



CLEAN
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Prospectus

1414 Degrees Limited
ACN 138 803 620

For a non-renounceable pro rata offer of one fully paid ordinary share in the Company (**New Share**) for every two Shares held by Shareholders registered at 7.00pm (AEST) on 19 July 2023 (**Record Date**) at an offer price of \$0.045 per New Share, with one free attaching Option exercisable at \$0.10 on or before the day that is 24 months after the date of issue (**New Option**) for each New Share applied for and issued (**Entitlement Offer**).

The Entitlement Offer closes at 5.00pm (AEST) on 14 August 2023 (unless extended).

Eligible Shareholders who take up their full Entitlements under the Entitlement Offer may also apply for Additional New Securities under the Top Up Facility (subject to compliance with applicable laws and to the terms set out in this Prospectus).

This Prospectus also includes the Shortfall Offer, the Lead Manager Options Offer and the Conditional Placement Offer.

ENTITLEMENT OFFER INFORMATION

The Entitlement Offer is currently scheduled to close at 5.00pm (AEST) on 14 August 2023. Valid Applications must be received by that time. Details of how to apply for New Shares and New Options under the Entitlement Offer (including the Top Up Facility) are set out in the Entitlement and Acceptance Form accompanying this Prospectus.

Any questions concerning the Entitlement Offer should be directed to the Entitlement Offer information line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:30am and 5:00pm (AEST), Monday to Friday during the Offer Period.

IMPORTANT INFORMATION

This Prospectus is a transaction-specific prospectus issued in accordance with section 713 of the Corporations Act. Accordingly, this Prospectus does not of itself contain the same level of disclosure as an initial public offering prospectus. You should read this Prospectus (including the 'Risk Factors' in Section 6) in its entirety before deciding whether to apply for New Securities. If after reading this Prospectus you have any questions about the New Securities or any other matter, then you should consult your stockbroker, accountant or other professional adviser. An investment in the New Securities should be considered highly speculative in nature.

NOT FOR RELEASE TO U.S. WIRE SERVICES OR DISTRIBUTION IN THE UNITED STATES

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Important information

This Prospectus is an important document and should be read in its entirety. You should seek professional advice if you have any questions about the Offers under this Prospectus, or any matter relating to an investment in the Company.

General	<p>This Prospectus is dated 14 July 2023 (Prospectus Date) and was lodged with ASIC on that date. Neither ASIC nor ASX take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.</p> <p>This Prospectus is a transaction specific prospectus for an offer of 'continuously quoted securities' (as defined in the Corporations Act) and options to acquire continuously quoted securities. It has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering or "full form" prospectus. In preparing this Prospectus, regard has been given to the fact that the Company is a 'disclosing entity' for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. New Securities will not be issued on the basis of this Prospectus later than 13 months after the Prospectus Date.</p>
Exemption to disclosure and Entitlement Offer	<p>In certain circumstances, a listed company may undertake an entitlement offer without a prospectus if it complies with the disclosure exemption in s708AA and 1012DAA of the Corporations Act and the relief in ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84.</p> <p>The Company is unable to rely on these provisions for the New Options because the New Options to be issued under the Entitlement Offer are a new class of securities not quoted on ASX. Accordingly, while the Company satisfies the disclosure exemption conditions for the offer of the New Shares under the Entitlement Offer, the Company is undertaking the complete Entitlement Offer under this Prospectus.</p>
Electronic prospectus	<p>This Prospectus may be viewed in electronic form at www.1414degrees.com.au by Australian and New Zealand investors only.</p> <p>The electronic version of this Prospectus on the Company's website is provided for information purposes only. A paper copy of the Prospectus may be obtained free of charge on request throughout the application period of this Prospectus by contacting the Company. The information on the Company's website does not form part of this Prospectus.</p>
Risk factors	<p>Potential investors should be aware that applying for Securities in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Securities in the future. Accordingly, an investment in the Company should be considered highly speculative.</p> <p>The information provided in this Prospectus is not investment advice or financial product advice and has been prepared without taking into account your investment objectives, financial situation or particular needs (including financial and taxation issues). This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser before deciding whether to apply for Securities pursuant to this Prospectus.</p>
Foreign jurisdictions	<p>This Prospectus is not, and is not intended to constitute, an offer, invitation or issue of Securities in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer, invitation or issue.</p> <p>By applying for New Securities, including by submitting an Application Form or making a payment using BPAY® (or EFT for New Zealand Shareholders), an Applicant represents and warrants to the Company (among other representations and warranties set out in Section 3.9) that there has been no breach of such laws.</p> <p>The distribution of this Prospectus and accompanying Application Forms (including electronic copies) outside Australia and New Zealand may be restricted by law and persons who come into possession of these documents should observe any such restrictions.</p>

Any failure to comply with such restrictions may contravene applicable securities laws. The Company disclaims all liability to such persons. Please refer to Section 2.20 for further information.

Important information for New Zealand investors

Warning Statement

The Entitlement Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act 2001 and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* and Part 9 of the *Financial Markets Conduct Regulations 2014*.

The Entitlement Offer and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Entitlement Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to the Entitlement Offer. If you need to make a complaint about the Entitlement Offer, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

The Entitlement Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

Notice to nominees and custodians

Shareholders resident in Australia and New Zealand holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that taking up any New Securities does not breach regulations in the relevant jurisdiction.

Target market determination

In accordance with the design and distribution obligations under the Corporations Act, the Company has determined the target market for the offer of New Options issued under this Prospectus. The Company and the Lead Manager will only distribute this Prospectus to those investors who fall within the target market determination (**TMD**) as set out on the Company's website (www.1414degrees.com.au). By making an application under the Offers, you warrant that you have read and understood the TMD and that you fall within the target market set out in the TMD.

Publicly available information

Information about the Company is publicly available and can be obtained from ASIC and ASX (including the ASX website at www.asx.com.au). The contents of any website or ASIC or ASX filing by the Company are not incorporated into this Prospectus and do not constitute part of the Offers. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in the Company or subscribe for the New Securities.

	<p>The Company has not authorised any person to give any information or make any representation in connection with an Offer which is not contained in this Prospectus. Any such extraneous information or representation may not be relied upon as having been authorised by the Company in connection with this Prospectus.</p>
Taxation implications	<p>The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of applying for Securities under this Prospectus.</p> <p>The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with applying for Securities under this Prospectus.</p>
Forward-looking statements	<p>This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.</p> <p>These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.</p> <p>Such forward-looking statements are provided as a general guide only and are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and its management. Actual outcomes may differ materially from the events, intentions or results expressed or implied in any forward-looking statement in this Prospectus.</p> <p>The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements. Neither the Company, the Lead Manager, nor their respective related bodies corporate or affiliates nor their respective directors, officers, partners, employees and agents give any warranty, representation, assurance or guarantee that the occurrence of the events expressed or implied in any of the forward-looking statements in this Prospectus will actually occur. In addition, please note that past performance should not be relied upon as (and is not) an indication or guarantee of future performance.</p> <p>The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this prospectus, except where required by law.</p> <p>Key risks associated with an investment in the Company are detailed in Section 6. These and other factors could cause actual results to differ materially from forward-looking statements.</p>
Disclaimer	<p>No person is authorised to provide any information or to make any representation in connection with the Offers that is not contained in this Prospectus. Any information or representations not contained in this Prospectus may not be relied upon as having been authorised by the Company or the Lead Manager, any of their respective related bodies corporate and affiliates, nor any of their respective directors, officers, partners, employees and agents in connection with the Offers.</p> <p>Neither the Lead Manager, any of its related bodies corporates and affiliates, or any of their respective directors, officers, partners, employees, representatives or agents have authorised or caused the issue of this Prospectus or take any responsibility for any action taken by you on the basis of such information. To the maximum extent permitted by law, the Lead Manager, its related bodies corporate and affiliates and each of their respective directors, officers, partners, employees, representatives or agents exclude and disclaim all liability for any expenses, losses, damages or costs incurred by you as a result of your participation in the Offers and this Prospectus being inaccurate or incomplete in any way for any reason, whether by negligence or otherwise. Neither the Lead Manager, any of its related bodies corporates and affiliates, or any of their respective directors, officers, partners, employees, representatives or agents make any recommendations as to whether you or your related parties should participate in the Offers, nor do they make any representations or warranties to you concerning the Offers or any information, and you represent, warrant and agree that you have not relied on any statements made by the Lead Manager, any of its related bodies corporates and affiliates or any of their respective directors, officers, partners, employees, representatives or agents in relation to the New Shares, New Options or the Offers generally.</p> <p>The Lead Manager does not hold interests in the securities of the Company as at the date of this Prospectus, however, the Lead Manager may earn brokerage, fees or other benefits from the Company (including the Lead Manager Options and the fees detailed in Section 8.1). The</p>

engagement of the Lead Manager by the Company is not intended to create any agency, fiduciary or other relationship between the Lead Manager and any other investor.

Determination of eligibility of investors for the purposes of the Offers is determined by reference to a number of matters, including legal requirements and regulatory requirements, logistical and registry constraints and the discretion of the Company and the Lead Manager. To the maximum extent permitted by law, the Company, the Lead Manager, their respective related bodies corporate and affiliates, and their respective directors, officers, partners, employees and agents expressly disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion.

Applications	<p>Applications for New Securities offered by this Prospectus can only be made in accordance with the instructions on the accompanying Application Forms. Please read the instructions in this Prospectus and on the accompanying Application Forms regarding the acceptance of an Offer.</p> <p>Eligible Shareholders can accept the Entitlement Offer by submitting the Entitlement and Acceptance Form accompanying this Prospectus which can be accessed at www.computersharecas.com.au/14dentitlementoffer.</p> <p>By returning an Application Form, submitting an Application Form online with the Share Registry, lodging an Application Form with a stockbroker or otherwise arranging for payment of New Securities in accordance with the instructions on the Application Form, an Applicant acknowledges that they have received and read this Prospectus, acted in accordance with the terms of the Offer to which the Application Form relates and agree to all of the terms and conditions as detailed in this Prospectus.</p> <p>Refer to Section 2.10 for further information on which Application Form applies to each Offer under this Prospectus.</p>
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Meaning of terms	Capitalised terms used in this Prospectus are defined in the Glossary in Section 10.
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Rounding	Any discrepancies between totals and sums and components in tables contained in this Prospectus are due to rounding.
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Time	All references to time in this Prospectus are references to AEST, unless otherwise stated.
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Currency	All financial amounts contained in this Prospectus are expressed as Australian dollars unless otherwise stated.
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Indicative Timetable for the Entitlement Offer

Announcement Announcement of Entitlement Offer	Friday, 14 July 2023
Lodgement Prospectus lodged with ASX and ASIC	Friday, 14 July 2023
Ex-date Ex-date (date from which Shares begin trading without the right to participate in the Entitlement Offer)	Tuesday, 18 July 2023
Record Date Record Date (to identify Shareholders entitled to participate in the Entitlement Offer)	7:00pm (AEST) on Wednesday, 19 July 2023
Despatch of Prospectus and Entitlement and Acceptance Form Prospectus and Entitlement and Acceptance Forms sent to Eligible Shareholders	Monday, 24 July 2023
Opening Date Entitlement Offer opens	Monday, 24 July 2023
Extension Last day to extend the Closing Date	By 12:00pm (AEST) on Wednesday, 9 August 2023
Closing Date Entitlement Offer closes	5:00pm (AEST) on Monday, 14 August 2023
Quotation on deferred settlement basis Quotation of New Shares to be issued under the Entitlement Offer commences on a deferred settlement basis	Tuesday, 15 August 2023
Announcement of results Announcement of the results of the Entitlement Offer and notification of the Shortfall	By 12:00pm (AEST) on Monday, 21 August 2023
Entitlement Offer – Issue New Securities issued under the Entitlement Offer	By 12:00pm (AEST) on Monday, 21 August 2023

Note: The above dates are indicative only and subject to change. The Company may vary these dates without notice, including whether to close the Entitlement Offer early, extend the Entitlement Offer, or accept late Applications, either generally or in particular cases. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the New Securities. The Directors also reserve the right not to proceed with the whole or part of the Entitlement Offer at any time prior to allotment. In that event, the relevant Application Monies will be returned without interest. The commencement of quotation of New Shares is subject to confirmation from ASX. Cooling off rights do not apply to an investment in New Securities. You cannot withdraw your application for New Securities once it has been accepted. Investors who wish to submit an Application and apply for New Securities under the Offers are encouraged to do so as soon as possible after the Opening Date.

Chairman's Letter

Dear Shareholder

This Prospectus presents you with an opportunity to subscribe for further shares in 1414 Degrees Limited (**Company**) and I wish to outline the reasons your Directors, who are also all invested in the Company, have decided to recommend further investment. The main points can be summarised as follows, your Directors consider that:

1. a major new market is developing for our heat battery to supply industrial process heat;
2. substantial grant and co-funding opportunities have opened;
3. the next stage commercial pilot of SiBox needs enhanced technical resources;
4. our SiBrick product development is progressing, but has been under resourced for two years;
5. continuing Shareholder support may increase the Company's ability to attract additional grants from industry partners; and
6. SiBrick development for mass production could be accelerated with additional funding.

Your Company is developing innovative technology to electrify high temperature process industries, reducing emissions and tapping into a major clean energy market opportunity identified through our membership of the global Long Duration Energy Storage Council. While traditional batteries use chemical changes to store and regenerate electricity, our recently commissioned SiBox® functions as a heat battery, using a phase change of silicon in SiBrick to store electrical energy and provide heat on demand. This has the potential to be a gamechanger for hard-to-decarbonise industrial processes.

We have decided on a business strategy to develop products that can be manufactured under license in existing industries, a strategy that requires minimal capital investment by your company to achieve growth. To further this, we have recently strengthened collaboration with Refratechnik-Steel GmbH to develop and trial SiBrick for mass-production.

Your Directors are focused on accelerating the development of our products for commercialisation. We see substantial growth potential in the new and very large industrial heat markets, particularly for our SiBox heat battery which is being developed with an aim to provide very hot air as an alternative to gas.

We now need to increase our commercial profile and build our technical capability. Doing this is necessary to provide confidence to potential industry partners and to increase the Company's ability to access the grants available for energy transition technologies.

Recently, in March 2023, the Company attracted funding through a placement of Shares at a substantial premium and your Board has been assessing how to fund the development of its products for commercialisation to maximise Shareholder participation and value. We are aware that there are a significant number of Shareholders without a marketable parcel. We are also aware that there is substantial body of Shareholders who have invested at higher prices, and some with large shareholdings who have invested at substantially lower cost.

Since we assess that your Company does not need substantial capital to advance its objectives at this time, we considered the fairest way forward was to invite Eligible Shareholders to participate in a non-renounceable pro-rata entitlement offer (**Entitlement Offer**) to raise funds to, among other things described in Section 4.1, accelerate product development for commercialisation of SiBox® and SiBrick products. Taylor Collison Limited has been appointed as Lead Manager to the Offers (other than the Lead Manager Options Offer) in accordance with the Lead Manager Mandate outlined in Section 8.1 of this Prospectus.

Entitlement Offer

The Entitlement Offer allows you to apply for one New Share for every two Shares held at the Record Date, at an Offer Price of \$0.045 per New Share to raise a maximum of approximately \$4.6 million (before costs) plus free attaching Options (**New Options**) on the basis that for each New Share applied for and issued to you under the Entitlement Offer, you will receive one free New Option that will allow you to buy a Share for \$0.10 at any time on or before the day that is 24 months after the date of issue.

