



CEFC marks \$10 billion investment milestone

Investment milestone for
Australia's 'green bank'

**Targeting net zero emissions
with lifetime investment
commitments of \$10.3 billion**

\$36.5





billion

Lifetime total transaction value

Message from CEO Ian Learmonth

Marking our \$10 billion investment milestone

The Clean Energy Finance Corporation began its important work almost 10 years ago, with a charter to increase investment in emissions reduction and a commitment to make a positive return for taxpayers.

With the backing of the Australian Government, we are proud to report that the CEFC has made lifetime investment commitments of more than \$10 billion. This is a significant milestone and an important contribution to Australia's efforts to reach net zero emissions by 2050. Each dollar of CEFC finance committed has attracted an additional \$2.50 from the private sector. Together, this is accelerating the delivery of transactions with a total value of some \$36.5 billion.

Rigorous investment and financial management have been a hallmark of our approach since we began investing on behalf of the Australian Government. Despite making more than \$10 billion in lifetime investment commitments, we have access to a further \$4.6 billion in capital from the Commonwealth, as well as ongoing returns from our existing investments. These factors mean we have substantial capacity to extend our investment impact beyond our initial \$10 billion allocation as we continue to contribute to emissions reduction.

Working together with the private sector as Australia's 'green bank', our investments are helping transform Australia's renewable energy, infrastructure, property and cleantech sectors. We are leading the market with our commitments to hydrogen, recycling and grid infrastructure. We are also at the forefront of efforts to create new investment models, whether in bonds, debt financing products or equity, tapping into the unmet demand for sustainable investment opportunities. This is exciting evidence of our unique role as a catalyst for private sector investment.

Australia faces an enormous challenge to decarbonise. It is a task that we cannot fail. Working with many investors, regulators and governments, the CEFC will continue to play a leading role in our clean energy transition.

On behalf of everyone at the CEFC, we thank you for your support and look forward to continuing to invest across the economy as we work to achieve net zero emissions.



Ian Learmonth
CEO, CEFC

Lifetime investment highlights

\$10.3b

Lifetime investment commitments of \$10.3 billion as the market lifts its focus on sustainable investment opportunities

\$36.5b

Each dollar committed by the CEFC crowds-in additional private sector capital of \$2.50, contributing to lifetime transaction value of \$36.5 billion

\$4.6b

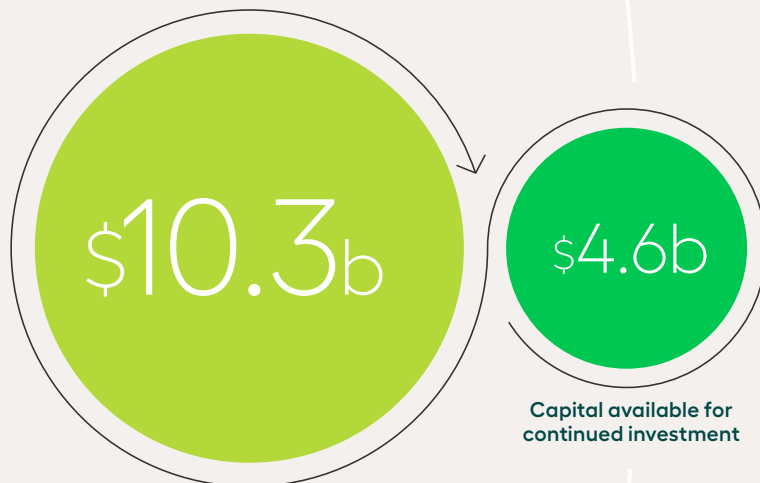
Considerable headroom for ongoing investment, with access to a further \$4.6 billion in capital, plus ongoing returns from existing investments

~\$150m

Creation of Australia's largest dedicated cleantech investor, with almost \$150 million in commitments by the Clean Energy Innovation Fund

200 MtCO₂-e

Estimated lifetime emissions abatement of 200 MtCO₂-e relating to CEFC investment commitments, helping accelerate Australia's transition to net zero emissions by 2050



Lifetime investment commitments

Capital available for continued investment

Strategic investment approach prioritises net zero emissions



Our investment approach prioritises emissions reduction across four decarbonisation pathways, identified because of their significant potential to materially improve overall national greenhouse gas emissions. The projects in which we have invested are forecast to avoid estimated lifetime emissions of 200 MtCO₂-e, with our abatement activity and influence spanning diverse industry sectors, supply chains, clean energy technologies and businesses.

