



27 July 2022

ASX: 14D

## June 2022 Quarterly Activity Report & Appendix 4C

### Highlights:

- Completed SiBox demonstration module detailed design, design review and external validation modelling.
- Finalised SiBox demonstration module major equipment specifications and received milestone approvals from Woodside Energy Technology, enabling procurement to be completed and fabrication and development activities to progress, on track for construction later this year.
- Executed agreements with Vast Solar to create a joint venture at our Aurora Energy Project by way of a sale of 50% of the shares in SiliconAurora Pty Ltd for \$2.5 million. This transaction will help progress the Stage 1 140 MWH (1-2hr) battery towards a final investment decision in 2023.
- Commenced the Generator Performance Standard (GPS) study for the Stage 1 140 MW (1-2 hr) Battery at the Aurora Energy Project. This is the primary activity remaining in order to negotiate a Transmission Connection Agreement and be approved to connect to the National Electricity Market.
- Appointed two independent, non-executive Directors, Ms Sheree Ford and Ms Alison Evans to the Board of 1414 Degrees, adding corporate and commercial expertise and experience.
- Mr Matthew Squire tendered his resignation as the Company's Chief Executive Officer for personal reasons, finishing on 30 June.

1414 Degrees Limited (ASX: 14D) provides the following activity report and Appendix 4C for the period ending 30 June 2022.

### Silicon based Renewable Energy Storage technology / SiBox Demonstration Module project

The SiBox demonstration module project has seen significant progress by the engineering team this quarter and remains on track for construction later this year. Milestone 4 (detailed design and design review) was completed and approved by Woodside Energy Technology. Major equipment selection is largely complete with fabrication in progress on key items including the SiBox furnace, energy recovery system heat exchanger, energy recovery system circulation and exhaust fans, air flow path components. All major equipment is scheduled to arrive on site over the next quarter ready for construction and commissioning of the SiBox demonstration module.

All phase change material (PCM) for the storage media has now been received, ready for assembly. Quality assurance checks are complete and all PCM is within the specified alloy composition tolerance. Production of the containment solution is complete and is in transit from overseas suppliers. The 1414 Degrees storage media will be assembled on-site next quarter pending delivery of the remaining components.

Ongoing testing and thermal cycling of our storage media continues to support our selection of materials and optimised configuration for the SiBox.

The engineering, procurement and project management of the SiBox demonstration module project has been undertaken to ensure the budget and schedule remain on track despite Covid and supply chain impacts to equipment/material pricing and availability, with the next major milestones being procurement complete in August 2022 and construction complete in January 2023. Further, although site preparation works have been delayed multiple times due to industrial action by SA Power Network crews, these delays can be accommodated in the current overall schedule.

### **Aurora Energy Project (AEP)**

Work continued on developing the Aurora Energy Project (AEP) in the last quarter, including executing a work order with ElectraNet (the South Australian transmission network service provider) to commence the Generator Performance Standard (GPS) study. This follows confirmation of the key technical input parameters of the 140MW/1-2hr capacity Battery Energy Storage System (BESS) that will comprise Stage 1 of the Aurora Energy Project. The GPS study is the primary activity remaining in order to be approved by the Australian Energy Market Operator (AEMO) to connect to the National Electricity Market (NEM) and negotiate a Transmission Connection Agreement with ElectraNet. 1414 Degrees has appointed Emanden Technical Solutions (Emanden) as owner's engineer and AECOM as the modelling consultant to manage and execute the GPS study.

During the quarter Ovida advised us that they were terminating their exclusivity MOU with 1414 Degrees on the development of the AEP due to a strategic decision by their shareholders to no longer invest in unregulated electricity projects. 1414 Degrees received \$400,000 in payments from Ovida during their involvement and retained all intellectual property generated since execution of the MoU.

Despite initial disappointment with the loss of Ovida as a prospective partner, the Company received significant interest in the AEP, reinforcing our belief in Aurora as a world class renewable energy site. On 15 June 2022 1414 Degrees executed agreements with a subsidiary of Vast Solar Pty Ltd to create a joint venture to develop AEP by way of a sale of 50% of the shares in SiliconAurora Pty Ltd. Under the terms of the share sale agreement, the purchase price for the 50% shares in SiliconAurora is \$2.5 million in cash payable by Vast in two instalments: an initial \$1.0 million following completion and a further \$1.5 million following the receipt by Silicon Aurora of a written offer to connect to the transmission system from the relevant Network Service Provider under the rules of the National Electricity Market. Vast will also contribute 50% of all development costs associated with developing the Stage 1 BESS to a position of readiness for a Final Investment Decision (FID). The share sale completed on 29 June 2022 and on that date 14 14 Degrees received a total of \$163,025 comprising \$100,000 of the initial purchase price and reimbursement of past costs of \$63,025. 50% of the shares in SiliconAurora were transferred to Vast Solar Aurora Pty Ltd. The remaining \$900,000 of the initial purchase price is due within 30 days of the completion date.

The transaction brings together two highly innovative Australian companies that share a vision for Aurora's development as a long-term renewable energy project in Port Augusta. In addition to accelerating the development of our Stage 1 BESS, the joint venture agreements also provide for development of Aurora in further stages, including access rights within the precinct for Vast to independently progress a Concentrated Solar Project (CSP) using Vast's proprietary technology and for 1414 Degrees to independently progress a pilot of its Thermal Energy Storage System (TESS).

## Corporate

While the quarter has seen progress on both of 1414 Degrees' core renewable energy projects, it has also seen significant developments regarding its Management and Board.

