



16 September 2024

ASX:14D

14D SECURES INSTITUTIONAL INVESTMENT OF UP TO A\$4.7M

- Up to A\$4.7 million investment by US institutional investor, Lind Global Fund II, LP, an entity managed by New York-based firm, The Lind Partners (together, **Lind**).
- Under a Share Subscription Agreement 14D will receive an initial A\$1.3 million, with up to a further A\$3.4 million in funding available over 12 months under a Monthly Purchase Agreement.
- The Monthly Purchase Agreement is a staged private placement of up to \$3.4 million in monthly instalments of between A\$50,000 and up to A\$300,000 monthly over a 12-month period (unless extended), with an initial instalment of A\$100,000.
- Proceeds from the investment will be used to fund industry placement of the Company's SiBox technology, development of the Aurora Precinct grid scale battery and the Company's general working capital requirements.

1414 Degrees Ltd (ASX: 14D) ("1414 Degrees" the "Company") a developer of energy storage products for industrial decarbonisation and hydrogen production is pleased to announce that it has entered into agreements with Lind Global Fund II, LP (**Investor**) pursuant to which the Investor will provide up to A\$4,700,000 in funding to the Company to subscribe for fully paid ordinary shares in the Company (**Shares**) under two agreements as follows:

- (**Share Subscription Agreement**), the Investor will make a payment of A\$1,300,000 (**Advance Payment Amount**) (less any applicable offset) to the Company, as a prepayment for Shares to be issued to the Investor (**Subscription Shares**) for a deemed subscription value of A\$1,560,000 (**Subscription Amount**), with the Subscription Shares to be issued within 24 months from the date of payment of the Advance Payment Amount in accordance with the terms of that agreement; and
- (**Monthly Purchase Agreement**), the Investor will subscribe for Shares (**Tranche Shares**) by making payments of up to A\$3,400,000 in aggregate to the Company in monthly tranches ranging between A\$50,000 to A\$300,000 over 12 months (**Tranche Amounts**), with an initial Tranche Amount of A\$100,000 (**First Tranche Amount**), in accordance with the terms of that agreement.

Refer to Schedule 1 for a summary of the key terms and conditions of the Share Subscription Agreement and Schedule 2 for a summary of the key terms and conditions of the Monthly Purchase Agreement.

Executive Chairman, Dr Kevin Moriarty, said *"We benefited from Lind investment in our formative phase and are pleased continue working with Lind to support roll-out of our SiBox technology in industrial trials and taking our Aurora Energy Precinct projects to ready to build status."*

Jeff Easton, founder of The Lind Partners, said:

"Lind was a seed investor in 1414 Degrees prior to its IPO. Lind continues to believe in 1414 Degrees, and was delighted to be selected by 1414 Degrees to re-invest so as to support 1414 Degrees' product roll-out. We look forward to working with the team and supporting the business as it enters its next phase of growth."

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Listing Rule 7.1

In reference to the shares to be issued:

- 20,000,000 Initial Shares are being issued pursuant to the Company's capacity under Listing Rule 7.1;
- The Company's obligation to issue Shares under the agreements (including the Initial Shares, the Subscription Shares and the Tranche Shares, but excluding any Shares issued with prior shareholder approval and excluding any previously issued Shares the issue of which is subsequently ratified by the Company's shareholders) is being made pursuant to the Company's placement capacity under Listing Rule 7.1 and is limited to 35,725,278 Shares. If the Company is unable to issue Subscription Shares or Tranche Shares under the limit and does not obtain shareholder approval to the issue under Listing Rule 7.1, the Company must make a cash repayment in relation to those Shares instead as detailed in Schedules 1 and 2 to this announcement.
- To maximise its placement capacity, the Company has agreed to seek shareholder ratification of all prior securities issued under the Share Subscription Agreement and the Monthly Purchase Agreement at each general meeting of the Company during the term of those agreements and also seek shareholder approval in respect of any Shares that may be required to be issued by the Company under an agreement in the three months after the meeting.

