



Global Innovation Lab
for Climate Finance

Natural Investments Platform



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 which 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 Megan Sager, James Trotter and Colenso Holder. Publication date October 2026.

The concept has been proposed and is currently under development by Natural Capital. The authors would like to acknowledge Anne Cathrine Garde, Stephen Cunliffe, Katherine Cunliffe and Iain McDonald for their cooperation and engagement with the Lab program.

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More information at www.climatefinancelab.org.

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SECRETARIAT

 CLIMATE
POLICY
INITIATIVE

15 NbS and climate experts shaped instrument development, including donors, DFIs, banks and investment managers

Organization	Name	Job Title
Africa Greenco	Cathy Oxby	Chief Commercial Officer
Climate Bonds Initiative	Ina Hoxha (Zaloshnja)	Chief Investment Officer
Climate Fund Managers	Jim Brands	Head of Development Finance & Public Institutions
Convergence	Basil Kandaya	Senior Associate
FMO	Bengisu Kiliç Gökberk	Sustainable Finance Officer
FSDAi	Anne-Marie Chidzero	Chief Investment Officer
German BMUKN	Victoria Bittner	Senior Policy Officer
	Jutta Volmer	Senior Project Manager
Inspired Evolution	Chris Clarke	Managing Partner
Lions Head Global Partners	Jasper Siegfried	Managing Director
NDF	Siv Ahlberg	Program Manager
RMB	Martin Potgieter	Director
RSCF	Indileni Nambala	Investment Management
SLK	Sara Lemniei	Chief Executive Officer
UK DESNZ	Alfred Helm	Corporate Finance Adviser, International Climate Funds



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What is the Natural Investments Platform?

Making conservation self-sufficient by creating natural assets through green and gray infrastructure investment

The NIP is a staged investment platform deploying grant, equity and debt financing to **secondary protected areas**. The platform manager secures long-term land use rights and restores the landscapes, allowing the NIP **to share in growing revenues** earned by ecotourism, carbon and solar energy producers.

Target Platform Size

USD 100M

6% Development facility
64% Equity facility
30% Debt facility

Geography

Sub Saharan Africa

Primary focus on Zambia, Kenya and South Africa

Potential tCO₂e Mitigated

13M

Projected tCO₂e avoided or sequestered by portfolio SPVs

Projected Jobs Created

2,000+

Total expected jobs created

Target Platform IRR

15-20%

8-10% return for junior equity and 15% return for senior equity tranches

The Natural Investments Platform applies infrastructure business models to conservation, building an asset class

Existing conservation funding is fragmented, largely grant-based, and focused on national parks, leaving Africa's secondary protected areas – wildlife corridors – vulnerable to degradation. Single sector private investment limits scale and investability.

The Natural Investment Platform (NIP) creates investment-grade natural assets through aggregating long-term concessions in respect of large secondary protected areas in landscape project SPVs, restoring the land, and developing infrastructure to host commercial operators. Ecotourism, solar energy and carbon removal credits offer market potential of USD 5B in Southern & Eastern Africa.

The NIP is targeting mobilization of USD 100M for community-aligned conservation across a pipeline concentrated in Zambia, Kenya and South Africa.

At scale, the NIP will sequester 13M tCO₂e across 3M ha, creating +2000 jobs.

Natural Capital, a nature finance advisor with extensive experience in the region, leads the NIP.

The instrument meets the Lab's 4 criteria:

- **Innovative:** the NIP is the only conservation vehicle to provide green and grey infrastructure to diverse commercial enterprises, allowing it to share in multi-sector growth and ultimately raise debt in capital markets;
- **Catalytic:** 3x private capital leverage is anticipated through a staged model that reduces reliance on concessional funding as sites mature, enabling scaling across the region as capital is recycled;
- **Financially sustainable:** a platform level IRR of 15-20% is anticipated, providing market-related returns to private investors. Derisking measures, including reserve accounts and guarantees, enable high levels of private participation.
- **Actionable:** Pilot implementation is underway, with two projects capitalized by family offices and formation of strategic partnerships underway. The platform is expected to launch by the end of 2027.

Natural Capital is an African conservation advisory with over 100 years of nature finance experience across regional markets



Steve Cunliffe

Chief Executive Officer

Conservationist and the founder of Natural Capital, experienced in tourism and nature finance. He is the **co-founder and former CEO of Conserve**, a **former Executive Director of Grumeti Fund**, and holds an **MBA from Duke**.



Anne Cathrine Garde

Chief Investment Officer

Impact investing specialist with **10+ years' experience** across **investment leadership, sustainable finance** and **corporate finance**, complemented by an **Executive Master in Finance from INSEAD**. Former family office investment lead with a **PwC background**, focused on **African climate-focused enterprises**.



Katherine Cunliffe

Chief of Staff and Impact

Sustainability leader with **20+ years' experience**, **led \$1bn+ in impact projects**. Holds an **MBA focused on conservation finance** in Africa, with **expertise in impact measurement, strategy**, and integrating sustainability into investment portfolios.

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Closing the USD 200 billion conservation funding gap requires institutional scale models

More than half of global GDP, or **USD 44 trillion** in economic value generation, is dependent on nature and its services¹. **Failure** to protect and restore ecosystems **creates material economic risk**.

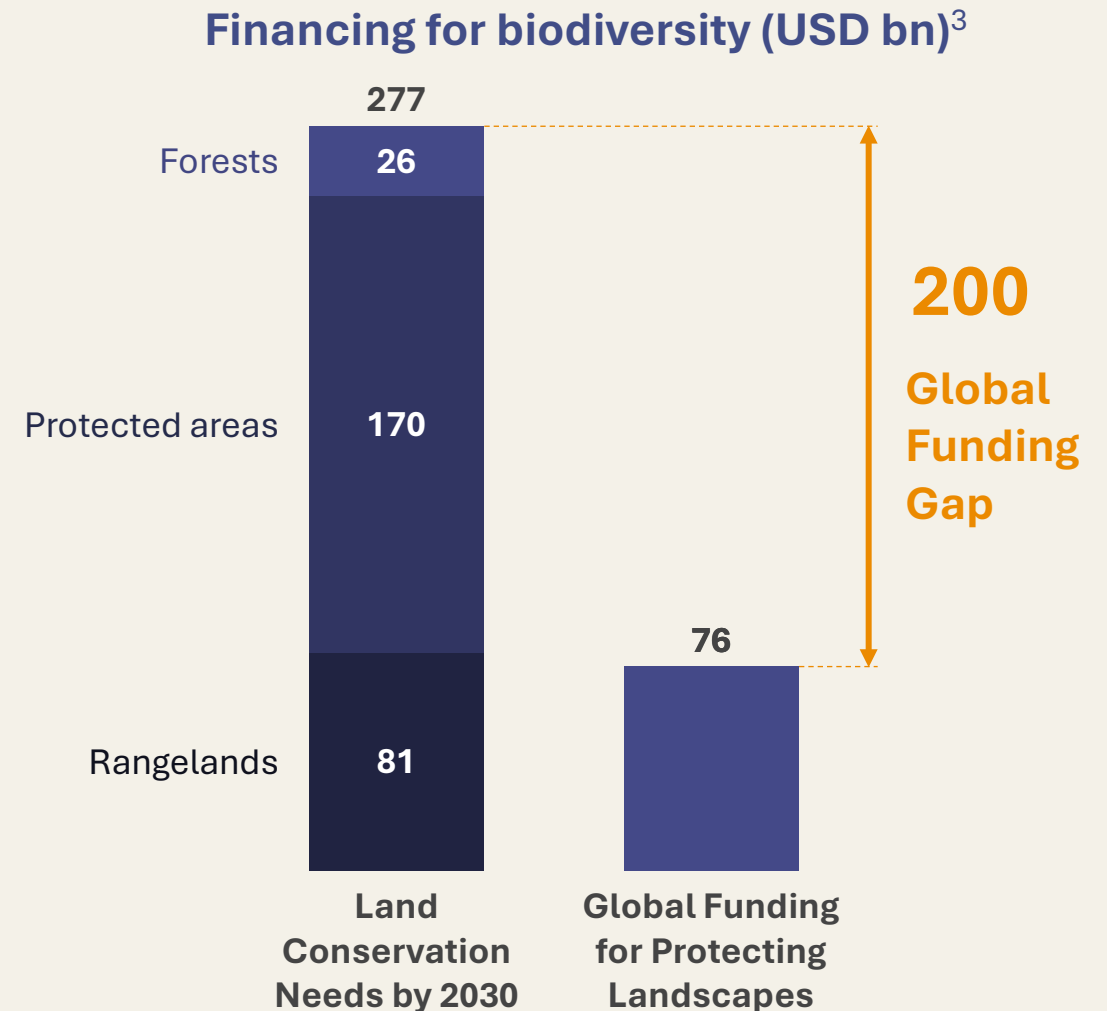
A USD 200bn annual biodiversity funding gap exists, while natural capital represents just **0.2% of institutional portfolios**².

Only 6% of global conservation funding goes to Africa³.

Africa's protected areas operate on **less than 20% of funding required**⁴. Most funding goes towards national parks as primary protected areas.

As a result of this funding gap, **over 80% of Africa's savannah landscapes are deteriorating**³.

Closing it requires **significant private sector participation** and a shift beyond **traditional funding models**.



¹ World Economic Forum 2023

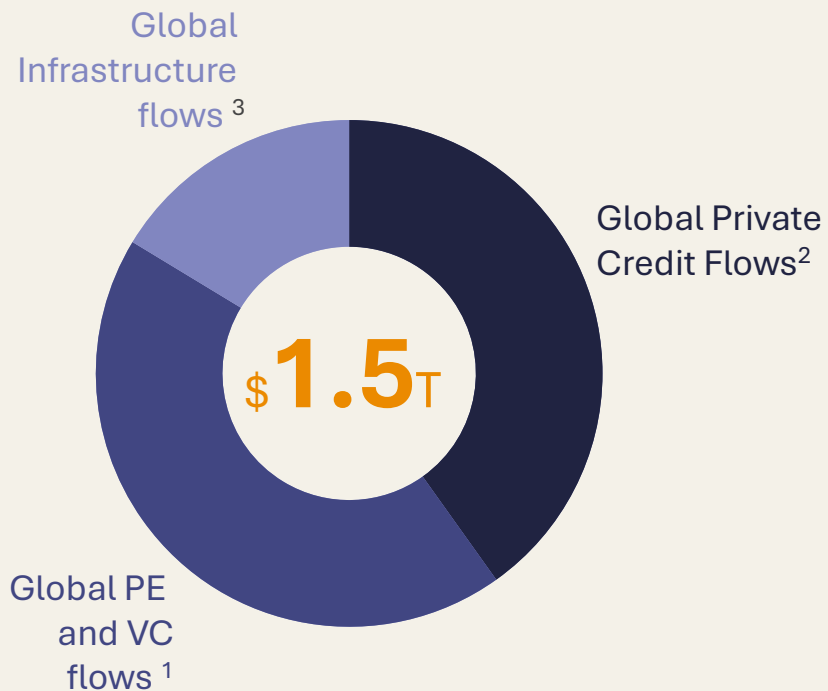
² Environmental Finance 2024

³ IUCN ESARO and BIOPAMA 2020

⁴ Conservation Letters 2022

Scale, risk, liquidity and governance prevent NbS from tapping into USD1.5T annual alternative asset capital flows

Annual Private-Market Capital Flows (USD bn)



Private capital is abundant; investability is the constraint.

Annual private commercial capital flows to infrastructure, private credit, private equity and venture capital **is sufficient to cover the USD 200 billion conservation financing gap multiple times over.**

The key challenge is overcoming barriers that prevent conservation opportunities from offering competitive risk-adjusted returns and diversification benefits, enabling investors to allocate a greater share of private capital to the sector.

Barriers to Private Capital Flows: NbS



High transaction cost



High perceived risk



Low liquidity for early exits



Governance and country risk

¹ S&P Global 2025

² AIMA 2025

³ GI Hub 2027

Over 70M ha of secondary protected areas in key conservation markets rely on finding scalable, investable business models

Secondary Protected Areas

What is a Secondary Protected Area? (SPA)

Conservation landscapes that complement primary or flagship protected areas, including buffer zones, wildlife corridors, and other areas important for ecological connectivity. SPAs serve a **critical ecological function**, sustaining species diversity and ecosystem resilience¹.

Which economic activity is permitted in SPAs varies by jurisdiction and IUCN category: **regulated tourism and sustainable, non-industrial use of natural resources are commonly permitted** along with less stringent IUCN categories*.

How are SPAs funded and operated?

SPAs are chronically underfunded. Public and donor conservation funding targets national parks, while private investment is curbed by environmental regulation, partially restricting economic activity.

Commercial activities typically depend on specific concessions, licenses, or contractual rights to undertake activities such as tourism or carbon development.

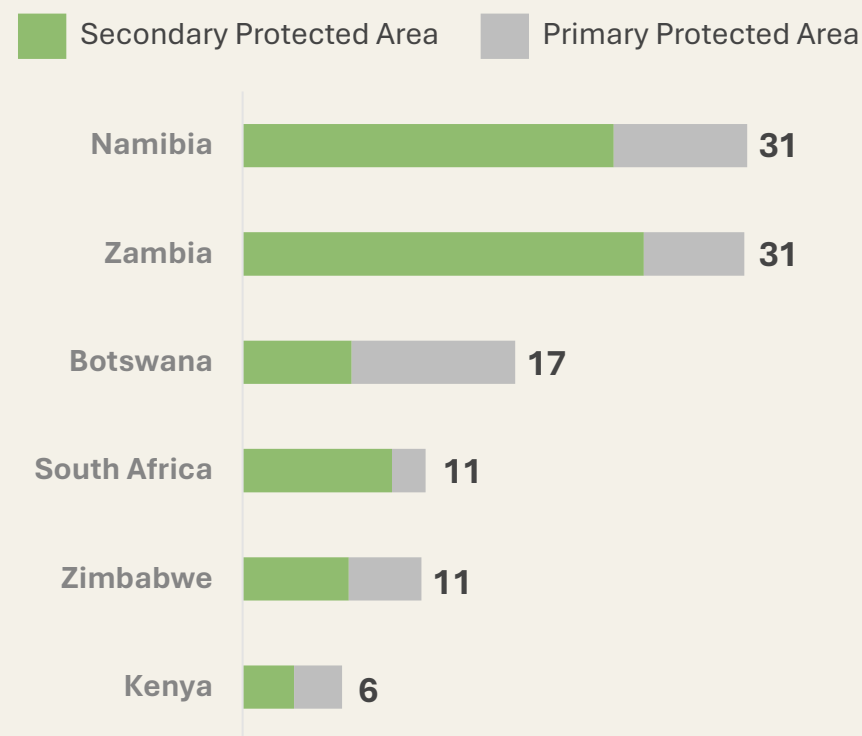
Many concessions are **underutilized or mismanaged**. Communities lacking economic opportunity engage in overgrazing, mining, or poaching, **degrading ecosystems**.

¹ IUCN ESARO 2024.

² UNEP-WCMC n.d.

Note: *IUCN protected area categories IV, V and VI, together with uncategorized protected areas, are treated as Secondary Protected Areas.

Total Protected Land Area (Million ha)²



Expanding responsible commercial access in secondary protected areas can unlock more revenue for conservation

NIP does not invest in commercial operators.

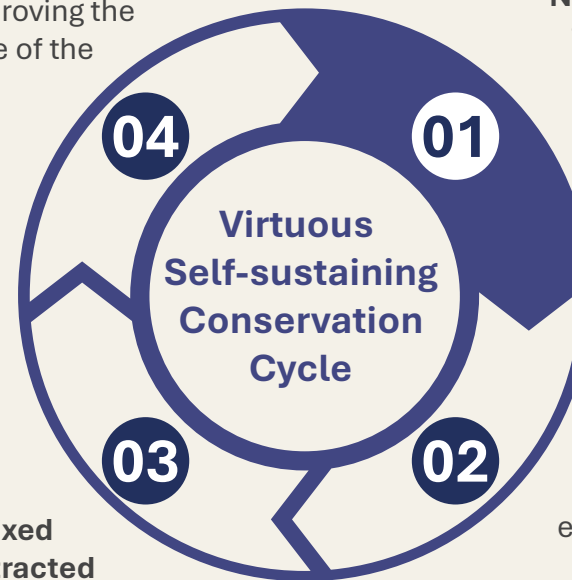
It develops concession-level opportunities and third-party operators fund and operate the underlying businesses

Reinvest in the Natural Asset

The SPV uses these revenues to fund **landscape management, restoration, community benefit sharing and investor returns**—improving the ecological and commercial value of the landscape over time.

