

Appendix 4D

Half Year Report to the Australian Securities Exchange

1. Details of the reporting period and the previous corresponding period

Name of Entity :	1414 DEGREES LIMITED
ABN :	57 138 803 620
Half Year Ended :	31 Dec 2021
Previous Corresponding Reporting Period:	31 Dec 2020

2. Results for announcement to the market

Key Information	31 Dec 2021	31 Dec 2020	Change	Change
	AUD\$	AUD\$	%	AUD\$
2.1 Other income	165,406	302,674	(45%)	(137,268)
2.2 Profit/(Loss) from ordinary activities after tax attributable to members	(3,256,210)	(1,327,795)	145%	(1,928,415)
2.3 Net Profit/ (Loss) for the period attributable to members	(3,256,210)	(1,327,795)	145%	(1,928,415)

2.4 Dividends	Amount per security		Franked amount per security
			AUD\$
Interim Dividend	Nil		Nil
Final Dividend	Nil		Nil

2.5 Record date for determining entitlements to the dividends (if any):

Not Applicable

2.6 Brief explanation of any of the figures reported above necessary to enable the figures to be understood:

Please refer to the Review of Operations contained in the Directors' Report which forms part of the attached Interim Financial Report for details.

3. Net tangible assets per ordinary share

Security	31 Dec 2021	31 Dec 2020
	AUD (Cents)	AUD (Cents)
Ordinary shares	3.08	5.25

4. Control gained or lost over entities during the period, and those having material effect

Not Applicable

5. Details Relating to Dividends

Information	31 Dec 2021	31 Dec 2020
Date the dividend is payable :	n/a	n/a
Record date to determine entitlement to the dividend :	n/a	n/a
Amount per security (AUD Cents) :	n/a	n/a
Total dividend (AUD\$) :	n/a	n/a
Amount per security of foreign sourced dividend or distribution :	n/a	n/a

6. Dividend or distribution reinvestment plan details

Information	31 Dec 2021	31 Dec 2020
Details of any dividend reinvestment plans in operation :	n/a	n/a
The last date for receipt of an election notice for participation in any dividend reinvestment plans :	n/a	n/a

7. Details of Associates and Joint Venture Entities

Not applicable.

8. Foreign entities

Not applicable.

9. Audit dispute or qualification

The interim financial statements for the period ended 31 December 2021 have no audit dispute or qualification.

10. Attachments Forming Part of Appendix 4D

Attachment Number	Details
1	Interim Financial Reports

Signed By Company Secretary



Tania Sargent

Date: 24 February 2022



1414 DEGREES LIMITED

ACN 138 803 620

INTERIM FINANCIAL REPORTS

**FOR THE HALF-YEAR ENDED
31 DECEMBER 2021**



1414 DEGREES LIMITED
ACN 138 803 620

INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

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**DIRECTORS' REPORT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

The directors of 1414 Degrees Limited present their report on the group for the half year ended 31 December 2021.

DIRECTORS

The following persons were directors of 1414 Degrees Limited during the whole of the half year and up to the date of this report, unless otherwise stated:

Tony Sacre - Chairman and Non-Executive Director

Dana Larson - Non-Executive Director

Peter Gan - Non-Executive Director

Kevin Charles Moriarty - Resigned as Director 19 July 2021 and as Executive Chairman 2 September 2021

COMPANY SECRETARY

Tania Sargent

The directors of 1414 Degrees Limited present their report on the group for the half year ended 31 December 2021.

REVIEW OF OPERATIONS

The first half of the 2022 financial year was a period of review, stabilization, and renewal. Significant progress was made across the two core project activities within the company with the introduction of high-calibre partners: Woodside and Ovida. These partners provide not only short-term funding support to activities, they will enhance the company's potential long term commercial success.

Silicon based Thermal Energy Storage technology / SiBox Demonstration Module project

The company's SiBox silicon-based thermal energy storage technology has continued to advance with the ongoing testing of storage media and completion of design activities. In October, agreements were executed with Woodside Energy Technologies that will see them fund \$2 million in future costs to construct the 1MWh SiBox demonstration module. Procurement activities have started and we will be commencing fabrication and construction activities throughout the second half of this financial year. The SiBox demonstration module is expected to be commissioned in early 2023 ready for extended performance testing and evaluation thereafter before Woodside make the decision whether to participate further in ownership of the company's technology.

