

**1414 Degrees Ltd**  
**Appendix 4D**  
**Half-year report**

**1. Company details**

Name of entity: 1414 Degrees Ltd  
ABN: 57 138 803 620  
Reporting period: For the half-year ended 31 December 2024  
Previous period: For the half-year ended 31 December 2023

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**2. Results for announcement to the market**

			\$
Loss from ordinary activities after tax attributable to the owners of 1414 Degrees Ltd	up	33.2% to	(1,319,934)
Loss for the half-year attributable to the owners of 1414 Degrees Ltd	up	33.2% to	(1,319,934)

*Dividends*

There were no dividends paid, recommended or declared during the current financial period.

*Comments*

The loss for the company after providing for income tax amounted to \$1,319,934 (31 December 2023: \$990,682).

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**3. Net tangible assets**

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>2.83</u>	<u>2.66</u>

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**4. Control gained over entities**

Not applicable.

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**5. Loss of control over entities**

Not applicable.

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**6. Dividends**

*Current period*

There were no dividends paid, recommended or declared during the current financial period.

*Previous period*

There were no dividends paid, recommended or declared during the previous financial period.

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**7. Dividend reinvestment plans**

Not applicable.

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8. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period \$	Previous period \$
SiliconAurora Pty Ltd	50.00%	50.00%	(356,861)	(183,927)
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Profit/(loss) from ordinary activities before income tax			(356,861)	(183,927)
Income tax on operating activities			-	-

9. Foreign entities

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

10. Audit qualification or review

*Details of audit/review dispute or qualification (if any):*

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

11. Attachments

*Details of attachments (if any):*

The Interim Report of 1414 Degrees Ltd for the half-year ended 31 December 2024 is attached.

12. Signed



Signed \_\_\_\_\_

Date: 27 February 2025

**1414 Degrees Ltd**

**ABN 57 138 803 620**

**Interim Report - 31 December 2024**

**1414 Degrees Ltd**  
**Directors' report**  
**31 December 2024**

The directors present their report, together with the financial statements, on the company for the half-year ended 31 December 2024.

**Directors**

The following persons were directors of the company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Kevin Moriarty - Executive Chairman  
Graham Dooley - Non-Executive Director  
Randolph Bowen - Non-Executive Director

**Company Secretary**

The following persons were company secretary of the company during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Katelyn Adams

**Principal activities**

The principal activity of the Company since 2009 is developing and commercialising its silicon-based thermal energy storage SiBrick to provide industrial high temperature heat from low-cost electricity and biogas. Its SiBox modular product uses SiBrick to provide a scalable decarbonisation pathway for diverse industrial energy users in, for example, manufacture of building products, mineral processing, and thermal power stations.

The Company acquired the exclusive rights to reactor patents for hydrogen production during the year, and is now incorporating its SiBrick technology to develop and commercialise an integrated reactor, SiPHyR, to decarbonise natural gas inexpensively.

The Company has been developing its Aurora Renewable Energy Precinct since 2019. The aim is to develop a hybrid renewable energy project delivering reliable electricity to the Upper Spencer Gulf region and National Electricity Market. The recent focus is developing a 140MW 2-hour battery energy storage system (BESS). The Aurora site is also an opportunity to build and demonstrate a large-scale pilot of the SiBox technology.

**Review of operations**

The loss for the company after providing for income tax amounted to \$1,319,934 (31 December 2023: \$990,682).

The following were the highlights from the operations during the year:

- The Company raised \$1.08 million through a Share Purchase Plan that closed over target. The funds raised will be used to fast track SiPHyR development, the Aurora Energy Precinct joint venture, commercialisation of SiBox technology and mass production trials for SiBrick.
- The Company secured an investment by US institutional investor, Lind Global Fund II, LP, an entity managed by New York-based firm, The Lind Partners (together, "Lind"). Under the share subscription agreement Lind will invest up to \$4.7 million. During the period the Company received \$1.5 million from Lind.
- There has been significant development of the Company's SiPHyR technology. Leveraging the \$2.5 million CRC-P grant awarded, the Company has accelerated its derisking and development efforts in collaboration with its partners, Woodside, the University of Adelaide and the Royal Melbourne Institute of Technology (RMIT). The initial phase, funded by 1414 Degrees, aims to accelerate the design and operation of a high-pressure reactor to optimise methane conversion and carbon capture.
- The Company continues to develop SiBrick, our proprietary thermal energy storage solution, to further optimise performance, cost-efficiency, and scalability. These enhancements ensure SiBrick meets the evolving demands of industrial customers and maximises long-term value, strengthening our competitive position in the market.
- Work continues on the Aurora Energy Precinct, with a focus on securing critical transmission access for the project. The Company is in the final stages of negotiating a transmission connection agreement.

