

LOAM

Financing the missing middle of the climate economy.

Secured debt and blended-finance capital for operating climate businesses too proven for grants, and too small and bespoke for banks.

\$250K–\$1M

Ticket size per transaction

13–17%

Target gross yield

\$5M

Fund I initial close target

A specialty lender for climate's missing middle.

Loam Capital is a specialty impact-forward debt fund financing operating climate businesses that have proven their technology and revenue, but remain stalled by a structural gap in the capital markets.

We provide \$250K–\$1M in secured debt, revenue-based financing, and mezzanine structures to companies too large for grants, too revenue-generating for philanthropy, too small and bespoke for banks, and too capital-efficient to justify diluting equity for another venture round.

Every loan is underwritten against both a financial and an impact standard: short-duration, contracted cash flows on one side, and a 100-point Impact Scorecard on the other. A philanthropic first-loss reserve sits beneath commercial LP capital in the loss waterfall, expanding the investable universe without diluting commercial returns.

**\$250K–
\$1M**

Ticket size per
transaction

13–17%

Target gross yield

9–12%

Target net LP return

**\$5M /
\$25M**

Fund I / Fund II
target

INSTRUMENTS

Senior secured loans, revenue-based financing, mezzanine structures, bridge financing.

UNDERWRITING STANDARD

Contracted cash flow discipline paired with a 70-point minimum Impact Scorecard requirement.

STRUCTURE

Blended finance — philanthropic first-loss capital protects senior commercial LP returns.

A structural gap, not a risk problem.

Operating climate businesses with proven technology and revenue are stalled — not by risk, but by a structural capital gap. These companies have crossed the hardest threshold, proving people will pay for what they build. They are too large for grants, too revenue-generating for philanthropy, too small and bespoke for banks, and too capital-efficient to justify diluting equity for another VC round.

Grants & Philanthropy

Pre-revenue,
non-dilutive

Venture Capital

Early-stage,
equity-dilutive

The Missing Middle

\$250K–\$1M debt —
Loam operates here

Bank Lending

Scale,
standardized
collateral

Infrastructure Funds

Utility-scale,
\$M+ tickets

THE CONSTRAINT

Not innovation. Capital formation at the wrong stage, reaching the wrong companies, too late.

This is where Loam operates — providing debt capital at the exact stage, and to the exact companies, that the rest of the market is structurally unequipped to reach.

Discipline and impact, one underwriting standard.

For decades, the capital meant to accelerate the energy transition has too often flowed around the founders and communities who need it most. Loam Capital was built to reverse that pattern by proving that disciplined credit and measurable climate impact are not a trade-off, but a single underwriting standard.

WHO WE INVEST IN

Loam Capital invests in operating climate businesses that have already crossed the hardest threshold: proven technology, first customers, and unit economics that hold — from distributed solar developers with executed PPAs and climate software companies with recurring contracts, to circular economy operators with contracted offtake and infrastructure builders with permitted projects ready to break ground. They are lean, commercially viable businesses systematically passed over because they are too small for infrastructure funds, too revenue-generating for grants, and too bespoke for bank lending.

QUALIFYING CRITERIA

- ✓ Proven technology, initial revenue
- ✓ Capital need of \$250K – \$1M
- ✓ Contracted or recurring revenue
- ✓ First-time founders welcome — preferred
- ✓ Impact score of 70+ out of 100
- ✓ Measurable CO2e avoided or energy deployed
- ✓ Located in or serving underserved communities
- ✓ Commitment to quarterly impact reporting

A 100-point test, required for approval.

Every loan is scored on a 100-point Impact Scorecard before a credit decision is made. A 70-point minimum is required for approval — both tests, financial and impact, must be passed. Borrowers must demonstrate meaningful, quantifiable outcomes: megawatts deployed, metric tons of carbon avoided, energy costs reduced, and communities served.