Secure & Develop the Landscape

NIP establishes a landscape SPV, secures long-term land-use rights and obtains the licences, permits and agreements needed to host conservation-aligned commercial activities.



Capture Diversified Revenues

Operators pay the SPV through **fixed land-use/service fees and/or contracted revenue shares**. Carbon projects additionally generate revenues linked directly to verified restoration outcomes.

Enable Specialist Operators

The SPV finances shared restoration and enabling infrastructure. **NIP then contracts specialist tourism, carbon and energy partners**, which finance and operate their own commercial activities within the landscape.

Kenya, Zambia, and South Africa offer ~USD 5B commercial potential across nature-positive industries

Ecotourism

- **Proven demand**, with major markets SA, Kenya and Zambia setting international tourism arrival records in 2025
- **Ecotourism attracts premium rates** coupled to charismatic fauna (e.g. Big Five) and exclusivity in nature reserves



Solar

- **Grids are liberalising** with implementation of wheeling regulations allowing energy export from sites with strong solar resources and grid connection capacity
- **Regional power pool access** is available in all three major markets, expanding accessible offtake and demand to the greater region.



Carbon Removal Credits

- Eligible for **corporate net zero strategies** per SBTi guidance, attracting multinationals
- **Premia** are achieved by high-quality afforestation, reforestation and revegetation (ARR) projects with biodiversity/ community co-benefits
- All 3 countries are developing **Article 6 frameworks for ITMO export**.



The platform can selectively capture further conservation-aligned revenues, such as agroforestry, providing additional upside beyond the three core markets

Market Size Estimates: Based on total industry size and the estimated share of each target sector within each industry across the three countries

Growth in conservation-aligned commercial activities has been hampered by regulatory, infrastructure and stakeholder barriers

Barrier	Eco-tourism	Carbon Credits	Utility Scale Solar	How NIP Addresses the Barrier
Permitting & Licensing Delays	High	High	High	Get pre-approval for activities, at better commercial terms, improving first-time operators' ability to enter the market
Multi-Jurisdiction Complexity	High	High	Medium	Provides a standardized platform capable of accommodating the complexities of the diverse markets in which it operates
Community Relations & Benefit-Sharing	High	High	Medium	Manages community relationships, negotiations, and benefit-sharing arrangements
Skilled Labor Shortages	High	Medium	Medium	Provides training for local labor through the TA facility and enables the sharing of regional resources
Electricity Access	High	Medium	Low	Provides sustainable energy solutions on site through lowering barriers to investment for solar IPPs
Limited Access to Finance	High	Medium	Low	Develops framework offtake agreements (e.g. energy, carbon) to strengthen bankability
Telecommunications & Connectivity	High	Medium	Low	Installs telecommunications equipment and delivers communication services through service agreement models

- High: potential to prevent or fundamentally undermine the revenue stream without significant mitigation
- Medium: creates material cost, delay, or operational friction requiring active management
- Low: manageable within normal business operations.

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NIP invests in the landscape and its enabling infrastructure.

This converts fragmented conservation opportunities into diversified, financeable assets.

Business as usual

Secondary protected areas are typically managed through fragmented concessions and grant-funded conservation. Individual tourism, carbon and energy opportunities are developed separately, leaving landscape-level infrastructure underfunded and revenues too fragmented to attract institutional capital.

NIP model

- **Secure the landscape:** NIP establishes one ring-fenced SPV for each landscape and secures long-term land-use/concession rights with governments, communities and other landholders.
- **Develop the asset:** The SPV finances restoration, community engagement, permitting and shared enabling infrastructure (including solar energy) to make the landscape commercially investable.
- **Bring in specialist operators:** NIP contracts independent tourism, carbon and energy partners. **Operators finance and operate their own commercial businesses; NIP does not invest directly in them.**
- **Capture landscape value:** Operators pay the SPV through contracted land-use fees and/or revenue shares. Carbon revenues associated with NIP-funded restoration are also captured under the relevant carbon development/revenue-sharing arrangements.
- **Reinvest and refinance:** SPV revenues fund long-term landscape management and investor returns. Once cash flows are proven, lower-cost debt refinances earlier-stage capital, releasing equity to investors or allowing them to invest in new landscapes.

Key Innovations

- 1** Nature as infrastructure
Special Economic Zones with diversified revenue streams
- 2** Staged financing unlocking institutional capital addressing key barriers
- 3** Aligning capital and incentives for conservation, capturing the value of nature

NIP transforms landscapes into thriving nature-based economies

Activity Streams	Development	Capital Investment	Operations
 NIP	Secures rights, permits and community agreements; restores degraded land; identifies and contracts operators	Finances restoration and shared infrastructure; manages landscape and community relationships	Manages the landscape, monitors contractual/E&S performance and receives fees/revenue shares
 COMMERCIAL OPERATORS	Assess tourism, carbon and solar opportunities and agree commercial terms	Finance and establish their own operations; carbon partner registers the ARR project; IPP constructs solar assets	Operate businesses and pay agreed fees/revenue shares to the SPV
 COMMUNITY	Participate in consultation and benefit-sharing design	Access jobs, procurement and training	Receive contracted benefits, employment and revenue sharing

Commercial operators across industries are enabled by removing barriers across jurisdiction, production and stakeholders



* Power purchase agreements

NIP addresses investment risk and liquidity barriers by gradually derisking sites and refinancing as projects mature

NIP is a staged investment platform that develops and finances a portfolio of **landscape-level SPVs** across Southern and Eastern Africa. Each SPV holds the long-term rights and agreements required to manage and commercialize one conservation landscape.

1

During development, **NIP secures land-use rights, community agreements, permits and commercial partners** and assesses the landscape's restoration, carbon, tourism and energy potential.

2

The Equity Facility then finances **landscape-level restoration and shared enabling infrastructure**. Specialist third-party operators finance, build and operate their own tourism and energy businesses; NIP does not invest directly in these businesses.

3

In return for access to a de-risked landscape and NIP's enabling services, operators provide the SPV with **contracted fees and/or revenue shares**. These revenues support landscape management, community benefits and investor returns.

4

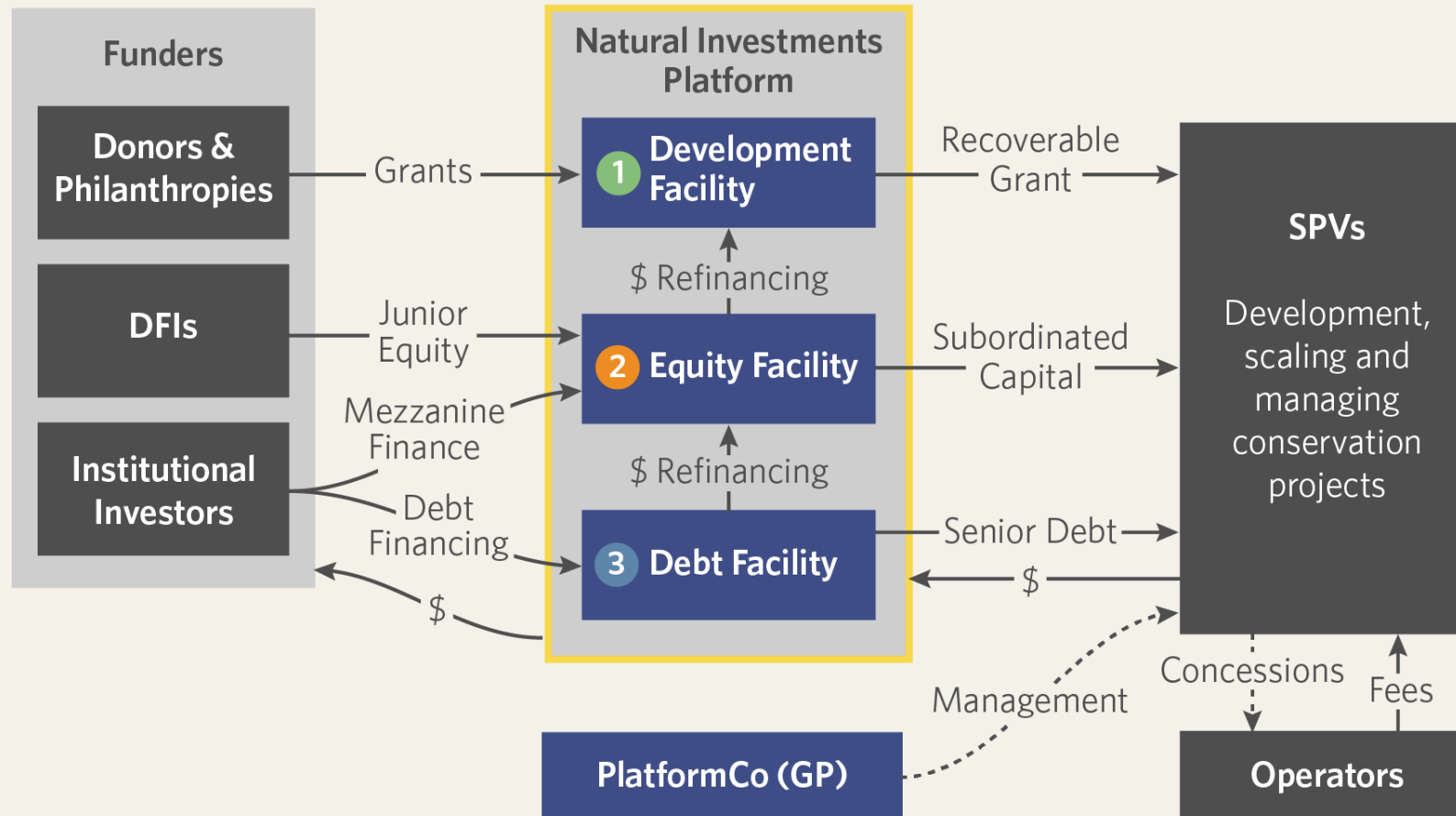
Once an SPV has established predictable cash flows and meets predefined graduation criteria, **lower-cost debt refinances part of the earlier-stage capital**, providing liquidity to equity investors and allowing capital to be recycled into new landscapes

5

Graduation occurs at landscape-SPV level. Each SPV may contain multiple revenue activities, but the SPV moves from development to equity financing and ultimately debt refinancing only when predefined portfolio-level criteria are met.

Carbon is different from tourism and solar: restoration financed at landscape level creates the underlying carbon asset. NIP/SPV contracts a specialist carbon partner to develop, register, monitor and market the ARR project. Carbon revenues are then shared contractually among the SPV, carbon partner and communities.

The platform releases capital tranches into SPVs as milestones are met, matching investor risk-return profile to project stage



SPV Lifecycle through Platform

- 1 Develop the SPV**
Use development-facility funding to secure permits and licences, and secure commercial operators.
- 2 Build & Launch**
Fund the capex required to bring the project into commercial operation.
- 3 Refinance**
Once cash flows and an operating track record are established, refinance with lower-cost debt.

As cash flows in each SPV mature, commercial capital gradually replaces concessional capital in a process of financial graduation

1 Development Facility ORIGINATION RISK

Makes a site investable before commercial capital can price the risk.

FUNDS

Feasibility studies • Community engagement

ROTATION TRIGGER

Equity closes and repays the recoverable grant.

IF SCREENED OUT

Funding converts to non-repayable technical assistance.

2 Equity Facility OPERATING RISK

Builds the operating asset before revenues and performance are proven.

FUNDS

Leases, concessions, permits • Restoration • Infrastructure • Security

CAPITAL ROLE

Junior equity provides the first-loss cushion; mezzanine finance bridges.

ROTATION TRIGGER

Debt refinancing after 4–5 years retires mezzanine tranche and pays special dividend to equity investors.

3 Debt Facility YIELD PHASE

Turns a proven landscape into an infrastructure-yield asset.

BACKED BY

Diversified cash flows • Reserve accounts • Credit guarantee

ENTRY TEST

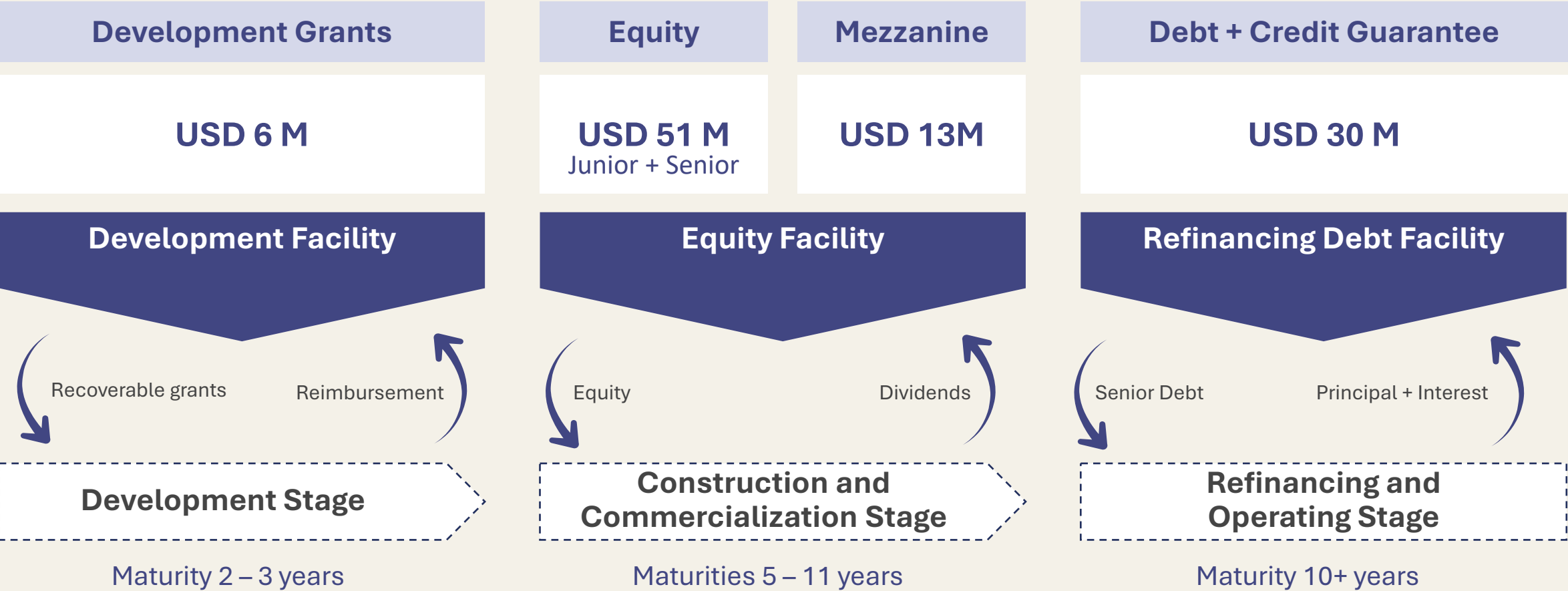
Target DSCR and an established operating track record.

OUTCOME

Equity is released to investors.

STRUCTURE : Mauritius protected cell company investing into ring-fenced in-country SPVs managed by PlatformCo

The platform’s vehicles will be capitalized independently, moving from risk-tolerant capital to institutional debt





Staged financing into site SPVs operating this model transforms conservancies into investable landscapes

	Conservation infrastructure	Develops the full commercial potential of large SPAs through investing in green and gray infrastructure required to scale nature-positive enterprise
	Diversified revenue streams	Reduces local dependence on hunting revenues through introducing predictable near-term revenues (e.g. solar) and long-term upside (e.g. carbon removals)
	Staged financing	Allocates risk across the lifecycle, raising private mobilization as assets mature
	Institutionally investable	Structured for institutional capital. Built-in refinancing gives equity investors exit liquidity while credit enhancement protects debt investors
	Carbon-linked financing	Links debt returns to carbon sales, managing cost of capital and liquidity risk while attracting international investors

Potential investor conflicts of interest are managed through a governance structure which adapts infrastructure precedents

KEY PRINCIPLES



Governance & oversight

Boards retain control; investors hold limited, defined oversight rights.



Deployment & graduation

Capital enters as project SPVs meet independently verified readiness criteria.



Debt & cash control

Contractual rules govern debt service, reserves and distributions.



Cure, step-in & restructuring

Pre-agreed mechanisms address underperformance before enforcement.



Enforcement & proceeds

Independent sale and payment-priority rules govern defaulted assets.

