



3 July 2023

ASX:14D

Chairman’s Letter to Shareholders

Dear Shareholders,

As we formally close the 2023 financial year, I am writing to thank you for your support this year and to address the recent unfortunate poor performance of our shares. I would also like to extend my thanks to those of you who raised concerns with me directly. Hearing directly from shareholders provides valuable feedback and helps us calibrate our communications, especially considering we have an innovative technology for a new market.

As little as 12 months ago very few industries and even fewer companies were considering technological solutions to abate complex and hard to decarbonise industrial processes like cement, aluminium, or iron and steel production. Receiving support from one of those forward-thinking companies, Woodside Energy Technologies, and the Australian Government has enabled us to develop a truly pioneering heat storage technology that can be integrated into major industries globally.

Renewable energy and renewable energy solutions have received significant attention following the commitments made by governments worldwide at COP27 and prior meetings. While this is encouraging for the sector many solutions face technologic and economic challenges and it is important that real solutions are achievable in the proposed timelines.

We encountered natural teething problems in our innovation journey up to 2020 and these experiences have proven valuable as we navigate commercialising our technology in an increasingly supportive legislative environment. They provide us a commercial clarity about attainable goals compared to other companies in the broad sector. We are focused on achievable goals which are underpinned by a business model designed for success.

Our model involves licensing existing refractory plants to manufacture SiBrick™ and licensing SiBox® to third-party engineering companies that build and service industrial plants. This approach will allow us to expand production with minimal capital and generate recurring revenues, while our team continues to focus on the research and development of even better and more cost-effective products.

With the recent encouraging results following four years of innovation we see a growth trajectory ahead. Retrofitting our silicon technology into existing processing lines will help industries reduce their reliance on fossil fuels and immediately impact emissions. This approach minimises capital risks and is attractive to industries since they can adopt the new technology without significant disruption, retaining gas burning as an adjunct or backup. This is sensible - our technology produces a controlled stream of very hot air using standard processing equipment, ducting and fans so we have a path to the lower costs essential to incentivise industry.

Our competitive advantage lies not only in harnessing the very high energy density and temperatures of molten silicon, but that it is contained in brick form which facilitates scalability and mass production. Heat is a new market and needs to be proven to industry, but we have the most commercially advanced technology for high temperature industry to reduce emissions.

Our commitment to getting it right is underpinned by the vast scale of the heat market. Replacing even a portion of fossil fuel consumption in this multi-trillion-dollar market is incentivised by various forms of carbon taxes or penalties. 1414 Degrees’ technology can help major industries to reduce their compliance costs while producing greener cement, aluminium and steel.

We have turned our technology around at a pivotal time in Australia’s energy transition journey making this a very exciting stage for investors and industry.



Lastly, I am pleased to report that as we continue to strengthen our corporate development team we have engaged London-based Hannam & Partners to ensure we receive appropriate recognition in the wider investment markets.

Again, I'd like to thank you for your support in this pivotal year and I look forward to reporting substantial results in the coming year.

Yours sincerely,

Kevin Moriarty

AUTHORISED BY:

The Board of Directors of 1414 Degrees Limited

For investor enquiries or further information, please contact:
info@1414degrees.com.au or +61 8 8357 8273

ABOUT 1414 DEGREES LIMITED

1414 Degrees is an innovative clean energy company focused on the development and commercialisation of thermal energy storage solutions. Its proprietary silicon thermal storage, SiBrick™, is the key component in its SiBox® thermal energy storage solution. SiBox delivers high temperature carbon free industrial heat by harnessing silicon's extremely high latent heat capacity. This enables intermittent renewables to provide flexible, ultra-high temperature heat 24/7 for large industrial applications.

The Company commissioned a module of the SiBox technology in 2023 to accelerate the commercialisation of its silicon storage media as a competitive clean energy solution.

In 2019 the Company made the strategic purchase of the Aurora Energy Project (AEP) located near Port Augusta, South Australia. The project is a long-term renewable energy initiative to deliver reliable electricity to the region and National Electricity Market. The AEP has approval for 14D to pilot and demonstrate a large commercial scale version of the SiBox technology.

For more information, please visit www.1414degrees.com.au