The Entitlement Offer gives Eligible Shareholders the opportunity to maintain their shareholding in the Company without paying brokerage fees or other transaction costs, irrespective of holding size.

Top Up Facility

Eligible Shareholders who take up their entitlements to subscribe for New Shares pursuant to the Entitlement Offer (being their Entitlements) in full may also apply for Additional New Shares in excess of their Entitlements at the Offer Price (subject to compliance with applicable laws and to the terms set out in this Prospectus) (**Top Up Facility**). Eligible Shareholders who apply for and are issued Additional New Shares under the Top Up Facility will also receive an Additional New Option for each Additional New Share applied for and issued to that Eligible Shareholder.

Shortfall Offer

Any Shortfall that is remaining after the issue of the Additional New Securities under the Top Up Facility will form the Shortfall Offer Securities. The offer to issue Shortfall Offer Shares (together with one free attaching Shortfall Offer Option for each Shortfall Offer Share applied for and issued), being the Shortfall Offer, is a separate offer under this Prospectus and will remain open for up to three months following the Closing Date.

Allocation of Shortfall

The allocation of any Shortfall pursuant to the Top Up Facility and the Shortfall Offer will be subject to the Board's discretion in relation to the allocation of the Shortfall.

Lead Manager and the Conditional Placement Offer

The Company has appointed Taylor Collison Limited (**Lead Manager**) as the lead manager to the Offers (other than the Lead Manager Options Offer). Pursuant to the Lead Manager Mandate, the Lead Manager will place the Shortfall Offer Securities on a best endeavours basis to sophisticated and professional investors, subject to the Board's discretion as to the allocation of the Shortfall. In the event the total value of the Shortfall Offer Securities available to be placed by the Lead Manager pursuant to the Shortfall Offer is less than \$500,000, the Lead Manager will have the right (but not the obligation) to place up to an additional 22,222,223 New Shares to sophisticated and professional investors pursuant to the Conditional Placement Offer (**Conditional Placement Right**). Refer to Section 8.1 for further information in relation to the Lead Manager Mandate.

Further information

Full details of the Offers are set out in this Prospectus. You should read the Prospectus in full and seek advice from your stockbroker, accountant, or other professional adviser if you have any questions about your investment in 1414 Degrees Limited or about the impact of the transactions described in this Prospectus or please call the Entitlement Offer information line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:30am and 5:00pm (AEST), Monday to Friday during the Offer Period.

An investment in the Company contains specific risks which you should consider before making that decision. A non-exhaustive list of risk factors relevant to an investment in the Company is set out in Section 6.

On behalf of the Board of the Company, I invite you to consider this investment opportunity as we thank you for your continued support.

Yours faithfully



Dr Kevin Moriarty
Executive Chairman

1 Investment Overview

This Section is not intended to provide full information for investors intending to apply for New Securities offered pursuant to this Prospectus. Prospective investors should read this Prospectus in full before deciding whether to invest in New Securities.

Topic	Summary	Further Information
The Offers		
What is the Entitlement Offer?	<p>The Entitlement Offer is a non-renounceable pro rata offer of one New Share for every two Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.045 per New Share, together with one free attaching New Option for each New Share applied for and issued, exercisable at \$0.10 on or before the day that is 24 months after the date of issue.</p> <p>Eligible Shareholders will be given the opportunity to take up all or part of their Entitlement. Entitlements are non-renounceable.</p>	Section 2.1
What is the Top Up Facility?	<p>Eligible Shareholders who take up their Entitlements to subscribe for New Shares pursuant to the Entitlement Offer in full may also apply for Additional New Shares in excess of their Entitlements at the Offer Price (subject to compliance with applicable laws and to the terms set out in this Prospectus).</p> <p>Eligible Shareholders who are allocated Additional New Shares pursuant to the Top Up Facility will also receive one Additional New Option for each Additional New Share applied for and issued to that Eligible Shareholder pursuant to the Top Up Facility.</p> <p>If you apply for Additional New Securities under the Top Up Facility, there is no guarantee that you will be allocated any Additional New Securities. You may alternatively be allocated zero Additional New Securities or less Additional New Securities than you applied for.</p>	Section 2.1
What is the Shortfall Offer?	<p>Any Shortfall that is remaining after the issue of the Additional New Securities under the Top Up Facility will form the Shortfall Offer Securities.</p> <p>The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Shortfall Offer Share to be issued under the Shortfall Offer will be \$0.045, being the price at which New Shares have been offered under the Entitlement Offer. Applicants who apply for and are issued Shortfall Offer Shares will receive one Shortfall Offer Option for each Shortfall Offer Share applied for and issued to that Applicant.</p> <p>Refer to Section 2.3 for details in respect to the Shortfall allocation policy).</p>	Sections 2.2 and 2.3
Who is the Lead Manager and what is the	<p>The Company has appointed Taylor Collison Limited as the lead manager to the Offers (other than the Lead Manager Options Offer) pursuant to the Lead Manager Mandate. The Lead Manager will place the Shortfall Offer Securities on a</p>	Section 8.1

Topic	Summary	Further Information												
Lead Manager Options Offer?	<p>best endeavours basis to sophisticated and professional investors, subject to the Board's discretion as to the allocation of the Shortfall.</p> <p>The Lead Manager Options are being offered to the Lead Manager pursuant to the Lead Manager Options Offer for nil cash consideration in part consideration for services provided to the Company by the Lead Manager.</p> <p>The terms and conditions of the Lead Manager Mandate are detailed in Section 8.1.</p>													
What is the Conditional Placement Offer?	<p>In the event the total value of the Shortfall Offer Securities available to be placed by the Lead Manager pursuant to the Shortfall Offer is less than \$500,000, the Lead Manager will have the right (but not the obligation) to place up to an additional 22,222,223 New Shares to sophisticated and professional investors pursuant to the Conditional Placement Offer (being the Conditional Placement Right).</p> <p>The Conditional Placement Offer is a separate offer made pursuant to this Prospectus to professional and sophisticated investors identified by the Lead Manager after the Closing Date subject to the Lead Manager validly exercising the Conditional Placement Right and the Company receiving the requisite Shareholder approval or having the requisite placement capacity under Listing Rule 7.1 to issue the Conditional Placement Offer Securities.</p> <p>The issue price for each Conditional Placement Offer Share to be issued under the Conditional Placement Offer will be \$0.045, being the price at which New Shares have been offered under the Entitlement Offer.</p> <p>Applicants who apply for and are issued Conditional Placement Offer Shares will receive one Conditional Placement Offer Option for each Conditional Placement Share applied for and issued to that Applicant.</p>	Section 2.5												
What is the purpose of the Offers and how will the funds raised be used?	<p>The purpose of the Entitlement Offer and the Shortfall Offer, is to raise up to approximately \$4.6 million (before costs) under those Offers (including the Top Up Facility).</p> <p>The Company's proposed use of net proceeds following completion of the Entitlement Offer and the Shortfall Offer is as follows (assuming those Offers are fully subscribed to raise approximately \$4.6 million or partially subscribed to raise \$1.5 million):</p> <table border="1" data-bbox="563 1682 1270 2076"> <thead> <tr> <th data-bbox="563 1682 895 1805">Use of funds</th> <th data-bbox="895 1682 1086 1805">Partial \$1.5m subscription (\$m)</th> <th data-bbox="1086 1682 1270 1805">Full \$4.6m subscription (\$m)</th> </tr> </thead> <tbody> <tr> <td data-bbox="563 1805 895 1895">SiBrick Commercialisation¹</td> <td data-bbox="895 1805 1086 1895">\$0.5</td> <td data-bbox="1086 1805 1270 1895">\$1.0</td> </tr> <tr> <td data-bbox="563 1895 895 2018">Attract significant grant funding for SiBox from industry partners¹</td> <td data-bbox="895 1895 1086 2018">\$0.1</td> <td data-bbox="1086 1895 1270 2018">\$0.6</td> </tr> <tr> <td data-bbox="563 2018 895 2076">Working capital²</td> <td data-bbox="895 2018 1086 2076">\$0.6</td> <td data-bbox="1086 2018 1270 2076">\$1.8</td> </tr> </tbody> </table>	Use of funds	Partial \$1.5m subscription (\$m)	Full \$4.6m subscription (\$m)	SiBrick Commercialisation ¹	\$0.5	\$1.0	Attract significant grant funding for SiBox from industry partners ¹	\$0.1	\$0.6	Working capital ²	\$0.6	\$1.8	Sections 2, 4.1, 6 and 8.1
Use of funds	Partial \$1.5m subscription (\$m)	Full \$4.6m subscription (\$m)												
SiBrick Commercialisation ¹	\$0.5	\$1.0												
Attract significant grant funding for SiBox from industry partners ¹	\$0.1	\$0.6												
Working capital ²	\$0.6	\$1.8												

Topic	Summary	Further Information
	Rebuild cash reserves ¹ \$0.2 \$1.0	
	Costs of the Offers \$0.1 \$0.2	
	Total \$1.5 \$4.6	
	<p>Notes:</p> <ol style="list-style-type: none"> 1. A partially subscribed raise will limit but not exclude these activities. 2. Working capital includes the normal general and administrative costs associated with running a public company, including, but not limited to, salaries and Director fees, installation expenses, legal fees, rental of office premises, investor relations and finance and accounting fees among other working capital requirements, including the purchase of inventory. <p>Subject to the Lead Manager validly exercising the Conditional Placement Right and placing the Conditional Placement Offer Securities and the Company receiving the requisite Shareholder approval or having the requisite placement capacity under Listing Rule 7.1 to issue the Conditional Placement Offer Securities, the Company will raise up to an additional \$1 million (before costs) pursuant to the Conditional Placement Offer (noting that the Conditional Placement Right does not create an obligation on the Lead Manager to place the Conditional Placement Offer Securities). The Company intends to apply any funds raised pursuant to the Conditional Placement Offer towards design of the SiBox Commercial Pilot and any costs associated with the Conditional Placement Offer (for example, any fees payable to the Lead Manager under the Lead Manager Mandate as detailed in Section 8.1).</p> <p>The above proposed use of funds is indicative only and will be subject to modification on an ongoing basis depending on the results obtained from the Company's activities and other factors relevant to the Board's discretion as to usage of funding. Due to market conditions and the development of new opportunities or any number of other factors (including the key risks outlined in Section 6 of this Prospectus), actual use of net proceeds may differ significantly to the above estimates.</p> <p>No funds will be raised under the Lead Manager Options Offer as the Lead Manager Options are being issued for nil cash consideration in part consideration for services provided to the Company by the Lead Manager.</p>	
Are any Directors participating in the Offers?	<p>The Directors intend to take up all or some of their respective Entitlements under the Entitlement Offer as set out in Section 8.6.</p> <p>The Directors are ineligible to apply for New Securities under the Top Up Facility, Shortfall Offer and the Conditional Placement Offer as they are 'related parties' in relation to the Company (as that term is defined in the ASX Listing Rules) and they are also ineligible to apply for Lead Manager Options Offer, which is only open to the Lead Manager (and its nominee(s)).</p>	

Topic	Summary	Further Information
Are the Offers underwritten?	No, the Offers are not underwritten.	Section 2.7
What is the effect of the Offers?	<p>The maximum number of Securities that will be issued under the Offers other than the Conditional Placement Offer is approximately 102,742,729 New Shares and approximately 105,742,729 New Options (in each case, subject to rounding of Entitlements), including 3,000,000 Lead Manager Options that will be issued pursuant to the Lead Manager Options Offer.</p> <p>Subject to the Lead Manager exercising the Conditional Placement Right and placing the Conditional Placement Offer Securities (among other things such as the Company having the requisite placement capacity under Listing Rule 7.1), the maximum number of Securities that will be issued under the Conditional Placement Offer is 22,222,223 New Shares and approximately 22,222,223 New Options.</p>	Section 4.2
Are the Offers subject to a minimum subscription?	No.	Section 2.15
What are the terms of the New Options?	<p>The New Options (which includes the Additional New Options, the Shortfall Offer Options, the Conditional Placement Offer Options and the Lead Manager Options) have an exercise price of \$0.10 each and will expire on the day that is 24 months after the date of issue.</p> <p>The New Options will not be quoted on ASX.</p> <p>The terms and conditions of the New Options are detailed in Section 5.2.</p>	Section 5.2
What is my Entitlement?	<p>Each Eligible Shareholder is entitled to apply for one New Share for every two Shares held on the Record Date of 7.00pm (AEST) on 19 July 2023.</p> <p>Each Eligible Shareholder will also be issued one free attaching New Option for each New Share applied for and issued to that Eligible Shareholder pursuant to the Entitlement Offer.</p> <p>If you are an Eligible Shareholder, your Entitlement will be set out on your personalised Entitlement and Acceptance Form accompanying this Prospectus.</p>	Section 2.1
What is the Offer Price?	The Offer Price per New Share applied for under the Entitlement Offer, the Top Up Facility, the Shortfall Offer or the Conditional Placement Offer is \$0.045.	Sections 2.1 and 2.2

Topic	Summary	Further Information
How to Participate in the Entitlement Offer		
Am I an Eligible Shareholder and able to participate in the Entitlement Offer?	<p>Eligible Shareholders are those persons who:</p> <ul style="list-style-type: none"> (a) are registered as a holder of Shares as at 7:00pm (AEST) on the Record Date; (b) have a registered address in Australia or New Zealand or are, in the opinion of the Company, otherwise eligible under all applicable securities laws to receive an offer of New Shares under the Entitlement Offer; and (c) are not in the United States and are not acting for the account or benefit of a person in the United States. 	Section 2.18
How do I accept all or part of the Entitlement Offer?	<p>If you are an Eligible Shareholder and you wish to take up all or part of your Entitlement, you must pay the full Application Monies via BPAY® by no later than 5.00pm (AEST) on the Closing Date.</p> <p>New Zealand based Shareholders will not be able to pay via BPAY® and will instead need to make payment via EFT. New Zealand based Shareholders should follow the instructions on their personalised Entitlement and Acceptance Form or seek EFT banking details via the Entitlement Offer website on www.computersharecas.com.au/14dentitlementoffer.</p>	Section 3
Can I withdraw my application?	Cooling off rights do not apply to an investment in New Securities under the Offers. You cannot withdraw your payment once it has been accepted unless permitted to do so in accordance with the Corporations Act.	Section 2.17
Can Eligible Shareholders apply for New Securities in excess of their Entitlement?	<p>Eligible Shareholders may apply for Additional New Securities under the Top Up Facility by completing the relevant section of their personalised Entitlement and Acceptance Form.</p> <p>There is no guarantee that Eligible Shareholders will be allocated any Additional New Securities under the Top Up Facility.</p> <p>The Directors reserve the right to place any Shortfall at their discretion within three months after the Closing Date. Refer to Section 2.3 for details in respect to the Shortfall allocation policy.</p>	Sections 2.3 and 3.3
Further details of the Offers		
Can I trade my Entitlement?	No, as the Entitlement Offer is non-renounceable, you cannot sell or transfer any of your Entitlement. There will be no trading of Entitlements on ASX.	Section 2.14
What will be the effect of the Offers on the control of the Company?	<p>The effect of the Offers on the control of the Company will vary with the level of Entitlements taken up by Eligible Shareholders under the Entitlement Offer.</p> <p>The Company will manage the Offers such that none of the Applicants will obtain a relevant interest in Shares of 20% or more. No New Securities will be issued to any Shareholder or Applicant pursuant to this Prospectus if, in the view of the Directors, to do so would increase that Shareholder's or Applicant's Voting Power in the Company</p>	Section 4.4

