



21 July 2022

ASX:14D

LETTER TO SHAREHOLDERS FROM THE CHAIRMAN

1414 Degrees Limited (ASX: 14D) (**Company**) is aware that some shareholders have continued to receive communications from Kevin Moriarty in connection with the Extraordinary General Meeting (**EGM**) which has been convened to take place at 10am on Thursday 28 July 2022.

The Chairman, on behalf of the Board, has drafted a further letter to shareholders reminding them why an **AGAINST** vote for all resolutions is vital to the future success of the Company. A copy of the Chairman's letter to shareholders is appended to this announcement. The Chairman's letter will also be provided to all shareholders in the coming days.

The Board again reminds shareholders that a Shareholder Information Line has been established to assist shareholders with any questions they may have with respect to the forthcoming EGM. Please call 1300 631 375 (callers within Australia) or +61 3 9415 4673 (callers outside Australia).

The Chairman and his fellow Directors welcome the opportunity to speak to any shareholder with respect to the upcoming EGM and matters more broadly concerning the Company.

AUTHORISED BY:

The Board of Directors of 1414 Degrees Ltd

+61 8 8357 8273

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



Dear fellow Shareholders,

I am writing regarding the very important decision you are making to secure the future direction of 1414 Degrees.

As your Chair it is my duty to ensure you are aware of the monumental risks of tearing apart the current Board and the significant achievements recently made under its direction.

Make no mistake, all our stakeholders and the market are watching us very closely.

At a time when stability is critical, we have grave concerns that the resolutions put forward by Dr Kevin Moriarty's company Focem at the EGM, if passed, form an existential threat to the company and will irreparably damage its future prospects of success.

In June last year I was asked to take on the role of Chair of 1414 Degrees by two of the directors at the time, due to great instability and uncertainty. There was a protracted and expensive investigation involving the former Managing Director appointed during Dr Moriarty's tenure, quickly followed by a challenge to the Board brought - and ultimately abandoned - by Dr Moriarty. Together, these matters cost the Company in excess of \$75,000 in legal fees.

Despite this instability, within three weeks I resolved employment matters with the former Managing Director. Along with Interim CEO Jordan Parham, I was able to keep early stage negotiations for the advancement of the SiBox commercialisation program on track and the deal was eventually sealed, principally through the efforts of Mr Parham and former CEO Matthew Squire (who we appointed to replace the former Managing Director). This achievement had an immediate and material effect on the company's share price, and moreover heralded a pivotal shift in the company's journey towards commercialising the SiBox technology.

The present EGM requisition, and the actions taken by your Board in good faith to protect what they believe to be the best interests of the Company, have regrettably also meant that in the order of \$150,000 of the company's resources, along with significant board and management energy, have been diverted away from more valuable corporate activities. But for the actions of Dr Moriarty, the company would not have been put in this position.

IT IS A FACT that the current Board and leadership team have developed strong and productive working relationships with key commercial stakeholders.

IT IS A FACT that the current leadership team, and staff more broadly, support the Board under the leadership of the current Board.

IT IS A FACT that some senior staff have signalled that they will seriously consider their future with the company if these resolutions are carried. The same can be said of the 2 directors not the subject of the EGM resolutions.

Such an exodus of experience and expertise from 1414 Degrees and the destruction of the current Board at this crucial time would be disastrous.

There is a material risk that the company could lose control of its key SiBox IP if it lacks the resources and expertise to deliver on its obligations under the development partnership.

The recently announced Aurora Energy transaction is a significant positive development for the company. If that joint venture is put at risk by Board and management changes, it would seriously jeopardise the company's prospects of successfully developing that project. One of the benefits of bringing in a joint venture partner is to share the burden of raising some of the very substantial future project development costs, which the Board considers would otherwise need to be met at least in part by fundraising that would have a significant dilutive impact on existing shareholders.

There is no doubt that it has been a challenging 12 months of consolidation for the company, but it has been the only period in the company's history where significant positive progress has been made on our two principal commercial strategies.

As you would know, there have been other significant positive strides taken such as securing \$2.2 million in Federal Government funding for SiBox. I have an excellent working relationship with Interim CEO Jordan Parham and our Board is highly skilled and united to drive a clean energy future. We continue to articulate with certainty and clarity the company's plan and vision to shareholders through timely ASX announcements and comprehensive market updates.

Moreover, the Board and management are focussed on supporting the company's strategy through the implementation of strong and much needed corporate governance.

It is vital that we stay the course, moving forward with strong leadership and stability. The alternative risks the company returning to a time plagued by uncertainty and a lack of clear commercial direction.

Therefore, to protect your own investments, I implore you to move forward with our current Board by voting AGAINST all resolutions at the EGM. If you have already voted FOR the resolutions, it is not too late to change your vote and support the Board and vote AGAINST the resolutions at the EGM.

It is the only sensible way forward.

Kind regards,

Tony Sacre