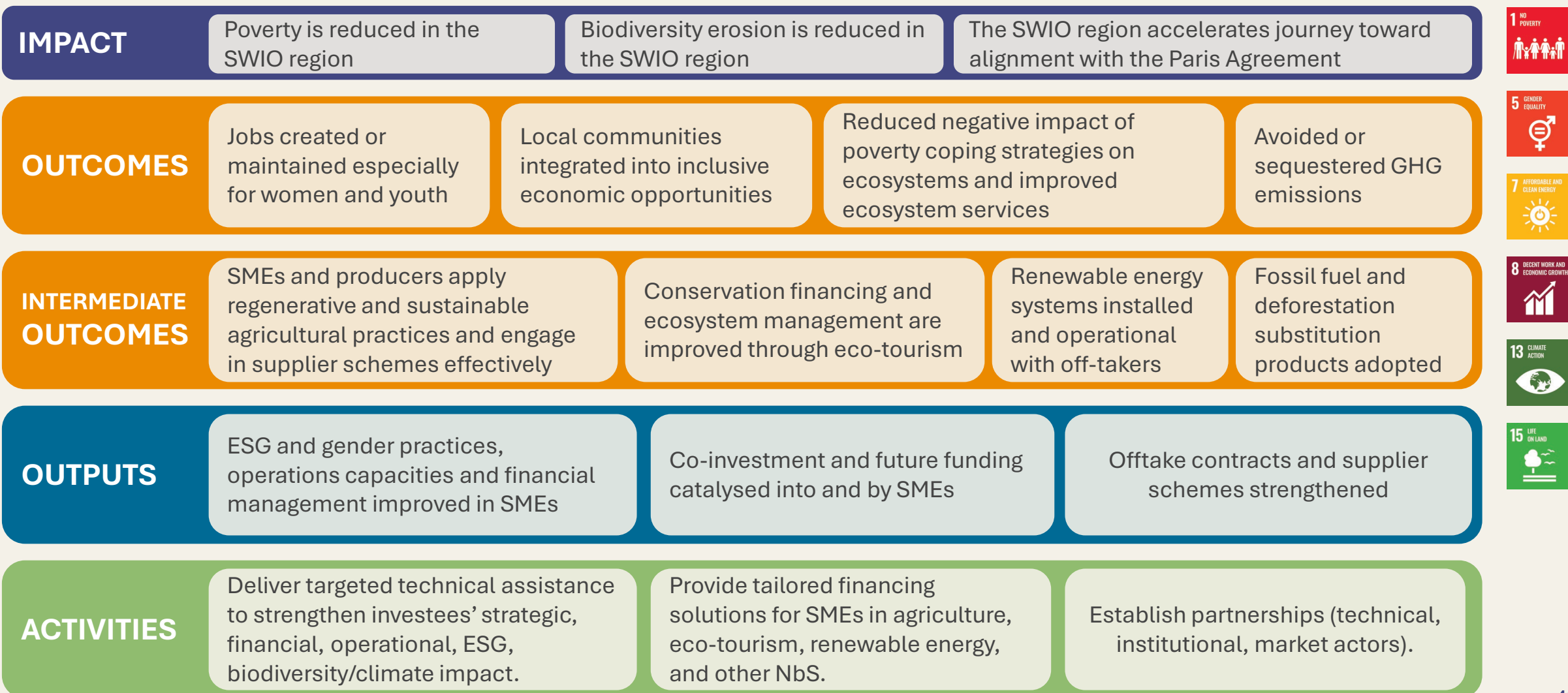
Strengthen SMEs TA strengthens financial management, ESG systems, and climate-risk practices to support stable growth.	Scale regenerative practices Stronger SMEs can expand regenerative practices, renewable energy, and formal supplier arrangements.	Build resilient livelihoods Stable businesses support jobs and incomes while connecting farmers and other producers to more reliable value chains.	Deliver climate & nature impact Preventing activities that depend on charcoal production, slash-and-burn, or overharvesting and reducing pressure on ecosystems.
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ESG SAFEGUARDS ACROSS THE INVESTMENT LIFECYCLE: Screening and monitoring address physical climate, biodiversity, and social risks, helping protect people and ecosystems and prevent unintended impacts.

Main impact metrics*	402k people with improved livelihoods	4.6k jobs created or maintained	21k ha under sustainable management	2.5M tCO₂ equivalent avoided or sequestered
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* Impact figures may evolve as the underlying data becomes more complete and consistent.