Topic	Summary	Further Information
	<p>above 20% or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law.</p> <p>However, the Directors do not anticipate there to be any material effect on the control of the Company as a result of the Offers.</p>	
What are the key risks of applying for New Securities?		
<p>Risks Specific to the Company</p>	<p>Investment in the Company should be considered speculative. Some of the key risks of investing in the Company are detailed below. The list of risks is not exhaustive and further details of these risks and other risks associated with an investment in the Company are detailed in Section 6.</p> <p>(a) Commercialisation of technology risk</p> <p>The Company will need to design a commercial demonstration pilot (CDP) in order to effect the second stage of its business plan and meet some contractual milestones. Delays or failure to identify or secure a site would significantly disrupt the business plan.</p> <p>Achieving its goals requires the Company to expand its in-house technical and marketing expertise to build and maintain business growth and attract funding, and there is a risk that growth is disrupted if this expansion is delayed.</p> <p>(b) Competition and Intellectual Property risk</p> <p>1414 Degrees participates in a new high temperature thermal energy storage market. There are currently no commercial technologies with the attributes of the 1414 Degrees products in its potential markets. In the future, development of other technologies for these markets or the Company's inability to enforce and defend its Intellectual Property against third party challengers could have a material adverse impact on 1414 Degrees performance and prospects of the business.</p> <p>Core technology performance risk</p> <p>For over 15 years the Company has developed and continues to develop its core silicon-based thermal storage media however the products have not been tested in long-term operation. There is a risk that the storage media does not meet the expectation of a 20 year operating lifetime, and this could delay or prevent the commercialisation of its SiBox technology, with significant adverse effects on investment in the Company.</p> <p>(c) Commercial risks relating to Aurora Project</p> <p>The Company has invested in development of a battery energy storage project on the Aurora project,</p>	<p>Section 6</p>

Topic	Summary	Further Information
	<p>relying upon independent positive net revenue projections from operating in the national electricity market. Realisation of a commercial return on this investment requires the company to obtain access to private electricity transmission lines and the conversion of the status of those lines to participate in the national electricity market. There is a risk that it will not obtain access to transmission, or that cost of access could make the project unprofitable. The Company's joint-venture partner in the Aurora project must pay the Company \$1.5 million when connection to the transmission lines is approved. There is a risk that this payment will not occur if connection is not achieved.</p>	
	<p>(d) Operating experience and reliance on key personnel risk</p> <p>The Company relies on the experience of its management team and directors. The loss of the services of certain personnel could have an adverse effect on the Company and its activities, including delays in realising the commercial potential of the technology.</p>	
	<p>(e) Business strategy execution</p> <p>The Company's future growth, profitability and cash flows depend on the ability of its management to successfully execute its business strategy. There can be no assurance that 1414 Degrees can successfully achieve its business objectives and this could have a material adverse effect on the Company's business, financial condition, and operations.</p>	

Further Information

How can I obtain further information?

Further information and application instructions for the Offers, as well as the risks associated with investing in the Company are detailed in this Prospectus which you should read carefully and in its entirety.

You should read the Prospectus in full and seek advice from your stockbroker, accountant, or other professional adviser if you have any questions about your investment in 1414 Degrees Limited or about the impact of the transactions described in this Prospectus or please call the Entitlement Offer information line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:30am and 5:00pm (AEST), Monday to Friday during the Offer Period.

Section 2.25 and 6

2 Details of the Offers

2.1 Entitlement Offer and Top Up Facility

By this Prospectus, the Company invites Eligible Shareholders to participate in the Entitlement Offer.

The Entitlement Offer is a non-renounceable pro rata offer of one New Share for every two Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.045 per New Share, together with one free attaching New Option for every one New Share applied for and issued that is exercisable at \$0.10 on or before the day that is 24 months after the date of issue, to raise up to approximately \$4.6 million (before costs).

The Entitlement Offer is non-renounceable, meaning that Entitlements cannot be traded on ASX, nor can they be sold, transferred or otherwise disposed of.

Eligible Shareholders who take up their Entitlements to subscribe for New Shares pursuant to the Entitlement Offer in full may also apply for Additional New Shares in excess of their Entitlements at the Offer Price (subject to compliance with applicable laws and to the terms set out in this Prospectus) under the Top Up Facility.

The availability of Additional New Shares (and the free attaching Additional New Options in respect of those Additional New Shares) under the Top Up Facility will be limited to the Entitlements which are not taken up for the issue of New Shares and will be subject to the Board's discretion in relation to the allocation of the Shortfall. If you apply for Additional New Securities under the Top Up Facility, there is no guarantee that you will be allocated any Additional New Securities. You may alternatively be allocated zero Additional New Securities or less additional New Securities than you applied for. No Eligible Shareholder will be permitted to increase their Voting Power in the Company above 20% through the allocation of Additional New Securities through the Top Up Facility. Any Additional New Securities not allocated to Eligible Shareholders pursuant to the Top Up Facility will be allotted at the Board's discretion such as potentially to new sophisticated or professional investors under the Shortfall Offer, in accordance with the Shortfall allocation policy detailed in Section 2.3.

Eligible Shareholders may apply for New Securities under the Entitlement Offer and Additional New Securities under the Top Up Facility by completing the relevant section of their Entitlement and Acceptance Form (refer to Sections 3.2 and 3.3 for further details). Please also note that if you are an Eligible Shareholder who is a 'related party' in relation to the Company (as that term is defined in the ASX Listing Rules) or are otherwise a person to whom ASX Listing Rule 10.11 applies, you may apply to take up your Entitlement in part or in full, but may not apply for Additional New Securities under the Top Up Facility or the Shortfall Offer Securities under the Shortfall Offer.

All New Shares issued under the Entitlement Offer and Additional New Shares issued under the Top Up Facility will each rank equally with the Shares on issue as at the date of this Prospectus. For further information regarding the rights and liabilities attaching to Shares, please see Section 5.1.

The New Options offered under the Entitlement Offer and the Additional New Options offered under the Top Up Facility will have the terms and conditions detailed in Section 5.2.

The purpose of the Entitlement Offer and the intended use of funds raised is set out in Section 4.1 of this Prospectus.

2.2 Shortfall Offer

Any Shortfall that is remaining after the issue of the Additional New Securities under the Top Up Facility will form the Shortfall Offer Securities. The offer to issue Shortfall Offer Securities is a separate offer under this Prospectus (**Shortfall Offer**).

Under this Prospectus, the Company offers to issue the Shortfall Offer Shares to professional and sophisticated investors (upon invitation from the Company) at the same price of \$0.045 per Shortfall Offer Share as that offered under the Entitlement Offer together with one free attaching

Shortfall Offer Option for each Shortfall Offer Share applied for and issued. The Shortfall Offer Shares will have the same rights as the New Shares offered under the Entitlement Offer as detailed in Section 5.1 and the Shortfall Offer Options will have the same terms and conditions as the New Options offered under the Entitlement Offer as detailed in Section 5.2.

Investors may apply for Shortfall Offer Securities by completing the Shortfall Application Form upon invitation from the Company (refer to Section 3.7).

Shortfall Offer Securities will not be offered or issued to any Applicant if doing so would increase that Applicant's Voting Power in the Company above 19.9% or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law.

An Application for Shortfall Offer Securities accompanied by payment of Application Monies does not guarantee the allotment of any Shortfall Offer Securities. The Shortfall Offer Securities will be allocated within three months after the Closing Date.

The Company has appointed Taylor Collison Limited as the lead manager to the Offers (other than the Lead Manager Options Offer) pursuant to the Lead Manager Mandate. The Lead Manager will place the Shortfall Offer Securities on a best endeavours basis to sophisticated and professional investors, subject to the Board's discretion as to the allocation of the Shortfall. The terms and conditions of the Lead Manager Mandate are detailed in Section 8.1.

The Company reserves the right to issue to an Applicant a lesser number of Shortfall Offer Securities than the number applied for, reject an Application or not proceed with the issuing of the Shortfall Offer Securities or part thereof. If the number of Shortfall Offer Shares issued is less than the number applied for, surplus Application Monies will be refunded in full. Interest will not be paid on Application Monies refunded. Refer to Section 2.3 below for details in respect to the Shortfall allocation policy.

2.3 Shortfall allocation policy

The Securities comprising the Shortfall will be allocated in the following priority (subject to the Directors determining otherwise at their discretion):

- (a) firstly, Eligible Shareholders who have subscribed with Valid Applications for their full Entitlement of New Securities under the Entitlement Offer and have applied for Additional New Securities through the Top Up Facility will be allocated Additional New Securities, provided that no Eligible Shareholder will increase their voting power in the Company above 20% through the allocation of the Additional New Securities through the Top Up Facility. In the event it is necessary to scale back applications for Additional New Securities by Eligible Shareholders, then the scale back will be at the discretion of the Directors and, in the first instance, on a pro rata basis, based on the Entitlements of Eligible Shareholders;
- (b) then, any remaining Shortfall after the issue of the Additional New Securities under the Top Up Facility will be allocated to other investors (including as may be introduced to the Company by the Lead Manager) pursuant to the Shortfall Offer within three months of the Closing Date at the Offer Price, provided again that no investor will be entitled to increase their voting power in the Company above 20% through the allocation of the Shortfall Offer Securities.

The Directors reserve the right to issue the Securities comprising the Shortfall at their discretion. The Directors may issue, at their sole discretion, to an Eligible Shareholder who has applied for Additional New Securities a lesser number of Additional New Securities than the number applied for (or no Additional New Securities), issue part or all of the Securities comprising the Shortfall to new investors under the Shortfall Offer (subject to compliance with applicable laws and the ASX Listing Rules), reject an application or not proceed with the issuing of the Securities comprising the Shortfall or part thereof.

The Directors are not entitled to participate in the Top Up Facility or the Shortfall Offer.

The Directors will seek to ensure that no person will be issued Securities comprising the Shortfall if such issue will result in that person's Voting Power in the Company exceeding 20% or increasing at all, if they already hold Voting Power in the Company above 20%.

2.4 Lead Manager Options Offer

This Prospectus also includes an offer of up to 3,000,000 New Options (**Lead Manager Options**) to the Lead Manager (and/or its nominees) in accordance with the terms and conditions of the Lead Manager Mandate (**Lead Manager Options Offer**). The Lead Manager Options Offer under this Prospectus is made only to the Lead Manager.

The Lead Manager Options will be issued pursuant to the Company's existing Listing Rule 7.1 capacity.

The Lead Manager Options offered under this Prospectus will have the same terms and conditions as the New Options issued under the other Offers pursuant to this Prospectus which are detailed in Section 5.2 of this Prospectus. Refer to Section 8.1 for further information on the Lead Manager Mandate.

The Lead Manager should refer to Section 2.10(c) for details of how to accept the Lead Manager Options.

2.5 Conditional Placement Offer

In the event the total value of the Shortfall Offer Securities available to be placed by the Lead Manager pursuant to the Shortfall Offer is less than \$500,000, the Lead Manager will have the right (but not the obligation) to place up to an additional 22,222,223 New Shares to sophisticated and professional investors pursuant to the Conditional Placement Offer (being the Conditional Placement Right).

Under this Prospectus, the Company offers to issue the Conditional Placement Offer Shares to professional and sophisticated investors (upon invitation from the Company in consultation with the Lead Manager) at the same price of \$0.045 per Conditional Placement Offer Share as that offered under the Entitlement Offer together with one free attaching Conditional Placement Offer Option for each Conditional Placement Offer Share applied for and issued subject to the Lead Manager validly exercising the Conditional Placement Right and the Company receiving the requisite Shareholder approval or having the requisite placement capacity under Listing Rule 7.1 to issue the Conditional Placement Offer Securities.

It is not certain as at the date of this Prospectus whether the Conditional Placement Right can be exercised by the Lead Manager and accordingly, the Company is currently not intending to issue a notice of meeting in relation to any resolutions seeking the approval of Shareholders for the issue of Conditional Placement Offer Securities under Listing Rule 7.1. However, in the event the issue of any Conditional Placement Offer Securities requires Shareholder approval under Listing Rule 7.1 and the Company does not receive the requisite Shareholder approval, the Company will only issue Conditional Placement Offer Securities to the extent it is able to do so under its placement capacity under Listing Rule 7.1.

The Conditional Placement Offer Shares will have the same rights as the New Shares offered under the Entitlement Offer as detailed in Section 5.1 and the Conditional Placement Offer Options will have the same terms and conditions as the New Options offered under the Entitlement Offer as detailed in Section 5.2.

Investors may apply for Conditional Placement Offer Securities by completing the Conditional Placement Application Form upon invitation from the Company (refer to Section 3.8).

Conditional Placement Offer Securities will not be offered or issued to any Applicant if doing so would increase that Applicant's Voting Power in the Company above 19.9% or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law.

An Application for Conditional Placement Offer Securities accompanied by payment of Application Monies does not guarantee the allotment of any Conditional Placement Offer

Securities. The Conditional Placement Offer Shares will be allocated within three months after the Closing Date.

The terms and conditions of the Lead Manager Mandate are detailed in Section 8.1.

The Company reserves the right to issue to an Applicant a lesser number of Conditional Placement Offer Securities than the number applied for, reject an Application or not proceed with the issuing of the Conditional Placement Offer Securities or part thereof. If the number of Conditional Placement Offer Shares issued is less than the number applied for, surplus Application Monies will be refunded in full. Interest will not be paid on Application Monies refunded.

2.6 Purpose of this Prospectus

The purpose of this Prospectus is to:

- (a) make the Offers; and
- (b) ensure that the on-sale of the underlying Shares to be issued upon the exercise of New Options issued under the Offers is in accordance with ASIC Corporations Instrument 2016/80.

2.7 Underwriting

The Offers are not underwritten.

2.8 Fractional Entitlements

Fractional Entitlements will be rounded up or down to the nearest whole number, with Entitlements to less than half of a New Security rounded down. If the Company considers that holdings have been split to take advantage of rounding, the Company reserves the right to aggregate holdings held by associated Shareholders for the purpose of calculating Entitlements, to the extent permitted by the Listing Rules.

2.9 Risks of the Offers

As with any securities investment, there are risks associated with investing in the Company. However, having regard to the risks applicable to the Company and its business detailed in Section 6, Applicants should be aware that an investment in the New Securities should be considered highly speculative and there exists a risk that you may, in the future, lose some or all of the value of your investment.

Before deciding to invest in the Company, investors should read this Prospectus in its entirety, in particular the specific risks associated with an investment in the Company (detailed in Section 6), and should consider all factors in light of their personal circumstances and seek appropriate professional advice.

2.10 Application Forms and payments

(a) Entitlement Offer and Top Up Facility

Acceptance of a completed Entitlement and Acceptance Form, or alternatively, a BPAY® payment, by the Company creates a legally binding contract between the Applicant and the Company for the number of New Securities (including the Additional New Securities) accepted by the Company pursuant to the Entitlement Offer and, where applicable, the Top Up Facility. The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of New Shares (including the Additional New Shares).

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision whether to treat a completed Entitlement and Acceptance Form as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

A personalised Entitlement and Acceptance Form will be issued to the Eligible Shareholders together with a copy of this Prospectus and can be accessed at www.computersharecas.com.au/14dentitlementoffer.