The SiBox technology offers a scalable and flexible solution to the firming of renewable energy, and the delivery of decarbonized heat. The potential significance of its future commercial use was underscored when the company was announced as a successful recipient of a \$2.2 million grant under the Commonwealth Government's Modern Manufacturing Initiative. These funds will be used to further progress the SiBox towards commercialization.

Aurora Energy Project (AEP) - Port Augusta

SiliconAurora Pty Ltd, a 100% owned subsidiary of the company, was successful in its application to vary the development approvals at AEP which now paves the way for future investment in the project. The variation approved from the South Australian Minister for Planning and Local Government also allows for the addition of a 140MW/280MWh battery energy storage system (BESS), thermal energy storage and 33kV transmission line grid connection. This is in addition to the pre-existing approvals for 150MW Concentrated Solar Power (CSP), 70MW Solar Photo-Voltaic (PV) and 275kV connection to the network.

In December the company executed an MoU with Ovida Infrastructure Pty Ltd (Ovida) to explore partnering 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. We are now working closely with the team at Ovida on the progression of the AEP and are looking to execute binding agreements during the remainder of this financial year.

REVIEW OF OPERATIONS (continued)*Financial*

Reviews of the company's activities and business resulted in the non-cash impairment of \$997,516. This relates to past construction of thermal storage systems that will not be incorporated in the design of the SiBox going forward. In addition, a provision of \$500,000 was made for potential remediation activities at the Glenelg project which is presently not used for commercial purposes.

The group recorded a net operating loss of \$3,256,210 for the half year ended 31 December 2021. At the end of this period the group held \$3,817,955 in cash and has no debt.

Summary

The company is in a sound position to continue its projects and activities for the benefit of all stakeholders.

The opportunity for thermal energy storage solutions is being increasingly recognised across the world as essential to further facilitate the world's energy transition to the clean, renewable energy sources that will power the future. While decarbonization of electricity networks is well underway, more energy is used globally in the form of heat than electricity. The need for industry to decarbonize heat is hence an area of great potential for technologies that can successfully address this engineering and commercial challenge. SiBox is a unique technology in its flexibility, scalability and high temperature that offers a solution to the global need for a decarbonised future.

Shareholders can look forward to further updates as we progress the SiBox demonstration module throughout the year in conjunction with Woodside Energy Technologies. We also expect to be able to provide further positive updates on the Aurora project as we continue to work under the MOU with Ovida. We will now look to finalise equipment selection and work with the transmission system asset owners around a future connection to the NEM.

Our aim in the past few months has been to focus on some key priorities and deliverables that the team can work towards, enabling us to deliver long term value to our shareholders. We remain grateful for their ongoing support. We also acknowledge the further support from the South Australian State Government and Commonwealth as we look to progress our exciting renewable energy activities.

This report is made in accordance with a resolution of directors.



Tony Sacre
Chairman

Sydney, this 24th day of February 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	Half year	
		31-Dec-21 AUD\$	31-Dec-20 AUD\$
Other Income		165,406	302,674
Research and Development Expenses		2,678	3,004
Provision for Gas-TESS Decommissioning (Glenelg Project)		500,000	-
Administration and Professional Expenses		764,889	542,307
Occupancy Expenses		179,421	28,926
Marketing Expenses		32,084	29,507
Depreciation and Amortisation		37,758	81,371
Asset Impairment		997,516	-
Employee Benefits Expense		573,162	598,791
Share Based Payments (Equity-settled)		28,068	138,611
Directors Fees		73,695	18,333
Finance Costs		(22,788)	69,204
Other Expenses		255,133	120,415
Profit / (Loss) before income tax		(3,256,210)	(1,327,795)
Income tax benefit / (expense)		-	-
Profit / (Loss) for the half year		(3,256,210)	(1,327,795)
Other comprehensive income for the half year		-	-
Total comprehensive income for the half year		(3,256,210)	(1,327,795)
Basic earnings per share		(1.62) cents	(0.72) cents
Diluted earnings per share		(1.62) cents	(0.72) cents