An Appendix 3B will be released following this announcement.

AUTHORISED BY:

Dr Kevin Moriarty, Executive Chairman on behalf of the Board of Directors

For investor enquiries or further information, please contact:

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ABOUT THE LIND PARTNERS

The Lind Partners manages institutional funds that invest in small-cap and mid-cap companies publicly traded in the US, Canada, Australia and the UK. Lind's multi-strategy funds make direct investments up to US\$30 million, invest in syndicated equity placements and selectively buy on market. Having completed more than 200 direct investments, totaling over US\$2 billion in transaction value, Lind's funds have been flexible and supportive capital partners to investee companies since 2011.

ABOUT 1414 DEGREES LIMITED

1414 Degrees is a leader in industrial decarbonisation with its cutting-edge silicon-based solutions, enabling the alignment of energy supply with demand, fostering the widespread adoption of renewable energy. Our key technologies include:

SiBrick®: thermal energy storage technology safely and efficiently stores renewable electricity as latent heat, available for use on demand.

SiBox®: facilitates the transition to sustainable industrial processes, SiBox delivers consistent, high-temperature heat. It can be seamlessly retrofitted into heavy industry processes, offering a viable alternative to conventional energy sources.

SiPHYR™: methane pyrolysis reactor with integrated storage. SiPHYR will produce low-emission hydrogen and solid carbon using renewable energy sources.

1414 Degrees has showcased its capabilities through successful pilot projects that highlight the reliability and effectiveness of its solutions. SiBox has proven its ability to deliver high-temperature air or steam on demand from stored heat. The development of SiPHYR underscores our commitment to innovation and sustainability.

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

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

Forward-looking statements

This announcement includes forward-looking statements which may be identified by words such as 'anticipates', 'believes', 'expects', 'intends', 'may', 'will', 'could', or 'should' and other similar words that involve risks and uncertainties. These forward-looking statements are based on the 1414 Degrees' expectations and beliefs concerning future events as at the date of this announcement. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of 1414 Degrees, which could cause actual results to differ materially from such statements. 1414 Degrees makes no undertaking to update or revise the forward-looking statements made in this announcement to reflect any change in circumstances or events after the date of this announcement.

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SCHEDULE 1: Key terms of the Share Subscription Agreement

Parties	1414 Degrees Limited (Company) Lind Global Fund II LP (Investor)
Advance Payment	The Investor will pay the Advance Payment Amount (A\$1,300,000) to the Company, as a prepayment for Subscription Shares to be issued to the Investor (or its nominee) to a deemed value of A\$1,560,000 (being the Subscription Amount) prior to the End Date (as defined below).
Term	24 months from the date of payment of the Advance Payment Amount (End Date). At any time prior to the End Date, and subject to the Company's prior written consent, the Investor may extend the End Date by up to 6 months. If, at the End Date any portion of the Subscription Amount remains outstanding, and no event of default has occurred, the Investor must give the Company a Subscription Notice in relation to the whole of the outstanding Subscription Amount.
Subscriptions	The Investor will have the right at any time prior to the End Date to subscribe for Subscription Shares up to the aggregate value of the Subscription Amount at the Subscription Price ¹ by issuing a notice to the Company (Subscription Notice). For clarity, the Investor may issue multiple Subscription Notices prior to the End Date whilst any portion of the Subscription Amount remains outstanding. The Investor's right to receive Subscription Shares from time to time pursuant to a Subscription Notice is subject to the Company's right to elect to make a cash payment to Investor in lieu of issuing the Subscription Shares required to be issued pursuant to that Subscription Notice, where that cash payment would be equal to the number of Subscription Shares that would have been issued pursuant to the Subscription Notice multiplied by the Market Price ² and the resulting amount further multiplied by 105%.
Repayment of outstanding Subscription Amount in full	The Company may elect, at any time after the date that is 6 months of the date of the payment of the Advance Payment Amount, to repay in full the then remaining balance of the Subscription Amount outstanding multiplied by 105%, although if the Company gives notice that it intends to do so the Investor will have the ability to subscribe for Shares to the value of one-third of the then remaining balance of the Subscription Amount.
Subscription Price and limits on Subscription Share issuances	The applicable Subscription Price may be: (a) A\$0.12 (Fixed Price); or (b) 90% of the average of the three lowest daily VWAPs ³ during the 20 actual trading days prior to the date on which the Subscription Price is to be determined, rounded down to the lowest A\$0.01 (Variable Price).