**Significant changes in the state of affairs**

There were no significant changes in the state of affairs of the company during the financial half-year.

**Matters subsequent to the end of the financial half-year**

2,500,000 ordinary fully paid shares were issued via placement on 29 January 2025 for \$0.02 per share. The terms of this placement were originally announced on 16 September 2024.

**1414 Degrees Ltd**  
**Directors' report**  
**31 December 2024**

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

**Auditor's independence declaration**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Kevin Moriarty', written over a horizontal line.

Kevin Moriarty  
Chairman

27 February 2025

DECLARATION OF INDEPENDENCE  
BY JOSH CARVER  
TO THE DIRECTORS OF 1414 DEGREES LIMITED

As lead auditor for the review of 1414 Degrees Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been:

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



Josh Carver  
Director

BDO Audit Pty Ltd

Adelaide, 27 February 2025

**1414 Degrees Ltd**  
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**31 December 2024**

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**General information**

The financial statements cover 1414 Degrees Ltd as an individual entity. The financial statements are presented in Australian dollars, which is 1414 Degrees Ltd's functional and presentation currency.

1414 Degrees Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Western Plant, Door 1  
1 Watts Road, Tonsley  
South Australia, 5042

A description of the nature of the company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2025.

**1414 Degrees Ltd**  
**Statement of profit or loss and other comprehensive income**  
**For the half-year ended 31 December 2024**

	Note	31 December 2024 \$	31 December 2023 \$
<b>Revenue</b>			
Other income		20,379	19,101
Total revenue		<u>20,379</u>	<u>19,101</u>
<b>Expenses</b>			
Administration and professional expenses		(411,342)	(564,575)
Depreciation and amortisation		(110,948)	(10,911)
Employee benefits expense		(204,504)	(153,538)
Share based payments (equity settled)		(3,373)	162,043
Share of loss - SiliconAurora joint venture		(356,861)	(183,927)
Other expenses	4	(253,285)	(258,875)
Total expenses		<u>(1,340,313)</u>	<u>(1,009,783)</u>
<b>Loss before income tax expense</b>		(1,319,934)	(990,682)
Income tax expense		-	-
<b>Loss after income tax expense for the half-year attributable to the owners of 1414 Degrees Ltd</b>		(1,319,934)	(990,682)
Other comprehensive income for the half-year, net of tax		-	-
<b>Total comprehensive income for the half-year attributable to the owners of 1414 Degrees Ltd</b>		<u>(1,319,934)</u>	<u>(990,682)</u>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	18	(0.51)	(0.42)
Diluted earnings per share	18	(0.51)	(0.42)

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



**1414 Degrees Ltd**  
**Statement of financial position**  
**As at 31 December 2024**

	Note	31 December 2024 \$	30 June 2024 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents		2,528,985	1,707,352
Trade and other receivables	5	4,102,616	3,409,024
Financial assets		164,377	164,377
Other assets		198,306	155,006
<b>Total current assets</b>		<u>6,994,284</u>	<u>5,435,759</u>
<b>Non-current assets</b>			
Investments accounted for using the equity method	7	1,425,080	1,781,941
Right-of-use assets	6	814,834	910,697
Property, plant and equipment	8	173,981	152,840
Intangibles	9	520,255	1,110,783
<b>Total non-current assets</b>		<u>2,934,150</u>	<u>3,956,261</u>
<b>Total assets</b>		<u>9,928,434</u>	<u>9,392,020</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		145,714	760,767
Borrowings	10	157,677	-
Lease liabilities	11	157,098	150,039
Employee benefits		154,123	152,677
Provisions	12	34,000	34,000
<b>Total current liabilities</b>		<u>648,612</u>	<u>1,097,483</u>
<b>Non-current liabilities</b>			
Lease liabilities	11	624,392	704,747
Employee benefits		32,132	23,498
Provisions	12	70,000	70,000
<b>Total non-current liabilities</b>		<u>726,524</u>	<u>798,245</u>
<b>Total liabilities</b>		<u>1,375,136</u>	<u>1,895,728</u>
<b>Net assets</b>		<u>8,553,298</u>	<u>7,496,292</u>
<b>Equity</b>			
Contributed equity	13	36,708,507	34,334,940
Reserves		6,012	2,639
Accumulated losses		<u>(28,161,221)</u>	<u>(26,841,287)</u>
<b>Total equity</b>		<u>8,553,298</u>	<u>7,496,292</u>