(b) **Shortfall Offer**

A Shortfall Application Form will be provided to certain persons wishing to participate in the Shortfall upon invitation from the Company together with a copy of the Prospectus (refer to Section 3.7). Acceptance of a completed Shortfall Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shortfall Offer Securities accepted by the Company. The Shortfall Application Form does not need to be signed to be a binding acceptance of Shortfall Offer Securities.

If the Shortfall Application Form is not completed correctly it may still be treated as valid. The Directors' decision whether to treat a completed Shortfall Application Form as valid and how to construe, amend or complete the Shortfall Application Form is final.

(c) **Lead Manager Options Offer**

The Lead Manager Options Offer is an offer to the Lead Manager (and/or its nominees) only. Accordingly, only the Lead Manager (and/or its nominees) can accept the Lead Manager Options under the Lead Manager Options Offer.

A personalised Lead Manager Options Offer Application Form will be issued to the Lead Manager (and/or its nominees) together with a copy of this Prospectus.

(d) **Conditional Placement Offer**

A Conditional Placement Application Form will be provided to certain persons wishing to participate in the Conditional Placement Offer upon invitation from the Company (who will provide such forms in consultation with the Lead Manager) together with a copy of the Prospectus (refer to Section 3.8). Acceptance of a completed Conditional Placement Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Conditional Placement Offer Securities accepted by the Company. The Conditional Placement Application Form does not need to be signed to be a binding acceptance of Conditional Placement Offer Securities.

If the Conditional Placement Application Form is not completed correctly it may still be treated as valid. The Directors' decision whether to treat a completed Conditional Placement Application Form as valid and how to construe, amend or complete the Conditional Placement Application Form is final.

If you are in doubt as to the course of action, you should consult your professional advisor.

2.11 Offer opening and closing dates

The Entitlement Offer (including Applications for the Top Up Facility) and the Lead Manager Options Offer will each open on Monday, 24 July 2023 and close on the Closing Date of 5.00pm (AEST) on Monday, 14 August 2023.

Please note that payment made by BPAY® (or if applicable, EFT) must be received no later than 5.00pm (AEST) on the Closing Date. It is the responsibility of all Eligible Shareholders to ensure that their BPAY® (or if applicable, EFT) payments are received by the Company on or before the Closing Date.

The Shortfall Offer and the Conditional Placement Offer will close three months after the Closing Date.

The indicative timetable for the Entitlement Offer is set out in the indicative timetable on page 7 of this Prospectus.

The Directors reserve the right to extend the Offer Period and to close an Offer prior to its respective closing date, in each case, subject to the requirements of the Corporations Act and the Listing Rules.

2.12 Application Monies held on trust

All Application Monies will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the New Shares are issued. All Application Monies will be returned (without interest) if the New Shares are not issued.

2.13 Issue and dispatch

All New Securities under the Entitlement Offer are expected to be issued on or before the date specified in the Indicative Timetable.

Any Securities comprising the Shortfall may be issued within three months after the Closing Date.

It is the responsibility of Applicants to determine their allocation prior to trading in New Securities. Applicants who sell New Securities before they receive their holding statements will do so at their own risk.

2.14 No rights trading

The rights to New Securities under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on ASX and you may not dispose of your rights to subscribe for New Securities under the Entitlement Offer to any other party. If you do not take up your Entitlement to New Securities under the Entitlement Offer by the Closing Date, your Entitlement will lapse.

2.15 Minimum subscription

The Offers are not subject to a minimum subscription.

2.16 ASX quotation

Application will be made to ASX no later than seven days after the date of this Prospectus for Official Quotation of the New Shares offered under this Prospectus. If ASX does not grant Official Quotation of the New Shares within three months after the date of this Prospectus (or such period as the ASX allows), no New Shares will be issued or allotted under the Offers and the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

The Company is not seeking Official Quotation of the New Options offered pursuant to this Prospectus.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation of the New Shares is not to be taken in any way as an indication of the merits of the Company or its Securities.

2.17 Withdrawal and cooling-off rights

Cooling off rights do not apply to an investment in New Securities under the Offers. You cannot withdraw your payment once it has been accepted unless permitted to do so in accordance with the Corporations Act.

The Directors may at any time decide to withdraw this Prospectus and the Offers, in which case, the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

2.18 Eligible Shareholders

The Entitlement Offer is made to Eligible Shareholders only.

Eligible Shareholders are those persons who:

- (a) are registered as a holder of Shares as at the Record Date, being 7.00pm (AEST) on 19 July 2023;
- (b) have a registered address on the Company share register in Australia or New Zealand, or are, in the opinion of the Company, otherwise eligible to receive an offer of New Securities under the Entitlement Offer; and
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States,

(an **Eligible Shareholder**).

If you are a Shareholder who does not satisfy each of the criteria listed above, you are an **"Ineligible Shareholder"**. Where this Prospectus has been despatched to Ineligible Shareholders, this Prospectus is provided for information purposes only. The Company reserves the right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder.

Ineligible Shareholders are not entitled to participate in the Entitlement Offer to subscribe for New Securities.

By making a payment by BPAY® (or if applicable, EFT), you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

By receiving this Prospectus, you will be taken to have acknowledged and agreed that determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company and each of the Company and the Lead Manager and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

The Company has decided that it is unreasonable to make offers under the Entitlement Offer to Shareholders who have registered addresses outside Australia and New Zealand, having regard to the number of such holders in those places and the number and value of the New Securities that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places. The Company may (in its absolute discretion) extend the Entitlement Offer to Shareholders who have registered addresses outside Australia or New Zealand in accordance with applicable law.

2.19 Nominees

The Entitlement Offer is only being made to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares (e.g., for the purposes of determining whether any such persons may participate in the Entitlement Offer).

Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Entitlement Offer is compatible with applicable foreign laws.

2.20 Foreign jurisdictions

This Prospectus does not, and is not intended to, constitute an offer of Securities in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Prospectus. The Entitlement Offer is not being extended, and New Securities will not be issued, to Shareholders with a registered address which is outside Australia or New Zealand.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of New Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

No action has been taken to permit the offer of New Securities to existing Shareholders in any jurisdiction other than Australia and New Zealand. The distribution of this Prospectus in jurisdictions outside those jurisdictions is restricted by law and persons outside of those jurisdictions should observe such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

This Prospectus and the accompanying Application Form does not constitute an offer of New Securities in any jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer. In particular, this Prospectus may not be distributed to any person, and the New Securities may not be offered or sold, in any country outside of Australia except to the extent permitted below:

New Zealand

The New Securities are not being offered to the public within New Zealand other than to existing Shareholders of the Company with registered addresses in New Zealand to whom the offer of these New Securities is being made in reliance on the mutual recognition regime established under subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* and Part 9 of the *Financial Markets Conduct Regulations 2014*.

Investors in New Zealand should refer to the warning statement on page 4 under 'Important information for New Zealand investors'.

2.21 CHES

The Company participates in the Clearing House Electronic Subregister System, known as CHES. ASX Settlement, a wholly owned subsidiary of ASX, operates CHES in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHES, Applicants will not receive a certificate but will receive a statement of their holding of New Securities.

If you are broker sponsored, ASX Settlement will send you a CHES statement.

The CHES statement will set out the number of New Securities issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Securities.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by the Share Registry and will contain the number of New Securities issued to you under this Prospectus and your security holder reference number.

A CHES statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time; however, a charge may be made for additional statements.

2.22 Taxation implications

The Directors do not consider it appropriate to give Applicants advice regarding the taxation consequences of subscribing for New Securities.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Applicants. Applicants should consult their own professional tax adviser to obtain advice in relation to the taxation laws, regulations and implications applicable to their personal circumstances.

2.23 Privacy disclosure

The Company collects information about each Applicant from the Application Forms for the purpose of processing the Application and, if the Applicant is successful, for the purposes of administering the Applicant's Security holding in the Company. By submitting an Application Form, each Applicant agrees that the Company may use the information in the Application Form for the purposes set out in this privacy disclosure statement. The Company and the Share Registry may disclose an Applicant's personal information for purposes related to the Applicant's investment to their agents and service providers including those listed below or as otherwise authorised under the Privacy Act:

- (a) the Share Registry for ongoing administration of the Company's register;
- (b) the Company's Related Bodies Corporate, agents, contractors and third-party service providers, as well as to ASX, ASIC and other regulatory authorities (including the Australian Taxation Office); and
- (c) the printers and the mailing house for the purposes of preparing and distributing Holding Statements and for the handling of mail.

If an Applicant becomes a Security holder of the Company, the Corporations Act requires the Company to include information about the Security holder (name, address and details of the Securities held) in its public register. This information must remain in the Company's register of Shareholders or the Company's register of Optionholders (as applicable) even if that person ceases to be a Security holder of the Company. Information contained in the Company's register of Shareholders and the Company's register of Optionholders is also used to facilitate distribution payments (where applicable in relation to Shareholders) and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its Security holders) and compliance by the Company with legal and regulatory requirements.

If an Applicant does not provide the information required on the Application Form, the Company may not be able to accept or process their Application.

Under the Privacy Act, a person may request access to their personal information held by (or on behalf of) the Company or the Share Registry. An Applicant can request access to their personal information by writing to the Company through the Share Registry.

2.24 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2022 is contained in the Annual Report which is available on the Company's website at www.1414degrees.com.au.

A summary of the major activities and financial information relating to the Company for the half year ended 31 December 2022 is contained in the Half Yearly Report which is available on the Company's website at www.1414degrees.com.au.

The Company's continuous disclosure notices (i.e., ASX announcements) since the lodgement of its Annual Report for the year ended 30 June 2022 with ASX on 29 September 2022 are detailed in Section 7.

Copies of these documents are available free of charge from the Company or the Company's website: www.1414degrees.com.au. Directors strongly recommend that Applicants review these and all other announcements prior to deciding whether or not to participate in the Offers.

2.25 Enquiries concerning Prospectus

You should read the Prospectus in full and seek advice from your stockbroker, accountant, or other professional adviser if you have any questions about your investment in 1414 Degrees Limited or about the impact of the transactions described in this Prospectus or please call the Entitlement Offer information line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:30am and 5:00pm (AEST), Monday to Friday during the Offer Period.

3 Action required by Entitlement Offer, Shortfall Offer and Conditional Placement Offer Applicants

3.1 Eligible Shareholders

Eligible Shareholders will receive a personalised Entitlement and Acceptance Form setting out their Entitlement with a copy of this Prospectus sent to them. Shareholders, who are not Eligible Shareholders, will not receive an Entitlement and Acceptance Form.

Eligible Shareholders' Entitlements to New Shares will be shown on the Entitlement and Acceptance Form accompanying the copy of this Prospectus sent to them. Before taking any action in relation to the Entitlement Offer, you should read this Prospectus in its entirety, and seek professional advice from your professional adviser.

You may:

- (a) take up all of your Entitlement to New Shares (and attaching New Options) (see Section 3.2 below);
- (b) take up all of your Entitlement to New Shares (and attaching New Options) and apply for Additional New Shares (and attaching Additional New Options) in excess of your Entitlement under the Top Up Facility (see Section 3.3 below);
- (c) take up part of your Entitlement to New Shares (and attaching New Options) and allow the balance to lapse, in which case you will receive no value for those lapsed Entitlements (see Section 3.4 below); or
- (d) do nothing and allow all of your Entitlement to New Shares (and attaching New Options) to lapse, in which case you will receive no value for those lapsed Entitlements (see Section 3.6 below).

Eligible Shareholders who do not participate in the Entitlement Offer, or participate for an amount that is less than their full Entitlement, will have their percentage Shareholding in the Company reduced or diluted.

Please note that the allocation and issue of the Securities comprising the Shortfall under the Top Up Facility is subject to the Board's discretion in relation to the allocation of the Shortfall. There is no guarantee that Eligible Shareholders will be allocated any Additional New Securities under the Top Up Facility.

Please also note that if you are an Eligible Shareholder who is a 'related party' in relation to the Company (as that term is defined in the ASX Listing Rules) or are otherwise a person to whom ASX Listing Rule 10.11 applies, you may apply to take up your Entitlement in part or in full, but may not apply for Additional New Securities under the Top Up Facility or the Shortfall Offer Securities under the Shortfall Offer.

The Company will not allocate or issue New Securities (which includes the Additional New Securities) where it is aware that to do so would result in a breach of the Corporations Act, the Listing Rules or any other relevant legislation or law. Eligible Shareholders wishing to apply for New Securities must consider whether or not the issue of the New Securities to them would breach the Corporations Act or Listing Rules having regard to their own circumstances.

3.2 If you wish to take up all of your Entitlement to New Securities but do not wish to apply for Additional New Securities

If you wish to accept your Entitlement in full (without taking up any Additional New Securities), you should note your Entitlement and requisite Application Amount specified in the Entitlement and Acceptance Form, and make a payment by BPAY® for the total Application Money in accordance with the instructions contained in this Prospectus and detailed on the Entitlement and Acceptance Form (calculated at \$0.045 per New Share accepted under the Entitlement Offer). New Zealand based Shareholders will not be able to pay via BPAY® and will instead need to make payment via EFT, New Zealand based Shareholders should follow the instructions on their personalised Entitlement and Acceptance Form or seek EFT banking details via the

Entitlement Offer website on www.computersharecas.com.au/14dentitlementoffer. Please read the instructions carefully.

3.3 If you wish to take up all of your Entitlement to New Securities and apply for Additional New Securities under the Top Up Facility

If you wish to accept your Entitlement in full and apply for New Securities in excess of your Entitlement by applying for Additional New Securities under the Top Up Facility, you should note your Entitlement and requisite Application Amount specified in the Entitlement and Acceptance Form, and make a payment by BPAY® (or as specified for New Zealand based Shareholders) for the total Application Money in accordance with the instructions contained in this Prospectus and detailed on the Entitlement and Acceptance Form. This payment should be inclusive of the New Securities you wish accept under your Entitlement as well as the Additional New Securities you wish to apply for under the Top Up Facility (calculated at \$0.045 per New Share (including Additional New Share) accepted under the Entitlement Offer and applied for under the Top Up Facility).

3.4 If you wish to take up part of your Entitlement to New Securities and allow the balance to lapse

If you wish to accept part of your Entitlement and allow the balance to lapse, you should note your Entitlement and requisite Application Amount specified in the Entitlement and Acceptance Form, and make a payment by BPAY® for the total Application Money relating to the portion of New Shares you do wish to apply for in accordance with the instructions contained in this Prospectus and detailed on the Entitlement and Acceptance Form (calculated at \$0.045 per New Share accepted under the Entitlement Offer). New Zealand based Shareholders will not be able to pay via BPAY® and will instead need to make payment via EFT, New Zealand based Shareholders should follow the instructions on their personalised Entitlement and Acceptance Form or seek EFT banking details via the Entitlement Offer website on www.computersharecas.com.au/14dentitlementoffer. Please read the instructions carefully.

You will not receive any value for the Entitlements you choose not to take up and they will lapse worthless.

3.5 Payment by BPAY® or EFT

Australian based Shareholders may only pay via BPAY®. New Zealand based Shareholders will not be able to pay via BPAY® and will instead need to make payment via EFT, New Zealand based Shareholders should follow the instructions on their personalised Entitlement and Acceptance Form or seek EFT banking details via the Entitlement Offer website on www.computersharecas.com.au/14dentitlementoffer.