GOVERNANCE STRUCTURE

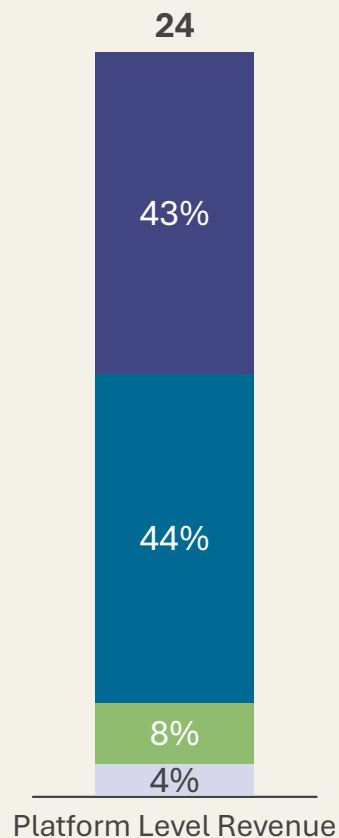
- **Independent corporate boards** responsible for each NIP entity;
- **An independent investment or eligibility committee** certifying that projects have met graduation criteria;
- **Limited investor advisory committees** for critical issues: conflicts, waivers and reserved matters.
- **An independent facility agent and security trustee** administering debt drawdowns, covenants, security and enforcement;
- **Contractually defined investment and debt-eligibility rules** that remove discretion over when debt can enter;
- **A pre-agreed enforcement and asset-disposal protocol** embedded in the finance and intercreditor documents

Carbon and tourism drive revenue while solar stabilizes cash flows

Est. Annual SPV Revenue (USD'M)



Annual Platform Revenue (USD'M)



Revenue mix:

- Carbon and tourism together hold 82-90% of each SPV stack.
- Carbon is forward sold in Article 6 and voluntary carbon markets, using a high-integrity methodology (e.g. VM0047).
- Sustainable hunting is a site entry point, aligned with wildlife authorities and communities' reliance for revenue and protein.
- Hunting is permitted only in landscapes where it is already legally established and meets NIP's sustainability criteria.
- Hunting revenues are phased out before Equity Facility investment.
- The NIP leads a transition to diversified revenue streams, building trust.

Projected revenues diversify as landscapes mature, with hunting phased out before equity investment

The NIP only permits sustainable hunting, namely the regulated harvest of wild animals at a level and in a manner that does not impair the long-term viability of the hunted population or the ecosystems on which it depends, while maintaining the resource's potential for future use (IUCN).

Governed while present

- 1 **Confined to the Development Facility phase:** Only in landscapes already designated for hunting (e.g., not within scope in Kenya).
- 2 **Bound by NI's Ethical Hunting Policy:** Conservative, science-based quotas (aligned with authorities' frameworks), zero-tolerance for non-ethical conduct, with suspension and contract termination for breach.
- 3 **Governance systems:** Chief Scientist validates government-issued quotas, Chief Impact Officer monitors compliance, Investment Committee reviews ESG fit in line with each investment.
- 4 **Independent conservation expert:** Validates the policy and monitors compliance (reinforcing, not replacing, government's quota systems).

Transition towards greater resilience

- 1 **A diversified revenue stack:** Ecotourism, carbon and/or solar revenues replace ethical hunting income, growing the value of the underlying asset.
- 2 **Phased out before Equity Facility stage:** Ethical hunting is replaced by other more economically attractive revenue generating activities before DFI or institutional capital flows into the equity or debt sleeves.
- 3 **More sustainable revenue for wildlife authorities and communities:** Lease payments, conservation levies, and benefit-sharing increase significantly more with a diversified revenue stack than with hunting alone.

Hunting is an established, regulated land use in many conservation landscapes, often supported by local communities. Excluding hunting areas would remove many secondary protected areas from NIP's investment universe, limiting opportunities.

Two-stage screening selects sites with impact and financial viability

A 35-project pipeline is available, but land access is a prerequisite: NIP enters a landscape only where a credible government, community or landholder mandate provides a pathway to long-term, enforceable land-use rights.

TWO-STAGE SCREENING PROCESS:

1

Country screen

Test the investment environment before site-level review.

2

Site screen

Assess the five criteria shown at right.

QUALIFYING THRESHOLD
A site proceeds only if it passes all mandatory prerequisites and achieves at least 70% on the weighted site scorecard.

- FINANCIAL VIABILITY EVIDENCE**
- At least 2 revenue streams with offtaker interest
 - 10–12% net IRR
 - ≤10-year payback
 - capital-return pathways identified

STAGE 2 • SITE SCORECARD

Criterion	Evidence
Prime wilderness	High biodiversity value at landscape scale
Conservation impact	Material climate, biodiversity & community impact
Financial viability	Contractable returns with a defined payback horizon
Long-Term scalability	Replicable model with 20+ year term
Structural integrity	Strong governance, partners & community support

Kenya, Zambia and South Africa anchor regional deployment

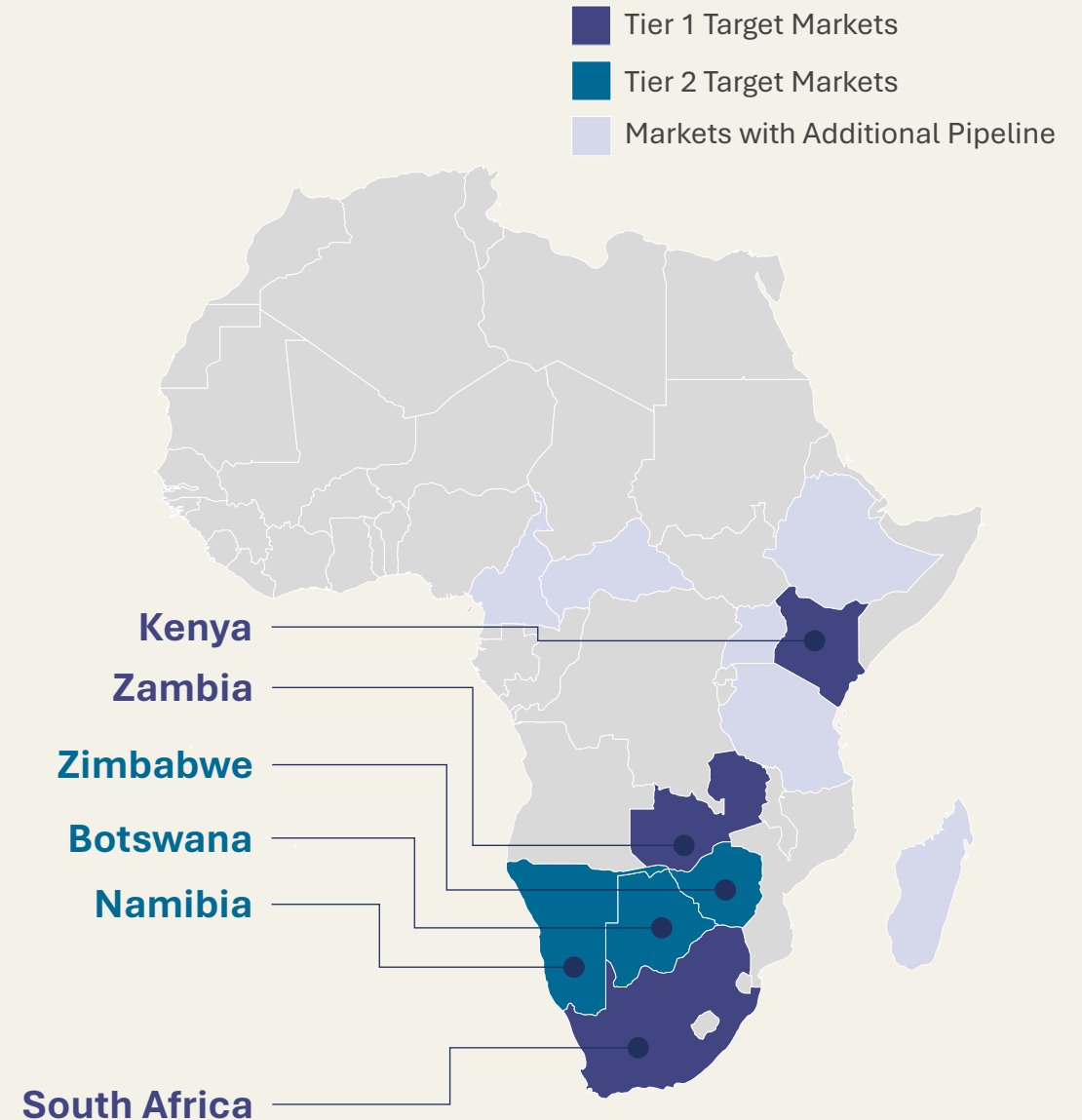
Tier 1 Markets: Min 50% capital allocation

- **Macro outlook:** Stable economies with limited political risk and supportive regulation
- **Carbon sink potential:** Substantial with woody vegetation and limited drought risk
- **Investment enablers:** Established ecotourism, energy and carbon markets

Tier 2 Markets

- **Macro outlook:** Less developed or smaller economies with less favorable site-level diversification opportunity
- **Carbon sink outlook:** Limited in cases where arid savannah faces greater risk of drought
- **Investment conditions:** Higher minimum IRR required to counter risk (net of PRI* where required)

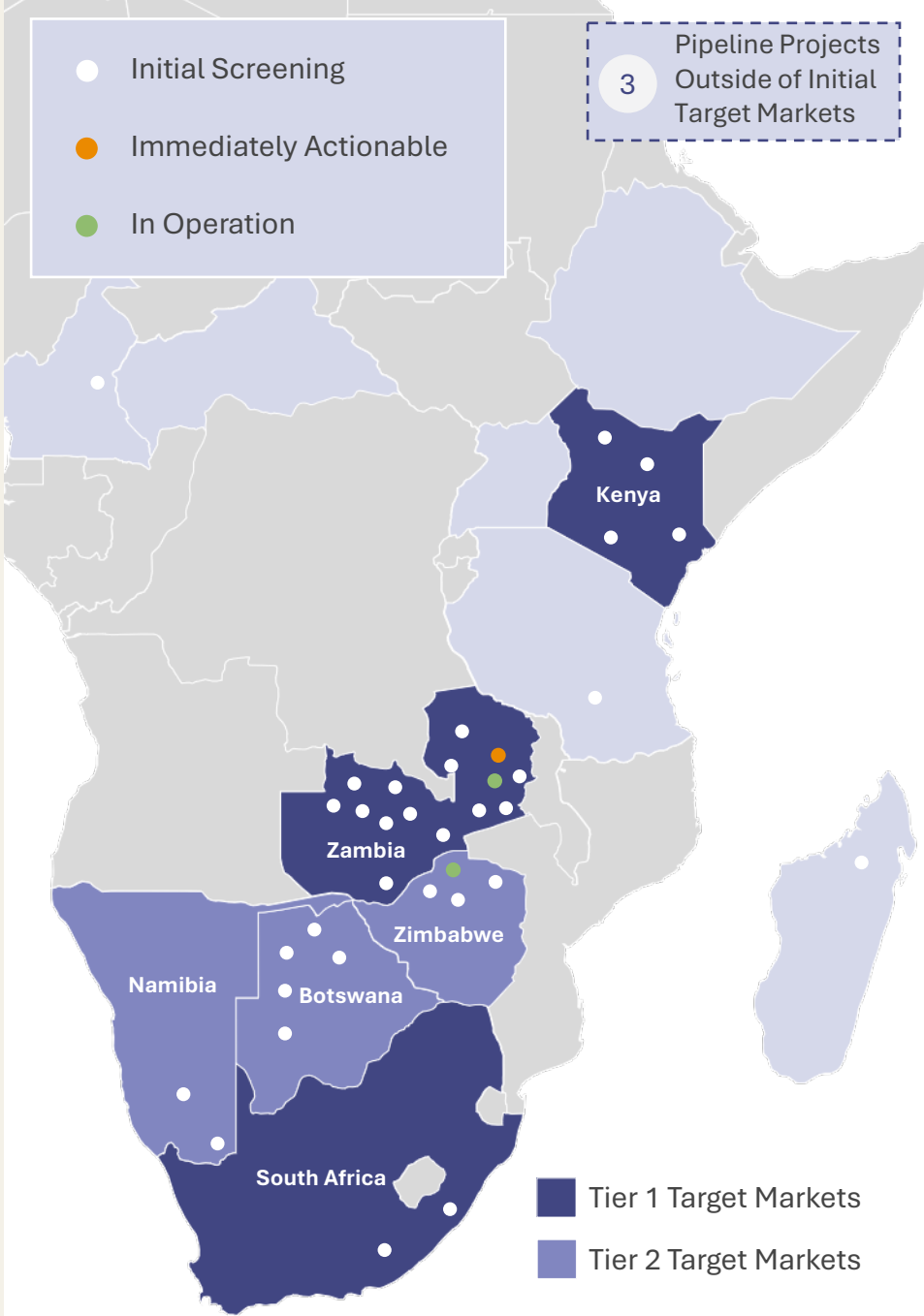
* Political risk insurance



A 35-project pipeline offers immediate scale

- NIP terminology**
- **Landscape/site:** the conservation area developed as one investable asset.
 - **SPV:** the legal entity holding the rights and agreements for that landscape.
 - **Commercial activities:** tourism, carbon, solar, and other eligible revenue-generating activities hosted within the landscape.
 - **Pipeline opportunity:** a landscape being assessed for potential NIP investment.
-
- **Land rights:** Transferability to NIP confirmed across all pipeline projects.
 - **Screening:** Strict project screening process in place.

Stage	Number of Projects	Initial Capital Required (\$)	Final Land Area (ha)
Initial Screening	32	± 400M	18M
Immediately Actionable	1	20M	750k
In Operation	2	27M	740k



NIP's differentiation lies in restoring and derisking landscapes to attract diversified commercial operators into conservation areas

Instrument	Category	Overview	Invest In Operators	Aggregates land concessions	Platform-level de-risking	Centralized permitting	Infrastructure-style scaling
Conservation International African Conservancies Facility	Catalytic Debt Facility	Provides debt financing to community conservancies and conservation-linked enterprises.					
Africa Conservation & Communities Tourism Fund	Private Debt Fund	Provides flexible loans to conservation-tourism operators in and around high-value conservation areas.					
Grumeti Fund	Conservation Philanthropy Vehicle	Deploys philanthropic capital to landscape conservation, wildlife protection and community programmes.					
Mirova Land Degradation Neutrality Fund	Impact Fund (Debt & Equity)	Provides long-term debt and equity to commercially viable sustainable land-use and restoration projects					
Okavango Capital Partners	Impact private equity	Invests growth capital in SMEs in East and Southern Africa whose models support biodiversity and climate resilience					
Natural Investments Platform	Platform (Debt & Equity)	Invests in landscape concessions, leasing de-risked areas to commercial operators					



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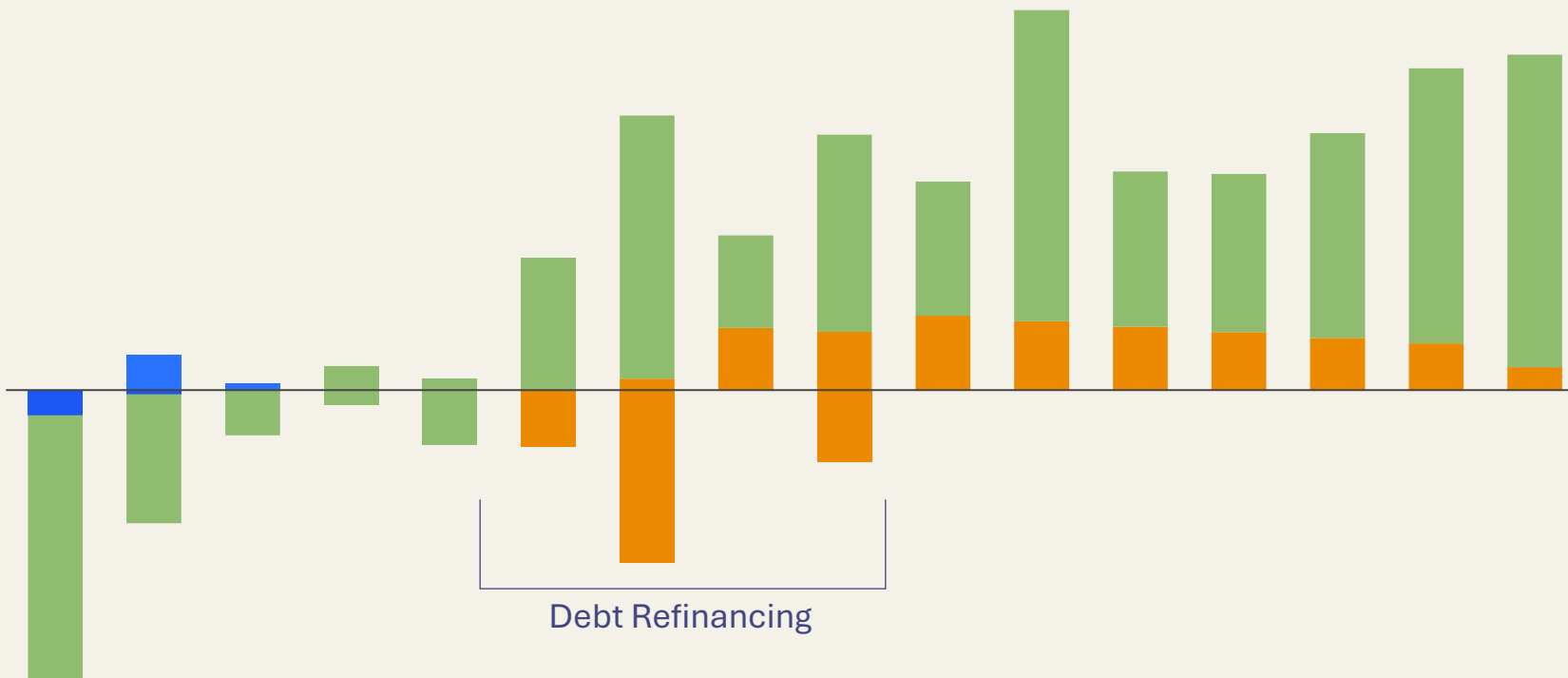
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Projected cash flows support refinancing-driven liquidity events for the equity fund and DevCo

Development capital begins recycling from year 2; equity liquidity is generated through refinancing from approximately year 7, while senior debt amortises over its contractual tenor.

