
ANNUAL REPORT

2025

1414°



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CHAIRMAN'S LETTER

2025



Dear Shareholders,

The 2025 financial year has been one of both consolidation and forward momentum for 1414 Degrees. We have moved beyond demonstration into commercial readiness across several of our technologies.

We refined and validated our Heat-as-a-Service (HaaS) business model, supported by Deloitte's financial modelling, and tested it with prospective customers. This approach allows industry to access renewable heat without needing specialised energy market skills. It's gaining real traction among energy-intensive manufacturers. At a New South Wales factory we

completed feasibility work for a 10 MWh SiBox pilot, as the first stage toward full gas replacement. Results to date confirm that SiBox can deliver clean, dispatchable heat that is already cheaper than gas.

Our HaaS approach lets 1414 Degrees deliver decarbonised steam and hot air directly to industry. By overlaying an energy management system on our energy storage technology, we are able to smooth out intermittent electricity and transform it into steady, controllable heat for industrial processes. We provide the specialised engineering and sophisticated algorithms—so our clients don't need to worry about the complexities. The outcome is simple: a seamless solution

that lets industry adopt clean heat and focus on what they do best - producing their goods and materials.

The SiPhyR turquoise hydrogen program made strong progress this year. In May 2025, a technical workshop with partners Woodside Energy Technologies, the University of Adelaide and RMIT confirmed promising results: methane conversion efficiencies above 70%. Earlier reactor campaigns showed over 30% methane conversion at 1000 °C, with hydrogen concentrations above 50% in the exhaust. These results confirm viable pathways to delivering low-cost hydrogen and valuable solid carbon products. To accelerate development, we secured a \$492,526 AEA Ignite grant during the

year, building on the \$2,500,000 CRC-P program already in place.

At Aurora, our renewable energy project near Port Augusta, development of the 140 MW / 280 MWh battery energy storage system (BESS) advanced through generator due diligence and network impact assessments - critical milestones on the path to securing connection approval. Aurora continues to be central to our vision: anchoring renewable generation, long-duration storage, and industrial decarbonisation.

We recognise the patience required during this phase of development. However, with solid technology validation, market-ready business

models, and grant-assisted R&D, 1414 Degrees is well-positioned to translate its potential into real-world impact.

Looking ahead, in the coming year we aim to:

- Deploy a commercial pilot of SiBox in an industrial setting;
- Advance Aurora toward construction readiness;
- Progress SiPhyR from lab-scale campaigns toward pilot-scale demonstration, targeting high hydrogen output and saleable solid carbon co-products;
- Continue securing customer agreements under the HaaS model.

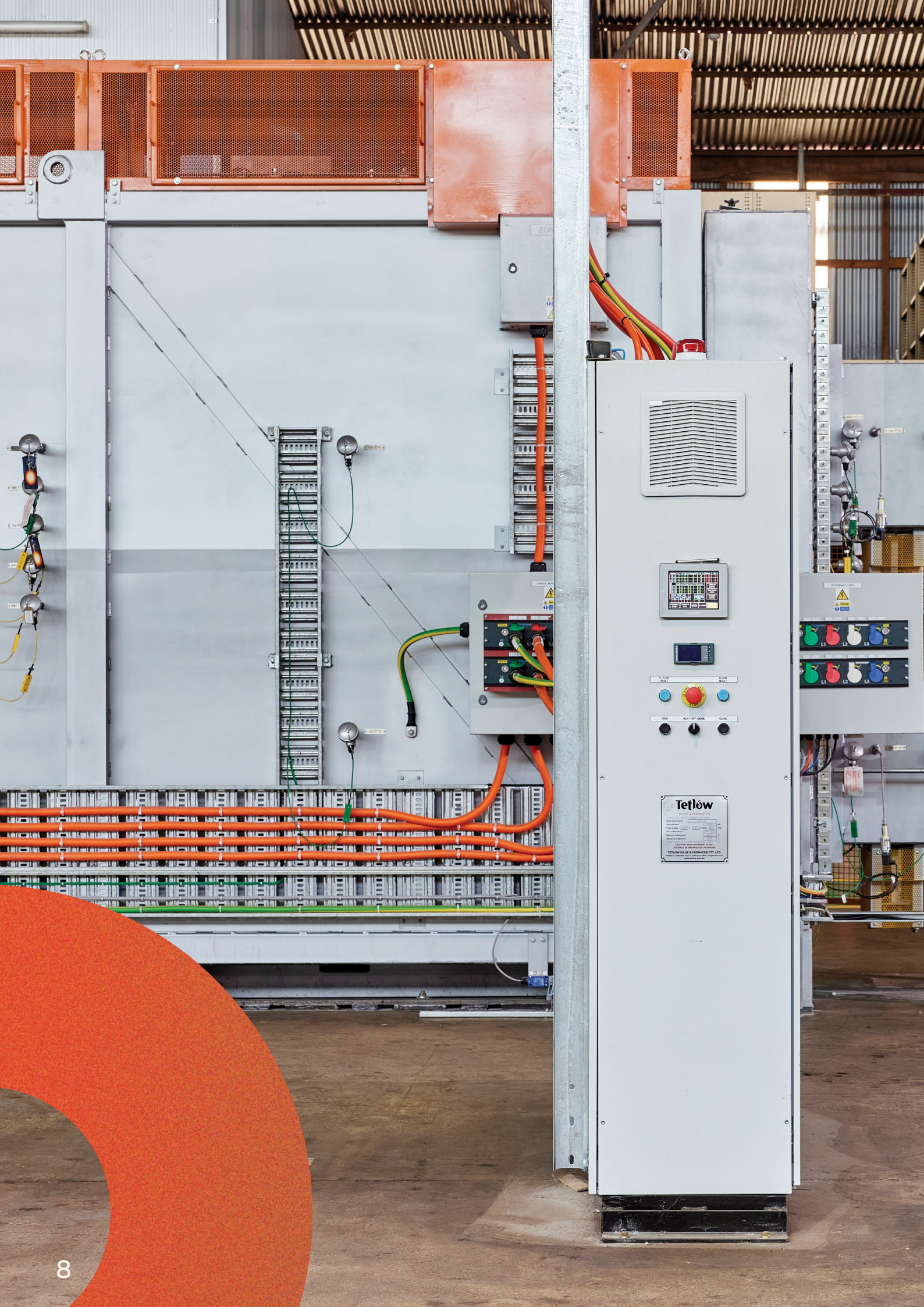
On behalf of the Board, I thank you for your support and ongoing confidence in our mission to deliver clean industrial heat and hydrogen solutions.

Dr Kevin Moriarty
Executive Chairman



THE FUTURE OF CLEAN HEAT





LOW-COST, RELIABLE, CLEAN ENERGY

CORPORATE DIRECTORY

DIRECTORS

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

COMPANY SECRETARY

Katelyn Adams

REGISTERED OFFICE & PRINCIPAL PLACE OF BUSINESS

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T + 61 3 9415 4000
W computershare.com.au

AUDITOR

BDO Audit Pty Ltd
Level 7, 420 King William Street
Adelaide SA 5000

SOLICITORS

Thomson Geer
23/525 Collins Street
Melbourne VIC 3004

PATENT & TRADE MARK ATTORNEYS

Madderns
Level 4, 19 Gouger Street
Adelaide SA 5000

ACCOUNTANTS

HLB Mann Judd
169 Fullarton Road
Dulwich SA 5065

STOCK EXCHANGE LISTING

1414 Degrees Ltd shares are quoted on the Australian Securities Exchange (ASX: 14D)

WEBSITE

1414degrees.com.au

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE STATEMENT

1414 Degrees Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance.

The Company has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

The 2025 Corporate Governance Statement is dated as at 30 June 2025 and reflects the corporate governance practices in place throughout the 2025 year.

The 2025 Corporate Governance Statement has been approved by the Board.

A description of the Company's current corporate governance practices is set out in the Corporate Governance Statement which can be viewed at 1414degrees.com.au



FINANCIAL STATEMENTS

DIRECTOR'S REPORT

DIRECTOR'S REPORT



The Directors present their report, together with the financial statements, on the Company for the year ended 30 June 2025.

DIRECTORS

The following persons were Directors of the Company during the whole of the financial 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 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.