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

**1414 Degrees Ltd**  
**Statement of changes in equity**  
**For the half-year ended 31 December 2024**

	<b>Contributed equity \$</b>	<b>Reserves \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 July 2023	33,002,185	167,720	(24,335,787)	8,834,118
Loss after income tax expense for the half-year	-	-	(990,682)	(990,682)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(990,682)	(990,682)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	1,334,023	-	-	1,334,023
Options Lapsed	-	(167,592)	-	(167,592)
Performance Rights Valuation	-	5,549	-	5,549
Balance at 31 December 2023	<u>34,336,208</u>	<u>5,677</u>	<u>(25,326,469)</u>	<u>9,015,416</u>
	<b>Contributed equity \$</b>	<b>Reserves \$</b>	<b>Retained profits \$</b>	<b>Total equity \$</b>
Balance at 1 July 2024	34,334,940	2,639	(26,841,287)	7,496,292
Loss after income tax expense for the half-year	-	-	(1,319,934)	(1,319,934)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,319,934)	(1,319,934)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 13)	2,373,567	-	-	2,373,567
Performance Rights Valuation	-	4,508	-	4,508
Performance Rights Lapsed	-	(1,135)	-	(1,135)
Balance at 31 December 2024	<u>36,708,507</u>	<u>6,012</u>	<u>(28,161,221)</u>	<u>8,553,298</u>

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

**1414 Degrees Ltd**  
**Statement of cash flows**  
**For the half-year ended 31 December 2024**

	Note	31 December 2024 \$	31 December 2023 \$
<b>Cash flows from operating activities</b>			
Receipts from customers		-	10,954
Payments to suppliers and employees		(1,135,773)	(840,795)
Interest received		20,379	19,101
Interest paid on lease liabilities		(37,980)	(5,346)
Interest and other finance costs paid		(883)	(3,973)
		<u>(1,154,257)</u>	<u>(820,059)</u>
Net cash used in operating activities			
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment	8	(40,817)	(1,200)
Payments for product development activities		(1,323,181)	(992,053)
Partner project contributions		550,000	550,000
Loans to Joint Venture		(380,000)	(320,160)
Government grants received and used for intangible asset		607,833	-
		<u>(586,165)</u>	<u>(763,413)</u>
Net cash used in investing activities			
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	13	2,576,645	1,470,739
Proceeds from borrowings		157,677	-
Share issue transaction costs		(203,078)	(136,716)
Repayment of borrowings		-	(121,117)
Repayment of lease liabilities		(73,296)	(134,997)
Receipt of bond		104,107	-
		<u>2,562,055</u>	<u>1,077,909</u>
Net cash from financing activities			
Net increase/(decrease) in cash and cash equivalents		821,633	(505,563)
Cash and cash equivalents at the beginning of the financial half-year		<u>1,707,352</u>	<u>1,948,457</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>2,528,985</u></u>	<u><u>1,442,894</u></u>

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

**Note 1. Material accounting policy information**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the policies stated below.

**Going concern**

The financial report has been prepared on the basis of a going concern. The financial report shows the company incurred a net loss of \$1,319,934 and a net cash outflow from operating and investing activities of \$1,740,422 during the reporting period. The company's ability to continue as a going concern is contingent upon generation of cash inflow from its business and/or successfully raising additional capital. The circumstances represent a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore the company may be unable to realise its assets and discharge its liabilities in the normal course of business. No allowance for such circumstances has been made in the financial report.

**New or amended Accounting Standards and Interpretations adopted**

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Note 2. Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Key estimates - impairment*

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

With respect to cash flow projections for intangible assets and those with a finite useful life but not yet considered ready for use, relevant inputs have been factored into valuation models on the basis of management's expectations regarding the growth of the market and the Company's ability to capture market share. Pre-tax discount rates of 15.8% have been used in all models.