Platform Drawdowns and Paybacks (USD M)



~19%

Modelled platform-level IRR

- Debt raised pays back the initial equity investment
- Raising debt is critical for equity facility liquidity, repaying mezzanine investors, and allowing issuance of dividends to equity investors

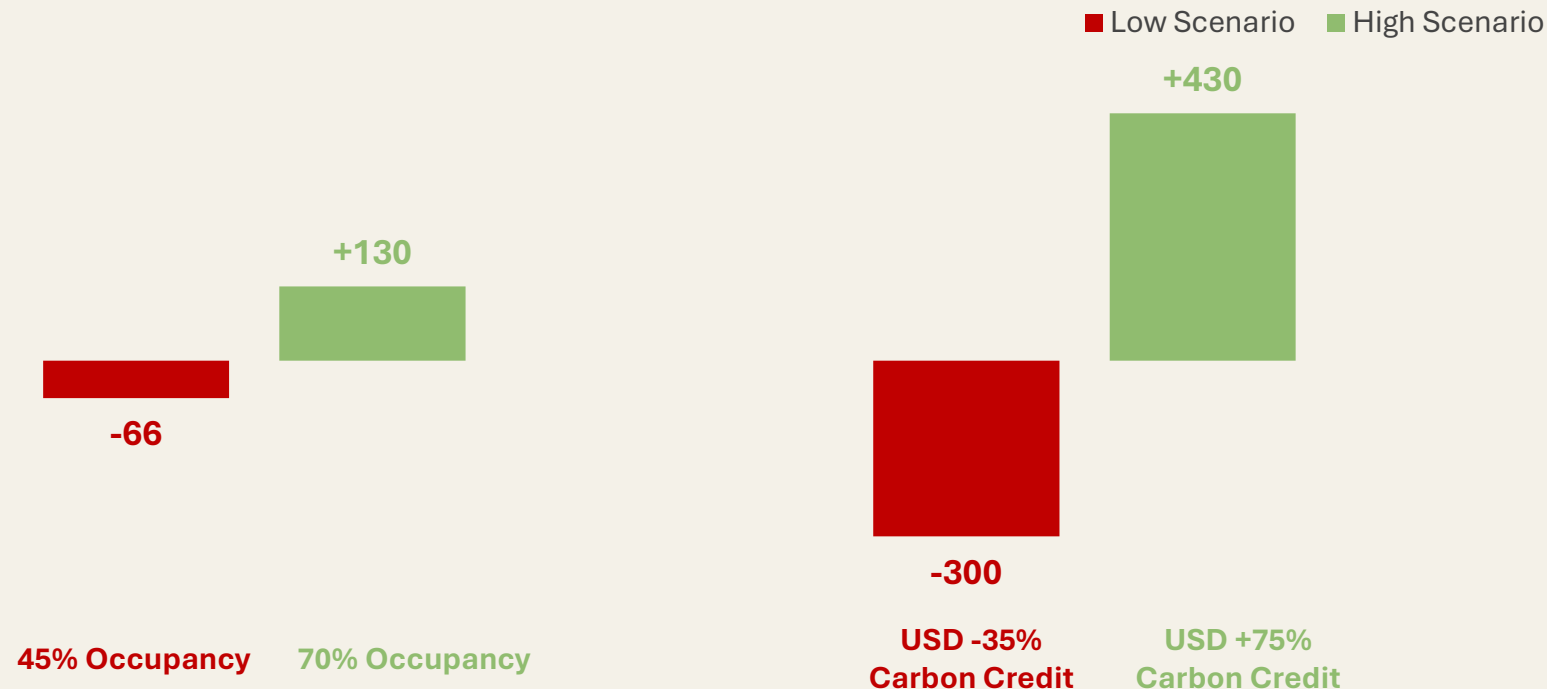
Downside risk is concentrated in ecotourism occupancy and carbon prices - carbon risk mitigated by project design and contracting

Within the financial model, the key drivers of viability related to the major revenue streams that drive cash flows

Eco Tourism Occupancy

Carbon Credit Prices

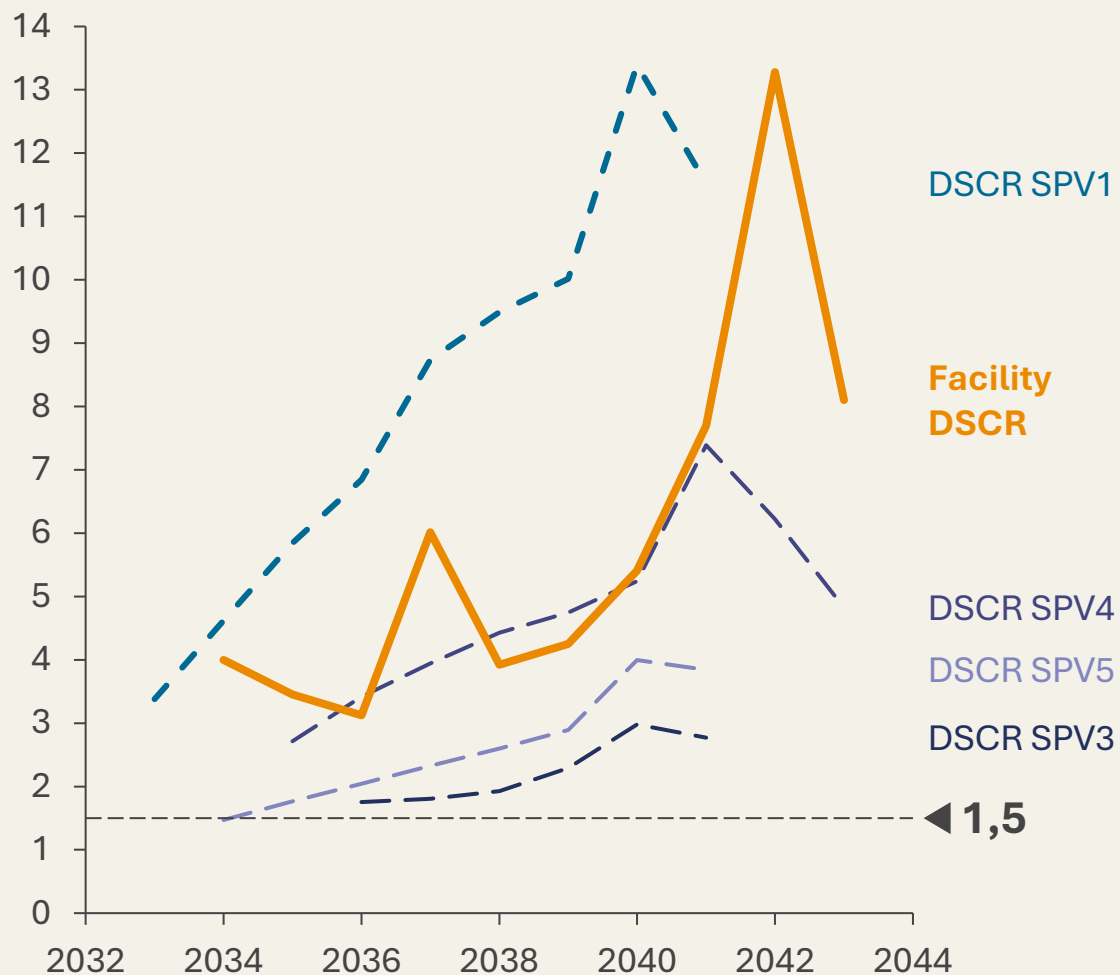
Change in Platform IRR (Absolute BPS)



- For sensitivity testing, shocks on major drivers of viability were modelled to assess impact on platform IRR
- A shock magnitude of 35% (increase and decrease) was used, in line with the integrity transition impact on the VCM and the impact of catastrophic events like terrorism or pandemics on tourism occupancy
- Carbon pricing had the greatest impact on platform level IRRs

Robust senior debt coverage under the low case supports the debt raise for equity refinancing

DSCR (FCFF / Senior Debt Payments)



- **Credit quality:** every SPV that reaches its milestones, such as a fully funded 6 month DSRA and a minimum of 2.5x pre-financed debt payment-to-EBITDA ratio, is considered creditworthy and refinaneable by the debt facility
- **Facility coverage:** minimum DSCR of 3,1x holds at twice the 1,5x covenant
- **Covenant headroom:** no SPV line breaches the 1,5x floor in any year to 2043
- **Coverage build:** ratios strengthen from 2039 as senior debt amortises

Stress testing assessed the impact of weaker revenues on debt coverage

Financial sustainability depends on whether equity returns remain resilient to underlying revenue shocks, and mature SPVs generate sufficient predictable cash flow to support the debt refinancing on which equity liquidity depends.

Variable		Base Case	Low Case - ▼ 10%
Price of Carbon Credits	Average realised price per ARR carbon credit generated and sold by NIP hosted projects	USD 16	USD 14.4
Annual Sequestration Rate	Annual tCO ₂ e sequestered per eligible hectare, determining carbon credit generation	2 tCO₂e/ha	1.8 tCO₂e/ha
Eco Tourism Occupancy Rate	Share of available lodge and camp nights occupied by paying guests each year	50%	45%
Solar Revenue Share	Percentage of solar project revenues received by NIP under the agreed commercial arrangement	5%	4.5%
Electricity Prices	Average electricity selling price received by the solar project, which determines project revenues and NIP's resulting revenue share	USD 60/MWh	USD 54/MWh
Bush Camp Nightly Rates	Average nightly guest rate charged by bush camps operating within NIP landscapes	USD 600	USD 540
Lodges Nightly Rates	Average nightly guest rate charged by lodge operators within NIP landscapes	USD 800	USD 720

Covenants and guarantees protect investors from financial risk

Risk	Description	Risk Allocation	Mitigant
Market risk	Failure to attract tourists or secure bankable carbon offtake agreements weakens revenue certainty.	Cross-cutting	Develop projects with forward agreements including through regional traders and corporate buyers; ensure diversified revenue sources and counterparties
Country and regulatory risk	Policy changes, permitting delays or political instability reduce appetite.	Cross-cutting	Use political risk insurance where justified; diversify geographically; engage government early.
Development risk	Projects fail to reach financial close , reducing recovery of development expenditure and delaying capital recycling.	Development Facility / PlatformCo	Stage-gate investment process; strict site selection; secure land, grid access and offtake before significant expenditure; diversified pipeline.
Refinancing risk	SPVs cannot refinance into long-term debt following construction, trapping equity capital.	Equity Facility	Engage lenders early; standardise financing structures; establish refinancing criteria before investment approval; provide equity guarantees.
Platform scale risk	Platform fails to achieve sufficient project pipeline to cover fixed management costs and attract institutional investors.	Equity Facility	Develop large multi-country pipeline; standardise project development; leverage repeatable development model and partnerships with IPPs.
Foreign exchange risk	Local currency revenues or costs mismatch USD capital structure.	Debt Facility	Prioritize USD-linked PPAs where available; natural hedging; selective use of FX hedging instruments.
Credit risk	International institutional investors with NbS strategies may be unwilling to invest in unproven African SPV .	Debt Facility	SPVs required to prove cash flows before accessing debt; credit enhancement through DSRA (liquidity) and credit guarantee (e.g. via GGC or SIDA).

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A USD100m portfolio can sequester 13 MtCO₂e while protecting 3M ha of natural habitat and supporting 2,000+ permanent jobs

The **Natural Investments Platform** provides **staged blended finance** to landscape SPVs operating across sub-Saharan Africa.

This capital enables SPVs to **secure long-term land governance and commercial agreements, develop land-use projects and install enabling infrastructure.**

This should create **diversified revenues and local employment while restoring ecosystems.**

These outcomes are expected to contribute to **climate mitigation, ecosystem resilience and diversified community livelihoods**, aligned with **SDGs 15, 13 and 8.**

Impact KPIs

13M tCO ₂ e	Total carbon sequestration potential over the fund's lifetime equivalent to removing 3m ICE vehicles off the road for a full year
127k tCO ₂ e/\$1M	Carbon sequestered per USD 1M invested
3M ha	Total area protected equal to the size of Belgium as a result of vehicle activities
29k ha /\$1M	Area protected per USD 1 M invested
2k jobs	Permanent jobs created could employ the equivalent of four entire villages
46k USD Investment/Job	Total capital investment per job created

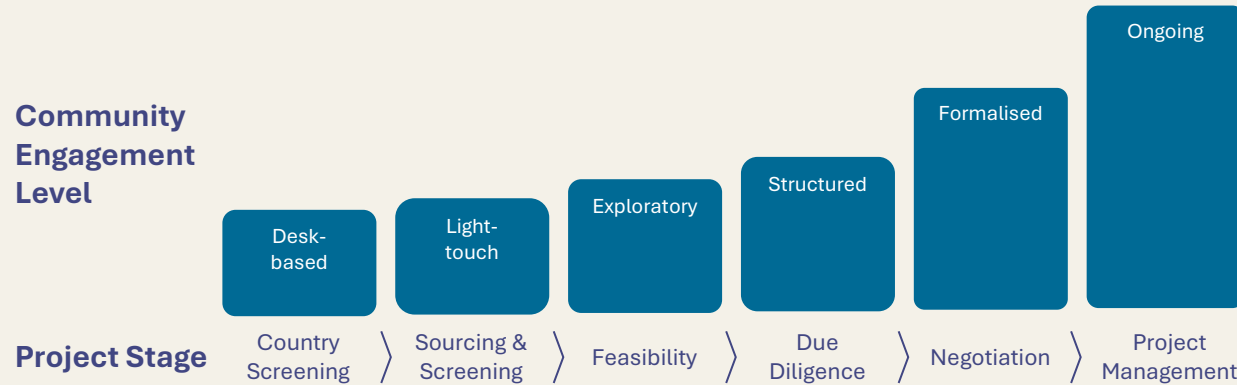


ZimParks Ranger,
Zambezi
Antipoaching Unit

Communities are central to the success of the NIP

From safeguarding.....

To positive impact
for communities



30%

Indicative carbon
revenue share

Benchmarked and delivered through existing community institutions including Community Resource Boards, trusts, and conservancies with elected, accountable representation, ring-fenced accounts and an independent grievance channel.

Key principles of community engagement

- Engage progressively and proportionately:** Deepen engagement as projects advance. Verify land rights, customary claims and actual resource use before commitments are made, without raising premature expectations.
- Listen inclusively and respect rights:** Ensure diverse community voices, rights and priorities inform decisions, while also considering people who use the land without recognised rights; obtain FPIC where required.
- NI never outsources accountability:** NI and each SPV retain responsibility for community relationships and FPIC. NI screens for physical and economic displacement, prepares an IFC PS5-aligned framework if needed, and monitors land and benefit-sharing commitments.
- Local partners, such as local NGOs, engaged by need, not default:** Vetted on a 10-point checklist: presence, community trust, independence, safeguarding, etc.