DIVIDENDS

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

REVIEW OF OPERATIONS

Corporate and financial

The loss for the Company after providing for income tax amounted to \$3,340,190 (30 June 2024: \$2,505,500). Key contributors to the result included increased investment in engineering resources for the commercialisation of SiBox® and SiPHyR™, as well as ongoing expenditure in progressing the Aurora Energy Precinct transmission connection.

The Company raised a total of \$2,516,737 (net of transaction costs) throughout the period. The funds raised include \$1,080,000 raised through an oversubscribed Share Purchase Plan (SPP), followed by an institutional investment agreement with Lind Global Fund II, LP for up to \$4,700,000, comprising \$1,300,000 in upfront funding and up to \$3,400,000 available via monthly tranches.

The total funds received from Lind Global Fund II, LP as at 30 June 2025 is \$1,650,000. These funds are directed towards the installation of commercial SiBox systems, SiPHyR development, and general working capital.

Woodside Energy Technologies Pty Ltd increased its contribution to the SiPHyR development program to \$1,000,000, comprising \$700,000 in cash and

\$300,000 in technical support. The total value of the SiPHyR program now stands at \$5,200,000, including the \$2,500,000 CRC-P grant from the Australian Government.

The Company continues to support development activities at the Aurora Energy Precinct, with the aim of securing near-term value on transmission access approval. A payment of \$1,500,000 remains due from Vast Solar Pty Ltd upon successful execution of a transmission connection agreement.

Projects

During the 2024–25 financial year, your Company progressed its transition from technology development to commercial deployment across its energy storage and hydrogen technology platforms.

SiBox

The SiBox Demonstration Module completed its formal evaluation in the previous financial year, achieving Technology Readiness Level 7. In FY2025, the Company's focus shifted to commercial rollout. Engagement with prospective customers increased, with multiple industrial users seeking solutions to decarbonise heat processes. Feasibility assessments and sitespecific engineering progressed to proposal and tender phases.

The Company continued to promote SiBox as the only demonstrated high-temperature energy storage system and it remains a standout in the energy storage sector for its ability to deliver high-temperature heat with high precision, independent charging and discharging, and suitability for frequency control ancillary services (FCAS) in the National Electricity Market.

SiPHyR

The Company formally launched development of its SiPHyR (Storage-integrated Pyrolytic Hydrogen Reactor) technology, which integrates its silicon-based thermal storage with a catalytic methane pyrolysis reactor licensed from the University of Adelaide. The process is designed to produce hydrogen and solid carbon while using significantly less electricity than electrolysis, and is compatible with existing gas infrastructure.

The project is being progressed under the CRC-P grant and in collaboration with Woodside Energy Technologies, the University of Adelaide, RMIT and Vulcan Steel. In April 2025, the Company acquired exclusive rights to a second University of Adelaide patent covering a gas-recycling and heat recovery process, which further enhances the energy efficiency of the system. The SiPHyR project is expected to advance from Technology Readiness Level 2 to 5 over three years, with a scaled demonstration at TRL 7 planned thereafter.

Aurora Energy Precinct

The Company, through its SiliconAurora Pty Ltd joint venture with Vast Solar Pty Ltd, executed a term sheet with BHP Group subsidiary OZ Minerals Services in April 2025 for access to the 275kV Hill-to-Hill transmission line. The proposed connection to the National Electricity Market (NEM) will enable the development of a 140MW/280MWh battery energy storage system (BESS). Technical and commercial negotiations progressed during the period, supported by advisory firm Hannam & Partners, which was engaged to assist with capital raising and project funding initiatives.

Intellectual property

The Company continues to actively manage, document and protect all its intellectual property.

Current status of patents:

- “Thermal Energy Storage Apparatus, Arrangement and Method”. Granted AU, NZL, Germany, PRC, UK and US.
- “Energy Storage and Retrieval System” (TESS_IND). Granted in US and AU.
- “SiBox Storage Media”. Application pending in AU, PRC, EU, IN and US.
- “Fluid Reactor”. Application pending in AU, PRC, IN and US.
- PCT Application PCT/AU2024/050238 (H2-process). Application pending.

Registered trademarks:

- 1414 Degrees (Logo) registered in AU.
- Clean Scalable Energy Storage (Logo), registered in AU.
- SiBox registered in AU, UK, PRC, USA and EU.
- SiBrick registered in AU, Madrid Protocol countries, EU, UK and US. Application pending in CAN.
- SiPHyR trademark registered in AU.

Risks specific to the Company

Some key risks of the Company are detailed below. The list of risks is not exhaustive.

- Commercialisation of technology risk - The Company will need to design a commercial demonstration pilot 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. Achieving its goals requires expansion of its in-house team to build and maintain business growth and attract funding, and there is a risk that growth is disrupted if funding and expertise are insufficient.

- Competition and intellectual property (IP) 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. 1414 Degrees will need to participate in the more competitive lower temperature market to demonstrate technical readiness for future high temperature application. The Company’s must enforce and defend its IP against third party challengers and such action could have a material adverse impact on 1414 Degrees performance and prospects of the business.
- 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 the commercialisation of its SiBox technology, with significant adverse effects on investment in the Company.
- Commercial risks relating to Aurora Energy Precinct - The Company has invested in development of a battery energy storage project

as part of the Aurora precinct, relying upon independent positive net revenue projections from operating in the national electricity market. Realisation of a profit 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 \$1,500,000 when connection to the transmission lines is approved. There is a risk that this payment will not occur if connection is not achieved.

- Operating experience and reliance on key personnel risk - 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.
- 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.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the financial year other than matters reported under the Review of Operations.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 5 June 2025 the Company received \$50,000 from Lind Global Fund pursuant to the Share Purchase Agreement dated 19 August 2024. 3,846,154 shares were subsequently issued on 3 July 2025.

On 8 July 2025 the company announced that SiPHyR technology has been awarded an Australia’s Economic Accelerator (AEA) Ignite grant of \$492,526 for catalyst development by universities of Adelaide and Queensland. SiPHyR development is further supported by \$2,500,000 contribution from the Cooperative Research Centres Projects (CRC-P) program as part of a \$5,200,000 collaborative project with the University of Adelaide, Woodside Energy, RMIT and Vulcan Steel.

250,000 performance rights were cancelled on 21 August 2025 in accordance with the terms and conditions they were issued under as they will not meet their vesting criteria.

On 21 August 2025, 35,650,988 options with an exercise price of \$0.10 expired, unexercised.

On 22 August 2025 32,075 ordinary fully paid shares were issued pursuant to the exercise of options with an exercise price of \$0.10.

50,000 performance rights were cancelled on 11 September 2025 in accordance with the terms and conditions they were issued under as they will not meet their vesting criteria.

No other matter or circumstance has arisen since 30 June 2025 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.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Information pertaining to likely developments and expected results of operations can be found in the review of operations. The directors cannot disclose any additional information.

ENVIRONMENTAL REGULATION

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law.

DR KEVIN MORIARTY

Title
Executive Chairman

Qualifications
BSc (Hons), Ph.D., MAusIMM

Experience and expertise
Dr. Kevin Charles Moriarty, BSc (Hons), Ph.D., MAusIMM has 35 years corporate experience in roles including Chairman and Managing Director of listed companies. He founded and led several companies to develop mines in Australia and Africa. He was Executive Chairman of 1414 Degrees Ltd for 5 years until retiring in 2021. During his term, 1414 Degrees built several prototype devices utilising high temperature silicon energy storage to produce electricity. Two charged from electricity and one by burning biogas. They did not perform to specification and Dr Moriarty brought in more highly qualified technical team with material science background as well as engineering. This team developed the new SiBox technology aimed at very efficient energy storage and recovery at high temperatures to replace gas burning in industry. This attracted major support from Woodside Energy Ltd and the Commonwealth government. In 2019 he negotiated the purchase of the Aurora Solar project for 1414 Degrees. He was re-elected to the board of 1414 Degrees and re-appointed executive chairman in 2022.

Other current directorships
None

Former directorships (last 3 years)
None

Interests in shares
16,737,916 ordinary shares

Interests in performance rights
1,800,000 performance rights

GRAHAM DOOLEY

Title
Non-Executive Director

Qualifications
BSc, BE (Hons), MPA, FAICD, FIEAust

Graham is an accomplished Non-Executive Director, Managing Director and Chairman with extensive infrastructure and investment experience. As well as serving as a Director of the businesses below, Graham is also Chairman of the Northern Adelaide Waste Management Authority and a Director of the Salisbury Water business unit of the City of Salisbury. He is also a senior adviser to a large housing industry company and to two South Australian Local Government Councils. He has been a Senior Advisor to Igneo Infrastructure Partners, one of the top 10 infrastructure investors world-wide and a Director of a solid waste company acquired by Igneo.

