

Annual Report 2023



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BAY AREA AIR QUALITY
MANAGEMENT DISTRICT



IBank

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Introduction

Climate Tech Finance is a California state program dedicated to supporting startups in the development of climate technologies. With over six years of experience, we specialize in offering government-backed loan guarantees to qualifying startups, positioning them for success when presenting to participating banks.

Our primary **mission** is to combat greenhouse gas emissions by improving access to capital, thereby accelerating the development and adoption of climate technologies. We prioritize assisting individuals who may not meet conventional lending criteria, ensuring inclusivity in our efforts to mitigate climate change on a global scale.

Our **vision** is ambitious yet achievable: to lead the charge in utilizing climate technology to reverse the effects of global climate change within our lifetime. Through strategic financing and our team's dedication, we aim to pave the way for a more sustainable and resilient future for generations to come.





The Program

Climate Tech Finance, a partnership between the Bay Area Air Quality Management District (BAAQMD) and California Infrastructure and Economic Development Bank (IBank), serves as a vital link between climate entrepreneurs in need of **working capital** and **commercial banks** eager to engage in the rapidly growing climate tech market. We operate across the entire innovation-adoption spectrum, providing **loan guarantees** that mitigate risk for lenders and empower climate entrepreneurs to secure the necessary capital to accelerate the adoption of climate technologies.

Our process begins with identifying promising climate entrepreneurs and small businesses, thoroughly evaluating the merits of their technologies. We assess the potential **greenhouse gas emission reductions** and **social benefits** of proposed projects, ensuring that they contribute to a more **sustainable and equitable future** for both the climate and local communities.

Loan Guarantee Terms

- Maximum guarantee amount: **\$5 million**
- Guarantee term: **Up to 7 years**
- Guarantees **up to 80% of the loan**
- **Interest rate** and qualifications determined by lender

The Criteria

- 1 Be a small business**
- 2 Have a climate impact**
- 3 Be ready to commercialize in California**



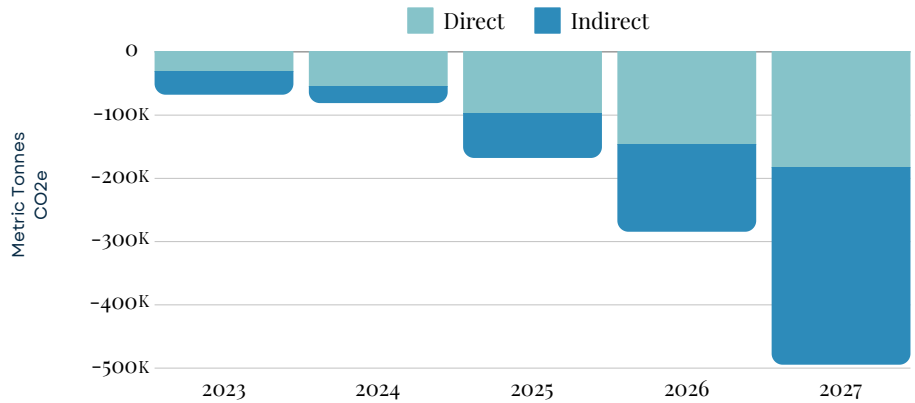
600

Jobs created
or retained as
of 12/2023

Program Performance

Greenhouse Gas Impact

Climate Tech Finance is helping accelerate the greenhouse gas reductions. Shown are the annual reductions in metric tonnes of CO2e attributable to our funded projects and the distinction between direct and indirect emissions.



1.1M

Metric Tonnes of CO2e reduced over 5-years



260K



gas-powered cars off the road for one year

Financial Impact

Loans supported to date

\$34.9M

Funded

Loan amounts awaiting lender match

\$75.9

Pre-Approved

\$196M

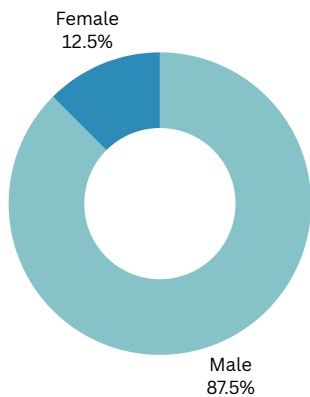
Pipeline

NOTE: Pre-approved companies have completed the technology validation process and awaiting lender match. Companies in the pipeline include those conditionally accepted into the program or actively engaged with it.

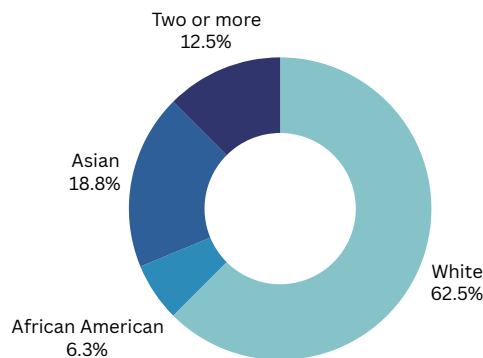
Diversity at CTF

We conduct a voluntary survey to track portfolio demographics. Our program priorities include outreach and technical assistance for underrepresented entrepreneurs to ensure that our growing portfolio is increasingly diverse and inclusive.