01

Low carbon electricity

Harnessing Australia's renewable energy advantage to drive investment in cheaper, cleaner electricity and deliver a low emissions economy

Lifetime transaction highlights:

- Investing in landmark grid infrastructure, including EnergyConnect and Snowy 2.0
- Delivering high performing grid-scale batteries in South Australia and Victoria
- Backing the development of 44 large-scale renewable energy projects
- Financing the latest innovation in renewable energy technologies
- Supporting virtual power plants to extend the reach of clean energy to more Australians



02

Ambitious energy efficiency

Cutting energy demand with proven technologies, higher standards and real time monitoring and reporting

Lifetime transaction highlights:

- Greening Australia's critical infrastructure assets with global best practice solutions
- Low emissions construction and financing solutions across the property sector
- Innovative finance for green home loans, specialist disability accommodation and multi-dwelling developments

03

Electrification and fuel switching

Transitioning to cleaner fuel sources such as green hydrogen and backing sector-wide electrification

Lifetime transaction highlights:

- Hydrogen powered green zinc
- Solar powered green copper mining
- Battery powered heavy duty mining vehicles
- Electric vehicles, EV charging stations, second-life vehicle batteries and e-bikes
- Mode-switching from road to rail for large-scale infrastructure

04

Reducing non-energy emissions

Working beyond energy-related emissions, investing in new areas of low emissions economic activity

Lifetime transaction highlights:

- Lithium mining for greener supply chain
- Greener chemicals manufacturing
- Low carbon concrete and timber building options
- Science-led sustainable farming and soil carbon technologies
- Cutting methane emissions with organic, household and industrial waste solutions

Rigorous approach for a positive return

The CEFC has a commercially rigorous investment approach, founded on our commitment to accelerate investment in emissions reduction while delivering a positive return for taxpayers across our portfolio.

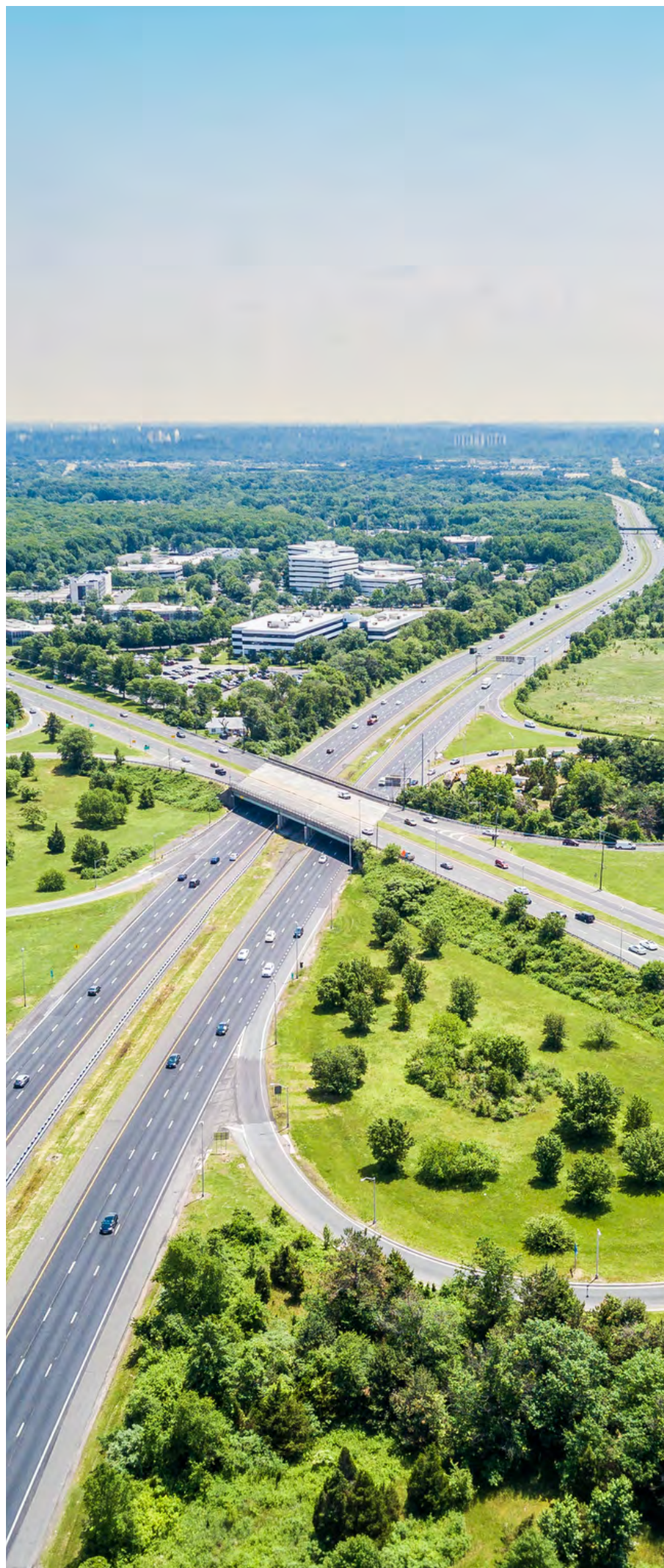
Each dollar of CEFC capital committed has attracted an additional \$2.50 from the private sector since the CEFC began investing, evidence of our role in working with businesses, institutional investors and innovative entrepreneurs to fill market gaps, whether driven by technology, development or commercial challenges.