Eligible Shareholders should note:

- (a) You should make your payment in respect of your Application Money via BPAY® (or via EFT payment as directed for New Zealand Shareholders) for the number of New Securities you wish to apply for (being the \$0.045 multiplied by the number of New Shares you are applying for, including any Additional New Shares under the Top Up Facility if applicable).
- (b) Please follow the instructions on your personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique Reference Number).
- (c) Your BPAY® payment (or EFT payment for New Zealand based Shareholders) must be received by no later than 5:00pm (AEST) on the Closing Date. Applicants should be aware that their own financial institution may impose earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the Applicant to ensure that funds submitted through BPAY® (or via EFT for New Zealand based Shareholders) are received by this time.
- (d) You do not need to submit your Entitlement and Acceptance Form but, by making a payment through BPAY® (or via EFT for New Zealand based Shareholders), you will be taken to have applied for the New Securities (including any Additional New Securities

under the Top Up Facility) and made the declarations set out in the Entitlement and Acceptance Form.

- (e) For those paying by:
 - (i) BPAY®, please make sure to use the specific Biller Code and unique Reference Number on your personalised Entitlement and Acceptance Form; and
 - (ii) EFT, please make sure to use the specific Reference Number on your personalised Entitlement and Acceptance Form.

Eligible Shareholders may not pay via cheque and must not forward cash by mail. Receipts for payment will not be issued.

If you have more than one holding of Shares you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Reference Number specific to the Entitlement on that form. If you inadvertently use the same Reference Number for more than one of your Entitlements, you will be deemed to have applied only for your Entitlements to which that Reference Number applies.

If the amount of your BPAY® or EFT payment for Application Money is insufficient to pay in full for the number of New Securities (including Additional New Securities) you have applied for, you will be taken to have applied for such lower whole number of New Shares as your cleared Application Money will pay for. Alternatively, your Application may be rejected (at the discretion of the Company).

The Company will treat you as applying for as many New Securities as your payment will pay for in full, subject to any scale back it may determine to implement, in its absolute discretion, in respect of any Additional New Securities under the Top Up Facility. Amounts received in excess of the Application Money for your Entitlement (**Excess Amount**) may be treated as an application to apply for as many Additional New Securities as your Excess Amount will pay for in full.

Any Application Money received by the Company in excess of your final allocation of New Securities (including Additional New Securities) will be refunded by cheque to your registered address as noted on the Company's Share register as soon as practicable after the close of the Entitlement Offer. It is not practical to refund any amount of less than \$2.00 to Shareholders and any refunds owing for less than this amount will be retained by the Company. No interest will be paid to Applicants on any Application Money received or refunded.

If you take no action or you fail to take any action prior to the Closing Date, your Entitlement under the Entitlement Offer will lapse worthless and you will not receive any value for those Entitlements as detailed below.

3.6 Entitlement to New Securities not taken up

If you decide not to take up all or any part of your Entitlement to New Securities, do not take any further action and your Entitlement will lapse worthless and you will not receive any value for those Entitlements. In this instance, the New Securities to which you would have been entitled to subscribe for shall comprise the Shortfall and may be issued pursuant to the Shortfall Offer or the Top Up Facility (as determined by the Board in its discretion). You will receive no payment for your lapsed Entitlements. You cannot sell or transfer your Entitlements to another person. Your holding of Shares will be diluted because the issue of New Shares (and any Shares issued on conversion of the New Options offer under the Prospectus) will increase the total number of Shares on issue.

3.7 Application for Shortfall Offer Securities under the Shortfall Offer

If you are not a Shareholder and upon invitation by the Company wish to apply for Shortfall Offer Shares (including the free attaching Shortfall Offer Options) under the Shortfall Offer, please pay your Application Monies by following the instructions referred to in this Prospectus and on the Shortfall Application Form, including the number of Shortfall Offer Shares you wish to apply

for under the Shortfall Offer and the total Application Monies (calculated at A\$0.045 per Shortfall Offer Share applied for under the Shortfall Offer). Please read the instructions carefully.

3.8 Application for Conditional Placement Offer Securities under the Conditional Placement Offer

If you are not a Shareholder and upon invitation by the Company wish to apply for Conditional Placement Offer Shares (including the free attaching Conditional Placement Offer Options) under the Conditional Placement Offer, please pay your Application Monies by following the instructions referred to in this Prospectus and on the Conditional Placement Application Form, including the number of Conditional Placement Offer Shares you wish to apply for under the Conditional Placement Offer and the total Application Monies (calculated at A\$0.045 per Conditional Placement Offer Share applied for under the Conditional Placement Offer). Please read the instructions carefully.

3.9 Representations by Applicants

Payment made through BPAY® or EFT, constitutes a binding and irrevocable offer to apply for New Securities (including any Additional New Securities, the Shortfall Offer Securities and Conditional Placement Offer Securities (as applicable)) on the terms and conditions set out in this Prospectus and, once lodged or paid, cannot be withdrawn.

Your application will be considered to be for as many New Shares (and free attaching New Options) as your payment will cover.

By making payment by BPAY® or EFT, you will also be deemed to have acknowledged, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that:

- (a) if participating in the Entitlement Offer (including applying for New Securities under the Top Up Facility), represent to the Company that you are an Eligible Shareholder and that the Entitlement Offer can be made to you in accordance with this Prospectus, in accordance with applicable securities laws;
- (b) you have read and understood this Prospectus and your Application Form in their entirety and provide the authorisations contained in this Prospectus and Application Form;
- (c) you agree to be bound by the terms of the Offer the subject of your Application and the provisions of the Prospectus and the Company's constitution;
- (d) you declare that you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under your Application Form;
- (e) all details and statements in your Application Form are complete and accurate;
- (f) you authorise the Company to register you as the holder of New Securities issued to you;
- (g) once the Company (or the Share Registry) receives your Application Form or any payment of Application Money via BPAY® or EFT, you may not withdraw it except as allowed by law;
- (h) you agree to apply for the number of New Shares specified in your Application Form (along with the free attaching New Options in respect of those New Shares), or for which you have submitted payment of any Application Money via BPAY® or EFT, at \$0.045 per New Share;
- (i) you agree to be issued the number of New Shares (including free attaching New Options) that you apply for in your Application Form and that potentially (in the case of an Application in excess of your Entitlement under the Top Up Facility or an Application under the Shortfall Offer or Conditional Placement Offer) a lesser number of New Securities may be issued to you than that applied for;

- (j) if you apply for Securities under the Conditional Placement Offer or the Securities comprising the Shortfall under the Top Up Facility or the Shortfall Offer, you declare that you are not a 'related party' (as that term is defined in the ASX Listing Rules) or a person to whom Listing Rule 10.11 applies;
- (k) you authorise the Company, the Lead Manager, the Share Registry and their respective officers or agents, to do anything on your behalf necessary for the New Securities to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in your Application Form;
- (l) you authorise the Company to correct any errors in your Application Form or other form provided by you;
- (m) if you are an Eligible Shareholder, you declare that you were the current registered holder(s) on the Record Date of that number of Shares as indicated on your Entitlement and Acceptance Form as being held by you on the Record Date;
- (n) you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- (o) you acknowledge that the information contained in this Prospectus and the Application Form is not investment advice or a recommendation that New Securities are suitable for you given your investment objectives, financial situation or particular needs, and that this Prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- (p) you acknowledge the statement of risks in the Risk Factors detailed in Section 6 of this Prospectus, and that investments in the Company are subject to investment risk;
- (q) you acknowledge that none of the Company, the Lead Manager and their respective Related Bodies Corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers guarantees the performance of the Company, nor do they guarantee the repayment of capital;
- (r) you acknowledge and agree that:
 - (i) determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of the Company; and
 - (ii) the Company and each of its affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law;
- (s) you will also be deemed to have acknowledged, represented and warranted on your behalf and on behalf of and in relation to each person on whose account you are acting that:
 - (i) you are not in the United States and are not acting for the account of or benefit of a person in the United States; and
 - (ii) you have not, and will not, send any materials relating to the Offers to any person in the United States;
 - (iii) you are not otherwise a person to whom it would be illegal or unlawful to make an offer or issue of New Securities under the Offers;
 - (iv) you have not and will not send any materials relating to the Offers to any person in the United States or any other country outside Australia or New Zealand or any jurisdiction where it is not lawful for the materials relating to an Offer to be sent; and

- (v) you agree that the allotment of New Shares (including Additional New Shares and Shortfall Offer Shares (as applicable)) to you constitutes acceptance of your Application.

3.10 Nominees and custodians

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that applying for New Securities does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Application Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

3.11 Brokerage and stamp duty

No brokerage or stamp duty is payable by Eligible Shareholders who accept their Entitlement.

4 Purpose and effect of the Offers

4.1 Purpose of the Offers

(a) Offers other than the Lead Manager Options Offer

The purpose of the Entitlement Offer and the Shortfall Offer is to raise up to approximately \$4.6 million (before costs).

The Company's proposed use of net proceeds following completion of the Entitlement Offer and the Shortfall Offer is as follows (assuming those Offers are fully subscribed to raise approximately \$4.6 million or partially subscribed to raise \$1.5 million):

Use of funds	Partial \$1.5m subscription (\$m)	Full \$4.6m subscription (\$m)
SiBrick commercialisation ¹	\$0.5	\$1.0
Rebuild cash reserves ¹	\$0.5	\$2.0
Attract significant grant funding from industry partners ¹	\$0.1	\$0.6
Working capital ²	\$0.3	\$0.8
Costs of the Offers	\$0.1	\$0.2
Total	\$1.5	\$4.6

Notes:

1. A partially subscribed raise will limit but not exclude these activities.
2. Working capital includes the normal general and administrative costs associated with running a public company, including, but not limited to, salaries and Director fees, installation expenses, legal fees, rental of office premises, investor relations and finance and accounting fees among other working capital requirements.

Subject to the Lead Manager validly exercising the Conditional Placement Right and placing the Conditional Placement Offer Securities and the Company receiving the requisite Shareholder approval or having the requisite placement capacity under Listing Rule 7.1 to issue the Conditional Placement Offer Securities, the Company will raise up to an additional \$1 million (before costs) pursuant to the Conditional Placement Offer (noting that the Conditional Placement Right does not create an obligation on the Lead Manager to place the Conditional Placement Offer Securities). The Company intends to apply any funds raised pursuant to the Conditional Placement Offer towards design of the SiBox Commercial Pilot and any costs associated with the Conditional Placement Offer (for example, any fees payable to the Lead Manager under the Lead Manager Mandate as detailed in Section 8.1).

The above proposed use of funds is indicative only and will be subject to modification on an ongoing basis depending on the results obtained from the Company's activities and other factors relevant to the Board's discretion as to usage of funding. Due to market conditions and the development of new opportunities or any number of other factors (including the key risks outlined in Section 6 of this Prospectus), actual use of net proceeds may differ significantly to the above estimates. In light of this, the Board reserves the right to alter the way the funds are applied.

(b) Lead Manager Options Offer

The Lead Manager Options Offer is being made such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the on-sale provisions of section 707 of the Corporations Act is available.

Specifically, if the Lead Manager Options are issued with disclosure under this Prospectus, then the Shares issued upon the exercise of any of the Lead Manager Options can be on-sold within 12 months of their issue, without a disclosure document for the on-sale offer.

No funds will be raised under the Lead Manager Options Offer as the Lead Manager Options are being issued for nil cash consideration in part consideration for services provided to the Company by the Lead Manager. See Section 8.1 for further information on the Lead Manager Mandate pursuant to which the Lead Manager Options will be issued.

4.2 Indicative capital structure

The potential effect of the Offers on the capital structure on the Company is as follows (subject to rounding and subject to no further issues having occurred, for example from the conversion of Performance Rights into Shares):

Description	Shares	Options	Performance Rights ³
Existing Securities on issue	205,485,458	-	4,085,000
Maximum New Securities issued pursuant to the Entitlement Offer (including the Top Up Facility) and Shortfall Offer ¹	102,742,729	102,742,729	-
New Options to be issued pursuant to the Lead Manager Options Offer	-	3,000,000	-
Sub-total	308,228,187	105,742,729	4,085,000
Maximum New Securities issued pursuant to the Conditional Placement Offer ²	22,222,223	22,222,223	-
Total	330,450,410	127,964,952	4,085,000

Notes

1. Assuming that the Entitlement Offer and any resulting Shortfall are fully subscribed and no Performance Rights convert into Shares before the Record Date.
2. The Conditional Placement Offer is a conditional Offer. The above table assumes that the Lead Manager validly exercises the Conditional Placement Right and places the Conditional Placement Offer Securities (noting that the Conditional Placement Right does not create an obligation on the Lead Manager to place the Conditional Placement Offer Securities) and the Company receives the requisite Shareholder approval or has the requisite placement capacity under Listing Rule 7.1 to issue the Conditional Placement Offer Securities.
3. Comprising of Performance Rights expiring 23 May 2026 issued on 23 May 2023 under the Company's Performance Rights Plan (as approved by the Company at its 2020 Annual General Meeting) to certain employees of the Company, of which 380,000 Performance Rights lapse on the date of this Prospectus (for reasons unrelated to the issue of this Prospectus or the making of the Offers) and accordingly have not been included in the table above.

4.3 Performance Right holders

Holders of Performance Rights will not be able to participate in the Entitlement Offer unless:

- (a) their existing Performance Rights convert into Shares under the terms of their issue such that they are registered as holders of Shares prior to the Record Date; or
- (b) the holder is otherwise an Eligible Shareholder who can participate in the Entitlement Offer as a result of being a holder of Shares registered on the register of 14D at the Record Date.

It is not expected that any Performance Rights will convert into Shares prior to the Record Date.

4.4 Effect of the Offers on control of the Company

The Company has not appointed a nominee in respect of the Entitlements of Ineligible Shareholders pursuant to section 615 of the Corporations Act. Accordingly, the exemption to the 20% takeovers threshold under item 10 of section 611 of the Corporations Act is not available to Shareholders taking up their Entitlement under the Entitlement Offer.

As at the Prospectus Date, the Company has 205,485,458 Shares and 4,085,000 Performance Rights (excluding 380,000 Performance Rights which lapse on the Prospectus Date) on issue (as detailed in Section 4.2 above).

The Company will manage the Offers such that none of the Applicants will obtain a relevant interest in Shares of 20% or more. No New Securities will be issued to any Shareholder or Applicant pursuant to this Prospectus if, in the view of the Directors, to do so would increase that Shareholder's or Applicant's Voting Power in the Company above 20% or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law.

The Company does not anticipate that the acquisition of Securities by any Shareholder under any Offers will result in any Shareholder either becoming a substantial Shareholder, or obtaining a relevant interest in Shares of 20% or more albeit that the effect of the Offers on the Voting Power in the Company, for the purposes of the Corporations Act, is dependent upon the number of New Securities taken up. The Company therefore does not anticipate that the Offers will have any material effect on control of the Company.

4.5 Financial Information

Set out on the following pages are the Company's Consolidated Statement of Financial Position as at 31 December 2022 (reviewed) and the Company's Pro-Forma Consolidated Statement of Financial Position as at 30 June 2023 (unaudited) (**Statements**).

The Statements are presented in abbreviated form insofar as they do not include all the disclosures that are present in annual financial reports as required by Australian Accounting Standards. The significant accounting policies that underpin the Statements are the same policies as those outlined in the Company's Annual Report for the year ended 30 June 2022.

The Pro-Forma Statement of Financial Position includes material movements in the assets and liabilities of the Company between 31 December 2022 and the completion of the Entitlement Offer including:

- (a) a maximum subscription under the Entitlement Offer and any resulting Shortfall for the issue of 102,742,729 New Shares (subject to rounding of Entitlements and assuming that no Performance Rights convert into Shares before the Record Date) at \$0.045 each to raise up to approximately \$4.6 million (before costs) pursuant to this Prospectus; and
- (b) costs of the Offers of approximately \$250,490.