**Note 2. Critical accounting judgements, estimates and assumptions (continued)**

*Key judgements - product development*

Included within intangible assets at the end of the reporting period is Product Development with a net carrying value of \$33,578 (30 June 2024: \$386,991) being the carrying value of the Product Development intangible asset of \$1,463,342 (30 June 2024: \$536,991) less the associated Government Grant funding of \$607,832 (30 June 2024: nil), the R&D refundable tax offsets applied of \$1,079,764 (30 June 2024: nil) and the Woodside Energy Technologies Pty Ltd contributions applied \$350,000 (30 June 2024: \$150,000). The directors believe that while the development and commercialisation of the technology remains in-progress and the asset is not yet generating economic benefits (beyond customer trials), it is not considered ready for use. A reliable estimate for the useful life of the asset will only be capable of being determined once the asset is assessed as ready for use, after which point, amortisation will commence. The directors are satisfied that it is probable that the intangible asset will generate future economic benefits based on internal financial models and potential project scenario analysis.

*SiliconAurora sales proceeds receivable*

The company has assessed the recoverability of the \$1,500,000 SiliconAurora sale proceeds and has made the judgement that this amount is recoverable. The payment of this amount is deferred until SiliconAurora receives a written offer to connect to the transmission system under the rules of the National Electricity Market ("Offer"). The company expects that the Offer will be received within the next 12 months.

*SiliconAurora Pty Ltd loan*

The company has assessed the recoverability of the loan and considers it to be recoverable based on the expected future development of the project generating positive cash flows.

*SiliconAurora Joint Control*

Management have determined that the company has joint control of SiliconAurora Pty Ltd ("SiliconAurora") with Vast Solar Pty Ltd ("Vast"). The arrangement between the two parties is governed by a contractual agreement requiring the unanimous consent of the parties involved when relevant activities are undertaken.

**Note 3. Operating segments**

The consolidated entity has only one operating segment based on the information provided to the chief operating decision makers. Therefore, as the results are the same as the consolidated entity they have not been repeated.

**Note 4. Other expenses**

	<b>31 December 2024</b>	<b>31 December 2023</b>
	\$	\$
Directors fees	45,833	50,000
Finance costs	38,863	9,319
Marketing	50,842	76,155
Other expenses	117,747	123,401
	<u>253,285</u>	<u>258,875</u>

**Note 5. Trade and other receivables**

	<b>31 December 2024</b>	<b>30 June 2024</b>
	\$	\$
<i>Current assets</i>		
R & D refundable tax offset	1,442,664	970,733
SiliconAurora Pty Ltd sales proceeds receivable	1,500,000	1,500,000
SiliconAurora Pty Ltd loan	1,141,525	761,525
Other receivables	18,427	176,766
	<u>4,102,616</u>	<u>3,409,024</u>

**1414 Degrees Ltd**  
**Notes to the financial statements**  
**31 December 2024**

**Note 6. Right-of-use assets**

	<b>31 December 2024</b>	<b>30 June 2024</b>
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	958,629	958,629
Less: Accumulated depreciation	<u>(143,795)</u>	<u>(47,932)</u>
	<u>814,834</u>	<u>910,697</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	<b>Watts Road</b>	<b>Total</b>
	\$	\$
Balance at 1 July 2024	910,697	910,697
Depreciation expense	<u>(95,863)</u>	<u>(95,863)</u>
Balance at 31 December 2024	<u>814,834</u>	<u>814,834</u>

**Note 7. Investments accounted for using the equity method**

	<b>31 December 2024</b>	<b>30 June 2024</b>
	\$	\$
<i>Non-current assets</i>		
SiliconAurora Pty Ltd - Aurora Energy Project	<u>1,425,080</u>	<u>1,781,941</u>

*Reconciliation*

Reconciliation of the carrying amounts at the beginning and end of the current and previous financial half-year are set out below:

Opening carrying amount	1,781,941	1,940,584
Share of loss	<u>(356,861)</u>	<u>(158,643)</u>
Closing carrying amount	<u>1,425,080</u>	<u>1,781,941</u>

Refer to note 16 for further information on interests in joint ventures.