Graham established and was the Managing Director of United Utilities Australia (now Trility) from 1991-2007. Following this, he founded and held an Executive Chairman role with the Water Utilities Australia Group of companies and its sister company that invested in agricultural water entitlements. He is a past National President of the Australian Water Association, a Fellow of the Australian Institute of Company Directors and a Fellow of the Institution of Engineers, Australia.

Other current directorships
None

Former directorships (last 3 years)
Water Authority of Fiji and SA Hydrogen Hubs Inc

Interests in shares
507,846 ordinary shares

Interests in performance rights
1,800,000 performance rights

RANDOLPH BOWEN

Title
Non-Executive Director

Qualifications
BAppSc (Oen), GAICD

Experience and expertise
Randolph is a management executive with strong domestic and international profit and loss and operational management experience. Randolph successfully established a fully integrated global supply chain for Fosters Wine Group resulting in significant improvement in the planning, production, delivery and customer service systems at reduced cost to the business. He has a talent for making rapid assessments of challenges and then developing and leading the resulting action plan.

Key areas of expertise include:
• Strategic/operational planning, forecasting, budgeting and cost control
• Infrastructure design and production maximisation
• Quality and productivity improvement
• Business integration
• Team building and organisational change management
• Leader in Occupational Health, Safety & Environmental (OHSE) practices and culture

Other current directorships
None

Former directorships (last 3 years)
None

Interests in shares
3,500,000 ordinary shares

Interests in performance rights
1,800,000 performance rights

COMPANY SECRETARY

Katelyn Adams has over 15 years of accounting and board experience, servicing predominantly ASX listed companies. Katelyn is a Chartered Accountant and Partner of the Corporate Advisory division of HLB Mann Judd in Adelaide, as well as the Company Secretary of various listed and private companies. Katelyn has extensive knowledge in corporate governance, ASX Listing Rule requirements, IPO and capital raising processes, as well as a strong technical accounting background.

MEETINGS OF DIRECTORS

The number of meetings of the Company’s Board of Directors (‘the Board’) and of each Board committee held during the year ended 30 June 2025, and the number of meetings attended by each Director were:

Table with 2 columns: Committee, Name, and Attended/Held. Rows include Full Board and Audit Committee meetings for Kevin Moriarty, Graham Dooley, and Randolph Bowen.

Held: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

REMUNERATION REPORT (AUDITED)

The remuneration report details the key management personnel remuneration arrangements for the Company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing

and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:
• Principles used to determine the nature and amount of remuneration
• Details of remuneration
• Service agreements
• Share-based compensation
• Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Company’s executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward.

The Board of Directors (‘the Board’) ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Company, with an

appropriate level of fixed remuneration for key management personnel, as well as a proportion of performance based remuneration.

The reward framework is designed to align executive reward and their performance hurdles to the targets of the Company as well as shareholders’ interests. In considering shareholder wealth, the Board considers that this is generally driven by successful commercialisation and long-term proposition, rather than being directly linked to financial performance. The Board also considers the Enterprise Value of the Company, being the market capitalisation at the end of each period end, adjusted for cash held at year end.

Additionally, the reward framework should seek to enhance executives’ interests by:

- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive Director and executive Director remuneration is separate.

‘Other current directorships’ quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

‘Former directorships (last 3 years)’ quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Non-Executive Directors remuneration

Fees and payments to Non-Executive directors reflect the demands and responsibilities of their role. Non-Executive Directors’ fees and payments are reviewed periodically by the Board and are regularly compared with companies with comparable market capitalisation and stage of development. Non-Executive Directors do not receive share Performance Rights or other incentives. The Chairman’s fees are determined independently to the fees of Non-Executive Directors based on comparative roles in the external market.

ASX listing rules require the aggregate Non-Executive Director’s remuneration to be determined periodically by a general meeting. The maximum annual aggregate remuneration for Non-Executive Directors has been set at \$300,000.

Executive remuneration

The Company aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has three components:

- base pay and non-monetary benefits
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive’s total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the board based on individual and business unit performance, the overall performance of the Company and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Company and provides additional value to the executive.

The Company has a Performance Rights Plan under which it can issue Performance Rights to staff and executives.

Company performance and link to remuneration

The remuneration of key management personnel is linked to the development of the Company’s intangible assets, the continued progress towards developing the TESS technology and progress on the Aurora site at Port Augusta. Various performance criteria are linked to Performance Rights granted.

Corporate performance
The performance of the Group for the past 5 years is:

Year	Net loss for the year \$	Loss per share Cents	Shareholder’s equity \$	Number of shares on issue at year end No.	Share price at end of year \$	Net asset position \$
2021	(5,974,178)	3.110	32,486,429	200,310,458	\$0.092	11,528,336
2022	(1,369,310)	0.680	32,656,879	201,985,458	\$0.073	10,475,738
2023	(1,831,521)	0.910	33,002,185	205,485,458	\$0.046	8,834,118
2024	(2,505,500)	1.070	34,334,940	238,168,521	\$0.058	7,496,292
2025	(3,340,190)	1.230	36,851,677	291,625,172	\$0.017	6,679,793

Voting and comments made at the Company’s 2024 Annual General Meeting (‘AGM’)
At the 14 November 2024 AGM, 96% of the votes received supported the adoption of the remuneration report for the year ended 2024. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the Company are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		Total
	Cash salary and fees \$	Cash bonus \$	Non-monetary \$	Super-annuation \$	Long-service leave \$	Equity-settled shares \$	Equity-settled performance rights \$	
30 June 2025								
Non-Executive Directors:								
Graham Dooley	66,711	-	-	-	-	-	1,195	67,906
Randolph Bowen	50,000	-	-	-	-	-	1,195	51,195
Executive chairman:								
Kevin Moriarty	200,000	-	-	23,000	5,000	-	1,195	229,195
	316,711	-	-	23,000	5,000	-	3,585	348,296

**1414 Degrees Ltd
Directors' report
30 June 2025**

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled shares	Equity-settled performance rights	Total
	\$	\$	\$	\$	\$	\$	\$	\$
2024								
<i>Non-Executive Directors:</i>								
Graham Dooley	50,000	-	-	-	-	-	2,073	52,073
Randolph Bowen	50,000	-	-	-	-	-	2,073	52,073
<i>Executive chairman:</i>								
Kevin Moriarty	193,333	-	-	21,267	7,885	-	2,073	224,558
	293,333	-	-	21,267	7,885	-	6,219	328,704

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Kevin Moriarty
Title:	Executive Chairman
Agreement commenced:	28 July 2022
Term of agreement:	Ongoing
Details:	The initial agreement was for an annual salary of \$45,000 effective 1 August 2022. Effective 30 November 2022 the annual salary was updated to \$120,000 per annum. Effective 1 August 2023 the annual salary was updated to \$200,000 per annum.
Name:	Graham Dooley
Title:	Non-Executive Director
Agreement commenced:	3 November 2022
Term of agreement:	Ongoing
Details:	Annual fee effective 3 November 2022 of \$50,000. On 3 March 2025 Mr Dooley agreed to a variation of his appointment to reflect his increase in work load for the duration of the commercialisation project his monthly fee increased to \$8,333.
Name:	Randolph Bowen
Title:	Non-Executive Director
Agreement commenced:	3 November 2022
Term of agreement:	Ongoing
Details:	Annual fee effective 3 November 2022 of \$50,000

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2025.

Options

There were no options over ordinary shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2025.

**1414 Degrees Ltd
Directors' report
30 June 2025**

Performance rights

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of Directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of rights granted	Grant date	Vesting date	Expiry date	Share price hurdle for vesting	Fair value per right at grant date
Kevin Moriarty	800,000	10/11/2023	31/12/2025	31/12/2025	\$0.4000	\$0.0021
Graham Dooley	800,000	10/11/2023	31/12/2025	31/12/2025	\$0.4000	\$0.0021
Randolph Bowen	800,000	10/11/2023	31/12/2025	31/12/2025	\$0.4000	\$0.0021
Kevin Moriarty	1,000,000	19/11/2024	31/12/2025	31/12/2025	\$0.1200	\$0.0023
Graham Dooley	1,000,000	19/11/2024	31/12/2025	31/12/2025	\$0.1200	\$0.0023
Randolph Bowen	1,000,000	19/11/2024	31/12/2025	31/12/2025	\$0.1200	\$0.0023

Performance rights granted carry no dividend or voting rights.