¹ Refer to the 'Subscription Price and limits on Subscription Share issuances' row below.

² Refer to the 'Market Price' row below.

³ **'VWAP'** means, in relation to a trading day, the volume weighted average price of the Shares on the ASX and Cboe on that trading day (in Australian dollars), as reported by Bloomberg.

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	<p>If a Subscription Notice is issued within the first 4 months of the execution of the Share Subscription Agreement and an event of default has not occurred, the applicable Subscription Price must be the Fixed Price.</p> <p>If a Subscription Notice is issued within 5 to 12 months (inclusive) of the execution of the Share Subscription Agreement, the applicable Subscription Price may be determined by the Investor to be the Fixed Price or the Variable Price. During this period, the aggregate Subscription Amount for Subscription Shares subscribed for at the Variable Price in any one month must not exceed A\$80,000 (or if the Company does not receive any Tranche Amount pursuant to the Monthly Purchase Agreement in relation to that month, A\$150,000). The Investor may also, in its sole discretion, increase that amount to A\$240,000 in relation to any two months falling within that period.</p> <p>If a Subscription Notice is issued after 12 months of the execution of the Share Subscription Agreement, the applicable Subscription Price is the lesser of the Fixed Price and the Variable Price and there will be no limits on the Subscription Amount in respect of such Subscription Notices.</p> <p>As previously set out in this announcement, the Company's obligation to issue Shares under the agreements (including the Initial Shares, the Subscription Shares and the Tranche Shares, but excluding any Shares issued with prior shareholder approval and excluding any previously issued Shares the issue of which is subsequently ratified by the Company's shareholders) is being made pursuant to the Company's placement capacity under Listing Rule 7.1 and is limited to 35,725,278 Shares.</p>
Market Price	In relation to a Subscription Notice, the VWAP per Share for the actual trading day immediately prior to the issue of that Subscription Notice (Market Price).
Interest	Interest will not apply in relation to any Subscription Amount that is outstanding unless an event of default occurs in relation to the Company, in each which case interest will be payable on the daily Subscription Amount outstanding at 1.5% per month (accruing daily until the Subscription Amount outstanding is discharged in full or the default is remedied to the satisfaction of the Investor).
Dilution protection	Where an issue of shares to the Investor would result in the voting power in the Company of the Investor or any other person exceeding 19.99%, the Company must not issue the relevant shares to the Investor but must instead repay to the Investor any outstanding Subscription Amount.
Initial Shares	<p>The Company will issue 20,000,000 Shares (Initial Shares) to the Investor after entry into the Share Subscription Agreement.</p> <p>The Initial Shares may subsequently be applied towards satisfying the Company's obligations to issue Subscription Shares or Tranche Shares from time to time under the Investment (subject to the Investor's consent or election to do so).</p>