Mitsiry reduces poverty while reversing climate and biodiversity loss in the Southwest Indian Ocean



Five robust KPIs link investment to real-world impact

Theory of Change

Poverty Reduction

Biodiversity Protection

Climate Mitigation

 **Livelihoods**

People with Improved Livelihoods

Total number of people with improved livelihoods as a result of supported SME activities, counted across access to essential services and household members benefiting from jobs.

 **Land-use**

Hectares under Sustainable Management

Total hectares of farmland, forest, and wetlands under sustainable management practices (including conservation, restoration, and regenerative agriculture) promoted by supported SMEs, that strengthen ecosystem and livelihood resilience to climate change.

 **Climate**

tCO₂e Avoided or Sequestered

Total tonnes of CO₂ equivalent emissions avoided or sequestered through renewable energy adoption, land-based carbon sequestration, and substitution of high-emission products by supported SMEs.

 **Employment**

Jobs Created or Maintained

Total number of direct jobs created or maintained by supported SMEs, disaggregated by gender. Youth and indirect employment are tracked as supplementary indicators.

 **SME Growth**

SME Revenue Generated

Total annual revenue generated by supported SMEs, reflecting business growth and economic activity created through the portfolio.

Note: Mitsiry's impact framework goes beyond those 5 KPIs and includes other metrics, for instance, indirect jobs created or maintained.

Mitsiry delivers measurable impact for communities across the SWIO

4,689

FTE jobs created
or maintained
(Total)

402k

People with
Improved
Livelihoods

**SME Revenue
Generated**

To be modeled

Additional inputs from
pipeline due diligence
are needed to
complete modeling

21,129

Hectares under
Sustainable
Management

2.5M

tCO₂ Equivalent
Avoided or
Sequestered

Assumption: Impact is delivered over a 10-year period based on the SMEs in the current pipeline as of September 2026. Figures may evolve as the underlying data becomes more complete and consistent.



Mitsiry safeguards against ESG risks across the investment cycle

ESG risk management is fully integrated in the investment lifecycle and aligned with international standards.

- Higher risk investments (including IFC Performance Standard risk category A across sectors) are excluded
- According to the level of risk assessed in the due diligence, TA is implemented to have investees meet E&S requirements

Major ESG risks

Selected Mitigation Strategies

Ecosystem and land degradation: water pollution, pressure on endangered species, deforestation due to agricultural activities

Due diligence led by an external expert where investments located in Key Biodiversity Areas are rated as substantial or high risk

Natural resource overuse: overfishing, unsustainable harvest of forest non-timber forest products, water use for agriculture in stressed areas

Exclude investments in the fishing sector for species at high risk of extinction, TA to support water management plans issued by authorities aligned with water scarcity level and environmental permits

Gender-based discrimination and violence: unfair pay, unequal access to jobs/land ownership, harassment, abuse

TA can help set up gender action plans aligned with some of the 2X criteria depending on risk level and SME capacities, staff trainings, ensure women have formal jobs and are included in benefit-sharing processes

Working conditions, safety, child labor: informal contracts, occupational hazards, forced labor

Supplier awareness-raising, contractual requirements ensuring compliance with national labor laws and ILO, grievance mechanisms at the fund and investee level

Corruption and money laundering: abuse of power, permits obtained improperly, land rights misappropriated

KYC due diligence of investees' shareholders, anti- bribery and corruption covenants, whistleblower protection mechanisms

Mitsiry places physical climate risk at the center of its ESG strategy

- Madagascar and Mozambique are **extremely vulnerable to the effects of climate change**. Cyclone-induced floods and extreme heat are expected to increase, and wildfires to become more violent by 2050
- Prior to investment, Mitsiry's **physical climate risk screening tool**, using ThinkHazard, identifies the risks for each investee, based on their sector and location of operations. Appropriate **action plans and mitigation strategies** are designed during TA.

Current level of Climate Hazard

Climate hazard	Madagascar	Mozambique
River flood	High	High
Urban flood	High	High
Coastal flood	High	High
Cyclone	High	High
Extreme heat	Medium	High
Water scarcity	Very low	Medium
Wildfire	High	High
Landslide	High	Low

Planned Mitigation Strategies (sector-specific)

Agriculture: diverse sourcing areas and value chains, heat- and cyclone resistant crop varieties depending on location, storage facilities to minimize produce losses from heatwaves and cyclones

Ecotourism: lodge materials resistant to strong winds and wildfires, sustainable ventilation systems

Renewable energy: climate risk analysis of the site prior to investing, elevated and wildfire resistant installations

Other NBS: diverse and native tree species, seasonal planting, mangrove restoration, geographic diversification

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Mitsiry implements its model step by step from first close to scale and replication

	2026		2027		2028		2029		2030		...	2036	
	H1	H2	H1	H2	H1	H2	H1	H2	H1	H2		H1	H2
Finalize Fund Structure													
Reach First Close													
Deploy in Madagascar													
Reach Final Close													
Deploy in Mozambique													
Monitoring & Evaluation													
End of Investment Period													
Fund Liquidation													
Launch Mitsiry Fund II*													

 Phase I: Fundraising & Launch

 Phase III: Monitoring & Evaluation

 Phase II: Capital Deployment

 Phase IV: Fund Close & Replication

* Timing is indicative; the fundraising process of Mitsiry Fund II will only start when at least 70% of Fund I has been deployed.