The Company will issue up to 102,742,729 New Options under the Entitlement Offer and the Offer of any resulting Shortfall under the Top Up Facility or the Shortfall Offer (subject to rounding of Entitlements and full subscription of the Entitlement Offer and any resulting Shortfall) and 3,000,000 New Options under the Lead Manager Options Offer pursuant to this Prospectus at an exercise price of \$0.10 exercisable on or before the day that is 24 months after the date of issue. Total possible proceeds of approximately \$10.6 million from the exercise of these New Options have not been reflected in the Pro Forma Statement of Financial Position. In addition, an allowance has not been made for any Conditional Placement Offer Securities that may be issued pursuant to the Conditional Placement Offer (including the exercise of any Conditional

Placement Offer Options that may be issued) and expenditure incurred in the normal course of business from 31 December 2022 to the Closing Date.

1414 Degrees Ltd

Proforma Statement of Financial Position

	31-Dec-22	30 June 2023		30 June 2023
	(Reviewed)	Pre-transaction (Unaudited)	Entitlement Offer	Post -transaction (Unaudited)
	\$	\$	\$	\$
Assets				
Current assets				
Cash and cash equivalents	1,246,957	1,946,203	4,372,932	6,319,135
Trade and other receivables	3,532,497	2,457,550	-	2,457,550
Other	341,814	171,502	-	171,502
Total current assets	5,121,268	4,575,255	4,372,932	8,948,187
Non-current assets				
Trade and other receivables	362,610	530,197	-	530,197
Joint venture investment	2,314,886	2,094,359	-	2,094,359
Property, plant and equipment	57,262	45,700	-	45,700
Right-of-use assets	311,564	226,192	-	226,192
Intangibles	2,407,542	2,366,529	-	2,366,529
Total non-current assets	5,453,864	5,262,977	-	5,262,977
Total assets	10,575,132	9,838,232	4,372,932	14,211,164
Liabilities				
Current liabilities				
Trade and other payables	467,591	384,283	-	384,283
Lease liabilities	258,372	227,357	-	227,357
Employee benefits	99,642	124,829	-	124,829
Provisions	34,000	34,000	-	34,000
Total current liabilities	859,605	770,469	-	770,469
Non-current liabilities				
Lease liabilities	74,265	-	-	-
Employee benefits	21,164	21,457	-	21,457
Total non-current liabilities	95,429	21,457	-	21,457
Total liabilities	955,034	791,926	-	791,926
Net assets	9,620,098	9,046,306	4,372,932	13,419,238
Equity				
Contributed equity	32,656,879	32,990,130	4,372,932	37,363,062
Reserves	258,781	167,592	-	167,592
	-	-	-	-
Accumulated losses	23,295,562	24,111,416	-	24,111,416
Total equity	9,620,098	9,046,306	4,372,932	13,419,238

5 Rights and liabilities attaching to Securities

5.1 Shares

The New Shares to be issued under this Prospectus (including the Additional New Shares, Shortfall Offer Shares and the Conditional Placement Offer Shares) and the underlying securities issued upon exercise of the New Options (including the Additional New Options, Shortfall Offer Options, Conditional Placement Offer Options and the Lead Manager Options) will rank equally with the existing Shares.

The following is a summary of the more significant rights and liabilities attaching to the Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. You should seek independent legal advice to obtain such a statement.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available on the Company's website and for inspection at the Company's registered office during normal business hours.

General meetings	Subject to certain restrictions contained in the Constitution, the Corporations Act and the ASX Listing Rules, each member is entitled to receive notice of, and to attend and vote at general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act and the ASX Listing Rules.
Voting rights	<p>Subject to any rights or restrictions for the time being attached to the Shares (whether as a result of the terms of their issue, the Constitution, the Corporations Act or the Listing Rules), at a general meeting of the Company every holder of Shares present in person or by a representative, proxy or attorney is entitled to one vote on a show of hands. On a poll, every holder of Shares present in person or by a representative, proxy or attorney is entitled to one vote per fully paid Share, or in the case of partly paid Shares a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the Share.</p> <p>A member is not entitled to vote unless all calls and other sums presently payable by the member in respect of Shares have been paid. Where there are two or more joint holders of the Share and more than one of them is present at a meeting and tenders a vote in respect of the Share, whether in person or by proxy or attorney, the Company will count only the vote cast by the member whose name appears before the other(s) in the Company's register of members.</p>
Dividend rights	<p>The Directors may from time to time resolve to pay a dividend if:</p> <ul style="list-style-type: none"> (a) the payment of the dividend is fair and reasonable to the Company's members as a whole; and (b) the payment of the dividend does not materially prejudice the Company's ability to pay its creditors. <p>Subject to the rights of members entitled to shares in the Company with special rights as to dividends, if any, all dividends in respect of shares in the Company, including the Shares, are to be declared and paid proportionally to the amount paid up, not credited as paid up, on the shares in the Company.</p>
Dividend plan	The Directors may adopt and implement a dividend plan under which, among other things, a member may elect that dividends payable by the Company be reinvested by way of subscription for Shares in the Company.
Issue of further Shares	The Directors may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares in the Company to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, the ASX Listing Rules, the Corporations Act and any rights for the time being attached to special classes of shares in the Company.

Transfer of Shares	<p>Subject to the Constitution, the Corporations Act, the ASX Settlement Operating Rules and the ASX Listing Rules, the Shares are freely transferable.</p> <p>Shares may be transferred by a proper transfer effected in accordance with the ASX Settlement Operating Rules, by any other method of transferring or dealing introduced by the ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by the directors that is permitted by the Corporations Act.</p> <p>The Board may refuse to register a transfer of Shares in the circumstances described in the Constitution and where permitted to do so under the ASX Listing Rules. If the Board refuses to register a transfer, the Company must, within five business days after the transfer was delivered to the Company, give the lodging party written notice of the refusal and the reasons for refusal. The Board must refuse to register a transfer of shares when required by law, including the Corporations Act, by the ASX Listing Rules or by the ASX Settlement Operating Rules.</p>
Partly paid shares	<p>The Directors may, subject to compliance with the Constitution, the Corporations Act and the ASX Listing Rules, issue partly-paid shares in the Company upon which amounts are or may become payable at a future time in satisfaction of all or part of the unpaid issue price.</p>
Winding up	<p>If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company, divide among the Shareholders in kind the whole or any part of the property of the Company and may for that purpose set such value as the liquidator considers fair on any property to be so divided and may determine how the division is to be carried out as between the Shareholders or different classes of shareholders.</p> <p>Subject to the rights of holders of shares in the Company with special rights in a winding up, the Constitution and the terms of issue of shares in the Company, if the Company is wound up, members, including holders of Shares will be entitled to participate in any surplus assets of the Company remaining after payment of its debts, in proportion to the shares in the Company held by them respectively irrespective of the amount paid up or credited as paid up on the shares in the Company.</p>
Variation of rights	<p>At present, the Company has on issue one class of shares only, namely the Shares. The rights attached to the shares in any class may be altered only if authorised by a special resolution passed at a separate meeting of the holders of the issued shares in the Company of the affected class, or with the written consent of the holders of at least three quarters of the issued shares of the affected class of shares in the Company.</p>
Directors	<p>The Constitution states that the minimum number of Directors is three.</p>
Powers of the Board	<p>The Directors have the power to manage the business of the Company and may exercise that power to the exclusion of the members, except as otherwise required by the Corporations Act, any other law, the ASX Listing Rules or the Constitution.</p>
Listing Rules	<p>If the ASX Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If any provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.</p>
Alteration to the constitution	<p>The Constitution can only be amended by special resolution passed by at least 75% of the votes cast by holders of Shares in the Company entitled to vote on the resolution. At least 28 days' written notice, specifying the intention to propose the resolution as a special resolution, is required.</p>

5.2 Terms of New Options to be issued under Offers

- (a) **Entitlement:** Subject to and conditional upon any adjustment in accordance with these conditions, each of the Options entitle the holder to apply for one Share upon payment of the Exercise Price.
- (b) **Exercise Price:** The Exercise Price for each Option is \$0.10 per Share.

- (c) **Expiry Date:** Each Option will expire at 5.00pm (AEST) on the day that is 24 months after the date of issue of the Option. An Option not exercised before that expiry date will automatically lapse on that Expiry Date.
- (d) **Exercise period:** The Options are exercisable at any time from the date of issue until 5.00pm on the Expiry Date (AEST).
- (e) **Exercise notice:** The Options may be exercised during the exercise period specified in these conditions by forwarding to the Company the Exercise Notice together with payment (in cleared funds) of the Exercise Price for the number of Shares to which the Exercise Notice relates.
- (f) **Partial exercise:** The Options may be exercised in full or in parcels of at least 10,000 Options (or such lesser amount in the event the holding of Options by an Optionholder is less than 10,000 Options).
- (g) **Timing of issue of Shares on exercise:** Within 15 business days after the Exercise Notice is received, the Company will:
 - (i) allot and issue the number of Shares as specified in the Exercise Notice and for which the Exercise Price has been received by the Company in cleared funds; and
 - (ii) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (h) **Participation in new issues:** The Options do not confer any right on the Optionholder to participate in a new issue of securities without exercising the Options. An Optionholder will be given at least 15 business days prior to the record date for the new issue of securities, to exercise their Options.
- (i) **Shares issued on exercise:** Shares issued as a result of the exercise of the Options will rank equally in all respects with all other Shares then on issue.
- (j) **Dividend:** The Options do not confer any rights to dividends. Shares issued upon the exercise of the Options will only carry an entitlement to receive a dividend if they were issued on or before the record date for the dividend.
- (k) **Adjustment for pro rata issue:** In the event of a pro rata issue of Shares by the Company (except a bonus issue), the Exercise Price for the Options will be adjusted in accordance with ASX Listing Rule 6.22.2.
- (l) **Adjustment for bonus issue:** If there is a bonus issue to Shareholders, the number of Shares over which each Option is exercisable will be increased by the number of Shares which the Optionholder would have received if the Options had been exercised before the record date for the bonus issue.
- (m) **Adjustment for reorganisation of capital:** If the Company reorganises its capital, the rights of the Optionholder (and the Exercise Price) will be changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital, at the time of the reorganisation.
- (n) **Not quoted:** The Company will not apply for quotation of the Options on ASX.
- (o) **Transferability:** The Options are only transferable up until it lapses, with the Company's prior written consent.

6 Risk factors

6.1 Introduction

There are numerous risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's involvement in the thermal energy storage and electricity markets. Some risk factors are largely beyond the control of the Company and the Directors, while others can be influenced by policies and procedures within the Company.

The Shares and Options offered to shareholders under this Prospectus should be considered speculative because of the stage of the commercial development of the Company. Whilst the Directors commend the Offer and will themselves participate, shareholders should be aware that investment in the Company involves risks, which may be higher than the risks associated with an investment in other companies.

This Section 6 identifies some of the major risks of which investors need to be aware before deciding on whether or not to invest in the Company. This is not an exhaustive list of the risk associated with a further investment in the Company and should be considered in conjunction with other information disclosed in this Prospectus. Prior to making any decision to accept an Offer, investors should carefully consider the following specific and general risk factors applicable to the Company.

6.2 Company Specific Risks

(a) Commercialisation of technology risk

The Company's vision of deploying its technology in a new niche market relies on the risk appetite in large-scale manufacturing and heavy industries. Several of these target industries and companies have pledged significant decarbonisation in the next two decades but the Company will need to design a commercial demonstration pilot (CDP) for one of these industries in order to effect the second stage of its business plan and meet some contractual milestones. Delays or failure to identify or secure a site would significantly disrupt the business plan. The Company's growth is reliant on two factors – market pull for the Company's technology and its ability to scale-up the supply-chain. Major changes to prospective client decarbonisation initiatives and/or impairment of the Company's supplier relationships could have a material adverse effect on the Company's operations, growth potential and profitability until alternative arrangements can be put in place. In some circumstances, however, alternative arrangements may not be available or may be less advantageous.

Achieving its goals requires the Company to expand its in-house technical and marketing expertise to build and maintain business growth and attract funding, and there is a risk that growth is disrupted if this expansion is delayed.

To mitigate these risks, the Company's commercial development team is working to secure a site in an operating industry for a CDP and aims to generate a sustainable pipeline of projects in conjunction with boosting its supply-chain with reliable long-term manufacturing partners. It can also build on its relationships with engineering service companies to ensure the appropriate expertise is available as its projects expand. Additionally, the government policies and legislative framework globally is currently and expected to remain favourable towards clean energy and renewable energy technologies. The Company has been and will be relying on support from governmental bodies through grants for faster scale-up and expediting a cost-competitive commercial product.

(b) Competition and Intellectual Property risk

1414 Degrees participates in a new high temperature thermal energy storage market. There are currently no commercial technologies with the attributes of the 1414 Degrees products in its potential markets. In the future, development of other technologies for these markets or the Company's inability to enforce and defend its Intellectual Property against third party challengers could have a material adverse impact on 1414 Degrees performance and prospects of the business.

The Company intends to maintain its technological innovation and aggressively pursue cost reduction to preserve its lead. The Company has also invested significant time and resources to develop and implement an intellectual property strategy that relies on trade secrets and establishment of a broad patent portfolio that would enable it to protect its exclusivity, maintain an advantage over competitors and provide a basis for enforcement in the event of infringement. In part this strategy anticipates Woodside Energy Technologies exercising its option to earn up to 49% of the Company's SiBox intellectual property. There is a risk that, in the event WET does not exercise its option, the Company would need to rely upon its own resources or find alternative partners.

The Company's intellectual property (**IP**) includes the patents for its thermal energy storage systems and storage media, its trademarks and domain names. The original technology patent for its thermal energy storage and retrieval system built on the concept of elongated canisters containing silicon metal and made of refractory material (Original Patent) is granted in CN, Germany, AU, NZ, UK jurisdictions, granting the Company exclusive rights to commercialise the technology. Subsequent patents include TESS-IND (granted in US, application in AU, EU, NZ) and GAS-TESS (application in AU, NZ, and US). The Company has also filed a patent application for its new storage media concept for mass producible bricks (SiBrick Patent) which is currently in Patent Cooperation Treaty (PCT) stage.

(c) **Core technology performance risk**

For over 15 years the Company has developed and continues to develop its core silicon-based thermal storage media however the products have not been tested in long-term operation. There is a risk that the storage media does not meet the expectation of a 20 year operating lifetime, and this could delay or prevent the commercialisation of its SiBox technology, with significant adverse effects on investment in the Company.

To mitigate this risk the Company has been developing and testing alternate silicon storage media in parallel, but there can be no guarantee that any of these media achieve a 20 year operating lifetime. A lesser lifetime would not necessarily make the products uncompetitive but could reduce potential revenue from license fees.

(d) **Commercial risks relating to Aurora Project**

The Company has invested in development of a battery energy storage project on the Aurora project, relying upon independent positive net revenue projections from operating in the national electricity market. Realisation of a commercial return on this investment requires the company to obtain access to private electricity transmission lines and the conversion of the status of those lines to participate in the national electricity market. There is a risk that it will not obtain access to transmission, or that cost of access could make the project unprofitable. There is also a risk that the projected earnings will not be realised because of changes in regulation or if unforeseen competitors enter into the market. The Company's joint-venture partner in the Aurora project must pay the Company \$1.5 million when connection to the transmission lines is approved. There is a risk that this payment will not occur if connection is not achieved.

