

\$13.2b

Lifetime investment
commitments

Investing in our net zero future



On behalf of everyone at the CEFC, I am pleased to share our latest Investment update, for the first half of the 2023-24 year.

As we know, we are well into the critical decade for action to avoid the worst outcomes of global warming. This makes new investment in our net zero transition all the more critical – whether it is in backing record-breaking renewable energy generation, sustainability advances in property and resources, or accelerating the progress of our innovative climate tech businesses.

And with global emissions reduction targets under pressure, we must continue to build on this investment year on year if we are to achieve our emissions reduction goals. This urgency continues to drive CEFC activities, with lifetime investment commitments reaching \$13.2 billion at 31 December 2023. You will find more detail enclosed.

As ever, we benefit from the support and co-investment of all our stakeholders and extend our appreciation to you.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Ian Learmonth', written over a white background.

Ian Learmonth
CEFC CEO



Bridging market gaps

The CEFC made investment commitments of almost \$510 million in the six months to 31 December 2023, including nine new transactions and 14 follow-on or increased investments.

Together with our co-investors, these transactions are expected to drive new investment in our net zero transition of \$3.3 billion.

While challenging conditions slowed the scale and pace of new CEFC investment commitments in the most recent six months, we are pleased to report that each \$1.00 of CEFC capital in the six-month period attracted an additional \$5.58 from the private sector. This is an important demonstration of the role of CEFC capital in bridging market gaps and driving investment where private capital is not available, or the available capital is at insufficient scale.

We also continued our strong focus on capital deployment to underpin project delivery. This saw capital deployment for the six months reach \$596 million, almost two thirds of the \$929 million deployed in the previous full financial year, and taking lifetime deployment to \$10.7 billion.

Highlights

July to December 2023

\$100m

CEFC commitment

in the first CEFC investment via the **Rewiring the Nation Fund**, to support the delivery of substantial renewable generation, long duration storage and grid infrastructure as part of the ambitious NSW Electricity Infrastructure Roadmap.

\$99m

CEFC commitment

to support the construction of 203 MW of renewable energy generation and 238.5 MW / 477 MWh of battery storage at the **Neoen SA Goyder Renewables Zone**, to provide firm green power to the Olympic Dam mining operation.

\$75m

CEFC commitment

in the **Australia New Zealand Landscapes and Forestry Fund**, targeting carbon abatement of one million tonnes over the next decade, supporting the development of new plantations, improvements to existing plantations and related agriculture and downstream timber processing opportunities.

\$50m

CEFC commitment

in new investments across our **climate tech portfolio**, confirming our leading role as a specialist venture capital investor, with lifetime commitments of almost \$262 million across more than 60 transactions.



Market leadership

The CEFC invests at the vanguard of Australia's clean energy transition, with a clear role to fill market gaps and collaborate with investors, innovators and industry leaders to spur substantial investment where it will have the greatest impact. This requires deep sector experience, investment expertise and portfolio strength.

We recognise that economy-wide decarbonisation starts with the energy sector, underscoring the importance of our investments in building the transmission, renewable energy, energy storage and alternative fuels of the future.

We also recognise that economy-wide decarbonisation extends beyond the electricity sector, with substantial opportunities across multiple industry sectors – from the way we travel, build, manufacture and farm. This means we are backing economic opportunities of the future, from innovative climate tech to resources, alternative fuels and beyond.

In operating within the parameters of the CEFC Act and Investment Mandate Direction, we seek to anticipate and respond to the environment and market conditions in which we operate. This means retreating where the private sector is operating effectively, and stepping up our investment activity to fill market gaps where the private sector is absent.

Highlights

Lifetime to December 2023



CEFC lifetime investment commitments reached \$13.2 billion at 31 December 2023, across more than 320 large-scale transactions.



Together with our co-investors, these transactions are expected to drive \$52.1 billion in critical investment in Australia's net zero transition, with each \$1.00 of CEFC capital invested attracting an additional \$2.93 from the private sector.



The commercial rigour of CEFC investment decisions is reflected in the \$4.7 billion received in repayments and returns on CEFC investments to 31 December 2023, with this capital available for re-investment.



With Australia committed to achieving 82 per cent renewable energy by 2030, we are pleased to report lifetime commitments of \$7.4 billion across renewable energy, battery storage and critical grid and transmission infrastructure developments.



Through our discounted green finance programs, we continue to back smaller-scale investments across agriculture, business, industry and property, as well as in electric vehicles. More than 62,000 loans have been issued through these programs to 31 December 2023, delivering \$2.2 billion in CEFC and private-sector capital to emissions reduction.



Investment outlook

The Australian market continues to experience challenging conditions, such as those created by geopolitical turbulence, interest rates changes, cost inflation and ongoing supply chain disruptions.

Investment trends are by their very nature cyclical, and we expect market activity to pick up as the year progresses, leading to the completion of a number of new CEFC transactions.

This is likely to include new investments in renewable energy and large-scale storage, as well as electric vehicles and energy efficiency in the built environment, drawing on the CEFC general fund.

We are also progressing transactions via the \$19 billion Rewiring the Nation Fund, to back essential transmission infrastructure; the \$1 billion Household Energy Upgrades Fund, to provide discounted consumer finance to fast track sustainability improvements in existing homes and the \$500 million Powering Australia Technology Fund, backing climate tech businesses and solutions.

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About the CEFC

The CEFC is an experienced specialist investor with a deep sense of purpose: we're Australia's 'green bank', investing in our transition to net zero emissions by 2050. With access to more than \$30 billion from the Australian Government, we're backing economy-wide decarbonisation, from renewable energy and natural capital to energy efficiency, alternative fuels and low carbon materials. In parallel, we're focused on transforming our energy grid, backing sustainable housing and supporting the growth of our climate tech innovators. We collaborate with co-investors, industry and government, recognising the urgency of the decarbonisation task. We also invest with commercial rigour, aiming to deliver a positive return across our portfolio.