A responsive strategy answers four implementation challenges

Challenges

Stakeholder Coordination

coordinating across multiple stakeholders can lead to delays or unexpected costs

TA Facility Fundraising

undercapitalization of the TA facility at first close can lead to delays in project prep and higher default risk

Impact Verification

impact measurement is difficult to verify rigorously, undermining reporting and replication efforts

Mozambique Deployment

insufficient pipeline delays deployment beyond Madagascar

Mitsiry Strategy

- Strong partnerships across Miarakap, Kinome, WWF, and Biofund with pre-defined roles aligned to institutional capacity and expertise
- Centralized governance structure with GP representation from both Miarakap and Kinome

- Blended fund investors requested to contribute an additional amount equivalent to 10% of their investment to the TA facility
- Project preparation support was initiated prior to full TA facility capitalization to mitigate default risk and ensure impact

- Cost-effective impact MRV system identified and aligned with international standards
- Realistic ambition levels set to match local capacity

- Deep partnerships embedded within SME ecosystems in Mozambique
- Continued Madagascar pipeline development to enable capital recycling pending Mozambique pipeline maturation

Mitsiry has secured 78% of its equity target, with USD 11M remaining to close

USD 39 million (78%) has already been committed across Senior and Junior Equity for the Blended Fund.

The remaining capital requirement comprises a final USD 11 million equity close and a USD 4.5 million TA facility.

BLENDED FUND

Senior Equity

Committed* – USD 24.5M | Remaining – USD 5.5M



Junior Equity

Committed* – USD 14.5M | Remaining – USD 5.5M



TA FACILITY

Grants

Committed* – USD 500k | Remaining – USD 4.5M



* Funds either formally committed or provisionally allocated in a term sheet during due diligence as of Q2 2026.

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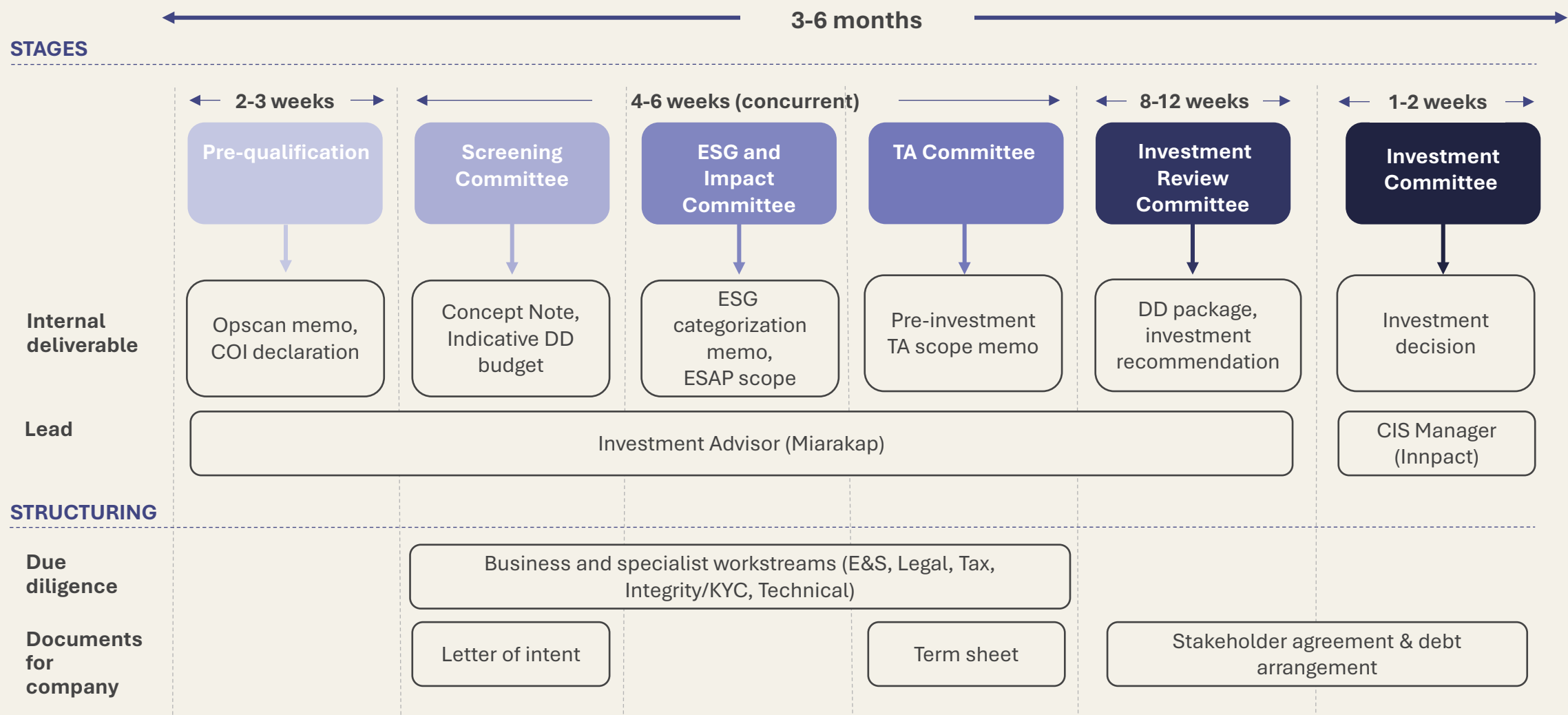
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Six standardized decision stages take a deal from screening to investment decision in 3 to 6 months