Gender: Company CEO*



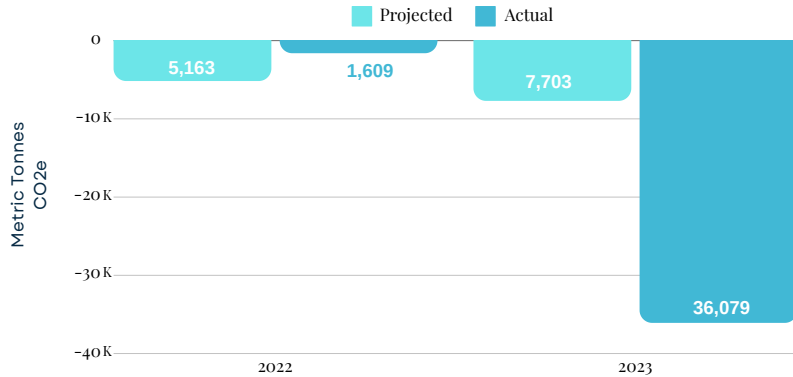
Race: Company CEO*



*Based on 16 companies reporting

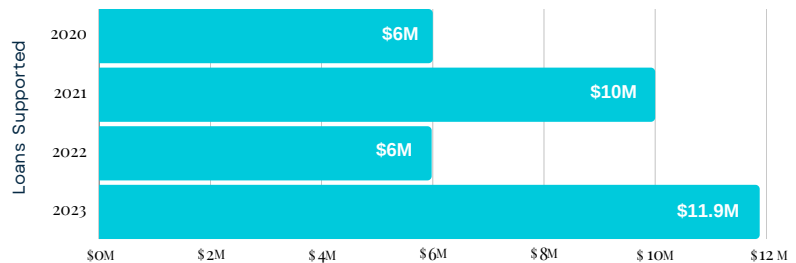
Projected vs Actual GHG Emission Reductions

Through innovative technologies and sustainable practices, our partnered companies have dramatically exceeded expectations, reducing over three times the projected greenhouse gas emissions this year.



Financial Impact

Over the past four years, we have been progressively supporting non-diluted equity in the form of loans. These varying levels of support reflect the evolving financial dynamics in the market.



2023 Loan Guarantee Recipient Highlights

1 SPARKZ: Revolutionizing Domestic Lithium Battery Production with Cobalt-Free Energy Storage Solutions

SPARKZ energy storage solution reduces the cost of domestic lithium battery production by eliminating the cobalt and nickel traditionally used in their manufacturing. The pioneering process developed by SPARKZ not only lowers the cost of lithium-ion batteries, it removes environmental concerns around mining cobalt, and reduces contradictions created by a foreign supply chain.



391

Jobs created or retained in 2023

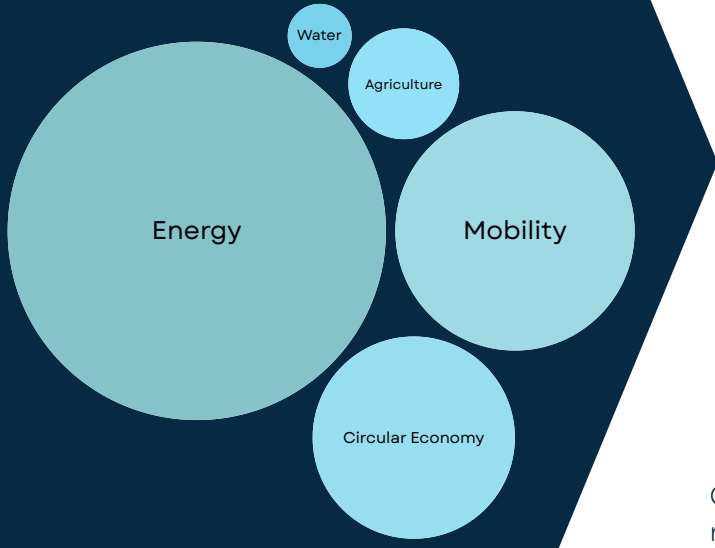
2 EV Life: Tackling the 'Green Premium' in Electric Vehicles

EV Life is on a mission to make electric vehicles (EVs) more accessible by spearheading solutions to eliminate the 'green premium' - the additional cost often associated with eco-friendly options. Their efforts are focused on making electric driving an achievable dream for millions deterred by the hefty initial cost of EVs.

Our Ecosystem

Technology Sectors

Our clients fall under these main technology categories



FEATURED CLIENTS



Charge Collective



Over the next five years, our **pre-approved clients** are set to reduce CO₂e emissions by **16.3 million metric tonnes**, akin to removing 3.9 million gasoline-powered cars from the roads for a year.

FEATURED LENDERS



FINANCIAL DEVELOPMENT CORPORATIONS

Financial Development Corporations (FDCs) help the IBank's Small Business Finance Center administer its programs throughout the state, removing barriers small businesses face accessing capital.



OUR TEAM

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