Potential Community Benefits



Employment



Enterprise &
procurement



Skills &
training



Livelihood
support

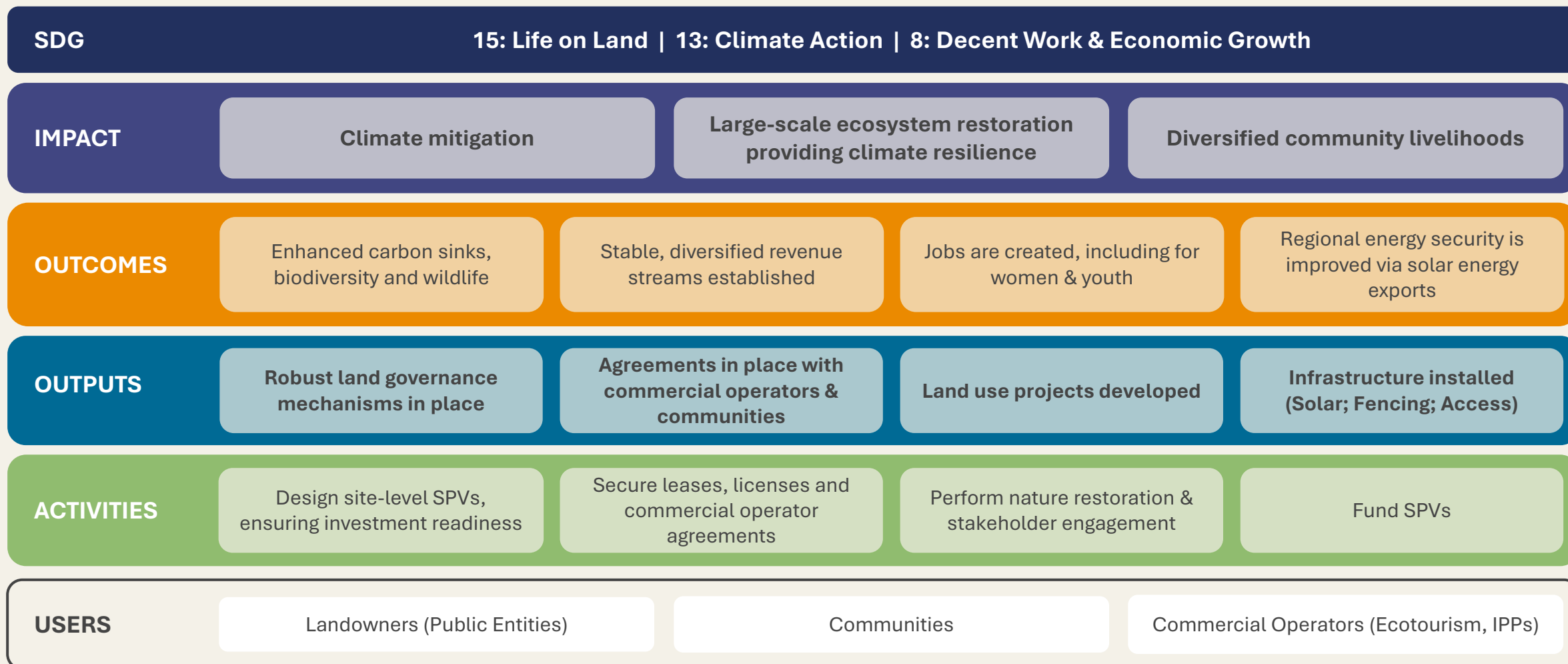


Land lease /
access payments



Revenue
sharing

The NIP restores landscapes while building sustainable local economies



Contractual controls, active governance and targeted risk transfer mitigate major E&S risk

High Risks	Risk overview	Mitigation
Land tenure and access disputes	Contested ownership, customary rights, or concession terms could delay projects, restrict access, or trigger legal and community conflict.	Verify statutory and customary rights before investment. - Map affected users and secure enforceable land, access and benefit-sharing agreements, including registering agreements with host country governments. Implement livelihood restoration measures aligned with IFC PS5 where displacement cannot be avoided
Political and regulatory change	Changes to conservation rules, land rights, carbon rights or concession terms could reduce project viability or impair revenues.	Maintain government engagement, define revenue and asset rights contractually, - Use political risk insurance where viable.
Operator non-compliance	Tourism, carbon or hunting operators may breach environmental, social or contractual standards, creating liability and reputational damage for NIP.	- Apply operator due diligence, contractual performance standards and reporting requirements. - Retain step-in and termination rights for material breaches.
Reputational & biodiversity risk: hunting	Existing hunting activities may create biodiversity, social and reputational risks if quotas, operator conduct or benefit sharing are inadequate.	- Set a clear phase-out before the equity stage, replacing government hunting tariffs and community meat benefits. Independently assess hunting; enforce science-based quotas and biodiversity plans; screen and monitor CITES compliance, arms and ammunition transactions, legality and critical-habitat impacts. Step-in and termination rights for material operator breaches
Physical climate risk	Fire, drought, flooding or other extreme events could damage ecosystems and reduce revenue generation.	Assess climate exposure during project selection, embed adaptive land management, Insure material risks where cover is available.

The most severe physical climate risk is extreme heat, with wildfire readiness a key mitigant

Key Sector	Sector exposure matrix			Four mitigation levers	
	Extreme heat	Water scarcity	Wildfires		
Ecotourism	High Reduces visitor comfort, heightens health risks, stresses wildlife and vegetation.	Medium Impacts wildlife populations and scenic area attractions	Medium Destroys habitats, landscape and tourism infrastructure	1	Wildfire readiness Firebreaks, early warning and trained community response teams.
Solar energy generation	High Reduces the solar PV efficiency and accelerates material degradation	High Triggers dust and sandstorms, lowering panel efficiency and complicating cleaning.	Medium Can destroy the utility facilities and assets	2	Climate-resilient design Infrastructure engineered for rising heat and extreme weather.
Nature-based carbon issuance	High Stresses vegetation, accelerates and reduces carbon sequestration potential.	High Impacts the survival of biomes in ARR projects and so sequestration rates and permanence	High Directly destroys ARR biomes, forest sinks and reverses sequestration gains	3	Ecosystem resilience Restore native ecosystems and reconnect habitats.
				4	Water security Restore watersheds and wetlands; conserve and protect water sources.

Early engagement and targeted safeguards manage community and operational risks

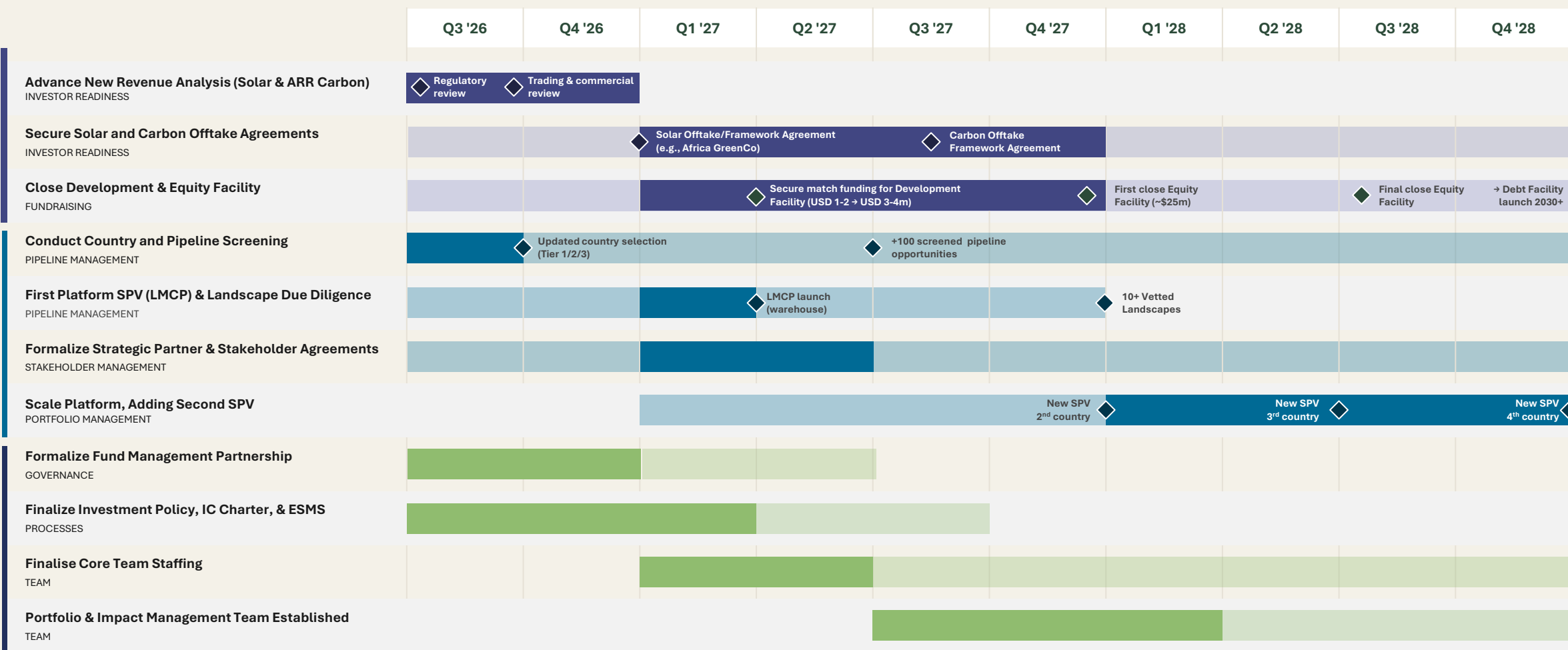
Moderate Risks	Risk overview	Mitigation	
Community opposition	Communities may resist conservation measures where access to land, grazing or natural resources is restricted or benefits are unclear.	Engage communities before project design is finalised. Agree access arrangements, incentives and benefit-sharing mechanisms upfront. - Maintain scrutiny on operators.	Community Engagement
Failure to deliver community benefits	Employment, revenue sharing or other promised benefits may not materialise, undermining trust and the project's social licence.	Define benefit commitments contractually, assign accountable parties, and track delivery through project reporting.	Community Engagement
Human-wildlife conflict	Wildlife recovery may increase crop damage, livestock losses or risks to community safety.	Establish site-specific prevention measures and response mechanisms, including compensation or insurance where viable.	
Indigenous and customary rights	Projects may affect customary land, resource use or cultural rights without adequate participation or consent.	Screen rights early, apply FPIC where required, and incorporate affected groups into project design, governance and benefit sharing.	Community Engagement
Weak stakeholder engagement	Poor engagement with government, communities or other affected groups could delay approvals and weaken project support.	Map stakeholders, assign engagement responsibilities and maintain documented consultation throughout the project lifecycle.	Community Engagement
Labor rights violations	Operators or contractors may expose workers to unsafe conditions, unfair treatment, child labour or forced labour.	Set minimum labour standards in contracts based on ILO, require grievance mechanisms, and audit contractor compliance.	

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First close is targeted for late 2027



■ FUNDRAISING & INVESTOR READINESS

■ PIPELINE, PORTFOLIO & STAKEHOLDER MANAGEMENT

■ GOVERNANCE, PROCESSES & TEAM

◆ KEY MILESTONE

Commercial partners have been identified across all three primary markets, with advanced **Zambian** discussions



Type and status of commercial partners

	Carbon 44 organisations (7 active discussions) ARR developers, community platforms, area managers
	Eco-tourism 43 organisations (8 active discussions) Safari lodge operators, community tourism partners
	Solar 42 organisations (5 active discussions) Utility-scale IPPs, off-takers and gov. utility partners



APPROACH

1. Enter through a mandate: Government or traditional authority

2. Layer commercial partners: Carbon, tourism and solar onto that same landscape.

3. Structure as co-development: NIP keeps origination and capital control.

Case: **Zambian** commercial partners

08	Carbon 3 active discussions, 5 in pipeline WeForest (engaged, prior partner), BCP, PCVP
13	Eco-tourism 4 priority targets, 10 in pipeline Classic Zambia, Remote Africa, EverWild, Singita
14	Solar 4 priority targets, 9 in pipeline AfricaGreenCo, CrossBoundary, Scatec

The pilot is located at Luangwa Muchinga Conservation Project (LMCP)

A landscape-scale conservation and sustainable development initiative in the Greater Luangwa Valley, positioned to buffer North Luangwa National Park - Zambia's only viable black rhino sanctuary - and protect critical natural habitat, miombo forests, landscape connectivity, and essential river catchments.

KEY STATS

793k ha

Scoped in 5 phases

10-20%

Estimated degraded

~\$600k

Initial development capital

\$20M

Investment Potential

RESTORATION

Underway: Lead technical partner engaged, stakeholder mapping, land acquisition

Potential: Woodland restoration, law enforcement, fire management

COMMUNITIES

Population: Mukungule GMA - c.20,200 people / 3,187 households

Engagement: Initial feasibility stage; community engagement to commence

REVENUE

To commence: Commercial partnerships across eco-tourism, sustainable resource utilization, renewables (solar), and high integrity carbon

PROJECT PARTNERS



The staged structure accommodates five distinct funder groups

Vehicle	Tranche	Target Funders	Considerations
Development Facility	Recoverable Grants	Family and Corporate Foundations	- Can be more flexible than public donors - Map to the foundation's thematic mandate - Seek commercial capital mobilization
Equity Facility	Junior Equity	Development Finance Institutions	- Eligible developing-country focus - Stringent development impact and measurement reporting, E&S risk management requirements - Seek catalytic impact and contribution to SDGs
	Senior Equity	Thematic investors e.g. sustainable infrastructure and Africa PE funds	- Seek market-related risk premium - Active risk management e.g. diversification, PRI - Adequate liquidity for timely exit
	Mezzanine	Commercial mezzanine investors with mandates for fund-level lending in Africa	- Require commercial returns reflecting subordination - Bullet repayment at maturity, with unpaid interest rolled into the outstanding balance
Debt Facility	Senior Debt	Carbon Funds	Non-delivery insurance, bankable offtake, and high-quality methodologies
		Insurance Providers & Pension Funds	Investment-grade credit profiles and long- to medium-dated instruments

3-4x private capital leverage is expected at USD 100M scale

	Development Facility	Equity Facility			Debt Facility
Tranche	Grants	Junior Equity	Senior Equity	Mezzanine	Senior Debt
Type	Concessional	Concessional	Commercial	Commercial	Commercial
Target (USD M)	6	20	31	13	30
Role	Fund project preparation	Absorb first loss	Enable scaling of commercial activity	Flexible bridge to institutional debt	Reduce cost of capital
Maturity (years)	2-3	9 – 11	7- 8	5-7	10
Pricing (%)	0	8-10%	15%	10-12.5%	TBD
Investor Protection	N/A	N/A	Exit Liquidity Guarantee	Junior and Senior Equity Buffer	Credit Guarantee DSRA Insurance
Current Funding Need (1 st close)	3M	10M	10M + guarantee		

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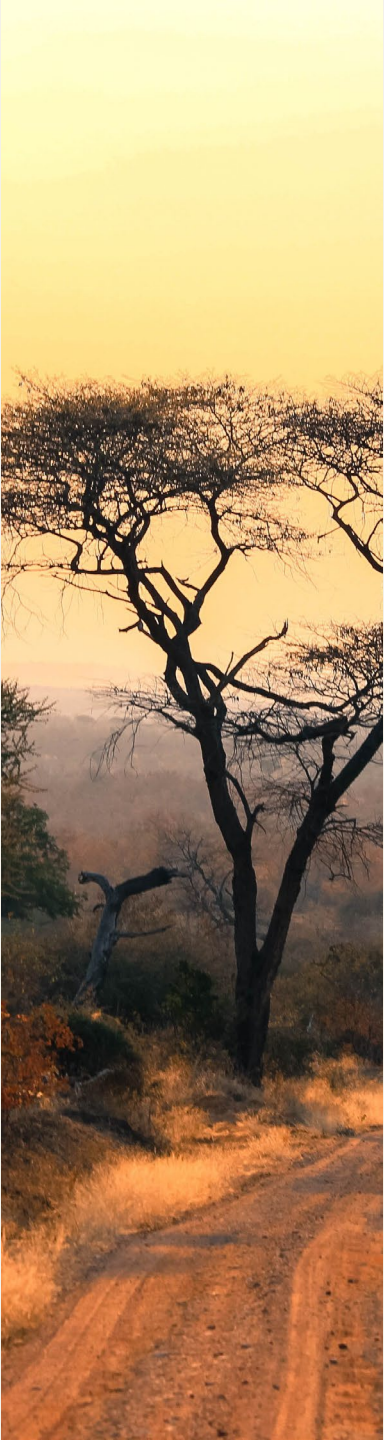
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Purpose of Natural Investments Platform

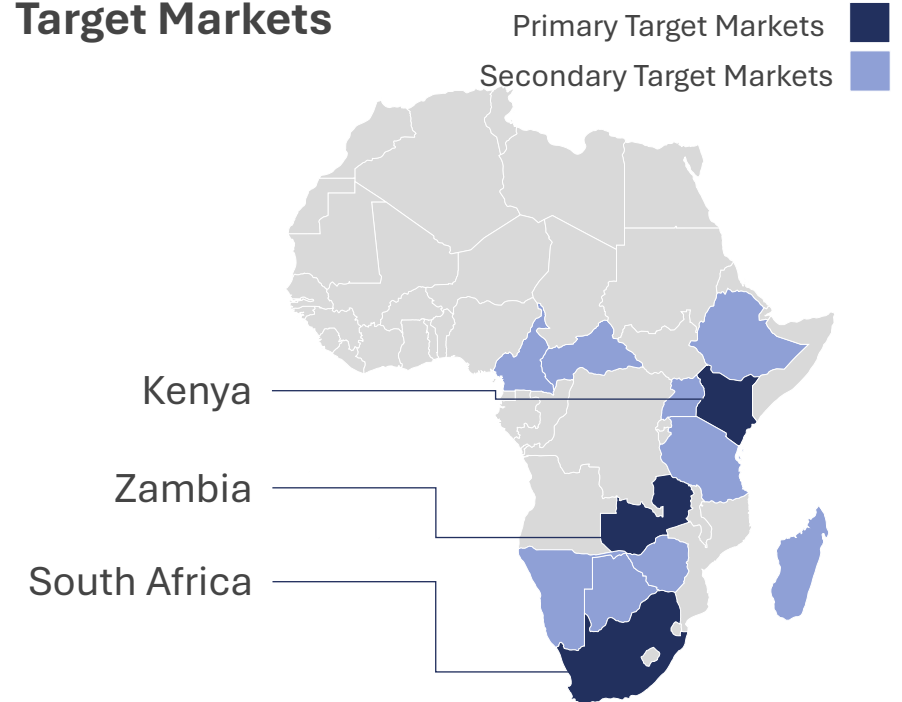
NIP derisks secondary protected areas, turning fragmented degrading land into investable, multi-revenue landscapes.

