

Full Funding Guidelines: Overview

Financing the Missing Middle of the Climate Economy

Loam Capital deploys \$250,000–\$1,000,000 in disciplined, impact-first debt to operating climate businesses with proven technology, initial revenue, and clear unit economics. This is the segment too large for grants, too small for banks, and too capital-efficient for further equity dilution. Every loan must clear both a financial underwriting standard and a minimum impact threshold; both tests must be passed.

01 • FUND PARAMETERS

Instruments	Senior secured loans, revenue-based financing, mezzanine structures, bridge financing
Ticket size	\$250,000 – \$1,000,000 per transaction
Loan duration	12 – 24 months; ~18 months average
Target yield / net LP return	12–17% gross all-in; 9–12% target net LP return (senior tranche)
Security	First lien on assets; PPA / cash-flow assignment; personal guarantees where appropriate
Impact minimum	70 / 100 on the Loam Impact Scorecard; required for approval
Loss provision	3–5% annual loss rate modeled; philanthropic first-loss reserve adds protection
Fund targets	Fund I: \$5M initial close • Fund II: \$25M

Target Investment Verticals

1

Distributed Energy & Storage

C&I / community solar, behind-the-meter storage, microgrids

2

Climate Software & Data

Energy management SaaS, carbon accounting, grid optimization software

3

Circular Economy & Waste-to-Value

Organic waste/biogas, materials recovery, sustainable packaging

4

Climate-Smart Agriculture & Water

Precision irrigation, regenerative ag systems, ag waste-to-value

03 · CREDIT UNDERWRITING STANDARDS

Minimum Standard

DEBT SERVICE COVERAGE RATIO (DSCR)

≥ 1.25x

on contracted revenue, tested quarterly

LOAN-TO-VALUE / LOAN-TO-COLLATERAL

< 80%

INTEREST RATE FLOOR

> 9%

UNDERSERVED COMMUNITY ALLOCATION

≥ 25%

of Fund I loans in low-income or EJ communities

Impact Scorecard: Five Pillars (100 Points)



#	PILLAR	MAX POINTS	SDG ALIGNMENT
1	Climate Impact & Emissions	50	SDG 7, 13
2	Community & Equity	15	SDG 1, 10, 11
3	Economic Additionality	15	SDG 8, 9
4	Founder & Governance	10	SDG 5, 10, 16
5	Measurability & Reporting	10	SDG 17

MINIMUM QUALIFYING SCORE

A minimum score of 70/100 is required for approval. 85+ is designated Core Impact and receives preferred consideration. Below 70 is declined or referred elsewhere.

05 · WHO WE BACK



First-time founders receiving their first institutional debt capital



Women, BIPOC, and underrepresented founders



Projects in low-income, energy-burdened, or environmental justice communities



Operators in fragmented, relationship-driven markets

Blended Finance & First-Loss Reserve

A philanthropically funded first-loss reserve sits below commercial LP capital in the loss waterfall, absorbing initial portfolio losses first.

This lets Loam finance first-time founders and underserved-community projects that would otherwise fall outside investable parameters, without diluting commercial LP returns. A well-sized guarantee is expected to catalyze 10x+ in additional private lending capacity.

07 · STANDARD CONDITIONS & COVENANTS

First lien / UCC-1 filing, assigned contract cash flows, insurance naming Loam as loss payee

Minimum DSCR of 1.25x tested quarterly; minimum cash balance maintained at all times

Quarterly financial reporting; Annual project and impact reporting

No material change in ownership, governance, or operations without written consent

08 · REPORTING CADENCE

Borrowers submit an annual impact report (energy generated, emissions avoided, jobs, community investment) per loan covenant. Loam aggregates portfolio data annually into an Impact Report for LPs and philanthropic partners, aligned to IRIS+ and referencing relevant SDG indicators.

Loam Capital: Confidential. For internal use and authorized LP disclosure only. This overview summarizes the fund's Full Funding Guidelines and does not constitute an offer to sell or a solicitation to buy any security. See the Full Funding Guidelines document for complete detail.