85–100

CORE IMPACT

70–84

STRONG IMPACT

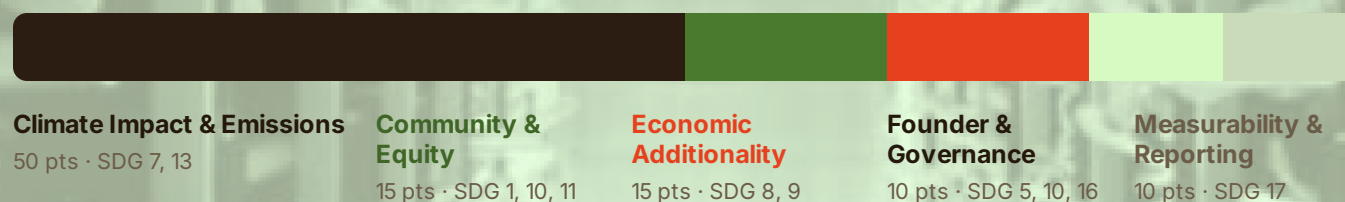
55–69

BELOW THRESHOLD

0–54

NOT ELIGIBLE

SCORECARD COMPOSITION



TWO TESTS, ONE CREDIT DECISION

The Financial Test

Short-duration, contracted cash flows underwritten against disciplined debt-service coverage, collateral, and repayment source — the same rigor applied by any commercial lender.

The Impact Test

A 70-point minimum on the Impact Scorecard, verifying measurable climate outcomes and additionality before a single dollar is deployed.

Both must be passed. Neither is optional.

Active preference for the structurally excluded.

Loam gives active preference to borrowers structurally excluded from conventional capital — not weak credits, but ones the conventional system was not designed for:

- First-time founders receiving their first institutional debt capital.
- Women, BIPOC, and underrepresented founders — statistically underfunded relative to their performance.
- Projects in low-income, energy-burdened, or environmental justice communities — where the need is greatest.
- Operators in fragmented, relationship-driven markets our specialized underwriting is built to reach.

This is not charity. These borrowers represent the strongest additionality in the portfolio. The first-loss reserve exists precisely to make this possible without asking commercial LPs to absorb the incremental risk — impact is reported quarterly, aligned to IRIS+ and SDG frameworks.

05 — THE STRUCTURAL OPPORTUNITY

The market structurally underserves this segment — which is precisely what creates the opportunity.

Proven technology. Structural capital gaps.

Sectors where technology is proven, demand is policy-supported or commercial, and the capital gap is structural.



Distributed Energy & Storage

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

CAPITAL GAP

Too small for tax equity & infrastructure funds; excluded from bank construction lending.



Climate Software & Data

Energy management SaaS, carbon accounting, grid optimization software.

CAPITAL GAP

Asset-light but capital-constrained at \$250K–\$1M; too early for growth equity.



Circular Economy & Waste-to-Value

Organic waste & biogas, materials recovery, sustainable packaging.

CAPITAL GAP

Strong unit economics, no banking relationships; too complex for mainstream lenders.



Climate-Smart Agriculture & Water

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

CAPITAL GAP

Strong fundamentals but geographically dispersed; outside ag-lending norms.

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Four verticals, one underwriting thesis: technology risk resolved, revenue proven, and a financing gap the rest of the market is structurally unequipped to close. Loam's underwriting team maintains sector-specific diligence playbooks across all four.

Structure, terms, and protections.

Ticket size	\$250K – \$1M per transaction
Loan duration	12–24 months (~18 mo. average)
Target gross yield (all-in)	12–17%
Target net LP return (senior tranche)	9–12%
Instruments	Senior secured loans, revenue-based financing, mezzanine structures, bridge financing
Security	First lien on assets; PPA / cash flow assignment; grants & receivables, by repayment source
Impact minimum	70 / 100 on the Loam Impact Scorecard — required for approval
Portfolio loss provision	3–5% annual loss rate modeled; philanthropic first-loss reserve provides additional protection
Fund targets	Fund I: \$5M initial close · Fund II: \$25M

08 — A BLENDED FINANCE STRUCTURE

A First Loss Reserve is a dedicated pool of capital, funded philanthropically, that absorbs the initial losses in Loam’s portfolio before any commercial investor is affected.