There are some mitigating circumstances, one being that the company's investment in the generator performance study could be transferred to an alternative site on the electricity network.

(e) **Operating experience and reliance on key personnel risk**

The Company has to date been developing and operating a novel technology with limited operating history, and there is a risk that the successful implementation of the Company's business plans will not result in profitability.

The Company relies on the experience of its management team and directors. The loss of the services of certain personnel could have an adverse effect on the Company and its activities, including delays in realising the commercial potential of the technology.

To mitigate these risks, the Company will enhance its management and technical teams on successful completion of this Offer.

(f) **Business strategy execution**

The Company's future growth, profitability and cash flows depend on the ability of its management to successfully execute its business strategy. There can be no assurance that 1414 Degrees can successfully achieve its business objectives and this could have a material adverse effect on the Company's business, financial condition, and operations.

If circumstances change, the Company will need to rely on the value of the IP and technology to refocus its business strategy.

6.3 General Risks

(a) **Price of Shares**

The Company is publicly listed on the ASX and is subject to general market risk that is inherent in all securities listed on a stock exchange. This may result in fluctuations in the Share price that are not explained by the Company's fundamental operations and activities.

The price at which Shares are quoted on the ASX may increase or decrease due to several factors. These factors may cause the Shares to trade at prices below the Offer Price. There is no assurance that the price of the Shares will increase, even if the Company's earnings increase.

Some of the factors which may adversely impact the price of the Shares include:

- (i) fluctuations in the domestic and international market for listed securities;
- (ii) general economic conditions including interest rates, inflation rates, exchange rates, commodity and oil prices, changes to government fiscal, monetary or regulatory policies and settings;
- (iii) changes in legislation or regulation;
- (iv) inclusion in or removal from market indices;
- (v) the nature of the markets in which the Company operates; and
- (vi) general operational and business risks.

(b) **Shareholder dilution**

In the future, the Company may elect to issue Shares or other securities. While the Company will be subject to the constraints of the ASX Listing Rules regarding the issue of Shares or other securities, Shareholders at the time may be diluted as a result of such issues of Shares or other securities.

(c) **Government Policy**

A change in the policy of a government may affect the rights and obligations of the Company, including having material adverse effect on its operating and financial performance.

The Company's business is subject to numerous laws and regulations and the policies of regulatory authorities (for example, ASX and ASIC). Changes in laws and regulations and policies that affect, or may in the future affect, the Company's business, or services, including changes in accounting standards, tax laws and regulations, restrictions or requirements related to privacy and reporting could adversely affect the Company's financial results. Noncompliance may result in financial penalties being levied against the Company.

At the date of this Prospectus, the Company is not aware of any proposed changes to any policy that may affect the Company.

(d) **Force Majeure**

Force majeure events, or events beyond the control of the Company, may occur within or outside Australia that could impact upon the world economy, the Company's operations, and the price of the Shares. These events include but are not limited to war, acts of terrorism, an outbreak of international hostilities, fires, floods, earthquakes, labour strikes, civil wars, natural disasters, outbreaks of disease or other natural or man-made events or occurrences that can have an adverse effect on the demand for the Company's products and its ability to conduct business. While the Company seeks to maintain insurance in accordance with industry practice to insure against the risks it considers appropriate, no assurance can be given as to the Company's ability to obtain such insurance coverage in the future at reasonable rates or that any coverage arranged will be adequate and available to cover any and all potential claims. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

(e) **Insurance Risks**

The Company does, wherever practicable and economically advisable, utilise insurance to mitigate business risks. Such insurance may not always be available or claims against the Company may fall outside the scope of insurance cover. If realised, uninsured risks may adversely affect the financial position of the Company. In addition, there remains the risk that an insurer defaults in the payment of a legitimate claim by the Company.

(f) **Accounting Standards**

Changes in the Australian Accounting Standards and subjective assumptions, estimates, and judgements by management related to complex accounting matters could significantly affect the Company's financial results or financial conditions.

There is also a risk that interpretations of existing Australian Accounting Standards, including those relating to the measurement and recognition of key income statement and balance sheet items, including revenue and receivables, may differ. Changes to Australian Accounting Standards or changes to the commonly held views on the application of those standards could materially adversely affect the financial performance and position reported in the Company's financial statements.

(g) **Additional requirements for capital**

The capital requirements of the Company depend on numerous factors. Depending on the ability of the Company to generate income from its operations, the Company may require further financing in the future. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations.

(h) **Security investments**

Applicants should be aware that there are risks associated with any securities investment. Securities listed on the stock market have experienced extreme price and volume fluctuations that have often been unrelated to the operating performances of such companies. These factors may materially affect the market price of the Shares regardless of the Company's performance.

(i) **Liquidity risk**

There may be relatively few buyers or sellers of securities on ASX at any given time. This may affect the volatility of the market price of the securities and the prevailing market price at which Shareholders are able to sell their Shares. This may result in

Shareholders receiving a market price for their Shares that is less or more than the price paid under the Entitlement Offer (or, if applicable, Shortfall Offer or the Conditional Placement Offer).

7 Continuous disclosure documents

7.1 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus” to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities, or operation to acquire securities, in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms, a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three (3) months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request during the application period under this Prospectus:
 - (i) the annual financial report most recently lodged by the Company with ASIC;
 - (ii) any half-year financial report lodged by the Company with ASIC after the lodgement of the annual financial report referred to in item (c)(i) above and before the lodgement of this Prospectus with ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in item (c)(i) above and before the lodgement of this Prospectus with ASIC.

Copies of all documents lodged with ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with ASIC are set out in the table below.

Date	Description of announcement
Friday, 14 July 2023	Ceasing to be a substantial shareholder
Thursday, 6 July 2023	Strategic Partnership to Trial Mass Manufacture of SiBrick
Monday, 3 July 2023	Chairman's Letter to Shareholders
Friday, 2 June 2023	Investor Presentation - June 2023
Thursday, 1 June 2023	Change of Director's Interest Notice
Wednesday, 31 May 2023	A Name for 1414 Degrees Proprietary Storage Media
Tuesday, 30 May 2023	Aurora Energy Project BESS status update
Tuesday, 23 May 2023	Notification regarding unquoted securities - 14D
Tuesday, 9 May 2023	SiBox Demonstration Module - Successful Performance
Friday, 28 April 2023	Quarterly Activities/Appendix 4C Cash Flow Report
Thursday, 27 April 2023	SiBox Competitive with Fossil Fuels
Wednesday, 12 April 2023	Application for quotation of securities - 14D
Friday, 17 March 2023	Section 708A Notice
Friday, 17 March 2023	Application for quotation of securities - 14D
Friday, 17 March 2023	MMI grant funding tranche received
Tuesday, 14 March 2023	Proposed issue of securities - 14D
Tuesday, 14 March 2023	Completion of Premium Placement
Tuesday, 28 February 2023	Half Yearly Report and Accounts
Monday, 27 February 2023	SiBox Silicon Storage Media Reveal
Friday, 24 February 2023	Notification regarding unquoted securities - 14D
Wednesday, 8 February 2023	Notification of cessation of securities - 14D
Tuesday, 31 January 2023	Appendix 4C Cash Flow Report- December 2022
Wednesday, 25 January 2023	Quarterly Activity Report December 2022
Thursday, 1 December 2022	Higher Revenue Outlook for a Battery on Aurora Project
Tuesday, 15 November 2022	Company Secretary Appointment
Friday, 11 November 2022	Results of 2022 Annual General Meeting
Friday, 11 November 2022	Chairman's Address to Shareholders
Thursday, 10 November 2022	Initial Director's Interest Notice
Thursday, 10 November 2022	Initial Director's Interest Notice
Tuesday, 8 November 2022	Company Secretary Appointment
Tuesday, 8 November 2022	Addendum to Notice of Meeting
Tuesday, 8 November 2022	Withdrawal of resolution
Thursday, 3 November 2022	Board to Drive Renewal
Thursday, 3 November 2022	Appendix 3Z - Sheree Ford

Thursday, 3 November 2022	Notification of cessation of securities - 14D
Thursday, 3 November 2022	Appendix 3Z - Tony Sacre
Thursday, 3 November 2022	Appendix 3Z - Peter Gan
Thursday, 3 November 2022	Appendix 3Z - Dana Larson
Thursday, 3 November 2022	Appendix 3Z - Alison Evans
Thursday, 3 November 2022	New Director Appointments
Thursday, 3 November 2022	Board and Company Secretary Changes
Monday, 31 October 2022	September Quarterly Report & Appendix 4C
Wednesday, 12 October 2022	Notice of Meeting & Sample Proxy Form - 2022 AGM
Wednesday, 12 October 2022	Notice & Access Letter - 2022 AGM
Wednesday, 12 October 2022	Form 603
Thursday, 6 October 2022	Acting Chief Executive Officer Resignation

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours. The announcements are also available through the Company's website: www.1414degrees.com.au.

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the registered office of the Company:

- (a) this Prospectus;
- (b) the Constitution; and
- (c) the consents referred to in Section 8.13 and the consents provided by the Directors to the issue of this Prospectus.

8 Additional information

8.1 Lead Manager Mandate

The Company has appointed Taylor Collison Limited (**Lead Manager**) as the lead manager to the Offers (other than the Lead Manager Options Offer) pursuant to the Lead Manager Mandate.

In accordance with the Lead Manager Mandate, among other things, the Lead Manager will assist the Company in marketing and facilitating demand for the Offers (other than the Lead Manager Options Offer). The Lead Manager will place any Shortfall Offer Securities on a best endeavours basis (and subject to the Board's discretion as to allocation of any Shortfall) within three months after the Closing Date.

In the event the total value of the Shortfall Offer Securities available to be placed by the Lead Manager pursuant to the Shortfall Offer is less than \$500,000, the Lead Manager will have the right (but not the obligation) to place up to an additional 22,222,223 New Shares to sophisticated and professional investors pursuant to the Conditional Placement Offer (being the Conditional Placement Right) to the extent that:

- (a) the Company has the requisite placement capacity under Listing Rule 7.1 at the time to issue the Conditional Placement Offer Securities under the Conditional Placement Offer; or
- (b) where the Company does not have the requisite placement capacity under Listing Rule 7.1, the Company agrees to and successfully obtains Shareholder approval under ASX Listing Rule 7.1 to issue the Conditional Placement Offer Securities.

The Lead Manager will be paid a management fee of 3% (excluding GST) and a selling fee of 3% (excluding GST), in each case, of the gross amount raised under the Shortfall Offer and the Conditional Placement Offer in cash regardless of which investors those funds are received from, whether the funds are received or arranged by the Company, the Lead Manager or a third party, except that the calculation of the gross amount raised in this respect will not include any amounts raised:

- (a) by the Company in connection with the exercise of any New Options offered and issued under the Shortfall Offer or the Conditional Placement Offer; or
- (b) from Eligible Shareholders of the Company applying for Additional New Shares and Additional New Options in excess of their entitlements under the Entitlement Offer pursuant to the Top Up Facility.

In addition to the above fees, pursuant to the Lead Manager Mandate, the Company:

- (a) has agreed to pay all reasonable expenses of the Lead Manager, noting that the consent of the Company is required prior to the Lead Manager incurring any individual expense exceeding A\$2,000 (other than in relation to any legal fees incurred by the Lead Manager in relation to its role as the lead manager to the Offers (other than the Lead Manager Options Offer) up to a cap of \$5,000);
- (b) must issue to the Lead Manager (or its nominee(s)) for nil cash consideration 3,000,000 New Options exercisable at \$0.10 each on or before the day that is 24 months after the date of issue (the **Lead Manager Options**).

The Lead Manager Options will not be quoted and will have the same terms and conditions as the New Options to be issued pursuant to the Entitlement Offer (including the Top Up Facility), the Shortfall Offer and the Conditional Placement Offer.

The Lead Manager Mandate also contains market standard representations, warranties and undertakings given by the Lead Manager to the Company relating to its conduct of the Offers (other than the Lead Manager Options Offer). Subject to certain exclusions, relating to, among other things, fraud, wilful misconduct or negligence of the Lead Manager, the Lead Manager Mandate contains a market standard indemnity given by the Company to the Lead Manager relating to the Offers (other than the Lead Manager Options Offer).

8.2 Litigation

So far as the Directors are aware there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

8.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX. The New Options offered under this Prospectus are intended to be unlisted.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and most recent dates of those sales were:

Highest	\$0.069 on 18 May 2023
Lowest	\$0.045 on 29 June 2023
Last	\$0.055 on 13 July 2023

8.4 Substantial holdings

As at the date of this Prospectus, those persons which (together with their associates) have voting power in 5% or more of the Shares on issue are set out below:

Shareholders ¹	Shares	% Interest
Robert John Keith Shepherd as trustee for RJK Shepherd & Assoc SF, John Henry Moss and Wendy Elizabeth Moss (Moss Retirement Account) and Ammjohn Pty Ltd ²	15,740,443	7.66%
Dr Kevin Moriarty ³	12,915,694	6.28%

Notes:

- The information in the above table has been extracted from the Company's register of Shareholders as at the Prospectus Date, and also from substantial holding notices received from, or otherwise required to be provided, by the relevant Shareholders.
- Refer to the "Notice of initial substantial holder" lodged in relation to the Company with ASX on 23 September 2022.
- Includes 12,715,694 Shares held by Focem Pty Ltd <Towarnie Super Fund A/C>, an entity associated with Dr Kevin Moriarty, being a Director of the Company, and 200,000 Shares held by Dr Kevin Moriarty in his personal capacity.

8.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the two (2) years preceding lodgement of this Prospectus with ASIC, any interest in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with:
 - its formation or promotion; or
 - the Offers; or
- the Offers,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- as an inducement to become, or to qualify as, a Director; or
- for services provided in connection with:

- (i) the formation or promotion of the Company; or
- (ii) the Offers.

8.6 Directors' interests

The interest of each of the Directors and their related entities in the securities of the Company as at the Prospectus Date, are set out in the table below.

Director	Interest in Securities as at the Prospectus Date		New Securities proposed to be taken up under the Entitlement Offer	
	Shares	Performance Rights	New Shares	New Options
Dr Kevin Moriarty (Executive Chairman)	12,915,694 ¹	-	3,278,923	3,278,923
Mr Graham Dooley (Non-Executive Director)	171,897 ²	-	85,949	85,949
Mr Randolph Bowen (Non-Executive Director)	2,000,000 ³	-	1,000,000	1,000,000

Notes:

- Comprising of 12,715,694 Shares held by Focem Pty Ltd <Towarnie Super Fund A/C> and 200,000 Shares held by Dr Kevin Moriarty in his personal capacity. Refer to the Appendix 3X lodged by the Company in relation to Dr Kevin Moriarty on 15 August 2022 and 3Y lodged on 22 August 2022.
- Comprising of 171,897 Shares held by BT Portfolio Services Ltd <G & J Dooley Super Fund A/C>. Refer to the Appendix 3Y lodged by the Company in relation to Mr Graham Dooley on 1 June 2023.
- Comprising of 2,000,000 Shares held by Ranat Investments Pty Ltd <Marananga A/C>. Refer to the Appendix 3X lodged by the Company in relation to Mr Randolph Bowen on 10 November 2022.