- 1 Derisk.** Takes on early development risk, operating like an SEZ
- 2 Commercialize.** Commercialize opportunities to improve the credit quality of nature SEZs
- 3 Scale.** Generate liquidity, enabling realization of investor returns, exits

Conservation becomes self-sufficient, no longer grant-dependent, and commercially investable at scale.

Sector	Conservation Finance
Pipeline Area	2M ha
Vehicle Size	USD 100 million

Target Markets



A USD 200bn biodiversity funding gap falls heavily on Africa's Secondary Protected Areas

Global Land Conservation Funding Gap (USD Bn)



Effect on Secondary Protected Areas in Africa

- Only 15-20% of African conservation spending is allocated to secondary protected areas.
- **82% of Africa's savanna is in a state of failure or deterioration**, and areas outside primary tourism hotspots are worst affected.
- These areas serve an ecological function as corridors, critical for ecosystem resilience

Investors face weak revenue streams, high risks and low liquidity

Significance ● High ● Medium ● Low



Barriers at entry

- 1 High transaction cost
- 2 High perceived risk
- 3 Low availability of decision-useful data
- 4 Greenwashing and fiduciary, defensibility risk



Barriers during operations

- 5 Contractable Revenue
- 6 Seasonality
- 7 Carbon Market Volatility
- 8 Revenue Concentration in Tourism
- 9 Policy-dependent revenue streams



Barriers to Exit

- 10 Low liquidity for early exits
- 11 Long lock-up periods

Cross-Cutting Barriers

- 12 Governance and country risk, legal enforceability, FX etc
- 13 Nature systemically underpriced, public-good benefits, hard to capture
- 14 Community disincentives by foregone economic activities

Investment Stage Barriers

Barrier		Significance	NI's Response
1	High transaction cost Heterogeneous assets, characterized by diverse ecology, tenure, stakeholders, and policy contexts, necessitate unusually intensive due diligence and bespoke structuring Small-ticket projects undermine diligence economics, prompting investors either to demand unsustainably high returns or to withdraw entirely, creating a “missing-middle” of underfinanced initiatives		
2	High perceived risk Dollar-focused PE firms often demand 25–50% return premiums above hurdle rates to compensate for perceived regional risk - Risk drivers include long investment horizons, ecological uncertainty, reliance on government concessions, and FX volatility Limited track record of nature-as-infrastructure investments in Africa adds further uncertainty around predictable, risk-adjusted returns		
3	Low availability of decision-useful data - Investors need reliable, comparable information on both risk and impact, but biodiversity is complex and context-specific Decision-useful data is limited and difficult to translate into financial terms		
4	Greenwashing and fiduciary, defensibility risk Nature finance sits under heavy scrutiny; if outcomes are hard to verify, investors face greenwashing allegations or mandate drift		
Significance  High  Medium  Low		NI Response  Strong  Medium  Low	

Operating Stage Barriers

Barrier		Significance	NI's Response
5	Carbon Market Volatility Voluntary carbon markets remain volatile with average REDD+ credit prices falling to USD 2.70 in 2024, while high-integrity nature-based credits exceed \$20 Credibility concerns have paused some forest credit purchases - Investors encounter challenges in modelling returns		
6	Revenue Concentration in Tourism Conservation areas rely heavily on tourism, making them highly vulnerable to external shocks COVID-19 sharply reduced wildlife tourism revenues in Southern Africa, highlighting the fragility of single-revenue models		
7	Policy-dependent revenue streams Lack of long-term policy certainty drives higher discount rates, widening the risk–return gap and deterring investment Carbon market regulation is still evolving in target markets; Zimbabwe is starting to align with Article 6, but broader policy remains unsettled The collapse of Koko Networks in Kenya shows how regulatory over revenue rights can undermine investor confidence		
8	Contractable Revenue Tourism revenues fluctuate sharply across wet and dry seasons, creating uneven cash flows that complicate debt servicing - Most nature-based projects reach implementation without an offtaker		
9	Seasonality Tourism revenues fluctuate sharply across wet and dry seasons Carbon project verification and issuance cycles are lumpy		

Exit Barriers

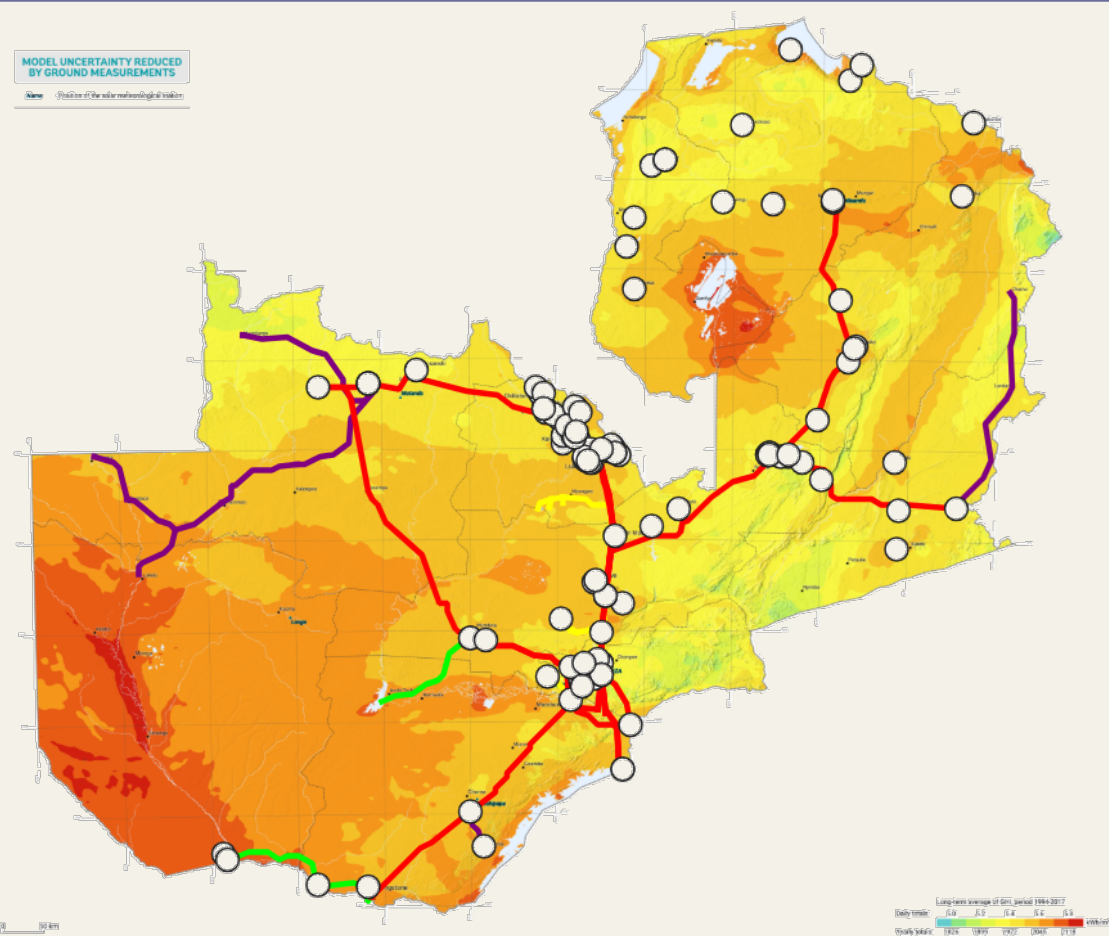
Barrier		Significance	NI's Response
10	Low liquidity for early exits		
	- There is no standard mechanism to transfer stakes in conservation concessions or carbon-credit project portfolios, unlike in real estate or infrastructure - The absence of nature-linked bonds in Africa further limits refinancing options, making illiquidity a structural deterrent for institutional investors		
11	Long lock-up periods		
	- Natural capital timelines, spanning multi-year to multi-decade periods, often exceed typical private capital investment horizons, creating a structural mismatch - Investors demand a term premium due to long lock-up periods (10–25+ years) and the lack of a well-established secondary market for natural capital investments		

Cross-Cutting Barriers

Barrier		Significance	NI's Response
12	Governance and country risk - Biodiversity opportunities tend to be in emerging markets, where legal enforceability, policy continuity, and institutional capacity create added uncertainty for investors - Investors are also concerned about the ability to repatriate capital from these markets		
13	Nature systemically underpriced - The value of nature often cannot be fully captured by investors, as benefits like clean air or biodiversity are public goods and positive externalities - Nature is systemically underpriced, making its value difficult to capture in investment terms		
14	Community Disincentives Opportunity costs of foregone economic activities can outweigh perceived benefits from conservation, discouraging local engagement - Without sufficient incentives or revenue-sharing mechanisms, communities may prioritize short-term survival and profit over long-term conservation goals		

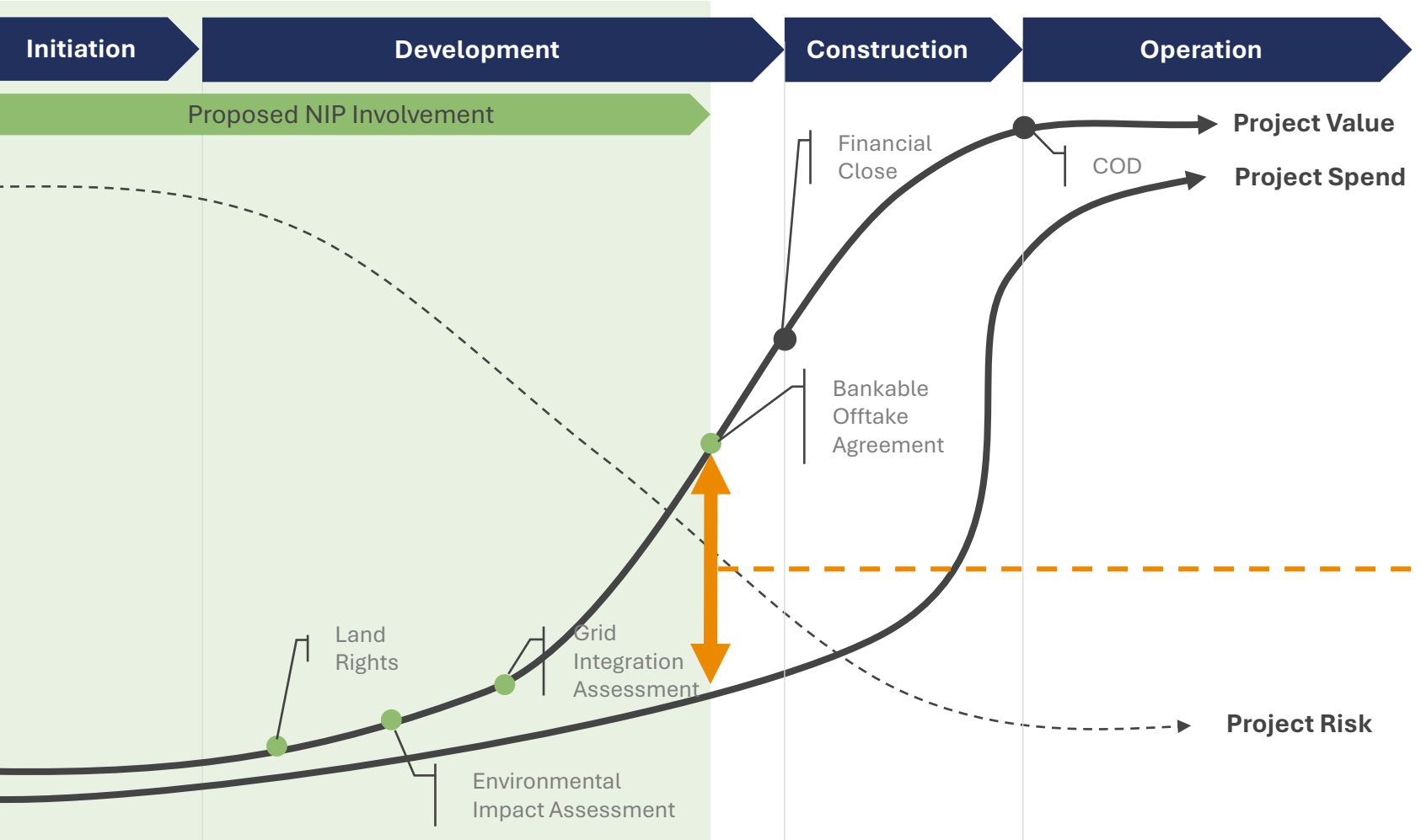
Land lease rate potential is dependent on proximity to a substation with capacity

Zambia Grid and Sub Stations



- **Solar land lease rates:** Zambian rates range from **USD 100 to USD 500 per** hectare per year
- **Key drivers:** Title status, substation proximity, and land quality
- **Premium Land:** Titled land near a substation commands up to USD 500/ha/year
- **Low Grade Land:** Lower Rates fall to USD 100–200/ha/year, where a connection line of 10+ km must be built
- **Communal Land:** Typically requires conversion to title, added time and risk, usually reflected in a rental discount

The true value of land can be unlocked during development



● Milestones NIP can Drive

3-5X
Investment Spend

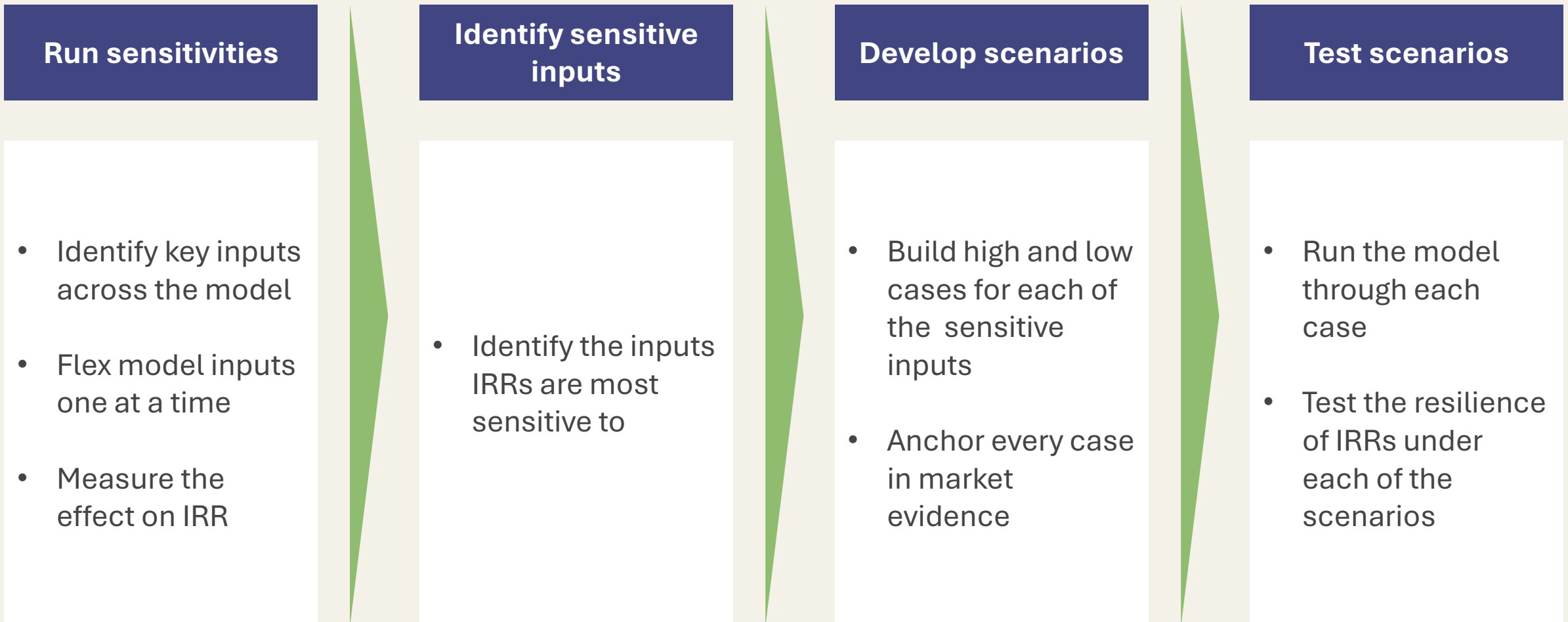
A shovel-ready site is estimated to command **3 to 5 times the cost if recovered upfront**, and potentially 5 to 10 times if deferred to financial close.