Details of performance rights over ordinary shares granted, vested and lapsed for Directors and other key management personnel as part of compensation during the year ended 30 June 2025 are set out below:

Name	Grant date	Lapsed date	Number of rights granted	Value of rights granted \$	Number of rights lapsed	Value of rights lapsed \$
Kevin Moriarty	10/11/2023	30/06/2024	-	-	800,000	878
Graham Dooley	10/11/2023	30/06/2024	-	-	800,000	878
Randolph Bowen	10/11/2023	30/06/2024	-	-	800,000	878
Kevin Moriarty	19/11/2024		1,000,000	1,574	-	-
Graham Dooley	19/11/2024		1,000,000	1,574	-	-
Randolph Bowen	19/11/2024		1,000,000	1,574	-	-

Additional disclosures relating to key management personnel

Shareholdings

The number of shares in the Company held during the financial year by each Director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	Balance at the start of the year	Additions	Received as part of remuneration	Disposals/ other	Balance at the end of the year
<i>Ordinary shares</i>					
Kevin Moriarty	16,737,916	-	-	-	16,737,916
Graham Dooley	257,846	250,000	-	-	507,846
Randolph Bowen	3,000,000	500,000	-	-	3,500,000
	19,995,762	750,000	-	-	20,745,762

Performance rights

The number of Performance Rights over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Performance Rights over ordinary shares</i>					
Kevin Moriarty	1,600,000	1,000,000	-	(800,000)	1,800,000
Graham Dooley	1,600,000	1,000,000	-	(800,000)	1,800,000
Randolph Bowen	1,600,000	1,000,000	-	(800,000)	1,800,000
	4,800,000	3,000,000	-	(2,400,000)	5,400,000

**1414 Degrees Ltd
Directors' report
30 June 2025**

Options

The number of Options over ordinary shares in the Company held during the financial year by each Director and other members of key management personnel of the Company, including their personally related parties, is set out below:

	Balance at the start of the year	Additions	Exercised	Expired/ forfeited/ other	Balance at the end of the year
<i>Options over ordinary shares</i>					
Kevin Moriarty	3,322,222	-	-	-	3,322,222
Graham Dooley	85,949	-	-	-	85,949
Randolph Bowen	1,000,000	-	-	-	1,000,000
	<u>4,408,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,408,171</u>

The 4,408,171 options held by the directors on 30 June 2025 expired unexercised on 21 August 2025.

This concludes the remuneration report, which has been audited.

Shares under option

There were no unissued ordinary shares of the Company under option outstanding at the date of this report.

Shares under performance rights

Unissued ordinary shares of the Company under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under rights
10 November 2023	31 December 2025	\$0.0000	3,200,000
19 November 2024	31 December 2025	\$0.0000	4,000,000
25 May 2023	23 May 2026	\$0.0000	<u>1,900,000</u>
			<u>9,100,000</u>

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of options

The following ordinary shares of the Company were issued during the year ended 30 June 2025 and up to the date of this report on the exercise of options granted:

Date options granted	Exercise price	Number of shares issued
21 August 2023	\$0.1000	32,075

Shares issued on the exercise of performance rights

There were no ordinary shares of the Company issued on the exercise of performance rights during the year ended 30 June 2025 and up to the date of this report.

Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

**1414 Degrees Ltd
Directors' report
30 June 2025**

Indemnity and insurance of auditor

The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of BDO Audit Pty Ltd

There are no officers of the Company who are former partners of BDO Audit Pty Ltd.

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.

Auditor

BDO Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors



Kevin Moriarty
Executive Chairman

22 September 2025



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GPO Box 2018 Adelaide SA 5001
Australia



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

As lead auditor of 1414 Degrees Limited for the year ended 30 June 2025, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

BDO Audit Pty Ltd

Josh Carver
Director

Adelaide, 22 September 2025

1414 Degrees Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2025

	Note	2025 \$	2024 \$
Revenue			
Other income	4	53,621	41,713
Total income		<u>53,621</u>	<u>41,713</u>
Expenses			
Administration and professional expenses		(1,048,729)	(1,282,421)
Depreciation and amortisation		(312,371)	(35,242)
Employee benefits expense		(622,909)	(245,301)
Finance costs		(78,258)	(40,529)
Loss on disposal of assets		-	(74,694)
Relocation costs		(1,705)	(135,333)
Share based payments (equity settled)	33	(6,954)	165,081
Share of loss - SiliconAurora joint venture		(830,428)	(342,571)
Other expenses	5	(492,457)	(556,203)
Total expenses		<u>(3,393,811)</u>	<u>(2,547,213)</u>
Loss before income tax expense		(3,340,190)	(2,505,500)
Income tax expense	6	-	-
Loss after income tax expense for the year	21	(3,340,190)	(2,505,500)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>(3,340,190)</u>	<u>(2,505,500)</u>
		Cents	Cents
Basic earnings per share	32	(1.23)	(1.07)
Diluted earnings per share	32	(1.23)	(1.07)

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

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of A.C.N. 050 110 275 Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and A.C.N. 050 110 275 Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

1414 Degrees Ltd
Statement of financial position
As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	7	1,799,915	1,707,352
Trade and other receivables	8	3,986,471	3,409,024
Financial assets	9	174,437	164,377
Other assets	12	84,282	155,006
Total current assets		<u>6,045,105</u>	<u>5,435,759</u>
Non-current assets			
Joint venture investment	10	951,513	1,781,941
Property, plant and equipment	13	206,854	152,840
Right-of-use assets	11	743,584	910,697
Intangibles assets	14	449,562	1,110,783
Total non-current assets		<u>2,351,513</u>	<u>3,956,261</u>
Total assets		<u>8,396,618</u>	<u>9,392,020</u>
Liabilities			
Current liabilities			
Trade and other payables	15	675,761	760,767
Lease liabilities	16	170,962	150,039
Employee benefits	17	168,964	152,677
Provisions	18	34,000	34,000
Total current liabilities		<u>1,049,687</u>	<u>1,097,483</u>
Non-current liabilities			
Lease liabilities	16	556,247	704,747
Employee benefits	17	40,891	23,498
Provisions	18	70,000	70,000
Total non-current liabilities		<u>667,138</u>	<u>798,245</u>
Total liabilities		<u>1,716,825</u>	<u>1,895,728</u>
Net assets		<u>6,679,793</u>	<u>7,496,292</u>
Equity			
Contributed equity	19	36,851,677	34,334,940
Reserves	20	8,548	2,639
Accumulated losses	21	(30,180,432)	(26,841,287)
Total equity		<u>6,679,793</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 year ended 30 June 2025

	Contributed equity \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	33,002,185	167,720	(24,335,787)	8,834,118
Loss after income tax expense for the year	-	-	(2,505,500)	(2,505,500)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(2,505,500)	(2,505,500)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 19)	1,332,755	-	-	1,332,755
Performance Rights Valuation	-	3,946	-	3,946
Performance Rights Lapsed	-	(1,435)	-	(1,435)
Options Lapsed	-	(167,592)	-	(167,592)
Balance at 30 June 2024	<u>34,334,940</u>	<u>2,639</u>	<u>(26,841,287)</u>	<u>7,496,292</u>
	Contributed equity \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2024	34,334,940	2,639	(26,841,287)	7,496,292
Loss after income tax expense for the year	-	-	(3,340,190)	(3,340,190)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(3,340,190)	(3,340,190)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 19)	2,466,737	-	-	2,466,737
Contribution of unissued equity (note 19)	50,000	-	-	50,000
Performance Rights Valuation	-	6,954	-	6,954
Performance Rights Lapsed	-	(1,045)	1,045	-
Balance at 30 June 2025	<u>36,851,677</u>	<u>8,548</u>	<u>(30,180,432)</u>	<u>6,679,793</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 year ended 30 June 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers		-	36,111
Payments to suppliers and employees		(2,437,114)	(2,120,252)
Interest received		40,677	29,826
Interest and other finance costs paid		(78,258)	(40,529)
Net cash used in operating activities	31	(2,474,695)	(2,094,844)
Cash flows from investing activities			
Payments for property, plant and equipment	13	(98,789)	(142,439)
Payments for security deposits		-	(164,377)
Payments for product development activities		(720,342)	(1,749,626)
Partner project contributions		750,000	900,000
Research and development tax offset received and used for intangible asset	14	1,055,959	1,467,591
Government grant received and used for intangible asset	14	-	865,121
Loans to SiliconAurora joint venture		(800,000)	(401,069)
Proceeds from disposal of property, plant and equipment		-	6,982
Net cash from investing activities		186,828	782,183
Cash flows from financing activities			
Proceeds from issue of shares	19	2,726,640	1,470,739
Proceeds from borrowings		264,327	-
Share issue transaction costs		(209,903)	(137,984)
Repayment of borrowings		(264,327)	-
Repayment of lease liabilities		(136,307)	(261,199)
Net cash from financing activities		2,380,430	1,071,556
Net increase/(decrease) in cash and cash equivalents		92,563	(241,105)
Cash and cash equivalents at the beginning of the financial year		1,707,352	1,948,457
Cash and cash equivalents at the end of the financial year	7	<u>1,799,915</u>	<u>1,707,352</u>