8.7 Directors' remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of Non-Executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of Non-Executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each Non-Executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

A Director may be paid fees or other amounts (i.e., non-cash performance incentives such as Options and/or Performance Rights, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid travelling and other expenses that they properly incur in attending Directors' meetings, general meetings of the Company and in connection with the Company's business.

The remuneration (including superannuation) of existing Directors for the past two financial years are as follows:

Director	Financial year ending 30 June 2023 Salary/Director fees	Financial year ending 30 June 2022 Salary/Director fees
Dr Kevin Moriarty ¹	\$88,600	\$89,315
Mr Graham Dooley ²	\$28,889	-
Mr Randolph Bowen ³	\$33,333	-

Notes:

1. Dr Kevin Moriarty resigned as a Director of the Company on 19 July 2021 and was re-appointed as a Director on 28 July 2022.
2. Mr Graham Dooley was appointed as a Director on 3 November 2022.
3. Mr Randolph Bowen was appointed as a Director on 3 November 2022.

8.8 Interests of Other Persons

No promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director) do not hold, have, and have not had in the two years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director), provided in connection with the formation or promotion of the Company or the Offers, except as disclosed in this Prospectus and as follows:

- (d) Thomson Geer has acted as the Australian lawyers to the Company for the Offers. In respect of this work the Company will pay Thomson Geer approximately \$59,000 (exclusive of GST). During the two years before the date of this Prospectus, Thomson Geer has provided the Company with other legal services and was paid approximately \$45,000 (exclusive of GST) for these services;
- (e) Taylor Collison Limited has acted as the Lead Manager to the Entitlement Offer, the Shortfall Offer and the Conditional Placement Offer. In respect of this work the Company will pay the Lead Manager such fees and issue Options as outlined in 8.1. Taylor Collison Limited has not been paid any other fees in respect of services provided to the company in the last two years.
- (f) Computershare Investor Services Pty Limited conducts the Company's share registry functions and will provide administrative services in respect to the proposed Applications for Securities pursuant to this Prospectus. Computershare Investor Services Pty Limited will be paid for these services on standard industry terms and conditions.

8.9 Related party transactions

At the date of this Prospectus, no material transactions with related parties and Directors interests exist that the Directors are aware of, other than those disclosed in this Prospectus.

8.10 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

8.11 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the New Securities.

8.12 Costs of the Offers

The indicative costs of the Offers payable by the Company (inclusive of GST) are as follows:

Description	Cost (\$)
Lead Manager fee	66,000
ASX quotation fee	16,284
Legal expenses	65,000
Share Registry, Printing and Postage, and other expenses	100,000
ASIC lodgement fee	3,206
TOTAL	250,490

8.13 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the New Securities), the Directors, persons named in this Prospectus with their consent as proposed Directors of the Company, persons named in this Prospectus with their consent as having made a statement in this Prospectus and persons involved in a contravention in relation to this Prospectus, with regard to misleading or deceptive statements made in this Prospectus. Although the Company bears primary responsibility for this Prospectus, other parties involved in the preparation of this Prospectus can also be responsible for certain statements made in it.

Each of the following parties:

Name	Role
Thomson Geer	Australian Lawyers
Computershare Investor Services Pty Limited	Share Registry
Taylor Collison Limited	Lead Manager

- (a) has given its consent to be named in this Prospectus as set out above and has not withdrawn its consent at the date of lodgement of this Prospectus with ASIC;
- (b) makes no express or implied representation or warranty in relation to the Company, this Prospectus or the Offers;
- (c) has not made or purported to have made any statement in this Prospectus or statement on which a statement in this Prospectus is based, except as described in this Section; and

- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for this Prospectus other than a reference to its name and any statement or report included in this Prospectus with the consent of that party as described in this Section.

None of the parties referred to in this Section 8.13 has authorised or caused the issue of this Prospectus or the making of the Offers.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

8.14 Electronic prospectus

Pursuant to Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic copy of this Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of New Securities in response to an electronic Application Form, subject to compliance with certain provisions. If you have received an electronic copy of this Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please contact the Company and the Company will send to you, free of charge to you, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Application Form from an Applicant if it has reason to believe that when that Applicant was given access to the electronic Application Form, it was not provided together with an electronic copy of this Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies shall be held by the Company on trust and returned (without interest) to the Applicant as soon as practicable.

8.15 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

9 Directors' authorisation

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors. In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with ASIC.

A handwritten signature in black ink, appearing to read "Kevin Moriarty". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Dr Kevin Moriarty
Executive Chairman

10 Glossary

\$ or \$ means Australian dollars.

Additional New Options means the free attaching New Options in respect of the Additional New Shares applied for and issued under the Top Up Facility.

Additional New Shares means New Shares applied for by an Eligible Shareholder under the Top Up Facility in excess of their Entitlement under the Entitlement Offer.

Additional New Securities means the Additional New Shares and the Additional New Options.

AEST means Australian Eastern Standard Time.

Annual Report means the financial report lodged by the Company with ASIC in respect to the year ended 30 June 2022 and includes the corporate directory, review of activities, Shareholder information, financial report of the Company and its controlled entities for the year ended 30 June 2022, together with a Directors' report in relation to that financial year and the auditor's report for the period to 30 June 2022.

Applicant means a person who applies for New Securities under and in accordance with this Prospectus.

Application means a valid application for New Securities offered under this Prospectus.

Application Form means the application forms that accompany this Prospectus, being the Entitlement and Acceptance Form, the Shortfall Application Form, Lead Manager Options Offer Application Form, the Conditional Placement Application Form, or any one of those application forms as the case may be.

Application Money means money received from an Applicant in respect of an Application.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) trading as the 'Australian Securities Exchange'.

ASX Settlement means ASX Settlement Pty Limited (ACN 008 504 532).

ASX Settlement Rules means the settlement rules of ASX Settlement.

Board means the board of Directors of the Company.

Business Day means has the meaning given to that term in the Listing Rules.

CHESS means Clearing House Electronic Sub-register System operated by ASX Settlement.

CHESS Statement or Holding Statement means a statement of shares registered in a CHESS account.

Closing Date means the closing date of the Entitlement Offer, being the date detailed in the indicative timetable on page 7 of this Prospectus.

Company or **14D** means 1414 Degrees Limited (ACN 138 803 620).

Conditional Placement Application Form means the application form attached to, or accompanying this Prospectus, to be used for the purposes of applying for Conditional Placement Offer Securities upon invitation from the Company.

Conditional Placement Offer has the meaning given to that term in Section 2.5.

Conditional Placement Offer Shares means the New Shares to be issued pursuant to the Conditional Placement Offer.

Conditional Placement Offer Options means the free attaching New Options in respect of the Conditional Placement Offer Shares applied for and issued under the Conditional Placement Offer.

Conditional Placement Offer Securities means the Conditional Placement Offer Shares and Conditional Placement Offer Options.

Conditional Placement Right has the meaning given to that term in the Chairman's Letter.

Constitution means the constitution of the Company.

Corporations Act means the *Corporations Act 2001 (Cth)*.

Company Secretary means the company secretary of the Company.

Director means a director of the Company as at the Prospectus Date.

Eligible Shareholder has the meaning given to that term in 2.18.

Entitlement or **Entitlement Offer** means the non-renounceable entitlement for Eligible Shareholders to apply for New Shares on the basis of one New Share for every two Shares held on the Record Date at a price per New Share of \$0.045 with one free attaching Option for each New Share applied for and issued exercisable at \$0.10 on or before the day that is 24 months after the date of issue.

Entitlement and Acceptance Form means the entitlement and acceptance form attached to, or accompanying this Prospectus, that sets out the Entitlement of an Eligible Shareholder to subscribe for New Shares (and the free attaching New Options in respect of those New Shares) pursuant to the Entitlement Offer.

Exercise Notice means a duly completed notice of exercise of Options and application for Shares executed by an Optionholder specifying the number of Options exercised.

Exercise Price has the meaning given to it in the Option Terms in Section 5.2.

Expiry Date has the meaning given to it in the Option Terms in Section 5.2.

GST means Goods and services tax levied under the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)*.

Half Yearly Report means the interim report lodged by the Company with ASIC in respect of the half-year ended 31 December 2022.

Ineligible Shareholder means a Shareholder who is not an Eligible Shareholder.

Lead Manager means Taylor Collison Limited (ABN 53 008 172 450).

Lead Manager Options has the meaning given to it in Section 2.4.

Lead Manager Options Offer has the meaning given to it in Section 2.4.

Listing Rules means the official listing rules of ASX.

New Option means an Option exercisable at \$0.10 on or before the day that is 24 months after the date of issue, and otherwise on the terms and conditions set out in Section 5.2, to be issued or offered under an Offer to this Prospectus.

New Securities means the Securities offered under this Prospectus, being the New Shares (including the Additional New Shares and the Shortfall Offer Shares) and the New Options (including the Additional New Options and the Shortfall Offer Options).

New Share means a new Share, which the Company may issue to investors under the Entitlement Offer, the Top Up Facility, the Shortfall Offer or the Conditional Placement Offer.

Non-Executive Director means a non-executive Director of the Company.

Offer Period means the period that the Entitlement Offer is open, being the period between the Opening Date and the Closing Date.

Offer Price means \$0.045 per New Share.

Offers means the Entitlement Offer, the Shortfall Offer, the Lead Manager Options Offer or any one of those offers as the case may be.

Official Quotation means the admission of Shares to the official list of the ASX.

Opening Date means the opening date of the Entitlement Offer, being the date detailed in the indicative timetable on page 7 of this Prospectus.

Option means an option to subscribe for a Share.

Optionholder means a holder of an Option.

Option Terms means these terms of issue of the New Options detailed in Section 5.2.

Performance Rights means performance rights issued pursuant to the Company's Performance Rights Plan.

Privacy Act means the *Privacy Act 1988* (Cth).

Prospectus means this document, including the Application Form.

Prospectus Date means the date of this Prospectus, being the date that this Prospectus is lodged with ASIC.

Record Date means 7.00 pm (AEST) on the date specified in the indicative timetable set out on page 7 of this Prospectus.

Related Bodies Corporate means has the meaning given to that term in the Corporations Act.

Section means a section of this Prospectus.

Securities means has the meaning given to that term in section 761A of the Corporations Act and includes a Share and an Option.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means the holder of a Share.

Share Registry means the Company's Share Registry, Computershare Investor Services Pty Limited.

Shortfall means the New Securities offered under the Entitlement Offer for which Valid Applications are not received by 5.00pm (AEST) on the Closing Date.

Shortfall Application Form means the application form attached to, or accompanying this Prospectus, to be used for the purposes of applying for Shortfall Securities upon invitation from the Company.

Shortfall Offer has the meaning given to that term in Section 2.2.

Shortfall Offer Shares means the Shortfall remaining after the allocation of the Additional New Securities applied for and issued under the Top Up Facility.

Shortfall Offer Options means the free attaching New Options in respect of the Shortfall Offer Shares applied for and issued under the Shortfall Offer.

Shortfall Offer Securities means the Shortfall Offer Shares and Shortfall Offer Options.

Top Up Facility has the meaning given to that term in the Chairman's Letter in this Prospectus.

Valid Application means in respect of the Entitlement Offer:

- (a) a duly completed Entitlement and Acceptance Form received by the Company or the Share Registry with payment for the Offer Price (in cleared funds) for each New Share applied for; or
- (b) payment for the New Shares applied for by BPAY® or EFT,
by 5.00pm (AEST) on the Closing Date.

Voting Power has the meaning given to that term in the Corporations Act.

11 Corporate Directory

Directors

Dr Kevin Moriarty
 Mr Graham Dooley
 Mr Randolph Bowen

Registered Office

136 Daws Road
 Melrose Park SA 5039

Company Secretary

Ms Katelyn Adams

Australian Lawyers

Thomson Geer
 Level 23, Rialto South Tower
 525 Collins Street
 Melbourne VIC 3000

Share Registry*

Computershare Investor Services Pty
 Limited
 GPO Box 52
 Melbourne VIC 3001

Lead Manager

Taylor Collison
 Level 16, 211 Victoria Square
 Adelaide SA 5000

*The Share Registry has not been involved in the preparation of this Prospectus.




1414 DEGREES LIMITED
ABN 57 138 803 620

CLEAN
SCALABLE
ENERGY
STORAGE™

For all enquiries:

Phone:
 (within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Web:
 www.investorcentre.com/contact

14D

MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Make your payment:



See overleaf for details of the Entitlement Offer and how to make your payment

Non-Renounceable Rights Issue — Entitlement and Acceptance Form

 **Your payment must be received by 5:00pm (AEST) Monday 14 August 2023**

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Registration Name & Entitlement Offer Details

Details of the shareholding and entitlements for this Entitlement Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your Controlling Participant to notify a change of address.

Step 2: Make Your Payment

You can apply to accept either all or part of your Entitlement. If you accept your full Entitlement, you can also apply for Additional New Shares under the Top Up Facility. Enter the number of New Shares you wish to apply for under the Top Up Facility and the amount of payment for those New Shares.

By making your payment you confirm that you:

- declare that you were the registered holder(s) at the Record Date of the Shares indicated on this personalised Entitlement and Acceptance Form as being held by you on the Record Date (being 19 July 2023);
- represent and warrant that you have read and understood the Prospectus dated 14 July 2023 and that you acknowledge the matters, and make the warranties and representations set out in the Prospectus (including sections 2 and 3 of the Prospectus);
- you agree to be bound by the terms of the Entitlement Offer (including the Top Up Facility if you are also applying for Additional New Shares) and the provisions of the Prospectus and the Company's constitution.

Payment methods shown below.

BPAY®: See overleaf. Do not return the payment slip with BPAY payment.

Electronic Funds Transfer (New Zealand applicants only): For payment by Electronic Funds Transfer (EFT) for eligible New Zealand holders only, please refer to the accompanying page for personalised EFT details, or contact +61 3 9415 4000 if you require further assistance.

Note: Payment by cash or cheque is not accepted. Funds cannot be debited directly from your bank account.

Turn over for details of the Entitlement Offer →

1414 Degrees Limited Non-Renounceable Rights Issue
Payment must be received by 5:00pm (AEST) Monday 14 August 2023


© Registered to BPAY Pty Limited ABN 69 079 137 518

Entitlement and Acceptance Form

X 9999999991

IND

STEP 1 Registration Name & Entitlement Offer Details

 For your security keep your SRN/
HIN confidential.

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Entitlement No: 12345678

Entitlement Offer Details: Existing shares entitled to participate as at
19 July 2023:


Entitlement to New Shares
on a 1 for 2 basis:

Amount payable on full acceptance
at \$0.045 per New Share:

STEP 2 Make Your Payment by 5:00pm (AEST) Monday 14 August 2023

To avoid postal delay make your payment via **BPAY** either online or by phone with your bank using the payment details below.

BPAY

	Bill Code: 401737 Ref No: 1234 5678 9123 4567 89
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Contact your financial institution to make your payment from your cheque or savings account.

BPAY

Neither Computershare Investor Services Pty Limited (CIS) nor 1414 Degrees Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time. Eligible Shareholders should use the customer reference number shown on this Application Form when making a BPAY payment.

Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuers (the **issuer**), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at www.computershare.com/au/privacy-policies.

1414 Degrees Limited Acceptance Payment Details (calculation purposes only - you are not required to return this form)

Entitlement taken up:

Number of additional New Shares applied for under the Top Up Facility:

Amount enclosed at \$0.045 per New Share: **A\$**



Entitlement No: 12345678
MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000



BPAY is the most efficient and secure form of payment. Your BPAY payment details are shown above.