



31 October 2022

ASX: 14D

Sept 2022 Quarterly Activity Report & Appendix 4C

Highlights:

- The SiBox Demonstration Module is on track for construction later this year. In particular Milestone 5 (Procurement) was completed and approved by Woodside Energy Technology.
- A joint project team with Vast Solar has been established to progress the Stage 1 battery.
- Dr Kevin Moriarty was elected as a Director at a general meeting of members held on Thursday, 28 July 2022.
- Another general meeting of members has been convened for Friday, 11 November 2022, following further Shareholder notices. This meeting, which will also be the Company's Annual General Meeting, will again consider resolutions regarding the removal and appointment of Directors.
- Ms Sheree Ford, resigned as a non-executive director of the Company on 12 September for personal reasons.
- Subsequent to the end of the September quarter, Dr Jordan Parham tendered his resignation as the Company's Acting Chief Executive Officer, finishing on 25 November.

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

1414 Degrees is developing a demonstration module of its silicon-based thermal energy storage technology, SiBox™. SiBox will harness the extremely high latent heat capacity of silicon, to store heat from intermittent renewables, providing industry with reliable, decarbonised, ultra-high temperature heat 24/7.

The SiBox demonstration module project has seen significant progress by the engineering team this quarter and remains on track for construction later this year. In particular Milestone 5 (Procurement) was completed and approved by Woodside Energy Technology.

In the last Quarter, the company has received multiple components of the SiBox Demonstration Module at our workshop, including heating elements, expansion joints and control valves. Various other parts are in transit to us or are only subject to performance testing. Now that these have arrived and the construction contractor has been appointed, our team and our suppliers are constructing and assembling the module based on our thorough and collaborative design. The final major component to arrive is the furnace.

Transformer upgrade works at the 1414 Degrees workshop were completed during September. This is important for enabling the electrical power supply required to conduct testing once the demonstration module is complete.

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

Aurora Energy Project (AEP)

Since executing the agreement with Vast Solar in the last Quarter, making us joint venture partners in the development of the Aurora Renewable Energy Project, work has continued on developing the Aurora Energy Project (AEP). In particular a joint project team has been established to progress the Stage 1 battery and manage engineering, procurement, grid connection, approvals and stakeholder engagement.

The recent upheaval in the Australian electricity market, accelerated closure of coal fired power stations on the East Coast and increasing number of storage projects underlines the potential for the Aurora project. This is supported by ongoing positive discussions with parties interested in offtake from the Stage 1 battery.

During the Quarter we engaged with key stakeholders at the Global Maintenance Upper Spencer Gulf Conference and Trade Expo in Port Pirie and also visited Port Augusta to speak with the local council, pastoralists and community groups.

Corporate

A general meeting of members was held on Thursday, 28 July 2022 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). The meeting considered the resolutions proposed by Focem in the Notice, with the outcome that Mr Tony Sacre, Mr Dana Larson and Mr Peter Gan were retained as Directors, Dr Kevin Moriarty was elected as a Director and Mr Ian Ross Burdon was not elected as a Director. The company would like to thank the substantial number of shareholders who voted and notes the narrow margin on all of the resolutions.

Despite the outcome of the 28 July general meeting, a further general meeting of members has been convened for Friday, 11 November 2022 following receipt of a section 249D notice from Pacific Communication and Investment Consultants Pty Ltd, Bengel Superannuation Pty Limited as trustee for the Bengel Superannuation Fund, Ranat Investments Pty Ltd <Marananga A/C>, Ian Ross Burdon & Catherine Louise Taylor as trustees for the Ian Burdon S/F Account and Mr Harold Tomblin and Mrs Judith Johnston as trustees for the Harold Tomblin S/F Account, as announced to the market on 12 September 2022. Resolutions proposed by these parties are for the removal of Mr Tony Sacre, Mr Dana Larson and Mr Peter Gan as directors of the Company.

To avoid the unnecessary expense and complexity for members of holding two separate meetings during the same month, the Board resolved to bring forward the AGM to ensure the Company satisfies its statutory obligation to call the requisitioned meeting within 2 months of receipt of the Notice, and its obligation to hold its AGM. Hence on 15 September, the Company's AGM was announced as taking place on 11 November 2022 to consider the above resolutions.