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

1414 Degrees Ltd
Notes to the financial statements
30 June 2025

Note 1. 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 22 September 2025. The Directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

Going concern

The financial statements have been prepared on the basis of a going concern. The annual report shows the Company incurred a net loss of \$3,340,190 and a net cash inflow from activities of \$92,563 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 annual 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.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Accounting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Other material accounting policies

Other material accounting policies are separately disclosed in their corresponding note.

1414 Degrees Ltd
Notes to the financial statements
30 June 2025

Note 3. 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. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

Note 4. Other income

	2025 \$	2024 \$
Gain on sale of plant and equipment	-	6,982
Interest received	53,621	29,826
Other income	-	4,905
	<u>53,621</u>	<u>41,713</u>

Note 5. Other expenses

	2025 \$	2024 \$
Non-executive Director's fees	116,711	100,000
Marketing	117,350	135,562
Other expenses	258,396	320,641
	<u>492,457</u>	<u>556,203</u>

Note 6. Income tax expense

	2025 \$	2024 \$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Loss before income tax expense	(3,340,190)	(2,505,500)
Tax at the statutory tax rate of 25%	(835,048)	(626,375)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	1,477	(41,270)
Share of loss - SiliconAurora Joint Venture	207,607	85,643
Non-deductible expenses	254	196
	(625,710)	(581,806)
Current year tax losses not recognised	624,191	524,096
Current year temporary differences not recognised	1,519	57,710
	<u>-</u>	<u>-</u>
	<u>2025 \$</u>	<u>2024 \$</u>
<i>Tax losses not recognised</i>		
Unused tax losses for which no deferred tax asset has been recognised	11,887,699	9,301,428
Potential tax benefit @ 25%	2,971,925	2,325,357

1414 Degrees Ltd
Notes to the financial statements
30 June 2025

Note 6. Income tax expense (continued)

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

	2025 \$	2024 \$
<i>Deferred tax assets/(liabilities) not recognised</i>		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Right of use assets	(185,896)	(227,674)
Lease liabilities	181,803	213,697
Employee benefits	52,463	51,680
Provision for lease make good	17,500	17,500
Provision for remediation	8,500	8,500
Accrued expenses	19,627	45,250
Trade and other payables	13,448	-
Plant and equipment	3,027	-
	<u>110,472</u>	<u>108,953</u>

Total deferred tax not recognised

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Note 7. Cash and cash equivalents

	2025 \$	2024 \$
<i>Current assets</i>		
Cash at bank	<u>1,799,915</u>	<u>1,707,352</u>

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 8. Trade and other receivables

	2025 \$	2024 \$
<i>Current assets</i>		
R & D refundable tax offset	881,925	970,733
SiliconAurora sale proceeds receivable	1,500,000	1,500,000
SiliconAurora Pty Ltd loan	1,561,525	761,525
Other receivables	43,021	176,766
	<u>3,986,471</u>	<u>3,409,024</u>

SiliconAurora sale proceeds receivable

On 19 June 2022 the Company entered into an agreement for the sale of 50% of the shares in SiliconAurora Pty Ltd to a wholly owned subsidiary of Vast Solar Pty Ltd (Vast Solar). Part of the consideration for the sale is deferred until 30 days after SiliconAurora receives a written offer to connect to the transmission system from the relevant Network Service Provider under the rules of the National Electricity Market.

SiliconAurora Pty Ltd loan

The term of the loan as outlined in the shareholder agreement has expired. As a result, the company retains the right to recall the loaned funds at its discretion. The loan remains unsecured, with no interest charged on the loan balance.

1414 Degrees Ltd
Notes to the financial statements
30 June 2025

Note 8. Trade and other receivables (continued)

Accounting policy for research & development tax incentives

To the extent that research and development costs are eligible activities under the "Research and development tax incentive" programme, a refundable tax offset is available for companies with annual turnover of less than \$20 million. The Company recognises a receivable offset in the financial year at its fair value only to the extent that where there is reasonable assurance that the incentive will be received.

Accounting policy for trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 9. Financial assets

	2025 \$	2024 \$
<i>Current assets</i>		
Term deposit - 12 month maturity	174,437	164,377

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening carrying amount at amortised cost	164,377	-
Additions	-	164,377
Interest	10,060	-
Closing carrying amount at amortised cost	174,437	164,377

Note 10. Joint venture investment

	2025 \$	2024 \$
<i>Non-current assets</i>		
SiliconAurora Pty Ltd	951,513	1,781,941

Reconciliation

Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

Opening fair value	1,781,941	2,124,512
Share of loss	(830,428)	(342,571)
Closing fair value	951,513	1,781,941

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investments in joint ventures are accounted for using the equity method. Under the equity method, the share of the profits or losses of the joint venture is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in joint ventures are carried in the statement of financial position at cost plus post-acquisition changes in the Company's share of net assets of the joint venture.

On 19 June 2022 the Company entered into an agreement for the sale of 50% of the shares in SiliconAurora Pty Ltd to a wholly owned subsidiary of Vast Solar Pty Ltd (Vast).

1414 Degrees Ltd
Notes to the financial statements
30 June 2025

Note 10. Joint venture investment (continued)

Under the terms of the sale agreement the purchase price of \$2,500,000 was payable in two instalments. An initial \$1,000,000 was received upon completion and a further \$1,500,000 will be paid when SiliconAurora receives a written offer to connect to the transmission system from the relevant Network Service Provider under the rules of the National Electricity Market. The \$1,500,000 was still outstanding as at 30 June 2025 (note 8).

In addition to the sale agreement Vast and the Company have executed a Shareholders Agreement that will govern the ongoing operation of SiliconAurora and the development of the Aurora Energy Project.

Note 11. Right-of-use assets

	2025 \$	2024 \$
<i>Non-current assets</i>		
Land and buildings - right-of-use	984,882	958,629
Less: Accumulated depreciation	(241,298)	(47,932)
	743,584	910,697

Reconciliations

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

	Daws Road \$	Watts Road \$	Total \$
Balance at 1 July 2023	226,192	-	226,192
Additions	-	958,629	958,629
Amortisation expense	(226,192)	(47,932)	(274,124)
Balance at 30 June 2024	-	910,697	910,697
Modification	-	26,254	26,254
Amortisation expense	-	(193,367)	(193,367)
Balance at 30 June 2025	-	743,584	743,584

Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

1414 Degrees Ltd
Notes to the financial statements
30 June 2025

Note 12. Other

	2025 \$	2024 \$
<i>Current assets</i>		
Prepayments	83,110	153,834
Other current assets	1,172	1,172
	<u>84,282</u>	<u>155,006</u>

Note 13. Property, plant and equipment

	2025 \$	2024 \$
<i>Non-current assets</i>		
Plant and equipment - at cost	156,055	80,780
Less: Accumulated depreciation	(27,678)	(5,231)
	<u>128,377</u>	<u>75,549</u>
Fixtures and fittings - at cost	118,746	118,073
Less: Accumulated depreciation	(61,745)	(45,903)
	<u>57,001</u>	<u>72,170</u>
Office equipment - at cost	74,973	52,133
Less: Accumulated depreciation	(53,497)	(47,012)
	<u>21,476</u>	<u>5,121</u>
	<u>206,854</u>	<u>152,840</u>