**1414 Degrees Ltd**  
**Notes to the financial statements**  
**31 December 2024**

**Note 8. Property, plant and equipment**

	<b>31 December 2024</b>	<b>30 June 2024</b>
	\$	\$
<i>Non-current assets</i>		
Plant and equipment - at cost	106,398	80,780
Less: Accumulated depreciation	<u>(13,681)</u>	<u>(5,231)</u>
	<u>92,717</u>	<u>75,549</u>
Fixtures and fittings - at cost	118,073	118,073
Less: Accumulated depreciation	<u>(53,554)</u>	<u>(45,903)</u>
	<u>64,519</u>	<u>72,170</u>
Office equipment - at cost	67,233	52,133
Less: Accumulated depreciation	<u>(50,488)</u>	<u>(47,012)</u>
	<u>16,745</u>	<u>5,121</u>
	<u><u>173,981</u></u>	<u><u>152,840</u></u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	<b>Fixtures and fittings</b>	<b>Office equipment</b>	<b>Plant and equipment</b>	<b>Total</b>
	\$	\$	\$	\$
Balance at 1 July 2024	72,170	5,121	75,549	152,840
Additions	-	13,570	27,247	40,817
Depreciation expense	<u>(7,651)</u>	<u>(1,946)</u>	<u>(10,079)</u>	<u>(19,676)</u>
Balance at 31 December 2024	<u><u>64,519</u></u>	<u><u>16,745</u></u>	<u><u>92,717</u></u>	<u><u>173,981</u></u>

*Accounting policy for property, plant and equipment*

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight - line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Fixtures and fittings	3-10 years
Office equipment	3-7 years
Plant and equipment	3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

**1414 Degrees Ltd**  
**Notes to the financial statements**  
**31 December 2024**

**Note 9. Intangibles**

	<b>31 December 2024</b>	<b>30 June 2024</b>
	<b>\$</b>	<b>\$</b>
<i>Non-current assets</i>		
SiBox demonstration model	14,868,132	14,868,132
Government grants, tax offsets and Woodside funding applied	(14,325,833)	(14,125,833)
Less: Accumulated amortisation	<u>(55,622)</u>	<u>(18,507)</u>
	<u>486,677</u>	<u>723,792</u>
Product development - intellectual property	1,463,342	536,991
Government grants and R & D refundable tax offsets applied	(1,079,764)	-
Woodside funding applied	<u>(350,000)</u>	<u>(150,000)</u>
	<u>33,578</u>	<u>386,991</u>
	 <u>520,255</u>	 <u>1,110,783</u>

*Reconciliations*

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	<b>SiBox demonstratio n model</b>	<b>Product development</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July 2024	723,792	386,991	1,110,783
Additions	-	926,350	926,350
Government grants applied	-	(607,832)	(607,832)
R & D tax offset applied	-	(471,931)	(471,931)
Woodside funding applied	(200,000)	(200,000)	(400,000)
Amortisation expense	<u>(37,115)</u>	<u>-</u>	<u>(37,115)</u>
Balance at 31 December 2024	<u>486,677</u>	<u>33,578</u>	<u>520,255</u>



**Note 9. Intangibles (continued)**

Intellectual property consists of TESS (thermal energy storage system) development of bulk energy storage solutions and SiPHyR (SiBrick integrated Pyrolytic Hydrogen Reactor) development. The government grants relate to accelerating the commercialisation of the Company's intellectual property.

The intangible assets are tested for impairment annually.

The recoverable amount of the Company's Product Development intangible asset has been determined by a value-in-use calculation using a discounted cash flow model, based on an 7 year projection period approved by management.

The following key assumptions were used in the discounted cash flow model:

- 16.7% pre-tax discount rate;
- No revenue earned until 2025;
- Major project deliverable in 2025 and 2026

The discount rate of 16.7% pre-tax reflects management's estimate of the time value of money and the Company's weighted average cost of capital, the risk free rate and the volatility of the share price relative to market movements. Management believes the revenue presented in the model is justified, based on the potential indicated in the market.

There were no other key assumptions.

*Research and development*

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Company is able to use or sell the asset; the Company has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

*SiBox demonstration model*

The project is now ready for commercialisation and the demonstration model has been recognised as a separate class of intangible asset on the statement of financial position.

**Note 10. Borrowings**

	<b>31 December 2024</b>	<b>30 June 2024</b>
	\$	\$
<i>Current liabilities</i>		
Payable to Hunter Premium Funding	<u>157,677</u>	<u>-</u>

**Note 11. Lease liabilities**

	<b>31 December 2024</b>	<b>30 June 2024</b>
	\$	\$
<i>Current liabilities</i>		
Lease liability	<u>157,098</u>	<u>150,039</u>
<i>Non-current liabilities</i>		
Lease liability	<u>624,392</u>	<u>704,747</u>
	<u>781,490</u>	<u>854,786</u>

Total interest incurred on the lease liability for the period 1 July 2024 to 31 December 2024 was \$37,980 (2023: \$5,347).