A revenue share structure is likely more attractive to a developer than a minority equity stake.

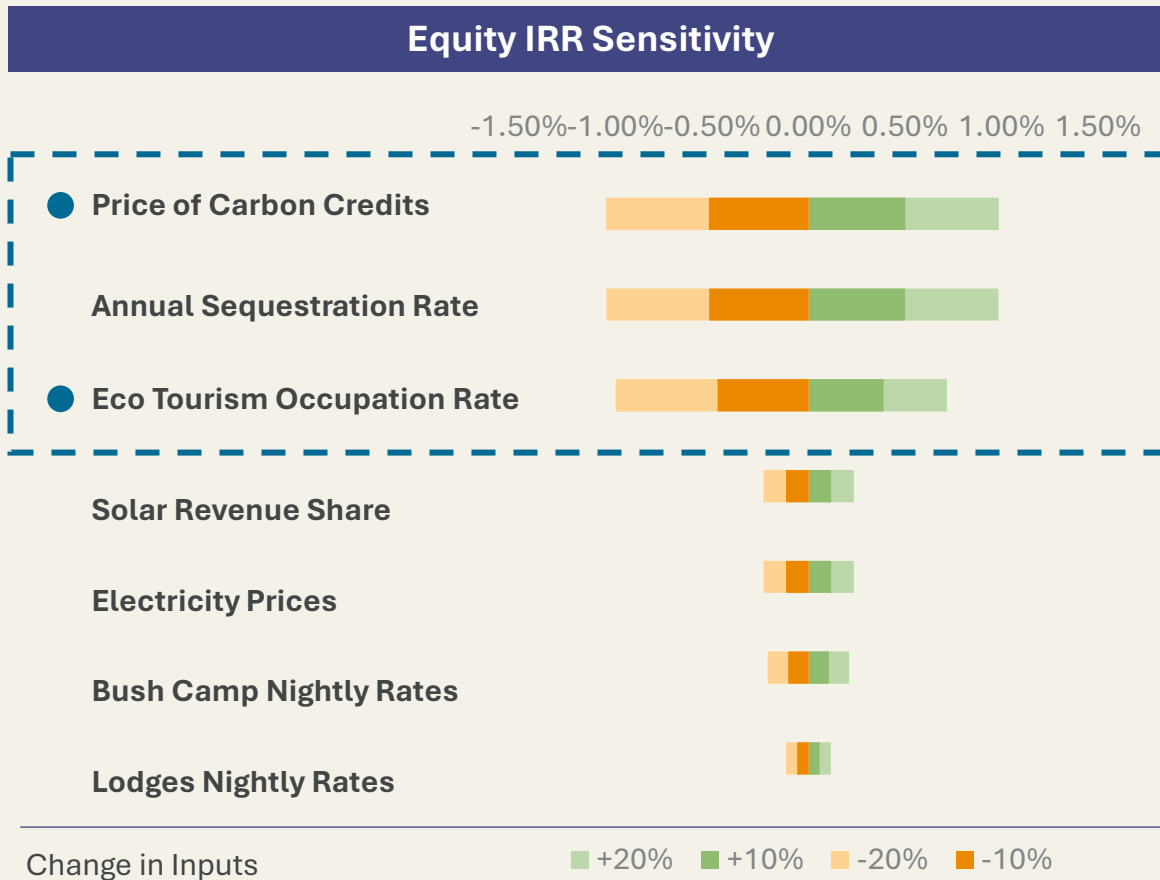
The ecotourism market is growing with new projects being developed by major operators in all target countries

Country	Operator	Project	Overview
Zambia	 LOLELUNGA PRIVATE RESERVE	Lolelunga Private Reserve	New 30,000 ha private reserve bordering Kafue National Park , opened in August 2025. The property accommodates only 14 guests and combines high-end tourism with conservation across a large private landscape
South Africa	 ENVI LODGES	ENVI Addo Private Reserve	1,800 ha private conservation reserve bordering Addo Elephant National Park . Development comprises 10 safari tents and 3 lodges , with opening planned for 2026. The reserve is explicitly positioned around rewilding and conservation
Kenya	 & BEYOND	&Beyond Suyian Lodge	Located within the 17,806 ha unfenced Suyian Conservancy in Laikipia, part of a wider wildlife movement corridor. The 14-suite lodge officially opened in March 2026 and is the conservancy's only lodge

Sensitivity testing isolates the inputs that move returns, while scenario modelling stress tests feasibility under change



Equity IRRs are most sensitive to changes in Carbon Credit Revenue drivers and Eco Tourism Occupation Rates



● Inputs for which scenarios were developed

- **Diligence focus:** carbon pricing, sequestration verification, and occupancy assumptions require the greatest attention
- **Return resilience:** no single 20% shock moves equity IRR by more than 1,2 points
- **Carbon credits:** price and sequestration rate each move equity IRR by close to 1 percentage point
- **Solar terms:** revenue share and electricity price shift IRR by under 0,2 points
- **Nightly rates:** bush camp and lodge pricing move IRR the least individually of all drivers tested

Eco tourism occupancy swings from 45% in a low case to 70% in a high case, with green season closures setting the floor

Low Scenario ▼

High Scenario ▲

Annual occupancy rate	45%	70%
Peak Season Jun - Oct	55% to 65%	85% to 95%
Green season Nov – Mar	20% to 35%	45% to 60%

- **Tiered Occupancy:** budget at 45% to 55%, midrange at 55% to 65%, prime luxury at 75% to 80% in season
- **Seasonality:** green season discounts of 40% to 60% and camp closures drag the annual average
- **Operator evidence:** Wilderness posted 58% group occupancy in FY2017 and a 67% peak
- **Luxury segment:** occupancy in the segment fluctuates between 65% and 75%, with andBeyond reporting a 68% to 74% annual band
- **Independent surveys:** Zambezi enterprises averaged 41% versus 49% nationwide for hospitality

Low and high cases of -35% and +75% are informed by the price swings the carbon market delivered from 2022 to 2024

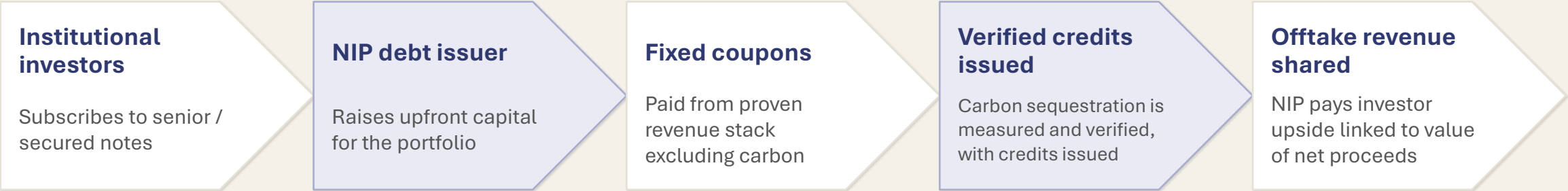
	Low Scenario ▼	High Scenario ▲
Price Change	-35%	+75%
Market average spot	-32% in 2023, -20% in 2024	+82% in 2022
Forestry and REDD+	-23% in 2023	+75% in 2022
All-type MSCI index	-43% in 2023	Stabilised in 2024

- **2022 surge:** net-zero pledges concentrated demand on high-integrity credits, lifting premiums for co-benefits of REDD+
- **2023 to 2024 decline:** quality scandals paused buying into oversupply and weak macro conditions
- **REDD+ swing:** inflated baseline claims and Verra's methodology reset froze purchases in 2022
- **Index decline:** flight to quality repriced low-rated avoidance credits, top-rated credits held
- **Liquidity effect:** reputational risk pushed buyers out of volume faster than prices fell

As cash flows mature, refinancing through carbon-linked debt retires mezzanine investment, pays dividends and reduces cost of capital

A fixed-income wrapper mobilises institutional debt with economics linked to verified carbon outcomes

HOW IT WORKS



Institutional investor value proposition

- **International investment grade credit:** principal risk mitigated through credit guarantee.
- **Benchmark bond-aligned fixed coupon:** fixed return in line with sovereign bond rate.
- **Outcome-linked upside:** upside varies with verified carbon performance, payable as carbon credits are delivered to offtakers.

Benchmark precedent World Bank Restoration Outcome Bond

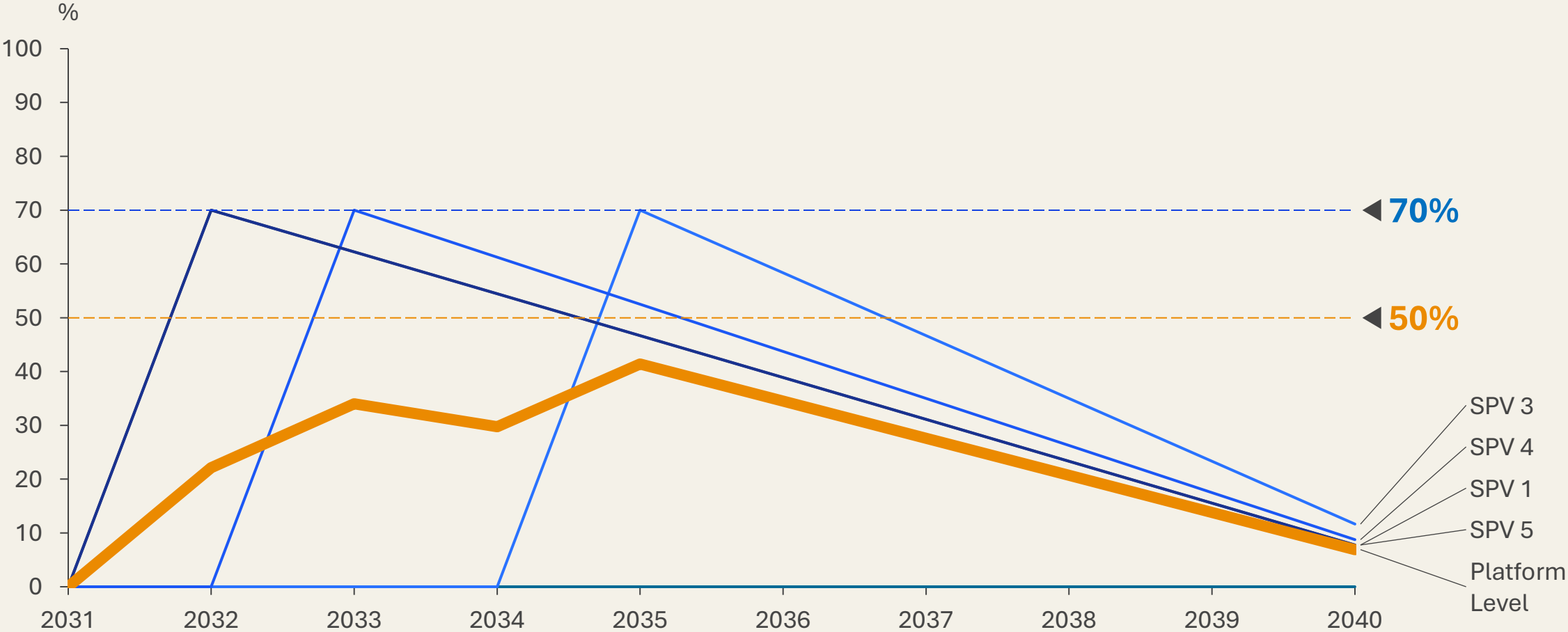
South Africa | 2026

The bond validated the core thesis: restoration cash flows can be packaged into an investment-grade debt instrument for institutional investors.

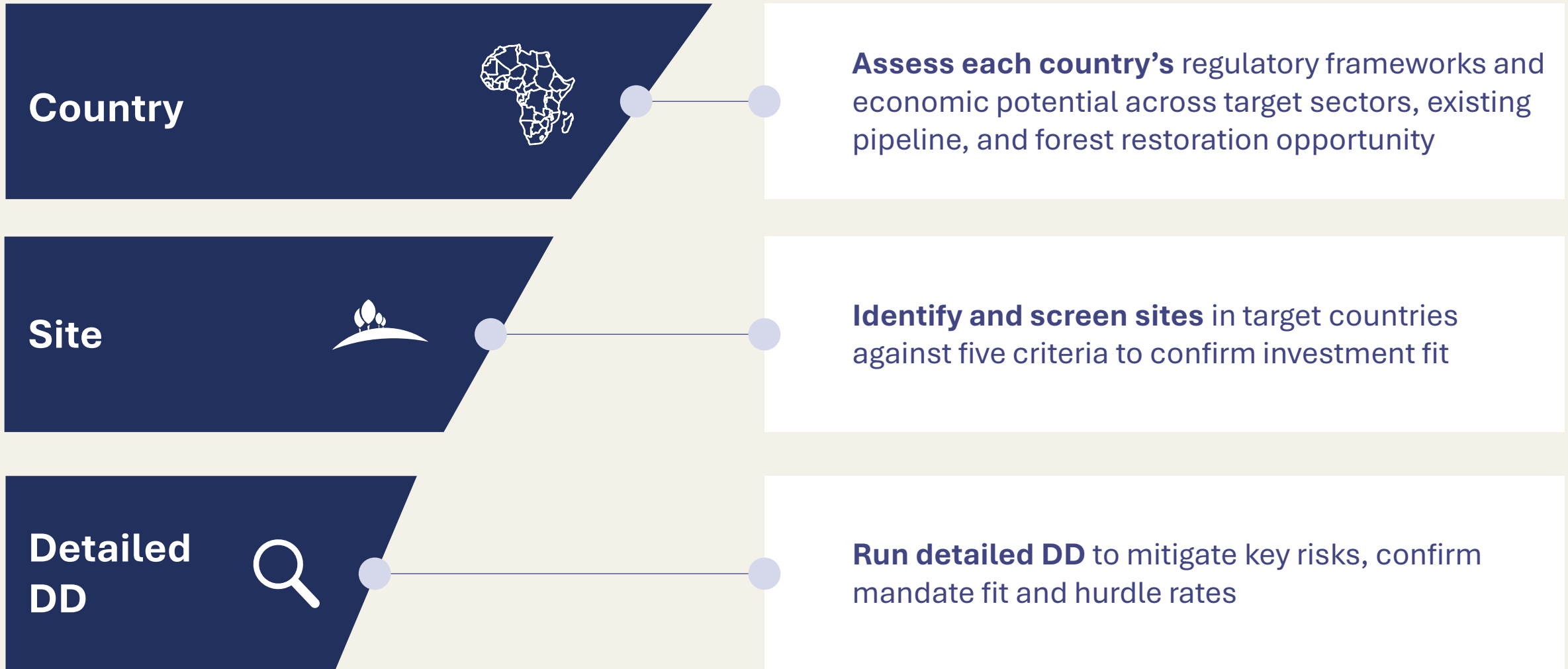
\$120m IBRD 14-year principal-protected issue	\$25m private capital mobilised for restoration	50,000ha spekboom restoration scale-up in Eastern Cape
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To maintain creditworthiness, platform gearing level is limited to 50% with SPVs capped at 70%