To 31 December 2021, the CEFC had drawn \$5.4 billion from its original \$10 billion funding allocation from the Australian Government, providing considerable headroom of \$4.6 billion for ongoing investment. This includes almost \$2.8 billion in repayments and returns from our existing investments. As our portfolio matures, we expect the ongoing rate of repayments and returns to remain strong, contributing to our capacity to continue investing.

The CEFC also maintains a strong focus on capital deployment, which is essential to accelerating the delivery of emissions reduction activities. Lifetime deployment reached \$8.48 billion to 31 December 2021, underscoring the impact of clean energy investment on economic activity.

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We’re an active investor in net zero emissions, with access to some \$4.6 billion for ongoing investment. Our rigorous investment approach, and our focus on delivering a positive return for taxpayers across our portfolio, means we are extending our investment impact well beyond our original \$10 billion allocation, supporting continued investing in emissions reduction.

Ian Learmonth
CEO, CEFC





Investment update July–December 2021

The CEFC was particularly active in the six months to December 2021, with new investment commitments of almost \$1 billion across 20 transactions.

New investment commitments included our single largest investment to date by finance committed, with \$295 million in the EnergyConnect 900 kilometre grid infrastructure project. We also made one of our largest ever investment commitments by projected emissions abated, with \$25 million committed to Orica for the transformation of its emissions-intensive chemical manufacturing processes at its Kooragang Island plant.

A particular highlight of the period saw the Clean Energy Innovation Fund make investment commitments of \$30 million across 13 transactions, almost matching the \$32 million invested in the previous 12 months.

From a technology perspective, CEFC investment commitments in the period to December 2021 saw us maintain our strong focus on low emissions electricity, with \$501.4 million in new commitments to renewable energy projects. We committed a further \$160.8 million to energy efficiency undertakings, including in infrastructure, property and transport. An additional \$281.5 million in CEFC finance was committed to activities featuring low emissions technologies.

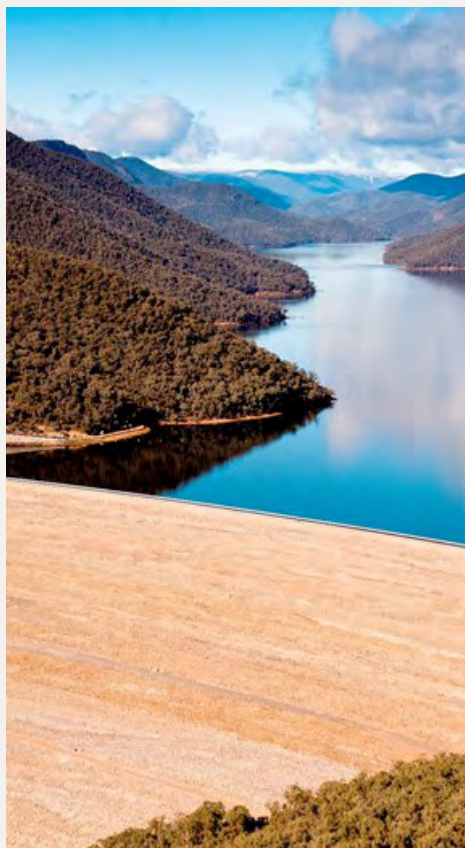
Over the six-month period, the CEFC deployed a record \$1.1 billion capital across the economy, a direct contribution to economic activity. An additional \$313 million in CEFC finance was repaid or returned, to be available for reinvestment.