Reconciliations

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

	Plant and equipment \$	Fixtures and fittings \$	Office equipment \$	Total \$
Balance at 1 July 2024	75,549	72,170	5,121	152,840
Additions	75,274	674	22,841	98,789
Depreciation expense	(22,446)	(15,843)	(6,486)	(44,775)
Balance at 30 June 2025	<u>128,377</u>	<u>57,001</u>	<u>21,476</u>	<u>206,854</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:

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

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

An item of 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
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Note 14. Intangibles

	2025 \$	2024 \$
<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	(92,737)	(18,507)
	<u>449,562</u>	<u>723,792</u>
Product development - intellectual property	1,257,333	536,991
Government grants and R & D refundable tax offsets applied	(967,151)	-
Woodside funding applied	(290,182)	(150,000)
	<u>-</u>	<u>386,991</u>
	<u>449,562</u>	<u>1,110,783</u>

Reconciliations

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

	Product Development \$	SiBox demonstration model \$	Total \$
Balance at 1 July 2024	386,991	723,792	1,110,783
Additions	720,342	-	720,342
R & D tax offset applied	(967,151)	-	(967,151)
Woodside funding applied	(140,182)	(200,000)	(340,182)
Amortisation expense	-	(74,230)	(74,230)
Balance at 30 June 2025	<u>-</u>	<u>449,562</u>	<u>449,562</u>

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 when an impairment indicator is detected.

Research and development tax offset

Research and development tax incentives are assistance by government in the form of refund research and development expenses to an entity in return for past and future compliance with certain conditions related to the operating activities of the entity. The tax offset received are presented in the statement of financial position by deducting the grant from the carrying amount of the intangible asset.

Woodside funding

1414 Degrees Limited have entered into an agreement with Woodside Energy Technologies to further develop and commercialise SiBox and SiPHyR technologies. Funding receipts from Woodside Energy Group Ltd are accounted for as a deduction against the cost of the intangible asset to extent that it has been expended. Funding received in excess of the amount expended while developing the intangible asset is recognised as a trade and other payables in the statement of financial position (note 15).

Intellectual property

Significant costs associated with intellectual property are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

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Note 14. Intangibles (continued)

SiBox demonstration model

On 28 March 2024 the company successfully completed a 12 month testing phase of the SiBox Demonstration Module. 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 15. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Trade payables	208,425	491,505
Woodside funding received in advance	259,818	-
BAS payable	-	24,938
Other payables and accruals	207,518	244,324
	<u>675,761</u>	<u>760,767</u>

Refer to (note 23) for further information on financial instruments.

Accounting policy for trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 16. Lease liabilities

	2025 \$	2024 \$
<i>Current liabilities</i>		
Lease liability	170,962	150,039
<i>Non-current liabilities</i>		
Lease liability	556,247	704,747
	<u>727,209</u>	<u>854,786</u>

Refer to note 23 for further information on financial instruments.

Total interest incurred on the lease liability for the year was \$69,423 (2024: \$40,529).

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

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Note 17. Employee benefits

	2025 \$	2024 \$
<i>Current liabilities</i>		
Annual leave	118,314	101,765
Long service leave	50,650	50,912
	<u>168,964</u>	<u>152,677</u>
<i>Non-current liabilities</i>		
Long service leave	40,891	23,498
	<u>209,855</u>	<u>176,175</u>

Accounting policy for employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Note 18. Provisions

	2025 \$	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>

Gas-TESS Decommissioning Provision

The provision for decommissioning the GAS-TESS (Glenelg Project) site is an estimate of the costs to demolish and reinstate the site.

Accounting policy for provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

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Note 19. Contributed equity

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	287,779,018	238,168,521	36,801,677	34,334,940
Unissued ordinary shares	3,846,154	-	50,000	-
	<u>291,625,172</u>	<u>238,168,521</u>	<u>36,851,677</u>	<u>34,334,940</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2023	205,485,458		33,002,185
Issue of shares	21 August 2023	32,683,063	\$0.0450	1,470,739
Transaction costs		-	\$0.0000	(137,984)
Balance	30 June 2024	238,168,521		34,334,940
Issue of shares - share purchase plan	25/09/2024	17,944,075	\$0.0600	1,076,640
Issue of shares - placement	27/09/2024	20,000,000	\$0.0780	1,300,000
Issue of shares - placement	22/10/2024	2,040,817	\$0.0490	100,000
Issue of shares - placement	30/12/2024	4,347,827	\$0.0230	100,000
Issue of shares - placement	29/01/2025	2,500,000	\$0.0200	50,000
Issue of shares - placement	04/03/2025	2,777,778	\$0.0180	50,000
Transaction costs		-	\$0.0000	(209,903)
Balance	30 June 2025	<u>287,779,018</u>		<u>36,801,677</u>

Movements in unissued share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2024	-		-
Unissued shares	5 June 2025	3,846,154	\$0.0130	50,000
Balance	30 June 2025	<u>3,846,154</u>		<u>50,000</u>

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.

Unissued shares

On 5 June 2025 the Company received \$50,000 from Lind Global Fund pursuant to the Share Purchase Agreement dated 19 August 2024. 3,846,154 shares were subsequently issued on 3 July 2025.

Share buy-back

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

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.

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Note 19. Contributed equity (continued)

The Company would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Company is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Company'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 Company's capital by assessing the Company'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.

Accounting policy for issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 20. Reserves

	2025 \$	2024 \$
Share-based payments reserve	<u>8,548</u>	<u>2,639</u>

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

	Share based payments reserve - ESS \$	Share based payments reserve - Call Option \$	Total \$
Balance at 1 July 2023	128	167,592	167,720
Employee Share Scheme - Performance Rights Valuation	3,946	-	3,946
Employee Share Scheme - Performance Rights Lapsed	(1,435)	-	(1,435)
Options lapsed	-	(167,592)	(167,592)
Balance at 30 June 2024	2,639	-	2,639
Employee Share Scheme - Performance Rights Valuation	6,954	-	6,954
Employee Share Scheme - Performance Rights Lapsed	(1,045)	-	(1,045)
Balance at 30 June 2025	<u>8,548</u>	<u>-</u>	<u>8,548</u>

Share-based payments reserve - ESS

The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration.

Share-based payments reserve - Call Option

As part of the sale agreement of SiliconAurora Pty Ltd entities associated with the owners of Vast Solar were granted Call Options with a strike price of \$0.16 per share. The call options were valued at \$167,592 and a share based payment was recognised in the year ended 30 June 2021, reducing the profit on the sale of the shares in SiliconAurora Pty Ltd. The options lapsed during the year ended 30 June 2024.

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Note 21. Accumulated losses

	2025	2024
	\$	\$
Accumulated losses at the beginning of the financial year	(26,841,287)	(24,335,787)
Loss after income tax expense for the year	(3,340,190)	(2,505,500)
Transfer from options reserve	1,045	-
Accumulated losses at the end of the financial year	<u>(30,180,432)</u>	<u>(26,841,287)</u>

Note 22. Dividends

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

Note 23. Financial instruments

Financial risk management objectives

The Company's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

Financial assets	2025	2024
	\$	\$
Financial assets at amortised cost:		
Cash and cash equivalents	1,799,915	1,707,352
Term deposits	174,437	164,377
Trade and other receivables - SiliconAurora sales proceeds	1,500,000	1,500,000
Trade and other receivables - SiliconAurora loan	1,561,525	761,525
Trade and other receivables - R&D tax refund	881,925	970,733
Trade and other receivables - other	43,021	177,938
Total financial assets	<u>5,960,823</u>	<u>5,281,925</u>
Financial liabilities		
Trade and other payables	675,761	760,763
Lease liabilities	727,209	921,873
Total financial liabilities	<u>1,402,970</u>	<u>1,682,636</u>

General objectives, policies and processes

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods to measure them from previous periods unless otherwise stated in this note.

Market risk

The Company's activities have no material exposure to financial risks of changes in interest rates. The Company analyses its risk by considering sensitivity on its interest rate exposures and determining the potential impact on its effected expenses and revenue of movements in these rates. If the potential variance is material then management may seek to minimise this exposure but it does not consider this to be the case at this time.

