

Delivering high impact benefits to Australia

CEFC Investment Update July - December 2025



\$6.1b

Investment commitments
1 July to 31 December 2025

Record investments deliver diverse benefits in the net zero economy



The CEFC has a clear purpose: “to facilitate increased flows of finance into the clean energy sector and to facilitate the achievement of Australia’s greenhouse gas emissions reduction targets.” Our activity during the six months to December 2025 demonstrates why the CEFC is a critical lever in Australia’s race to net zero.

Diverse impact

The CEFC works right across the economy to accelerate decarbonisation. The scale of our investments was notable in the first half-year with record investment commitments of just over \$6 billion, including our largest investment to date: the visionary Marinus Link project, a vital part of Australia’s clean energy infrastructure of the 21st century. We also continue to invest in the build-out of crucial large-scale renewable generation, while supporting the addition of large-scale batteries to better harness these assets. New CEFC commitments are providing momentum for net zero ambitions in natural capital, working alongside First Nations communities in the Tiwi Islands. We also invested in transport, infrastructure and property, as well as backing Australia’s exciting climate tech innovators with early stage capital.

Diverse benefits

A diverse range of Australians are benefiting from the capital that the CEFC provides. While we have a long history of working with institutional investors, we are seeing more CEFC concessional finance flow to Australian households, via the Household Energy Upgrades Fund™, and to businesses, for rooftop solar, battery storage and electric vehicles.

Australian farmers are benefiting from improved farm productivity and resilience, thanks to CEFC capital. Farmers can access financing for land-based carbon reduction such as forestry and sustainable agriculture, recognising the significant opportunities to leverage natural capital in meeting our net zero goals.

Diverse scale

The CEFC is operating in many parts of the market, covering transactions across debt and equity and with commitments of varying sizes. In the reporting period, we made investment commitments for new transactions that ranged from \$7 million to an expected \$3.8 billion. This reflects the wide range of projects that seek catalytic climate-related finance to deliver innovation, build key infrastructure, scale up new technologies and crowd in more private capital.

Ian Learmonth
Chief Executive Officer, CEFC

Investment overview: Jul - Dec 2025

While the latter half of 2025 continued to demonstrate geopolitical uncertainty, we also continued to see consensus and collaboration around climate action. This was a major theme at COP30 in November 2025, where member countries agreed on the importance of mobilising \$1.3 trillion annually by 2035 for climate action. This is a strong endorsement of the critical role that capital needs to play to implement the Paris Agreement.

In the reporting period, the Australian Government provided further certainty for the climate transition by setting a 2035 emissions reduction target of 62-70 per cent below 2005 levels. The ambition of these targets highlights the urgency of the task ahead and drives momentum for market participants.

The CEFC is helping Australia to reach these targets. From transmission infrastructure to large-scale renewable assets, CEFC capital has financed the transition by committing a record \$6.1 billion, across 19 new and 7 follow-on transactions, in the period. We also recouped \$785 million of capital through sales and repayments of investments during the six month period, contributing to a total of \$6.7 billion, recouped over the lifetime of the CEFC.

The CEFC continues to catalyse finance in Australia's clean energy transition and since inception each dollar of CEFC capital has attracted an additional \$2.99 from co-investors. While the leverage figure for the reporting period is comparatively lower, it reflects the significant size of the Rewiring the Nation (RTN) Fund commitment to Marinus Link, where the CEFC took a large position to support this transformative project.

Investment snapshot

1 July 2025 to 31 December 2025

\$6.1b

CEFC commitments

\$12b

Total transaction value

26

Transactions

\$0.97:\$1.00

Capital leverage

Lifetime to 31 December 2025

\$24.2b

CEFC commitments

\$97b

Total transaction value

>420

Transactions

\$2.99:\$1.00

Capital leverage

Economy-wide decarbonisation

CEFC investments address market gaps, crowd in new sources of capital and demonstrate the benefits of investing through the lens of achieving emissions reduction and decarbonisation outcomes.



The **Rewiring the Nation Fund** made investment commitments across three transactions, including the CEFC's largest transaction in its history – an expected \$3.8 billion for Marinus Link - as part of its mandate to modernise the nation's electricity grid infrastructure and facilitate connection of low cost renewables to homes and businesses.



The CEFC **Renewables** team played a key role in breaking the 'wind drought' in 2025. There were no investments in new, large-scale wind projects in Australia until December, when the CEFC made senior debt investment commitments totalling \$247 million, helping to catalyse three wind farms which have now commenced construction.



The **General Portfolio** made investment commitments of \$877 million, with a total project value of \$5.5 billion. Investments covered a diverse range of projects including renewables, energy efficiency, natural capital, electric vehicles and building electrification.



The number of loans made under the the **Household Energy Upgrades Fund™** more than doubled between the first and second halves of 2025, up by 158 per cent. More than 4,100 loans have been made and over 10,000 technology installations completed since the Fund was launched.