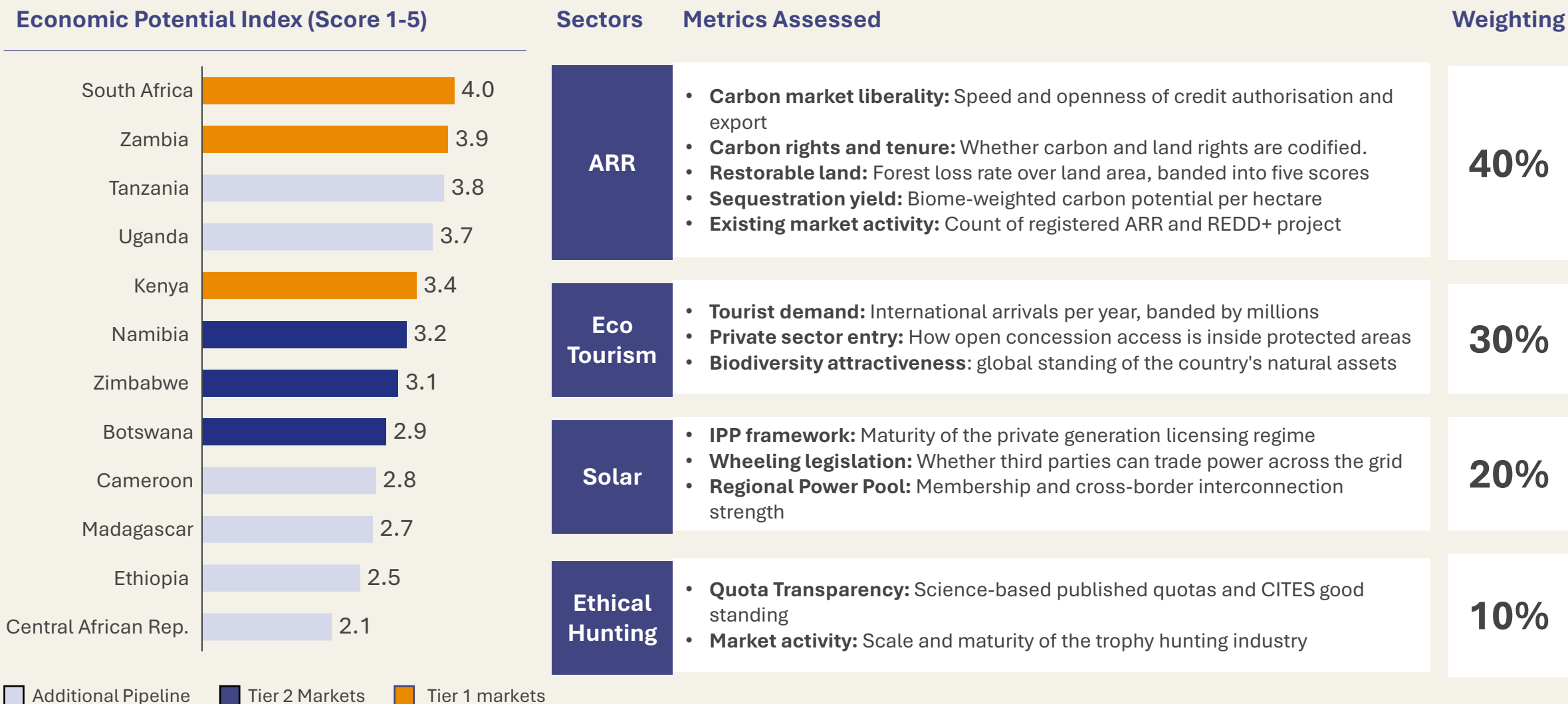
Gearing of SPVs and Platform %



A disciplined top-down process screens opportunities from country to site level, ensuring each investment fits the mandate



South Africa and Zambia have the most conducive environments for NIP's target sectors



Communities and operators carry high exposure, while corruption, non-compliance, and labour are crosscutting E&S risks

Key Stakeholder Risks

20 Recurring Risks

Key Stakeholders	# Risks	Primary Concerns
Communities	6	- Land ownership disputes - Benefits delivery failure - Non-cooperation or opposition - Human-wildlife conflict - Indigenous peoples' rights - Inadequate stakeholder engagement
Commercial Operators	4	- Non-compliance - Labour rights - Corruption/unethical conduct - Community benefits delivery failure
Contractors & Supply Chain	3	- E&S non-compliance - Labour rights - Corruption/unethical conduct
Government	3	- Regulatory or political risks - Governance support dependency - Corruption or unethical conduct
Security Personnel	2	- Human rights abuses - Corruption/unethical conduct
Environment	2	- Climate change impacts - Biodiversity disturbance

Cross-Cutting Risks

Stakeholder Exposure

Theme	Appears	Appears In
Corruption or Unethical Conduct	4	- Operators - Contractors - Government - Security Personnel
Non-compliance or Misconduct	3	- Commercial Operators - Contractors & Supply Chain - Security Personnel
Labour Rights Violation	3	- Operators - Contractors - Supply Chain
Community Benefit Delivery	2	- Commercial Operators - Communities
Stakeholder Engagement	1*	Communities (<i>*this risk will affect relationships among all groups</i>)

Focus should be placed on a core set of actions to mitigate major risks identified and the most cross-cutting risks

Major Risks	Key Mitigating Actions	Land Tenure Disputes	Regulatory Political Risk	Operator Non-compliance
	Undertake participatory mapping and transparent negotiations with governments and communities	✓		✓
	Conduct legal due diligence on land tenure, concession rights, and customary land use	✓		
	Establish and maintain robust governance structure for proactive risk management		✓	
	Monitor third-party performance through regular reporting and site audits			✓
Cross-Cutting Risks	Key Mitigating Actions	Corruption	Non-compliance	Labour Rights
	Embed E&S, ethical and anti-corruption requirements into all contracts , with training	✓	✓	✓
	Conduct comprehensive due diligence on all partners and counterparties	✓	✓	✓
	Establish accessible grievance mechanisms and adequate stakeholder engagement procedures for all stakeholder groups	✓		✓

E&S risk exposure is concentrated among communities and key project delivery stakeholders

Stakeholders	Description	# risks	Exposure
1 Communities	Local populations, Indigenous Peoples, and traditional communities living in or near project areas whose livelihoods, land rights, natural resource access, or cultural heritage may be affected by project activities. This includes pastoralists, farmers, forest-dependent communities, and customary rights holders.	6	Major
2 Commercial Operators	Third-party businesses contracted or licensed to conduct revenue-generating activities within or related to Natural Investments' projects. This includes tourism operators (lodges, safari companies, ecotourism providers), hunting concession holders, and carbon project developers who manage carbon credit generation, verification, and sales.	4	Moderate
3 Contractors and Supply Chain	Entities providing goods, services, or labour to support project implementation and operations. This includes construction contractors, infrastructure developers, equipment suppliers, logistics providers, and service providers across the supply chain.	3	Moderate
4 Government agencies and Regulators	National, regional, and local government bodies responsible for policy, regulation, enforcement, and oversight relevant to Natural Investments' activities. This includes wildlife authorities, environmental regulators, land registries, carbon market authorities, and security services	3	Moderate
5 Security Personnel	Individuals and organisations responsible for protecting project assets, wildlife, and personnel from threats such as poaching, theft, or trespass. This includes private security contractors, community-based rangers, and government wildlife scouts.	2	Minor
6 Environmental or External Factors	Non-human factors and external conditions that may affect project viability, ecological integrity, or financial sustainability. This includes climate change impacts (droughts, floods, wildfires, heat stress), biodiversity dynamics, and ecosystem health.	2	Minor



Major Exposure



Moderate Exposure



Minor Exposure

Community risks center on land tenure, benefit sharing, and meaningful engagement

1 Communities (Local, Indigenous Peoples, Traditional)

Risks	Description	Risk Rating
Land ownership, tenure disputes and conflict	Unclear, overlapping, informal, or contested land rights, concession agreements, customary tenure systems, or ownership claims may result in conflict, litigation, project delays, reputational damage, or loss of access to land and associated environmental assets.	Major
Non-cooperation / Opposition	Local communities may not support or actively cooperate with the project. Conservation activities or protected area establishment could restrict access to grazing, water, forest products or livelihoods, which may lead to illegal resource extraction or resistance to conservation measures, undermining project objectives, biodiversity outcomes and long-term viability.	Moderate
Failure to Deliver Community Benefits	Communities may not receive expected employment, revenue sharing, carbon revenue benefits, or development outcomes, resulting in conflict, mistrust, or reputational harm.	Moderate
Human-Wildlife Conflict	Wildlife recovery may increase crop loss, livestock predation, or threats to community safety.	Moderate
Indigenous Peoples' Rights and Interests	Projects may affect the rights, lands, natural resource use and cultural heritage of Indigenous Peoples or traditional communities, including risks of exclusion from decision-making, loss of access to customary resources or inequitable benefit sharing.	Moderate
Inadequate Stakeholder Engagement and Consent	Failure to meaningfully engage communities, local authorities, Indigenous Peoples, or vulnerable groups may create conflict, opposition, mistrust, or reputational damage.	Moderate

 Major risk

 Moderate Risk

 Minor Risk

Commercial operator risks are driven by compliance, governance, and ethical conduct

2 Commercial Operators

Risks	Description	Risk Rating
Non-compliance / Misconduct	Third-party commercial operators (e.g. tourism, hunting, carbon project developers) fail to comply with E&S standards, contractual obligations or ethical practices, resulting in reputational damage, community conflict, regulatory exposure or reduced project performance and revenues.	Major
Labour Rights Violations	Unsafe working conditions, unfair wages, discrimination, excessive hours, child labour, or forced labour in operations or supply chains.	Moderate
Corruption / Unethical Conduct	Operators may engage in bribery, fraud or inequitable distribution of benefits, undermining project integrity and community trust.	Moderate
Failure to Deliver Community Benefits	Communities may not receive expected employment, revenue sharing, carbon revenue benefits, or development outcomes, resulting in conflict, mistrust, or reputational harm.	Moderate

Contractor and supply chain risks are driven by compliance, labour standards, and ethical conduct

3 Contractors and Supply Chain

Risks	Description	Risk Rating
Non-compliance with E&S Standards	Third-party contractors or suppliers may not comply with E&S standards, resulting in reputational or operational risks.	Moderate
Labour Rights Violations	Unsafe working conditions, unfair wages, discrimination, excessive hours, child labour, or forced labour in operations or supply chains.	Moderate
Corruption / Unethical Conduct	Contractors may engage in bribery, fraud or kickbacks, undermining project integrity.	Moderate

Regulatory and political uncertainty represents the primary government-related risk

4 Government Agencies and Regulators

Risks	Description	Risk Rating
Regulatory / Political Risk	Changes in conservation policy, land laws, carbon market regulation, carbon rights frameworks, concession agreements, or political instability may affect project viability, ownership rights, or revenue generation.	Major
Corruption / Unethical Conduct	Weak governance, opaque agreements or unequal power dynamics may create risks of bribery, fraud or inequitable distribution of project benefits, undermining project integrity, community trust and long-term viability.	Moderate
Dependence on Government Support	Projects may rely on government agencies (e.g. wildlife authorities) to provide support such as anti-poaching patrols. Limited capacity, inconsistent resourcing or shifting government priorities may reduce effectiveness and impact project outcomes.	Minor

Residual risks are concentrated in climate resilience and responsible security management

5 Security Personnel

Risks	Description	Risk Rating
Security Personnel Abuses	Anti-poaching or security operations could lead to excessive force, intimidation, or human rights violations.	Minor
Corruption / Misconduct	Security personnel may engage in bribery, collusion with poachers, or other unethical conduct.	Minor

6 Environmental or External Factors

Risks	Description	Risk Rating
Climate Change Impacts	Droughts, flooding, heat stress or wildfire may reduce ecological and financial sustainability.	Moderate
Biodiversity Disturbance during Project Establishment	Infrastructure, fencing, roads, tourism development, or construction may fragment habitat or disturb species.	Minor

Physical climate risks: Proposed risk mitigants

Wildfires

- Develop and implement landscape-scale fire management plans, including prescribed early burns.
- Establish firebreaks and actively manage fuel loads, especially in high-risk and fire-prone areas.
- Deploy early fire warning systems and rapid response capacity during fire season.
- Train and equip community fire management teams (local employment and economic boost).
- Transfer residual risk through appropriate climate and carbon insurance instruments.

Heat Stress

- Integrate climate resilience into project design and infrastructure.
- Prioritise heat-tolerant native species and resilient indigenous ecosystems.
- Restore habitat connectivity to improve large-scale ecosystem adaptation.
- Implement health, safety, and heat stress protocols for project staff and seasonal workers.
- Monitor climate trends and adapt management policies and approaches accordingly.

Water Stress

- Restore watersheds, wetlands, and riparian ecosystems to improve water security.
- Incorporate water-efficient infrastructure and conservation management practices.
- Monitor drought conditions and implement adaptive management responses.
- Protect and restore natural water sources to maintain sustainable environmental flows.

NIP defines sustainable hunting using established conservation principles

Sustainable hunting will be phased out as each landscape matures. During the development phase, sustainable hunting may continue where it supports conservation and existing revenue and community benefit-sharing arrangements.

By the equity stage, hunting revenues will be fully replaced by alternative commercial income streams, ensuring governments are compensated for foregone hunting tariffs and communities for the loss of their traditional meat share.

Sustainable hunting for conservation benefits refers to hunting that is biologically sustainable and that demonstrably contributes to the conservation of wildlife and habitat, while generating equitable socio-economic benefits for communities living with wildlife. This is consistent with IUCN framing, which treats hunting as a potential conservation tool only where it produces measurable ecological, social and economic benefits.

For hunting to initially qualify under NIP, it should

Be temporary	Hunting is limited to the development phase, with a defined phase-out before the equity stage.
CITES aligned	Any international trade in hunting trophies must comply with CITES restrictions and permit requirements
Be biologically sustainable	Harvest levels must not drive long-term population decline or undermine ecosystem function.
Deliver a net conservation benefit	Revenues and incentives should support habitat protection, wildlife management or reduction of threats such as poaching.
Benefit local communities	Local rights and interests should be recognised and benefits shared equitably.
Be science-based and adaptively managed	Quotas and harvest decisions should be informed by monitoring and periodically reviewed.
Operate under accountable governance	Activities must comply with applicable legislation, with transparent allocation of rights, revenues and responsibilities.

Debt will only be injected once independently verified graduation criteria have been met

SPV GRADUATION CRITERIA

Legal	1. Permits and approvals in force 2. Performing, assignable agreements (land, community, commercial operators) 3. No material disputes
Technical & E&S	1. Key project milestones reached on time 2. Carbon project registered with MRV system validated 3. Compliance with E&S risk management requirements
Cash Flows	1. Predictable, proven, contracted revenue 2. Creditworthy counterparties
Financial Risk Mitigation	1. DSCR target covenant levels reached; 2. Funded DSRA and restoration reserve accounts; 3. Credit guarantee, carbon delivery insurance in place
SPV Governance	1. Project board constituted 2. Bank controls in place 3. Reporting systems in place with financial statements audited

DEBT DRAW DOWN PROCESS



Enforcement: Pre-agree default, step-in rights and asset disposal

*Enforcement should be a governed process that preserves value before liquidation and removes discretion over sale proceeds, aided by use of a security trustee for collateral and enforcement. **Rule-based, staged and focused on value preservation***

1

Early warning

- DSCR decline
- Reserve breach
- MRV qualification
- Permit/offtaker loss
- E&S breach

2

Cure period

- Different cure routes by breach type
- Administrative, financial, technical and E&S cures

3

Equity cure

- Cash injection
- Reserve top-up
- Prepayment
- Collateral
- Replacement contract

4

Standstill

- Assess turnaround, refinancing, partial sale, operator replacement or restructuring

5

Step-in / sale

- Qualified replacement operator
- Controlled sale
- Security trustee implements instructions

Key Learnings



Productive Conserved Land Platforms

- Natural Capital differentiates itself by creating conservation areas as platforms that enable conservation-dependent business models to operate on the conservation area. This “Nature SEZ” model contrasts with traditional approaches that either directly finance operators or specific conservation activities



Donor Funding Dominance

- Most conservation funding is dominated by donor or state financing
- Few conservation initiatives are designed with business models that attract private capital beyond philanthropy, and enable long-term self-sufficiency



Small Scale Prevalence

- Commercially orientated conservation initiatives tend to be niche or small-scale in terms of transaction size and land area being protected.
- Commercial conservation investments are fragmented into small, asset-level opportunities, leaving large-scale land stewardship primarily reliant on donor and government funding.



Investment Barriers

- The primary barrier to commercial financing in conservation is weak or subscale business models
- The lack of scalable business models is an additional prime barrier to commercial capital participation
- Even for credible models, long project lifespans and extended payback periods deter private capital, as funds are locked in with uncertain returns



Securitization as a Financing Mechanism

- Securitization and carbon credit aggregation have shown potential within select conservation vehicles, such as the SINAC Future Flows Securitization Model, as mechanisms to address exit constraints
- These approaches demonstrate how financial structuring can introduce liquidity