Four strategic TA pillars carry each SME from pipeline to portfolio

Targeted support de-risks transactions pre-investment and unlocks long-term impact post-investment.

Pre-Investment

1 De-risk

Reduce operational, financial, ESG, gender, and climate risk factors.

2 Prepare

Strengthen companies' capacity to meet investor requirements and structure robust investment transactions.

Pre-investment TA committee

Investment Committee

Post-Investment

3 Measure

Establish and operationalize performance, ESG and impact monitoring, reporting and learning systems.

4 Amplify

Maximize investee performance and accelerate impact through ongoing monitoring and support through closing.

Post-investment TA committee

The TA Facility's service lines cover the full range of SME needs

Services	Description	Strategy & Governance	Finance & Investment	Operations & Performance	ESG & Impact
Strategy Development	Support to companies in structuring strategic development and performance improvement.	✓		✓	
Management Strengthening	Training of management and operational teams with targeted trainings and technical skills.			✓	
Feasibility & Market Studies	Reduction of risk through market studies, feasibility analysis, and economic diagnostics.		✓	✓	✓
Tool & Systems Development	Development and deployment of tools for financial management, performance, ESG, and impact.		✓	✓	✓
Compliance Alignment	Alignment with ESG, labor, financial, and governance legal requirements through robust management systems.		✓		✓
Climate Adaptation	Support in adapting to climate change through vulnerability assessment, action plans, and business strategy.			✓	✓
Gender Mainstreaming	Strengthening gender considerations through development of gender strategy and action plan.				✓
Impact MRV	Support for collection and reporting of impact data on biodiversity, socio-economic, and climate indicators.				✓
Market Access	Support for export readiness, certification processes, and access to higher-value markets through Organic, HACCP, etc.	✓		✓	

A three-tier governance structure aligns strategic oversight, operational efficiency, and investment priorities

The TA Facility governance framework is built on five core operational principles designed to ensure seamless deployment and strong oversight:

- **Transparency** in resource allocation and decision-making
- **Independence** between core investment and TA decisions
- **Accountability** toward donors and investors
- **Efficiency** in deployment and execution
- **Alignment** with overarching ESG and impact objectives

1. Screening Committee	2. ESG & Impact Committee	3. TA Committee
• ESG risk categorization (IFC PS A/B/C); • Identify and estimate TA needs; • Decision to move to ESG & Impact, and TA Committee	• Validate due diligence outputs; • Validate ESAPs and priority levels; • Validate impact case.	The governing body that validates all TA Facility interventions prior to resource commitment, both in pre- and post-investment phases.
Co-CEO, CIO, CITO, Head of ESG & Impact, IO responsible for the deal, TA Manager, TAO, and External technical expert (if required)	CITO, Head of ESG & Impact, external ESG expert(s), and external biodiversity and/or climate expert(s).	Co-CEO, TA Manager, CIO, Head of ESG & Impact, and CITO

Donor representatives provide strategic oversight of the TA Facility primarily through initial framework validation and periodic reporting. While they do not participate in day-to-day operational management, they retain formal rights to intervene in governance via No-Objection Notices (NON) for decisions that exceed designated monetary or strategic thresholds.



Thank you