The **Powering Technology Australia Fund** made \$38 million of investment commitments across four new and follow-on transactions. These investments provide early stage capital to innovative climate tech businesses, from agricultural technology to behind-the-meter solar and battery solutions.



Transaction highlights

CEFC investments in the July – December 2025 period highlight the diverse nature and impacts of our investments, which are delivering on economy-wide decarbonisation. Below, we spotlight three transactions.

First Nations collaboration in the Tiwi Islands

The CEFC is proud to be playing a role in an innovative First Nations-led project, which is set to become one of Australia's largest nature-based carbon initiatives. The CEFC is investing up to \$40 million, alongside River Capital, into the project which is owned by the Tiwi Plantations Corporation – a collaboration among all eight Tiwi clans.

Designed to generate high-integrity Australian Carbon Credit Units (ACCU) and high-quality timber, the landmark project will plant 30,000 hectares of native *Eucalyptus pellita* trees, which are projected to generate around 5 million nature-based ACCU¹ under the Plantation Forestry method over the life of the plantation. At the same time, local ownership and involvement aims to foster greater economic equity in the energy transition, while training programs and new employment pathways can provide long-term opportunities for future generations within the Tiwi community.

Marinus Link: crossing oceans, sharing energy

The CEFC commitment to Marinus Link - our largest transaction to date - provides crucial support for this nation-building project. By connecting Victoria and Tasmania with undersea and underground electricity and data cables, the interconnector will support the two-way exchange of Tasmania's vast hydropower and wind developments with the excess solar and wind generated from abundant renewable energy assets in Victoria and NSW.

The CEFC's long-term concessional debt finance is part of a broader funding package that includes equity investment from the Australian, Tasmanian and Victorian Governments, as co-owners of Marinus Link. The ability to access the concessional loan through the CEFC will reduce the impact of transmission-related consumer costs by 45 per cent.²

Driving decarbonisation on our highways

The CEFC committed \$70 million to Volvo Group to address transport-related emissions by accelerating the electrification of the nation's trucking fleet. The CEFC finance, which targets heavy duty battery electric trucks (HD BETs), aims to make the transition more affordable by offering eligible Volvo customers a discounted rate to lease medium and HD BETs and install electric vehicle charging infrastructure.

Importantly, the financing also supports an innovative residual value (RV) support mechanism to reduce operating lease costs. The program aims to reduce the current significant cost premium for BET operators by increasing their RV and bringing them into line with equivalent internal combustion engine models. Sharing the risk aligns lenders, manufacturers and end customers in building momentum to help decarbonise the transport sector.

1. Internal CEFC analysis using FullCAM, 2024

2. Analysis based on data in the relevant AER application

Over the horizon

As market leaders, an important role for the CEFC is sharing our insights and accelerating investment in the transition to a net zero economy. In the reporting period, we launched three landmark reports on emerging opportunities in the energy transition.



Getting the balance right: data centre growth and the energy transition

Australian data centres are expected to grow fourfold within a decade and could represent up to 11 per cent of the nation's total electricity consumption by 2035, up from about one per cent in 2025. In this context, powering data centres with renewable energy is critical for meeting energy needs while managing both the financial and environmental costs. The report was compiled for the CEFC by global management consultant Baringa.



Refined Ambitions: Exploring Australia's low carbon liquid fuel potential

This is a landmark report from the CEFC and Deloitte, showing how Australia can develop a \$36 billion industry as part of our net zero future. It finds that developing a competitive low carbon liquid fuels industry is central to the achievement of our net zero emissions ambitions, and also offers enormous economic and industry benefits.



Common user transmission and decarbonising Pilbara energy demand

This report was developed by Marsden Jacob Associates for the CEFC and assesses the impacts and benefits of building common user transmission infrastructure in the Pilbara. The analysis finds that this approach could reduce environmental impact by preventing unnecessary infrastructure duplication. Moreover, it could enable access to diverse renewable energy sources, support energy security and reliability and reduce the impact of industry on the environment.

About the CEFC

The CEFC is Australia's specialist climate investor, helping cut emissions in the race towards net zero by 2050. We invest in the latest technologies to generate, store, manage and transmit clean energy. Our discounted asset finance programs help put more Australians on the path to sustainability, in their homes and on the road. CEFC capital is also backing the net zero transformation of our natural capital, infrastructure, property and resources sectors, while providing critical capital for the emerging climate tech businesses of tomorrow. With access to more than \$33 billion from the Australian Government, the CEFC invests with commercial rigour and is governed by an independent board.

Acknowledgement of Country

The CEFC acknowledges the Traditional Owners and Custodians of this land, and we pay our respects to all Elders, past and present.

We recognise their continuing connections to country, water and culture.

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