

Press release



AUSTRALIAN
BUSINESS
GROWTH
FUND

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The Australian Business Growth Fund announces inaugural investment

The Australian Business Growth Fund (ABGF) is pleased to announce its inaugural investment. The fund, which is focused on providing growth capital to Australian SMEs, will invest \$15 million into 3ME Technology, an innovator in battery systems for heavy industry vehicles.

It's a move that's expected to see 3ME Technology, a global leader in innovation from regional NSW, triple its business in the next five years - creating jobs, increasing export opportunities, and supporting the Australian economy.

ABGF launched last year with a unique profit-for-purpose investment model intended to fuel the growth of the Australian SME sector. It was founded with initial capital of \$540 million as a public-private partnership between the Federal Government and six leading banks in Australia.

ABGF plays a vital role in filling the gap between late-stage venture capital (VC) and larger buyout funds. The primary purpose of ABGF is to support SMEs by connecting them to capital, expertise and wider local and international networks. The intent is to fuel business success during opportune times of growth, while ensuring the original founders retain control of the business.

Based in NSW's Hunter region, 3ME Technology is a world leading innovator with over 15 years of experience in the development of electric vehicle systems and safe, high-performance lithium-ion battery systems. The company is an advanced manufacturing designer and integrator of large-format battery electric systems for mining, defence, marine and aerospace applications.

With ABGF's support, 3ME Technology will expand its operations to meet a significant forward order schedule for the retrofit electrification of heavy vehicle fleets in the Australian mining sector. The investment will also contribute to further develop the sovereign manufacturing of innovative high-performance battery technology and e-mobility systems.

3ME Technology's expansion signals the strong demand for the electrification of typically diesel-powered heavy vehicles, particularly in underground mining. It will also deliver significant job creation in the NSW Hunter region, increase export opportunities, improve underground safety, lower emissions, and reduce maintenance costs for Australian industry who wish to embrace electrification in special purpose vehicle applications.

Anthony Healy, Chief Executive Officer of ABGF, said: "We're delighted to make this announcement. Now more than ever, it's imperative we provide capital opportunities for SMEs and provide a platform for them to thrive. We'll continue to support this sector in our key national industries, to rebuild our post-COVID economy, create jobs and secure Australia's future.

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"Not only do we provide minority-only, patient growth capital that allows owners and founders to retain control of what they've built, we're an active investor. We provide SMEs with ongoing expertise and access to elite level business advisors to help them achieve their growth aspirations.

"3ME Technology is a perfect example of the type of Australian business we want to invest in. Companies that show high potential for growth, are innovative, future focused and provide a clear point of difference in their industry. Our investment will further Australian manufacturing capabilities in the Hunter region of regional New South Wales."

Justin Bain, Chief Executive Officer at 3ME Technology said: "3ME Technology is working with other Australian businesses to create a domestic electric heavy vehicle industry. We are delighted to have the support of ABGF. This funding allows us to further scale up production, invest in the on-shoring of battery component manufacturing capabilities, and continue our expansion into adjacent industries including defence. We will create more regional jobs by focusing on a specific market segment in those tough Australian industries like mining and defence with high safety and operating demands.

"Adding an ABGF representative to the 3ME Technology board will also broaden our access to business networks and strategic advice. This combined offering will accelerate Australia's sovereign onshore battery manufacturing."

Mike Baird, Chair of ABGF, said: "SMEs are the backbone of our economy and essential for our nation's growth. We look forward to supporting more Australian businesses that will play an important role in our economic recovery and stimulate our key national industries."

ABGF was founded on a model that was established over ten years ago in the UK to drive economic recovery and long-term growth as their economy emerged from the Global Financial Crisis. Since then, the Business Growth Fund in the UK (BGF UK) has invested £2.7 billion pounds in over 400 companies.

Healy further adds: "ABGF leverages a proven investment model that has generated hundreds of successful growth outcomes for businesses in the UK and Canada. We are actively looking for growing, profitable businesses with over \$2million in revenue and a proven business model to help their success."

ABGF will invest \$15 million in 3ME Technology. This inaugural investment was led by Patrick Verlaire, Co-Head of Investments. The Clean Energy Finance Corporation (CEFC) will also invest \$5 million in 3ME Technology.

For more information on ABGF, visit <https://www.abgf.com.au/>
For more information on 3ME, visit <https://3me.technology/>

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Additional information:

About ABGF

ABGF was founded with initial capital of \$540 million as a public-private partnership between the Federal Government and six leading banks. The fund operates commercially and makes investment decisions independently of its shareholders.

ABGF was set up to act as a catalyst for growth in the Australian SME sector by connecting founders and entrepreneurs to the capital, expertise and wider networks they need to succeed.

The fund bridges the gap between late-stage venture capital and private equity. It provides minority-only, patient growth capital that allows owners and founders to retain control of what they've built whilst leveraging the fund's capital and expertise in achieving their growth aspirations.

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ABGF key advisors in the deal include Legal Vision, ACOTA and Magpie Advisory.

About 3ME Technology

3ME Technology's vision is to create cleantech for the highest, deepest and toughest endeavours.

The Company powers its global partners to operate smarter, safer and more sustainably.

3ME Technology designs and supplies safe, large-format battery systems for vehicles used in industries with challenging safety, certification and operating demands such as mining, military and marine.

3ME Technology is partnering with Original Equipment Manufacturers (OEM) in vehicle electrification, including through retrofitting larger tonnage diesel mining equipment to battery electric, as well as producing fully integrated prototypes, such as the Bortana EV mining utility vehicle.

3ME Technology's proprietary BLADEVOLT® battery system (BLADEVOLT®) is purpose-built for mission-critical and heavy-duty applications. The BLADEVOLT® is a modular and scalable, large-format battery system that removes the threat of lithium-ion battery fire.

The BLADEVOLT®'s modular design means it is highly serviceable and maintainable in austere environments. When combined with 3ME Technology's Battery Systems Operation Centre (BSOC) which provides remote monitoring and predictive fault identification, the BLADEVOLT® simplifies battery-electric fleet maintenance.

As a technology leader focused on decarbonising the Australian mining industry, 3ME Technology's expertise includes battery system design and assembly; design of smart battery management systems (BMS) that enables remote monitoring via 3ME Technology's BSOC; design and supply of vehicle control unit (VCU) software and hardware engine packages; and EV power electronics design and supply.

Earlier this year, 3ME Tech successfully demonstrated the TRITEV, in collaboration with Batt Mobile Equipment, being the first Australian-developed fully operational battery electric retrofit 20-tonne loader suitable for deployment into underground hard rock mines. 3ME Tech has continued to rapidly accelerate its supply to the resources sector and is also progressing towards technology deployment into underground hazardous area mines.

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Key advisors

3ME Technology was advised by Sydney-based mid-market financial advisory firm, VCF Capital Partners and legal services were provided by KPMG Law.

About the CEFC

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

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