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	31-Dec-21 AUD\$	30-Jun-21 AUD\$
ASSETS			
Current assets			
Cash and cash equivalents	3	3,817,955	5,704,957
Trade and other receivables		321,224	544,370
Other current assets		213,843	131,721
Total current assets		4,353,022	6,381,048
Non-current assets			
Property, plant and equipment		197,252	173,434
Intangible assets	4	4,761,280	5,661,300
Right-of-use assets	5	1,638,850	1,601,502
Total non-current assets		6,597,382	7,436,236
Total assets		10,950,404	13,817,284
LIABILITIES			
Current liabilities			
Trade and other payables		712,627	608,819
Provision for employee benefits		55,031	78,825
Lease liabilities		315,000	315,000
Total current liabilities		1,082,658	1,002,644
Non-current liabilities			
Provision for employee benefits		47,425	31,072
Contract Liability		200,000	-
Lease liabilities	6	1,320,127	1,255,232
Total non-current liabilities		1,567,552	1,286,304
Total liabilities		2,650,210	2,288,948
Net assets		8,300,194	11,528,336
EQUITY			
Contributed equity	7	32,524,929	32,486,429
Share Based Payments Reserve		166,700	196,904
Accumulated losses		(24,391,435)	(21,154,997)
Total equity		8,300,194	11,528,336

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Note	Half year	
		31-Dec-21 AUD\$	31-Dec-20 AUD\$
Cash flows from operating activities			
Cash received from customers (incl GST)		189,043	740
Cash paid to suppliers and employees		(2,674,133)	(1,974,811)
Government grants		-	365,300
Interest received		8,866	10,072
Interest paid on lease liabilities		(82,849)	-
Net cash inflow/(outflow) from operating activities		(2,559,074)	(1,598,699)
Cash flows from investing activities			
Purchase of property, plant and equipment		(5,857)	(71)
Payments for product development activities		(352,198)	(215,697)
Partner Project Contributions		200,000	-
Research and development tax offset received and used for intangible asset		830,107	-
Net cash inflow/(outflow) from investing activities		672,052	(215,768)
Cash flows from financing activities			
Proceeds from borrowings		-	-
Repayment of borrowings		-	-
Transaction costs related to issues of shares, convertible notes or options		-	(59,492)
Proceeds from exercise of share options		-	-
Proceeds from the issue of shares		-	3,175,540
Net cash inflow/(outflow) from financing activities		-	3,116,048
Net increase/(decrease) in cash and cash equivalents		(1,887,022)	1,301,581
Net foreign exchange differences		20	(237)
Cash and cash equivalents at beginning of period		5,704,957	4,395,479
Cash and cash equivalents at end of period	3	3,817,955	5,696,823

The above statement of cash flows should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	Contributed equity \$	Reserves \$	Accumulated Losses \$	Total equity \$
Balance at 1 July 2020	29,197,369	116,968	(15,180,817)	14,133,520
Loss for the half year	-	-	(1,327,795)	(1,327,795)
Other comprehensive income	-	-	-	-
Total comprehensive income for the half year	-	-	(1,327,795)	(1,327,795)
Transactions with owners in their capacity as owners				
Share Based Payments	-	-	-	-
Share Based Payment Cancellation	-	-	-	-
Share Based Payment Issue	-	-	-	-
Employee Share Scheme - Performance Rights Valuation	-	138,611	-	138,611
Employee Share Scheme - Conversion of Performance Rights	101,513	(101,513)	-	-
Contributions of equity net of transaction costs	3,116,047	-	-	3,116,047
	3,217,560	37,098	-	3,254,658
Balance at 31 December 2020	32,414,929	154,066	(16,508,612)	16,060,383
Balance at 1 July 2021	32,486,429	196,904	(21,154,997)	11,528,336
Loss for the half year	-	-	(3,256,210)	(3,256,210)
Other comprehensive income	-	-	-	-
Total comprehensive income for the half year	-	-	(3,256,210)	(3,256,210)
Transactions with owners in their capacity as owners				
Share Based Payments	11,000	(19,772)	19,772	11,000
Share Based Payment Cancellation	-	-	-	-
Share Based Payment Issue	-	-	-	-
Employee Share Scheme - Performance Rights Valuation	-	17,068	-	17,068
Employee Share Scheme - Conversion of Performance Rights	27,500	(27,500)	-	-
Contributions of equity net of transaction costs	-	-	-	-
	38,500	(30,204)	19,772	28,068
Balance at 31 December 2021	32,524,929	166,700	(24,391,435)	8,300,194

The above statement of changes in equity should be read in conjunction with the accompanying notes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(a) Basis of Preparation

These interim financial statements are general purpose financial statements prepared in accordance with Australian Accounting Standard AASB 134: Interim Financial Reporting. The group is a for-profit company for financial reporting purposes under Australian Accounting Standards.