**Note 12. Provisions**

	31 December 2024 \$	30 June 2024 \$
<i>Current liabilities</i>		
Provision for Gas-TESS decommissioning	34,000	34,000
<i>Non-current liabilities</i>		
Lease make good	70,000	70,000
	<u>104,000</u>	<u>104,000</u>

*Lease make good*

The provision represents the present value of the estimated costs to make good the premises leased by the company at the end of the respective lease terms.

*Gas-TESS Decommissioning Provision*

The current value of the Gas-TESS Decommissioning Provision is recognised at the estimated cost to demolish and reinstate the site of the Gas-TESS (Glenelg Project).

**Note 13. Contributed equity**

	31 December 2024 Shares	30 June 2024 Shares	31 December 2024 \$	30 June 2024 \$
Ordinary shares - fully paid	<u>282,501,240</u>	<u>238,168,521</u>	<u>36,708,507</u>	<u>34,334,940</u>

*Movements in ordinary share capital*

Details	Date	Shares	\$
Balance	1 July 2024	238,168,521	34,334,940
Share purchase plan	25 September 2024	17,944,075	\$0.060 1,076,645
Placement	27 September 2024	20,000,000	\$0.065 1,300,000
Placement	22 October 2024	2,040,817	\$0.049 100,000
Placement	30 December 2024	4,347,827	\$0.023 100,000
Transaction costs		-	\$0.000 (203,078)
Balance	31 December 2024	<u>282,501,240</u>	<u>36,708,507</u>

During the period 26,388,644 ordinary fully paid shares were issued to as US institutional investor, Lind Global Fund II, LP ("Lind"). These shares were issued under the Share Subscription Agreement that was announced on 16 September 2024. Under the agreement, the company will receive an initial amount of \$1,300,000 with up to a further \$3,400,000 in funding available over 12 months under a monthly purchase agreement. At 31 December 2024 the company had received \$1,500,000 from Lind.

*Ordinary shares*

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

*Share buy-back*

There is no current on-market share buy-back.

**1414 Degrees Ltd**  
**Notes to the financial statements**  
**31 December 2024**

**Note 13. Contributed equity (continued)**

*Capital risk management*

The company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

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

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market.

The capital risk management policy remains unchanged from the 30 June 2024 Annual Report.

**Note 14. Dividends**

There were no dividends paid, recommended or declared during the current or previous financial half-year.

**Note 15. Contingent liabilities and commitments**

As at 31 December 2024 those charged with governance of the group note that there are no known contingent liabilities or commitments (2023: nil).

**Note 16. Interests in joint ventures**

Interests in joint ventures are accounted for using the equity method of accounting. Information relating to joint ventures that are material to the company are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 December 2024 %	30 June 2024 %
SiliconAurora Pty Ltd	Australia	50.00%	50.00%

**Note 17. Events after the reporting period**

2,500,000 ordinary fully paid shares were issued via placement on 29 January 2025 for \$0.02 per share. The terms of this placement were originally announced on 16 September 2024.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

**Note 18. Earnings per share**

	31 December 2024 \$	31 December 2023 \$
Loss after income tax attributable to the owners of 1414 Degrees Ltd	<u>(1,319,934)</u>	<u>(990,682)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>258,995,223</u>	<u>238,168,521</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>258,995,223</u>	<u>238,168,521</u>

**1414 Degrees Ltd**  
**Notes to the financial statements**  
**31 December 2024**

**Note 18. Earnings per share (continued)**

	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	(0.51)	(0.42)
Diluted earnings per share	(0.51)	(0.42)

**1414 Degrees Ltd**  
**Directors' declaration**  
**31 December 2024**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Kevin Moriarty  
Chairman

27 February 2025

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

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of 1414 Degrees Limited (the Company), which comprises the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

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

- i. Giving a true and fair view of the company's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

#### Basis for conclusion

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

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

#### Material uncertainty relating to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.



#### Responsibility of the directors for the financial report

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

#### Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

A handwritten signature in blue ink that reads 'BDO'.

BDO Audit Pty Ltd

A handwritten signature in black ink that reads 'JD Carver'.

Josh Carver  
Director

Adelaide, 27 February 2025