

# VC dollars flow for Aussie climate tech

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Exclusive

A new Australian venture capital firm, claiming to be the country's first focused entirely on funding start-ups in hardware advanced manufacturing, has closed the first \$15 million tranche of a planned \$30 million, and led the funding of a Brisbane-based clean energy firm.

Melt Ventures is managed by the chair of ASX-listed Camplify, Trent Bagnall – who is familiar to the Australian start-up scene as the founder of Slingshot Accelerator – and angel investor Steph Hinds.

It has raised its initial funds from family offices and entrepreneurs – including Camplify founder Justin Hales; the founder of recently sold tech firm Pegasus, Adam Boyle; and software firm Portt's co-chief executive Andre Pinkowski – and is targeting \$30 million by the end of the financial year.

Its initial three investments are in companies working on clean energy products: MGA Thermal; Allegro Energy; and Endua, a hydrogen generation and storage technology maker that has banked \$11.8 million in external funding.

Mr Bagnall said in researching the market, Melt Ventures found that of the 106 early-stage funds in Australia, 103 were dedicated to software and none were dedicated to hardware start-ups.

“Despite the current markets that traditional SaaS [software as a service] VCs are operating in, we are seeing high-quality deal flow in advanced manufacturing and climate-tech companies, with great founders remaining on the lookout for investment,” Mr Bagnall said.

“We officially announced Melt Ventures in December 2022. We've seen a

real appetite from investors [for] high-growth companies in the advanced manufacturing sector, including clean technologies such as renewable energy and storage, automation and robotics, agriculture and transport, as well as advanced materials and space.”

Endua is based in Brisbane and has developed a way to store renewable energy using modular hydrogen power banks. It says these can store renewable energy as hydrogen, before converting it back to electricity by fuel cells, and can drive power loads of up to 100kW in a single module – enough to power a water pump, farm shed or standalone telecom infrastructure.

Endua's funding comprised a \$7.5 million equity round, which included money from Queensland Investment

Corporation, 77 Partners, the CSIRO's Main Sequence Ventures and transport fuel company Ampol.

It has also received \$4.3 million in grants, including the Entrepreneurs' Programme Accelerating Commercialisation Grant, the Co-operative Research Centres Project, and the Advanced Manufacturing Growth Centre Grant.

“The climate tech sector has garnered increased attention and support in recent years. The global transition toward cleaner and more sustainable energy sources has created an environment that is more receptive to breakthrough solutions like ours,” Endua's founder and chief executive Paul Sernia said when asked about the challenge of raising capital in the current market.

“Green hydrogen is a relatively new clean energy source with the potential to become an unrivalled tool to replace fossil fuels in those sectors that are more difficult to decarbonise. As a result, these technologies are increasingly garnering interest from investors.”

Mr Sernia said that by storing excess renewable energy in the form of hydro-

gen, Endua's solutions provided a means to overcome the intermittency challenges of renewable sources.

Users can tap into their stored energy during periods of high demand or when renewable energy generation is insufficient, reducing reliance on traditional power grids.



Trent Bagnall of Melt Ventures.



Endua's founder and CEO Paul Sernia.