Lifetime investment highlights

	2020–21	July–Dec 2021	Lifetime
CEFC commitments	\$1.37b	\$944m	\$10.31b
Transactions financed	22	20	~250
Transaction value	\$5.05b	\$3.94b	\$36.50b
Leverage	\$2.70: \$1.00	\$3.16: \$1.00	\$2.50: \$1.00
Capital deployed	\$1.35b	\$1.10b	\$8.48b
Capital repaid/returned	\$822.8m	\$312.8m	\$2.80b

Transaction highlights

July–December 2021



EnergyConnect Delivering a stronger, greener grid

\$295m

CEFC commitment

Lumea, part of TransGrid, is developing essential grid infrastructure to unlock as much as 1,800 MW of renewable energy generation across SA, NSW and Victoria. EnergyConnect will also enhance grid security and accelerate the decarbonisation of the National Electricity Market. The 900 kilometre transmission development, connecting the energy grids of NSW and SA, with an additional link to Victoria, is the single largest investment by the CEFC.



Zenobe and Transgrid Australia's first electrified bus fleet

\$24.5m

CEFC commitment

The NSW bus fleet is getting a clean, green makeover with 40 electric buses replacing internal combustion engine vehicles supported by battery storage and EV charging infrastructure at the Leichhardt bus depot in Sydney. The project will see the Leichhardt bus depot become Australia's first fully integrated electric bus depot, with the installation of on-site charging equipment, battery storage, renewable energy and grid support services.



Xpansiv Trading for a greener future platform

\$20m

CEFC commitment

The Xpansiv global marketplace for ESG commodities is leading the way as commodity markets adapt to meet ambitious sustainability goals, providing a voluntary carbon trading platform for buyers and sellers. The Xpansiv centralised platform supports trade in ESG-inclusive commodities, providing Australian and global corporates with access to some \$10 billion in registered assets, including carbon offsets, renewable energy certificates and differentiated fuels.



Blue Grass Solar Farm
Innovation aims for
ultra low cost solar

\$37m

CEFC commitment

The 200MWp Blue Grass Solar Farm in Queensland will feature the latest high performance solar technology. Its 375,000 bifacial solar panels have an increased generation capacity compared with existing panels. The smaller half-cut cells, at half the normal size, reduce power loss and improve efficiency, increasing energy production. With this investment, the CEFC has backed 32 large-scale solar farms since it began investing.

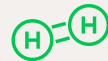


Orica
Transforming chemical
manufacturing

\$25m

CEFC commitment

Orica is upgrading processing plants used in the production of ammonium nitrate with technology designed to abate nitrous oxide emissions. Tertiary nitrous oxide abatement technology will be installed in three nitric acid plants, the first time the technology has been used in Australia. This project, the first CEFC direct investment in the manufacturing sector, is also one of the largest single abatement projects financed by the CEFC.



Ark Energy
Hydrogen powered
trucks

\$12.5m

CEFC commitment

Ark Energy is developing the SunHQ H2 hydrogen hub in Townsville, to support the construction of hydrogen production and refuelling infrastructure for the Sun Metals zinc refinery. Green hydrogen produced from an electrolyser powered by the Sun Metals solar farm will power five purpose-built, zero emissions ultra-heavy duty Hyzon hydrogen trucks. This is the first investment commitment through the Advancing Hydrogen Fund.

Cleantech innovators attract strong market backing

The Clean Energy Innovation Fund is well established as Australia's largest dedicated cleantech investor, with lifetime investment commitments of almost \$150 million in cleantech companies to 31 December 2021.

This includes direct investments in 21 companies and indirect investments in some 100 additional companies via three cleantech accelerator and incubator programs. Significantly, each dollar of Innovation Fund capital has attracted an additional \$3.07 in private sector investment, delivering lifetime total transaction value of almost \$580 million to 31 December 2021.

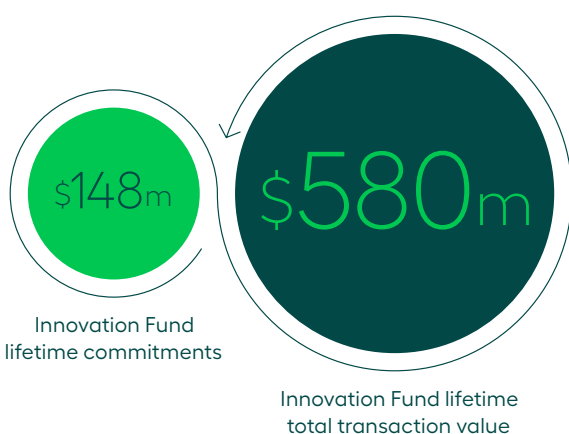
The Clean Energy Innovation Fund had a particularly strong performance in the six months to December 2021, with investment commitments of \$30 million across 13 transactions, almost matching the \$32 million invested in the previous 12 months.