Foreign currency risk

The Company undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

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Note 23. Financial instruments (continued)

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the Company's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2025	2024	2025	2024
	\$	\$	\$	\$
US dollars	133	131	-	-
Euros	279	249	-	-
	<u>412</u>	<u>380</u>	<u>-</u>	<u>-</u>

The Company had net assets denominated in foreign currencies of \$412 as at 30 June 2025 (2024: \$380).

The actual foreign exchange loss for the year ended 30 June 2025 was \$1,950 (2024: loss of \$1,610).

Interest rate risk

At 30 June 2025 investment in Cash, Fixed Interest and Floating Interest rate deposits amounted to \$1,799,915. A +/-1% change in interest rates during the year ended 30 June 2025 will result in a +/- change in net interest income of \$17,999.

At 30 June 2024 investment in Cash, Fixed Interest and Floating Interest rate deposits amounted to \$1,707,351. A +/-1% change in interest rates during the year ended 30 June 2024 will result in a +/- change in net interest income of \$17,074.

Management have considered that both a positive and negative 1% variance is sufficient to illustrate the potential variations in interest income.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Company, except for the Australian Taxation Office which is the counter party to the R & D Offset shown in note 8 and Vast Solar Pty Ltd which is our Joint Venture partner following their purchase of 50% of the shares in SiliconAurora Pty Ltd. Trade receivables represent the maximum exposure to credit risk, credit quality is considered good.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Directors manage liquidity risk by monitoring forecast cashflows and ensuring that the Company's operations are adequate to meet liabilities due.

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Note 23. Financial instruments (continued)

Financial liability and financial asset maturity analysis

	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Total \$
2025					
<i>Financial liabilities due for settlement</i>					
Trade and other payables	(415,943)	-	-	-	(415,943)
Lease liabilities	(170,963)	(392,906)	(163,341)	-	(727,210)
<i>Financial assets - cash flows realisable</i>					
Cast at bank	1,799,915	-	-	-	1,799,915
Term deposits	-	174,437	-	-	174,437
Trade and other receivables	2,424,946	-	-	-	2,424,946
Other loans	1,561,525	-	-	-	1,561,525
Total non-derivatives	5,199,480	(218,469)	(163,341)	-	4,817,670

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 24. Key management personnel disclosures

Compensation

The aggregate compensation made to Directors and other members of key management personnel of the Company is set out below:

	2025 \$	2024 \$
Short-term employee benefits	316,711	293,333
Post-employment benefits	23,000	21,267
Long-term benefits	5,000	7,885
Share-based payments	3,585	6,219
	<u>348,296</u>	<u>328,704</u>

Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the Company:

	2025 \$	2024 \$
<i>Audit services - BDO Audit Pty Ltd</i>		
Audit or review of the financial statements	<u>61,740</u>	<u>53,000</u>

Note 26. Contingent liabilities

As at 30 June 2025 those charged with governance of the Company note that there are no known contingent liabilities (2024: nil).

Note 27. Commitments

Aurora Energy Project

On 15 June 2022 the Company and a wholly owned subsidiary of Vast Solar Pty Ltd (Vast) entered into a Shareholder Agreement (SA) with for the 50/50 incorporated Joint Venture of SiliconAurora Pty Ltd (SiliconAurora). The SA governs the ongoing operation of SiliconAurora and the development of the Aurora Energy Project (Aurora).

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Note 27. Commitments (continued)

The SA includes an agreement to complete all development activities required to get to Stage 1 of Aurora (a 140 MW 1-2 hour Battery Energy Storage System or BESS) to a position of readiness for a Final Investment Decision (FID). Under the terms of the agreement, Vast and the Company will each contribute 50% of the development costs associated with the Stage 1 Development. At 30 June 2025 the Joint Venture partners had contributed \$3,123,051 in total (2024: \$1,521,999).

Note 28. Related party transactions

Transactions with related parties

The following transactions occurred with related parties:

	2025 \$	2024 \$
Payment for other expenses:		
Other expenses paid on behalf of joint venture	-	62,394

A related party of the Executive Chairman is an employee and shareholder of the Company. Their employment arrangements are set by an employment contract as agreed by the board.

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2025 \$	2024 \$
Current receivables:		
Trade receivables from joint venture	11,799	11,326

Loans to/from related parties

The following balances are outstanding at the reporting date in relation to loans with related parties:

	2025 \$	2024 \$
Current receivables:		
Loan to joint venture	1,561,525	761,526

The loan to the joint venture is interest-free and unsecured.

Note 29. 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	
		2025 %	2024 %
SiliconAurora Pty Ltd	Australia	50.00%	50.00%

Note 30. Events after the reporting period

On 5 June 2025 the Company received \$50,000 from Lind Global Fund pursuant to the Share Purchase Agreement dated 19 August 2024. 3,846,154 shares were subsequently issued on 3 July 2025.

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Note 30. Events after the reporting period (continued)

On 8 July 2025 the company announced that SiPHyR technology has been awarded an Australia's Economic Accelerator (AEA) Ignite grant of \$492,526 for catalyst development by universities of Adelaide and Queensland. SiPHyR development is further supported by \$2,500,000 contribution from the Cooperative Research Centres Projects (CRC-P) program as part of a \$5,200,000 collaborative project with the University of Adelaide, Woodside Energy, RMIT and Vulcan Steel.

250,000 performance rights were cancelled on 21 August 2025 in accordance with the terms and conditions they were issued under as they will not meet their vesting criteria.

On 21 August 2025, 35,650,988 options with an exercise price of \$0.10 expired, unexercised.

On 22 August 2025 32,075 ordinary fully paid shares were issued pursuant to the exercise of options with an exercise price of \$0.10.

50,000 performance rights were cancelled on 11 September 2025 in accordance with the terms and conditions they were issued under as they will not meet their vesting criteria.

No other matter or circumstance has arisen since 30 June 2025 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 31. Reconciliation of loss after income tax to net cash used in operating activities

	2025 \$	2024 \$
Loss after income tax expense for the year	(3,340,190)	(2,505,500)
Adjustments for:		
Depreciation and amortisation	312,371	35,242
Write off of property, plant and equipment	-	17,137
Share of loss - joint ventures	830,428	342,571
Share-based payments	6,954	(165,081)
Other	33,609	20,700
Change in operating assets and liabilities:		
Increase in trade and other receivables	(77,447)	(162,503)
Decrease in other operating assets	70,724	17,480
Decrease/(increase) trade and other payables	(344,824)	275,221
Increase in employee benefits	33,680	29,889
Net cash used in operating activities	<u>(2,474,695)</u>	<u>(2,094,844)</u>

Note 32. Earnings per share

	2025 \$	2024 \$
Loss after income tax	<u>(3,340,190)</u>	<u>(2,505,500)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>272,605,209</u>	<u>233,614,324</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>272,605,209</u>	<u>233,614,324</u>

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Notes to the financial statements
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Note 32. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	(1.23)	(1.07)
Diluted earnings per share	(1.23)	(1.07)

Accounting policy for earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of 1414 Degrees Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. The potential ordinary shares are considered to be anti-dilutive as it is unlikely that they will be issued.

Note 33. Share-based payments

No shares were issued to employees of the Company in this financial year as part of the Company's Performance Right's plan (2024: Nil).

During the year no shares were issued to key management personnel as part of the Company's Performance Rights Plan (2024: Nil). During the year no shares were issued to key management personnel as part of compensation (2024: Nil).

A Performance Rights Plan was established by the Company in the 2019 financial year, whereby the Company may, at the discretion of the board, grant Performance Rights over ordinary shares in the Company to certain employees of the Company. The performance rights are issued for nil consideration and vest in accordance with performance guidelines established by the board.