The financial statements have been prepared on an accruals basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied. Amounts have been rounded to whole dollars.

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements. The accounting policies have been consistently applied, unless otherwise stated.

(b) Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

The group has considered the implications of any other new or amended Accounting Standards, but determined that their application in the financial statements is either not relevant or not material.

NOTE 2 ACCOUNTING ESTIMATES AND JUDGEMENTS

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Key Estimates - Impairment

The group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

With respect to cash flow projections for intangible assets with an indefinite useful life and those with a finite useful life but not yet considered ready for use, relevant inputs have been factored into valuation models on the basis of management's expectations regarding the growth of the market and the group's ability to capture market share. Pre-tax discount rates of 11% have been used in all models.

With respect to cash flow projections for the goodwill on business acquisitions, the calculations use cash flow projections based on the most readily available modelling work performed for/by the group. Relevant inputs have been factored into models on the basis of management's expectations regarding potential revenues and the group's ability to capture market share. Pre-tax discount rates of 11% have been used in all models.

The goodwill on business acquisition and intangible asset is tested for impairment annually at the end of the reporting period.

Management made the decision to impair the carrying value (\$997,516) of the TESS IND Mk 11 Project previously undertaken at Lonsdale. Although the knowledge gained from this project in advancing our Silicon based Thermal energy storage technology was extremely important, the design of our future systems (SiBox) is a different configuration than what was used at Lonsdale. The SiBox design was subsequently verified as the preferred approach when we executed our partnership agreement with Woodside in October 2021. Hence the prudent decision was made to impair the TESS IND asset.

Key Judgements - Product Development

Included within intangible assets at the end of the reporting period is Product Development with a net carrying value of \$2,889,812 (30 June 2021: \$3,789,832) being the carrying value of the Product Development intangible asset of \$8,439,605 (30 June 2021: \$9,801,097) less the associated Government Grant funding of \$1,000,000 (30 June 2021: \$1,000,000), and the R&D refundable tax offsets applied of \$4,549,793 (30 June 2021: \$5,011,265). The directors believe that while the development and commercialisation of the technology remains in-progress and the asset is not yet generating economic benefits (beyond customer trials), it is not considered ready for use. A reliable estimate for the useful life of the asset will only be capable of being determined once the asset is assessed as ready for use, after which point, amortisation will commence.

	31-Dec-21 AUD\$	30-Jun-21 AUD\$
NOTE 3 CASH AND CASH EQUIVALENTS		
Cash at bank	3,817,955	5,704,957
Cash term deposits	-	-
	3,817,955	5,704,957

An amount of \$235,000 included as cash has been set aside to support bank guarantees issued to the landlords of the rented locations.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

	31-Dec-21 AUD\$	30-Jun-21 AUD\$
NOTE 4 INTANGIBLE ASSETS		
<i>Product Development - Intellectual Property</i>		
Intangible assets under development - at cost	8,439,605	9,801,097
Government Grants applied	(1,000,000)	(1,000,000)
R&D Refundable Tax Offset applied	(4,549,793)	(5,011,265)
	<u>2,889,812</u>	<u>3,789,832</u>
<i>Reconciliation of Product Development - Intellectual Property</i>		
Balance at the beginning of the half year	3,789,832	6,488,220
Additions	681,191	1,376,133
Government Grants applied	-	(16,000)
R&D Refundable Tax Offset applied	(583,695)	(1,125,481)
Asset Impairments	(997,516)	(2,933,040)
Closing carrying value	<u>2,889,812</u>	<u>3,789,832</u>

Intellectual property consists of TESS (thermal energy storage system) development of bulk energy storage solutions.

A provision of \$500,000 was recognised in December 2021 for costs associated with decommissioning of the fully impaired GAS-TESS pilot facility (Glenelg project).

The government grant relates to accelerating the commercialisation of the group's intellectual property. No amortisation has been recognised as the intellectual property is not available for use as at 31 December 2021.