Two independent, non-executive Directors, Ms Sheree Ford and Ms Alison Evans were appointed on 2 May 2022 to the Board of 1414 Degrees, adding corporate and commercial expertise and experience. Ms Ford has practiced as a solicitor for over 30 years, initially in private practice and then as in house counsel and company secretary, largely in the energy and resources sector. Ms Evans has extensive executive leadership experience in private and ASX listed companies in the energy and resources sector, with a focus on growth and energy markets.

Mr Matthew Squire tendered his resignation as the Company's Chief Executive Officer for personal reasons on 19 May, finishing on 30 June. The Company's Chief Operating Officer, Dr Jordan Parham, was appointed to the role of Acting Chief Executive Officer. The Board intends to follow a best practice recruitment process to identify and appoint the best person to the role of CEO, noting that this may be from within the Company or from outside of it.

A general meeting of members on Thursday, 28 July 2022 has been convened following receipt of a section 249D notice from Focem Pty Ltd as trustee for the Towarnie Superannuation Fund (Focem) (being a company associated with Dr Kevin Moriarty), as announced to the market on 1 June 2022. The meeting will consider the resolutions proposed by Focem in the Notice, namely the removal of Mr Tony Sacre, Mr Dana Larson and Mr Peter Gan, and for the appointment of Dr Kevin Moriarty and Mr Ian Ross Burdon, as directors of the Company. The Company has urged shareholders to vote against all of these resolutions.

As of 30 June 2022 1414 Degrees had the following capital structure:

- Shares on issue: 201,985,458
- Unlisted Employee Performance Rights: 2,250,000

The company has 10 employees with several of these working part-time.

## Financial

At the end of the June quarter 1414 Degrees Ltd held \$3.549 million in cash and has no debt. The net decrease in cash of \$0.986m is predominantly due to the significant ramp-up of SiBox project spend, offset by payments received from Woodside Energy Technologies of \$0.55m, Vast Solar \$0.163m, and the final payment from Ovida \$0.091m.

As required by ASX Listing Rule 4.7C3, the Company notes that \$52,000 was paid to related parties during the quarter. These payments were Directors Fees.

This announcement was authorised by the Board of 1414 Degrees Limited.

### FOR FURTHER INFORMATION PLEASE CONTACT:

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## ABOUT 1414 DEGREES LIMITED

1414 Degrees is developing and commercialising its silicon-based thermal energy storage technology, SiBox™, to enable a clean energy future. SiBox will harness the extremely high latent heat capacity of silicon in its proprietary storage system. This will enable intermittent renewables to provide flexible, ultra-high temperature heat 24/7 for large industrial applications and to deliver reliable heat and power supply when required. It is envisaged that the flexibility of the SiBox™ modular development concept will also provide energy customers with the ability to optimise their energy systems in a way that maximises their utilisation of cheaper renewable power and simplifies their purchasing from wholesale energy suppliers.

The Company plans to commission a demonstration module of the SiBox™ technology in 2022 which will accelerate the commercialisation of SiBox™ as a competitive clean energy product. The Company has previously implemented pilots which have led to the refinement and evolution of its technology.

In 2019 the Company made the strategic purchase of the Aurora Energy Project (AEP) located near Port Augusta, South Australia. The focus of the project is to develop a long-term renewable energy project delivering reliable electricity to the region and NEM. Once ready for commercialisation, the AEP site will also allow 1414 Degrees to pilot and demonstrate a large commercial scale version of the SiBox™ technology.

For more information, please visit [www.1414degrees.com.au](http://www.1414degrees.com.au)

### Disclaimer

This announcement may contain certain "forward-looking statements" which may not have been based solely on historical facts, but rather are based on the Company's current expectations about future events and results.

Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward- looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially to futures results expressed, projected or implied by such forward looking statements.

The Company does not undertake any obligation to release publicly any revisions to any "forward-looking statements" to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under the applicable securities laws.

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## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

1414 Degrees Ltd

**ABN**

57 138 803 620

**Quarter ended ("current quarter")**

30 June 2022

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	172
1.2 Payments for		
(a) research and development	(727)	(914)
(b) product manufacturing and operating costs	-	(7)
(c) advertising and marketing	(19)	(61)
(d) leased assets	(1)	(4)
(e) staff costs	(527)	(2,317)
(f) administration and corporate costs	(416)	(2,292)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	19
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	1,726
1.8 Other (provide details if material)	(6)	(3)
- Partner Project Contributions	704	1,504
- GST	(100)	(31)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(1,086)</b>	<b>(2,208)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(47)
(d) investments	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(a) entities	100	100
	(b) businesses	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>100</b>	<b>53</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	4,535	5,705
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,086)	(2,208)

Appendix 4C  
Quarterly cash flow report for entities subject to Listing Rule 4.7B

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
4.3	Net cash from / (used in) investing activities (item 2.6 above)	100	53
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,549</b>	<b>3,549</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	3,549	4,535
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,549</b>	<b>4,535</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(52)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

*Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.*

## Quarterly cash flow report for entities subject to Listing Rule 4.7B

<b>7. Financing facilities</b>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i>		
<i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 <b>Total financing facilities</b>	-	-
7.5 <b>Unused financing facilities available at quarter end</b>		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8. Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,086)
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,549
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	3,549
8.5 <b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	3.27
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: n/a	
8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: n/a	
8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: n/a	
<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	



## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 July 2022

Authorised by: By the Board  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.