A subsequent section 249D notice was received from Robert John Keith Shepherd as trustee for RJK Shepherd & Assoc SF, John Henry Moss & Wendy Elizabeth Moss <Moss Retirement A/C> and Ammjohn Pty Ltd, as announced on 20 September 2022. The general meeting of members on Friday, 11 November 2022 will hence also consider the resolution put forward by these parties, being the removal of Dr Kevin Moriarty as a director of the Company.

As a normal order of business, the AGM will also consider the election of Ms Alison Evans as a director of the Company.

During the quarter the Company advised that, for personal reasons, Ms Sheree Ford, who was appointed to the Board on 2 May 2022, resigned as a nonexecutive director of the Company with immediate effect on 12 September.

The Company is disappointed that the matter of its Board composition continues to be the subject of activism, the destabilising effect of which was foreshadowed in the lead up to the July 28 AGM. Subsequent to the end of the September quarter, Mr Jordan Parham tendered his resignation as the Company's Acting Chief Executive Officer, finishing on 25 November and Mr Nathan Levinson tendered his resignation as Lead Research Engineer, finishing on 11 November.

The Board has engaged an executive recruitment firm to undertake a search for a new Chief Executive Officer in the coming months, noting that this process is difficult in the current competitive jobs market and given the uncertainty regarding the outcome of the 11 November AGM.

It should be noted that during this period the Company was required to respond to an ASX query regarding an on-market purchase of 200,000 shares by Dr Moriarty, a Director of the Company, during a closed period of trade. The Company announced on 5 September 2022 that the Board was satisfied in this instance it was an oversight on Dr Moriarty's behalf and issued a formal letter to Dr Moriarty detailing the breach and advising that further disciplinary action will be taken if it happens again.

The Company is committed to ensuring that the long-term interests of all shareholders continue to be served. All shareholders are urged to participate in and vote at the upcoming AGM on 11 November to ensure their voice is heard to ensure a stable, professional Board exists. Shareholders should concentrate on electing a Board that is able to operate with integrity and strategic focus whilst being able attract and retain a skilful and motivated workforce, foster close relationships with key stakeholders and deliver on the Company's key priorities: SiBox and Aurora.

As of 30 September 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 September quarter 1414 Degrees Ltd held \$3.101 million in cash and has no debt. Net cash decrease of \$0.448m is predominantly due to the ramp-up of SiBox demonstration module spend and continuing development of Aurora Energy Project, offset by \$0.9m initial instalment from Vast Solar for the Silicon Aurora agreement, plus partner project contributions received from Woodside Energy Technologies of \$0.4m

As required by ASX Listing Rule 4.7C3, the Company notes that \$71,000 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:

Jordan Parham, Acting Chief Executive Officer
+61 8 8357 8273
info@1414degrees.com.au

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

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.

1414 DEGREES LTD
ABN 57 138 803 620

ASX
14D

ADDRESS
136 Daws Road,
Melrose Park SA 5039

EMAIL
info@1414degrees.com.au

PHONE
+61 8 8357 8273



1414DEGREES.COM.AU

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 September 2022

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(515)	(515)
(b) product manufacturing and operating costs	(2)	(2)
(c) advertising and marketing	(127)	(127)
(d) leased assets	(1)	(1)
(e) staff costs	(520)	(520)
(f) administration and corporate costs	(381)	(381)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	7	7
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(2)	(2)
- Partner Project Contributions	400	400
- GST	14	14
1.9 Net cash from / (used in) operating activities	(1,127)	(1,127)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	-
(d) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	900	900
(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	(221)	(221)
2.4 Dividends received (see note 3)	-	-
2.5 Other (provide details if material)	-	-
2.6 Net cash from / (used in) investing activities	679	679

3. Cash flows from financing activities		
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)	-	-
3.10 Net cash from / (used in) financing activities	-	-

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	3,549	3,549
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(1,127)	(1,127)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	679	679
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,101	3,101

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	3,101	3,549
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,101	3,549

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	(71)
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

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<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 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
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.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(1,127)
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,101
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	3,101
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	2.75
<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: 31 October 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.