New investments saw four companies added to the CEFC cleantech portfolio, including hydrogen electrolyser technology and plastics recycling. The Fund also completed nine follow-on investments, where CEFC capital is backing the continued growth of companies in Australia's exciting cleantech sector.



Innovation Fund	2020–21	July–Dec 2021	Lifetime
Commitments	\$31.9m	\$30.3m	\$147.9m
Transactions financed	11	13	44
Transaction value	\$117m	\$171.7m	\$579.9m
Leverage	\$2.50: \$1.00	\$4.66: \$1.00	~\$3.07: \$1.00
Capital deployed	\$34.7m	\$32.0m	\$134.0m
Capital repaid/returned	\$0.4m	\$0.0m	\$14.0m

*Innovation Fund commitments are also reflected in total CEFC investment commitment figures





Transaction highlights

July–December 2021

All G Foods

Plant proteins power delicious meals

\$5m

Innovation Fund investment



All G Foods is providing low carbon alternatives with its Australian-made plant-based burgers and alternative proteins. Other products under development include plant-based mince and sausages, as well as chicken and bacon alternatives. Growing awareness about the health and environmental impacts of meat consumption has led one in three Australians to introduce meat alternatives into their diet.

Zoomo

World leader in e-bike revolution

\$14.2m

Innovation Fund investment



Zoomo is at the forefront of the electrification of light vehicle transport, including e-bikes, e-cargo carriers and e-mopeds. Its globally unique one-stop shop of fleet management and delivery solutions integrates vehicles, software, servicing and finance to provide an innovative end-to-end platform. We have supported Zoomo through three capital raisings.

Novalith

Commercialising lithium processing

\$1.5m

Innovation Fund investment



Australian climate technology start-up Novalith has developed an innovative process for extracting lithium, using carbon dioxide as a reagent to reduce emissions, replacing conventionally consumed chemical use. The Novalith approach also negates the need for extensive offshore processing, enabling Australian-produced lithium ore to be processed closer to mine sites, further strengthening the sustainability of the supply chain.

Rising to the investment challenge to achieve net zero emissions

The CEFC has an important role in anticipating and responding to market conditions. This includes developing new markets, building investor confidence and crafting tailored and innovative investment products.

As we look to the future, the CEFC is pursuing a strong pipeline of investment opportunities, bringing new technologies and innovation to the challenge of emissions. We are confident these investments will make a positive contribution to the delivery of Australian Government policy outcomes, including supporting the development and commercialisation of priority low emission technologies.

In filling market gaps where the private sector is absent, the CEFC will continue to help position Australia to take advantage of the economic potential of the low emissions economy of the future.

Despite the strength of investment commitments, the CEFC recognises they must be viewed in the context of the emissions challenge ahead. As discussed at the Glasgow COP26 meeting, immediate and large-scale action is required in order to achieve net zero emissions by 2050. This requires the sustained efforts of industry, investors, governments and regulators, with the CEFC committed to playing a leading role through its investment activities.

Just as CEFC capital and expertise has helped transform Australia's renewable energy sector, the CEFC is positioned to forge into new areas in the years ahead, decarbonising even the hardest sectors of our economy, whether in energy, industry, transport, infrastructure or agriculture.

With the continued backing of the Australian Government, we will maintain our clear focus on cutting emissions through our investments in renewable energy, energy efficiency and low emissions technologies. In looking for opportunities that are solely or mainly Australian-based, we are committed to investing in businesses and projects that develop, commercialise, supply or use these technologies, which will play a vital role in our transition to net zero emissions.





Investing in clean energy technologies



Renewable energy

\$5.78b



Energy efficiency

\$3.77b



Low emissions technologies

\$764m

Lifetime investment commitments to 31 December 2021



About the CEFC

The CEFC has a unique mission to accelerate investment in Australia's transition to net zero emissions. We invest to lead the market, operating with commercial rigour to address some of Australia's toughest emissions challenges. We're working with our co-investors across renewable energy generation and energy storage, as well as agriculture, infrastructure, property, transport and waste. Through the Advancing Hydrogen Fund, we're supporting the growth of a clean, innovative, safe and competitive hydrogen industry. And as Australia's largest dedicated cleantech investor, we continue to back cleantech entrepreneurs through the Clean Energy Innovation Fund. With \$10 billion to invest on behalf of the Australian Government, we work to deliver a positive return for taxpayers across our portfolio.