



27 January 2022

ASX: 14D

December 2021 Quarterly Activity Report & Appendix 4C

Highlights:

- Strategic partnership announced with Woodside Energy Technologies to develop the SiBox demonstration module and provide \$2 million of funding
- Awarded up to \$2.2 million Australian Federal Government Modern Manufacturing Initiative (MMI) grant for future SiBox commercialisation activities
- Aurora Energy Project Development Approval Variation granted by South Australian Minister for Planning and Local Government
- Exclusivity MoU entered into with Ovida (a 100% owned subsidiary of Jemena) to potentially own an interest in the Aurora Energy Project
- Stabilised funding position with \$3.8 million cash (zero debt) as at December 31st

Clean, scalable renewable energy storage developer 1414 Degrees Limited (“14D” or “the Company”) (ASX: 14D) provides the following activity report and Appendix 4C for the period ending 31 December 2021.

Comments by Matt Squire, Chief Executive Officer of 1414 Degrees

“The quarter has been a period of significant renewal and transformation for 1414 Degrees as we continue to progress our Silicon based, renewable energy storage technology (SiBox) and the development of the Aurora Energy Project. Both of our core renewable energy projects were bolstered by the execution of agreements with major energy companies that could see them as future long term partners.”

“In October we were delighted to execute agreements with Woodside Energy Technologies who have chosen to participate in the construction and testing of our SiBox demonstration module by way of up to \$2 million in funding. Procurement activities for the SiBox have now commenced in earnest. Further support for the transformational potential of our long duration renewable energy storage technology was clear when we were announced in November as successful applicants for a \$2.2 million grant from the Australian Federal Government’s Modern Manufacturing Initiative (MMI) to accelerate the commercialisation of SiBox. This will allow us to start to engage further with potential industrial energy customers for our technology.”

“Similarly we were also very pleased in December to enter into an exclusivity MoU with Ovida, a fully owned subsidiary of Jemena, to potentially partner in the development of our Aurora Energy Project near Port Augusta which received necessary South Australian Government development approvals in November.”

“The agreements with Woodside Energy Technologies and Ovida, as well as the award of the Australian Government MMI grant will not only provide significant sources of funding over the next period of the company’s activities, they are also evidence of the large potential that exists in our business as the

world looks for solutions to rapidly decarbonise its future energy needs. Our development activities pathway is now clearly mapped out and we believe that we offer shareholders a compelling renewable energy investment opportunity.”

Silicon based Renewable Energy Storage technology / SiBox Demonstration Module project

The quarter saw the introduction of Australia’s largest energy company, Woodside, through their 100% owned subsidiary Woodside Energy Technologies, into the SiBox™ demonstration module project. The agreements executed with Woodside Energy Technologies will see them contribute up to \$2million to the circa 1 MWh SiBox demonstration module on the completion of specific project milestones by 1414 Degrees. \$200,000 of contributions were received in the quarter with the balance of the milestone completion payments expected to be paid across the next 18-24 months.

The SiBox is expected to be commissioned in early 2023 after which it will undergo an extended period of performance tests and validation operations. Following this, Woodside Energy Technologies will then notify 1414 degrees if they wish to proceed to jointly develop and commercialise the SiBox technology through a jointly owned Special Purpose Vehicle (SPV) which would contain the SiBox intellectual property rights. Woodside’s ownership of that SPV will be in proportion to its investment and the assessed fair value of the technology at the time. 1414 Degrees will have an ownership of at least 51% of that SPV.

Further details of the agreement between 1414 Degrees and Woodside Energy Technologies is provided in the ASX release on 13th October 2021.

During the quarter the concept design was completed, enabling detailed design and engineering to commence. Long lead items for the SiBox demonstration module were also ordered from overseas. In particular materials for the storage media. Testing on storage media options for the module continued successfully progressing towards final selection and assembly, as well as testing of new storage media designs and materials that will further improve the competitiveness of the SiBox technology.

The \$2.2million MMI grant will be used to support the commercialisation of the SiBox technology through the construction of the demonstration module, complementing the agreement with Woodside Energy Technologies. It will also fund commercialisation activities including market research and technoeconomic evaluation of brown-field opportunities for SiBox, such as case studies of SiBox applications and integrating into existing industrial process heat operations or thermal energy power plants.

Aurora Energy Project (AEP) – Port Augusta

Work continued on further advancement of the Aurora Energy Project (AEP), a world class site for renewable energy located approximately 30km north of Port Augusta in South Australia. The primary activity for the quarter was the successful granting in November of a variation to the AEP Development Approval by the South Australian Minister for Planning and Local Government. The variation allows for the addition of a 140MW/280MWh battery energy storage system (BESS), thermal energy storage and 33kV transmission line grid connection. Also included is a modified site layout plan and project staging. This is in addition to the 150MW Concentrated Solar Power (CSP), 70MW Solar Photo-Voltaic (PV) and 275kV connection to the network already approved.

On 20th December 14D executed an MoU with Ovida Infrastructure Pty Ltd (Ovida) to explore partnering with 14D on the development of the AEP. Ovida is a 100% owned subsidiary of Jemena Ltd (Jemena), one of Australia’s largest owners and operators of energy infrastructure with over \$11 billion of assets under management and approximately 2,500 employees. The MoU provides Ovida with an exclusivity

period to work with 14D before entering into a definitive sale and purchase agreement in mid 2022. In executing the MoU an initial payment of \$300,000 is to be made by Ovida. This payment is expected to be received in the subsequent quarter following 31 December.

Corporate

As of 31 December 2021 1414 Degrees had the following capital structure:

- Shares on issue: 200,660,458
- Unlisted Employee Performance Rights: 3,275,000

Financial

At quarter end the Company held \$3.818million in cash and continues to focus on cashflow management to maintain liquidity and ensure the timely delivery of its projects. \$0.361million of net cash outflow was used in the Company's quarterly activities which included payments received from Woodside Energy Technologies of \$0.2million and the Australian Taxation Office of \$0.830million for research and development claims.

As required by ASX Listing Rule 4.7C3, the Company notes that \$37,000 was paid to related parties during the quarter. These payments were salaries, fees and superannuation paid to Directors.

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 14D to pilot and demonstrate a large commercial scale version of the SiBox™ technology. For more information, please visit www.1414degrees.com.au

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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.

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")

31 December 2021

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	92	172
1.2 Payments for		
(a) research and development	(23)	(92)
(b) product manufacturing and operating costs	(3)	(4)
(c) advertising and marketing	(7)	(31)
(d) leased assets	(1)	(2)
(e) staff costs	(570)	(1,246)
(f) administration and corporate costs	(883)	(1,696)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	5	9
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	830	830
1.8 Other (provide details if material)		
- Partner Project Contributions	200	200
- Other	(1)	(21)
1.9 Net cash from / (used in) operating activities	(361)	(1,881)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	-	(6)
(d) investments	-	-

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
(e) intellectual property	-	-
(f) other non-current assets	-	-
2.2 Proceeds from disposal of:		
(a) entities	-	-
(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)	-	-
2.6 Net cash from / (used in) investing activities	-	(6)

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	4,179	5,705
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(361)	(1,881)

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

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(6)
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	3,818	3,818

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	3,818	4,179
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)	3,818	4,179

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	(37)
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>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.</i>		

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. 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)	(361)
8.2 Cash and cash equivalents at quarter end (item 4.6)	3,818
8.3 Unused finance facilities available at quarter end (item 7.5)	-
8.4 Total available funding (item 8.2 + item 8.3)	3,818
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	10.57
<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 January 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.