

21/05/2018

1414 Degrees in talks to commercialise technology via JVs - chairman Proprietary Intelligence**Story**

1414 Degrees, an Australian silicon energy storage device maker, is currently in talks with potential joint venture (JV) partners to make its technology marketable, Executive Chairman Dr Kevin Moriarty said.

The company has received interest from domestic players as well as those based in Switzerland, the UK, and US, he said. He cited poultry producers or property developers as potential partners that could bring financial backing and skill, while 1414 Degrees could provide its tech.

The Adelaide-based firm has been talking with potential partners to create special purpose vehicles (SPVs) or JVs to tap into the commercial value of its technology, Moriarty said. These projects could be worth millions or even billions of AUD, and 1414 Degrees currently does not want to take those into its balance sheet, he said, adding that creating SPVs or JVs would allow it to run them separately, he said.

The chairman noted that 1414 Degrees has been in talks for JVs for some time but those haven't matured as it first needs to test its 200 MWh module. The company has invested AUD 15m so far to develop its technology since inception, according to its website.

The ownership structure of these ventures will depend on discussions but 1414 Degrees would like to maintain control, Moriarty said. These JVs could include two or three parties but an agreement would allow one participant that injects most "risk capital" to access more revenue streams, the chairman noted. This model is common in mining, he continued.

1414 Degrees, established a decade ago, patented Thermal Energy Storage System (TESS) that uses electricity from source such as a grid or renewables, and stores it as latent heat in molten silicon at 1414 degree celsius. The energy can be held in special containers, according to its website.

The alternative energy storage provider is offering a new technology and there are no direct competitors in the market, according to the chairman. However, there are different storage solutions, including pumped hydroelectric or hard rock storage, he said, adding that lithium and flow batteries are also used but these are more expensive and not scalable.

1414 Degrees seeks to raise as much as AUD 50m (USD 37.2m) via an initial public offering, according to a prospectus lodged with the Australian Securities and Investment Commission in April this year. **Taylor Collison** is acting as lead manager to the offer.

The capital raised will be used to build four pilot projects to prove its technology. It will also look to hire a strong internal financial team to work on future partnerships, Moriarty noted.

The current key shareholders of the company are investors Harold Tomblin & Judith Johnston, who will have a 6.09% on completion of the offer. Moriarty currently holds a 9.8% stake in the company, according to its prospectus.

by Gabriele Rutkauskaite

Source Proprietary Intelligence
Value GBP 28m (expected IPO raise)
Stake Value more than 30% inclusive

Target	1414 Degrees Limited
TS DS	
Financial advisor	Taylor Collison
Sectors	Energy Industrial: Electronics
SubSectors	Batteries and Power supplies Alternative energy Energy conservation related
Topics	Joint Ventures/Partnerships
Intel Type	Companies for sale Cross Border IPO
Countries	Australia Switzerland United Kingdom USA
Intel. Grade	Confirmed
Intelligence ID	2641939