Set out below are summaries of performance rights outstanding at the end of the financial year:

2025

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
25/05/2023	23/05/2025	\$0.0000	1,110,000	-	-	(1,110,000)	-
25/05/2023	23/05/2026	\$0.0000	2,200,000	-	-	-	2,200,000
10/11/2023	31/12/2024	\$0.0000	3,200,000	-	-	(3,200,000)	-
10/11/2023	31/12/2025	\$0.0000	3,200,000	-	-	-	3,200,000
19/11/2024	31/12/2025	\$0.0000	-	4,000,000	-	-	4,000,000
			<u>9,710,000</u>	<u>4,000,000</u>	<u>-</u>	<u>(4,310,000)</u>	<u>9,400,000</u>

- The fair value of the 1,110,000 performance rights that expired on 23 May 2025 was \$128 (\$0.00018 per performance right).
- The fair value of the 2,000,000 performance rights expiring on 23 May 2026 is \$24 (\$0.00003 per performance right).
- The fair value of the 3,200,000 performance rights that expired on 31 December 2024 was \$2,025 (\$0.00079 per performance right).
- The fair value of the 3,200,000 performance rights expiring on 31 December 2025 is \$4,780 (\$0.00213 per performance right).
- The fair value of the 4,000,000 performance rights expiring on 31 December 2025 is \$6,295 (\$0.00225 per performance right).

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Note 33. Share-based payments (continued)

2024

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
25/05/2023	23/05/2024	\$0.0000	855,000	-	-	(855,000)	-
25/05/2023	23/05/2025	\$0.0000	1,210,000	-	-	(100,000)	1,110,000
25/05/2023	23/05/2026	\$0.0000	2,400,000	-	-	(200,000)	2,200,000
10/11/2023	30/06/2024	\$0.0000	-	3,200,000	-	(3,200,000)	-
10/11/2023	31/12/2024	\$0.0000	-	3,200,000	-	-	3,200,000
10/11/2023	31/12/2025	\$0.0000	-	3,200,000	-	-	3,200,000
			<u>4,465,000</u>	<u>9,600,000</u>	<u>-</u>	<u>(4,355,000)</u>	<u>9,710,000</u>

There are no performance rights exercisable at the end of the financial year.

The weighted average exercise price during the financial year was \$0 (2024: \$0).

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 0.59 years (2024: 1.2 years).

Accounting policy for share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Company receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Company or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Company or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

1414 Degrees Ltd
Consolidated entity disclosure statement
As at 30 June 2025

1414 Degrees Ltd does not have any controlled entities and is not required by the Accounting Standards to prepare consolidated financial statements. Therefore, section 295(3A)(a) of the Corporations Act 2001 does not apply to the entity.

**1414 Degrees Ltd
Directors' declaration
30 June 2025**

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Accounting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Kevin Moriarty
Executive Chairman

22 September 2025



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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of 1414 Degrees Limited (the Company), which comprises the statement of financial position as at 30 June 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of 1414 Degrees Limited, is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Company's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Company in accordance with 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 our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related 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 entity's ability to continue as a going concern and therefore the entity may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Joint venture investment, loan receivable from joint venture entity, and sale proceeds receivable - judgement regarding carrying value

Key audit matter	How the matter was addressed in our audit
<p>The carrying value of the joint venture investment (note 10), loan receivable from joint venture entity SiliconAurora Pty Ltd (note 8) and sale proceeds receivable from Vast Solar Pty Ltd (note 8) is a key audit matter due to:</p> <ul style="list-style-type: none"> The significance of the balances, The level of judgment applied by management and inherent subjectivity in their assessment of impairment indicators and the consequential impact on the carrying value of these assets as disclosed in note 3, and The level of audit procedures undertaken to evaluate management's judgement involved in determining whether the carrying value of these assets exceed their recoverable value. 	<p>Our audit procedures included, but were not limited to:</p> <ul style="list-style-type: none"> Checking the accuracy of the reconciliation of the balances including examining the underlying transactions, Consideration of the assumptions made by management in their assessment of the value of the assets and whether they are reasonable given the underlying contracts including the likelihood of SiliconAurora Pty Ltd receiving a written offer to connect to the transmission system from the relevant Network Service Provider under the rules of the National Electricity Market, Considering the publicised information about the joint venture entity according to the other partner to the joint venture and considering that partners' ability to continue contributing funding and management services to the joint venture project through to completion, and Comparing the internally produced information about management's judgements to independently sourced information about the project being undertaken by the joint venture entity.

R&D Tax claim receivable estimate

Key audit matters	How the matter was addressed in our audit
<p>The carrying value of the R&D tax refund as set out in note 8 is a key audit matter due to:</p> <ul style="list-style-type: none"> The significance of the total balance, 	<p>Our audit procedures included, but were not limited to:</p>

Key audit matters	How the matter was addressed in our audit
<ul style="list-style-type: none"> The level of judgment applied by management and inherent subjectivity in their assessment of eligible R&D activities and associated costs, as well as interpretation of complex tax legislation in accordance with the ATO, and The level of audit procedures undertaken to evaluate the reasonableness of judgement applied by management, including the classification of projects and costs as qualifying R&D. 	<ul style="list-style-type: none"> Checking accuracy of the tax claim and sources of expenditure being the audited ledger record, Assessing whether R&D expenditure associated with intangible assets and determining if the recognition has been applied to the appropriate financial statement area, and Engaging an auditor's expert for R&D review of the eligibility of amounts claimed.

Other information

The directors are responsible for the other information. The other information comprises the information in the Company's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 22 of the directors' report for the year ended 30 June 2025.

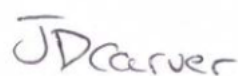
In our opinion, the Remuneration Report of 1414 Degrees Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



BDO Audit Pty Ltd



Josh Carver
Director

Adelaide, 22 September 2025

1414 Degrees Ltd Shareholder information 30 June 2025

The shareholder information set out below was applicable as at 25 August 2025

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	66	0.01
1,001 to 5,000	511	0.54
5,001 to 10,000	753	1.95
10,001 to 100,000	1,453	17.17
100,001 and over	431	80.33
	<u>3,214</u>	<u>100.00</u>
Holding less than a marketable parcel at \$500 (\$0.028 per unit)	<u>1,750</u>	<u>4.47</u>

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
FOCEM PTY LTD - TOWARNIE SUPER FUND A/C	15,937,916	5.54
CITICORP NOMINEES PTY LIMITED	12,859,474	4.47
AMMJOHN PTY LTD	6,466,039	2.25
MRS WENDY ELIZABETH MOSS - MOSS RETIREMENT A/C	5,249,188	1.82
MR BRENTON MARK MADDEN	4,581,606	1.59
MEWTWO GLOBAL INVESTMENTS	4,333,333	1.51
KATHERINE GRACE LITTLECHILD + PAUL JEFFREY LITTLECHILD	4,261,373	1.48
MR HAROLD TOMBLIN + MRS JUDITH JOHNSTON - HAROLD TOMBLIN S/F A/C	4,106,976	1.43
RANAT INVESTMENTS PTY LTD - MARANANGA A/C	3,500,000	1.22
MARHFEL PTY LTD - HUNTLEY A/C	3,250,000	1.13
JA & JK INVESTMENTS PTY LTD - JJ INVESTMENT A/C	3,100,130	1.08
BLAKFORD PTY LIMITED	3,000,000	1.04
MR IAN ROSS BURDON + MS CATHERINE LOUISE TAYLOR - IAN BURDON S/F A/C	3,000,000	1.04
R & C SWANN PTY LTD - R & C SWANN SUPER FUND A/C	3,000,000	1.04
MRS SUSAN JACQUELINE JOHNSON - LATENT HEAT HOLDINGS A/C	2,657,448	0.92
BNP PARIBAS NOMS PTY LTD	2,528,460	0.88
MR IAN ROSS BURDON + MS CATHERINE LOUISE TAYLOR	2,250,000	0.78
LHO LA PTY LTD - ACME FOUNDATION A/C	2,137,309	0.74
BENGER SUPERANNUATION PTY LIMITED - BENGER SUPER FUND A/C	2,000,000	0.69
MR MICHAEL NOEL MASON + MS KIM MAREE FOWLER + MR DEAGLAN MASON-FOWLER - MASON FOWLER FAMILY S/F A/C	<u>1,872,738</u>	<u>0.65</u>
	<u>90,091,990</u>	<u>31.30</u>

Unquoted equity securities

The following unquoted securities are on issue:

	Number on issue	Number of holders
Performance rights - expiry date 23 May 2026	1,950,000	5
Performance rights - expiry date 31 December 2025	7,200,000	4

Substantial holders
Substantial holders in the Company are set out below:

	Number held	Ordinary shares % of total shares issued
Dr Kevin Moriarty	16,737,916	5.82

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
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.

There are no other classes of equity securities.



CLEAN HEAT
CLEAN POWER



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