It is not simply a backstop — it is a structural signal that mission-driven capital has taken the highest-risk position so that market-rate investors can participate with confidence.

Philanthropic capital, positioned first.

Commercial LP Capital

9–12% TARGET NET RETURN

Senior position — structurally protected, a prerequisite for many institutional investors and family offices.

Philanthropic First-Loss Reserve

ABSORBS LOSSES FIRST

Reaches first-time founders and underserved-community projects without added risk to senior capital. A proof point, not a subsidy.

WHY THE RESERVE MATTERS

Emerging impact-forward fund managers face a structural challenge: institutional investors require proof of concept before committing capital, yet proof of concept requires capital to develop. A philanthropically funded First Loss Reserve solves this “first fund paradox” in three ways:

- **Risk tranching creates LP confidence** — commercial capital is only at risk after the reserve has been exhausted, a prerequisite for many institutional investors and family offices.
- **Philanthropic capital is a proof point, not a subsidy** — a credible first-loss commitment signals rigorous scrutiny of portfolio quality and management competence.
- **It lets the fund reach its target market** — without the reserve, Loam would be limited to a narrower slice of the market already served by existing lenders.

**5–
10x**

Every dollar of first-loss capital is structured to catalyze an estimated 5–10x in additional private lending capacity — turning a single philanthropic commitment into a multiple of deployable, market-rate debt for underserved climate businesses.

Five reasons this works.

- 01 De-risked innovation, mispriced credit**
Technology risk is resolved. Execution risk is systematically overpriced by lenders built for standardized, institutional-scale deals.
- 02 Short-duration, contracted cash flows**
12–24-month loans backed by PPAs, SaaS contracts, and equipment leases — income-oriented, not an equity bet.
- 03 Fragmented markets, large capital can’t enter**
Relationship-driven sourcing and bespoke underwriting at \$250K–\$1M builds a durable, defensible advantage.
- 04 Immediate, verifiable impact**
Every loan is scored on a 100-point Impact Scorecard before approval — impact is a condition, not a claim.
- 05 Blended finance amplifies reach**
A philanthropic first-loss reserve expands the investable universe without diluting commercial LP returns.

WHAT MAKES LOAM DIFFERENT	WHAT THAT MEANS FOR LPS
Impact-first underwriting	Portfolio is genuinely differentiated; credible for impact-mandated LPs and foundations
In-house loan servicing & underwriting	Lower expense ratio; direct borrower relationships; faster early-warning on credit issues
Blended finance with philanthropic first-loss reserve	Senior LP capital is structurally protected; fund reaches deals other vehicles cannot
Specialized focus on \$250K–\$1M — the entire mandate	Deep sector expertise, proprietary deal flow, pricing discipline generalists lack
Impact reporting (IRIS+ / SDG aligned)	Auditable, comparable data that meets LP and foundation reporting requirements

No single element of the Loam model is unprecedented. Assembled together — impact-first underwriting, in-house servicing, and a philanthropic first-loss reserve — they form a structure built specifically for this segment, and defensible because of it.

Scaling what already works.

The next decade of climate investing will not be won by discovering new technology. It will be won by scaling what already works — in the communities that need it most, with the capital that has been missing.

- Policy tailwinds are durable — IRA tax credit certainty extends through 2032.
- The borrowers are ready and the capital gap is structural, well-documented.
- Fund I target: \$5M initial close · Fund II target: \$25M.

Loam Capital is purpose-built for this segment — with the credit discipline to protect investor capital, the impact framework to prove its mission, and the blended structure to reach borrowers no other vehicle will.

Let's discuss how Loam Capital fits your portfolio.

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**\$250K–
\$1M**

Ticket size

9–12%

Target net LP return

70/100Impact Scorecard
minimum**\$5M**Fund I initial close
target



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