The recoverable amount of the group's Product Development intangible asset has been determined by a value-in-use calculation using a discounted cash flow model, based on an 8 year projection period approved by management.

Goodwill on business acquisition

Goodwill on business acquisition	1,871,468	1,871,468
	<u>1,871,468</u>	<u>1,871,468</u>

Reconciliation of Goodwill on business acquisition

Balance at the beginning of the half year	1,871,468	1,871,468
Additions	-	-
Closing carrying value	<u>1,871,468</u>	<u>1,871,468</u>

Goodwill on business acquisition relates to the purchase of SolarReserve II Pty Ltd (Renamed to SiliconAurora Pty Ltd), completed on 12 December 2019.

Total Intangible Assets	<u>4,761,280</u>	<u>5,661,300</u>
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NOTE 5 NON-CURRENT ASSETS - RIGHT-OF-USE ASSETS

Land and buildings - right-of-use	1,917,437	1,766,174
Less: Accumulated depreciation	(278,587)	(164,672)
	<u>1,638,850</u>	<u>1,601,502</u>

Additions to the right-of-use assets during the half-year were nil (2021: \$570,436.)

Change in cost (NPV) due to impact of discontinuing Daws Rd sublet (+\$145,872) and minor change in timing of Tripartite lease payment (+\$5,391).

NOTE 6 NON-CURRENT LIABILITIES - LEASE LIABILITIES

Lease liabilities	<u>1,320,127</u>	<u>1,255,232</u>
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Change in lease liability (NPV) includes impact of discontinuing Daws Rd sublet (+\$145,872) and minor change in timing of Tripartite lease payment (+\$5,391).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

NOTE 7 CONTRIBUTED EQUITY

	31-Dec-21	31-Dec-21	31-Dec-20	31-Dec-20
	No. of Shares	AUD\$	No. of Shares	AUD\$
Share capital				
Ordinary shares - authorised, issued and fully paid opening balance	200,310,458	32,486,429	172,904,923	29,197,369
Shares issued	-	-	26,463,035	3,175,540
Employee Share Scheme - Conversion of Performance Rights	250,000	27,500	617,500	101,513
Share based payment	100,000	11,000	-	-
Costs of issue	-	-	-	(59,493)
Ordinary shares - authorised, issued and fully paid closing balance	<u>200,660,458</u>	<u>32,524,929</u>	<u>199,985,458</u>	<u>32,414,929</u>

Ordinary shareholders are entitled to participate in dividends and the proceeds on winding up of the group in proportion to the number of and amounts paid on the shares held. Every ordinary shareholder present at a meeting in person or by proxy is entitled to one vote on a show of hands or by poll.

Ordinary shares have no par value.

Capital Management

Management controls the capital of the group in order to ensure that the group can fund its operations and continue as a going concern.

The group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. There have been no changes in the strategy adopted by management to control the capital of the group since the prior year and the objectives for managing capital have been met.

NOTE 8 CONTINGENCIES

Contingent Liabilities

At 31 December 2021 those charged with governance of the group note that there are no known contingent liabilities (2020: nil).

NOTE 9 SUBSEQUENT EVENTS

There is no subsequent event to disclose.

NOTE 10 RELATED PARTY

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of 1414 Degrees Limited, the directors of the company declare that:

- 1 The financial statements, comprising the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and accompanying notes are in accordance with The Corporations Act 2001, including:
 - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
 - b. give a true and fair view of the company's financial position as at 31 December 2021 and its performance for the half year ended on that date.
- 2 In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



Tony Sacre
Chairman

Sydney

Dated this 24th day of February 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 1414 DEGREES LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of 1414 Degrees Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of statement of accounting policies and other explanatory information the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in blue ink that reads 'BDO'.**BDO Audit Pty Ltd**A handwritten signature in blue ink that reads 'Paul Gosnold'.

Paul Gosnold
Director

Adelaide, 24 February 2022

**DECLARATION OF INDEPENDENCE
BY PAUL GOSNOLD
TO THE DIRECTORS OF 1414 DEGREES LIMITED**

As lead auditor for the review of 1414 Degrees Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of 1414 Degrees Limited and the entity it controlled during the period.



Paul Gosnold
Director

BDO Audit Pty Ltd

Adelaide, 24 February 2022