	<p>The Investor may from time to time reduce the number of Initial Shares that may be applied towards satisfying the Company's obligations to issue Subscription Shares or Tranche Shares from time to time under the Investment as per above by paying the Company a cash amount calculated by multiplying that number of Initial Shares to be reduced with the Subscription Price applicable at the time of payment.</p> <p>If at the End Date, or upon termination of the Share Subscription Agreement, there are still a number of Initial Shares that have not been applied towards the Company's obligation to issue Subscription Shares or Tranche Shares, then provided the Shares are trading at that time, the Investor must pay the Company a cash amount calculated by the number of remaining Initial Shares with the Subscription Price applicable at that time.</p>
Commitment Fee	The Company will pay the Investor a commitment fee of A\$45,500 (representing 3.5% of the Advance Payment Amount). The commitment fee will be offset from Advance Payment Amount payable to the Company.
Covenants	The Share Subscription Agreement contains certain market standard covenants from the Company, including negative covenants on disposing of material assets without the Investor's prior written consent.
Representations and warranties	The Share Subscription Agreement contains certain market standard representations and warranties by the Company and the Investor for an agreement of this nature.
Events of default	The Share Subscription Agreement contains certain market standard events of default for an agreement of this nature.
Assignment	The Investor may assign the Share Subscription Agreement and/or any of its rights and/or obligations under the Share Subscription Agreement to an affiliate of the Investor, bank or financial institution, successor entity in connection with a merger or consolidation of the Investor with another entity, and/or acquirer of a substantial portion of the Investor's business and/or assets, at any time, on 10 business days' prior notice to the Company.
Governing law	Western Australia

SCHEDULE 2: Key terms of the Monthly Purchase Agreement

Parties	<p>1414 Degrees Limited (Company)</p> <p>Lind Global Fund II LP (Investor)</p>
Tranches	<p>The Investor will subscribe for the Tranche Shares by paying monthly Tranche Amounts of up to A\$3,400,000 in aggregate to the Company during the Term (as defined below).</p> <p>The First Tranche Amount will be A\$100,000 and each subsequent monthly Tranche Amount during the Term will be A\$100,000, unless the Company reduces the Tranche Amount to an amount between A\$100,000 and A\$50,000 in relation to a month or, with mutual consent, the Company increases the Tranche Amount to up to A\$300,000 in relation to a month.</p> <p>After the Company has received at least A\$300,000 in Tranche Amounts, the Company may:</p>

	<p>(a) suspend Tranche Amount payments for up to three months, once every 12 months (and the term of the Monthly Purchase Agreement will be extended for the same duration as the duration of any such suspension); and/or</p> <p>(b) terminate the Monthly Purchase Agreement at any time without cost.</p> <p>The Company may also terminate the Monthly Purchase Agreement prior to the Company receiving at least A\$300,000 in Tranche Amounts, by paying the Investor a termination fee of A\$50,000.</p>
Term	12 months from the date of payment of the First Tranche Amount, unless extended by mutual agreement (Term).
Tranche Share Issuance	<p>In relation to each Tranche Amount paid to the Company, the Company will issue the relevant Tranche Shares at the Purchase Price⁴ to the Investor 28 days after the date of payment of that Tranche Amount by the Investor.</p> <p>If, the Purchase Price in relation to Tranche Shares to be issued pursuant to the payment of a Tranche Amount is below A\$0.045 (or as may be adjusted) (Floor Price), the Company will have the right (provided that no event of default has occurred) to notify the Investor that it wishes to repay the relevant Tranche Amount in relation to which Tranche Shares would otherwise be issued, in cash, with a 5% premium (Floor Price Notice). If the Company issues a Floor Price Notice, the Investor can either accept the cash repayment or request that Tranche Shares are issued at the Floor Price instead.</p> <p>The Company may terminate the Monthly Purchase Agreement at any time if the Purchase Price is less than the Floor Price in relation to Tranche Shares to be issued pursuant to the payment of a Tranche Amount (noting that the Company's obligation to issue those Tranche Shares will not be extinguished by such termination).</p> <p>If the Company is unable to issue all of the required Tranche Shares it is required to issue in relation to a Tranche Amount paid to the Company as freely tradable Tranche Shares, the Investor may require the Company to pay a cash amount to the Investor calculated by multiplying the number of Tranche Shares which would have been issued to the Investor in relation to that Tranche Amount payment with the VWAP per Share on the date the Investor notifies the Company of the applicable Purchase Price in relation to those Tranche Shares.</p> <p>As previously set out in this announcement, the Company's obligation to issue Shares under the agreements (including the Initial Shares, the Subscription Shares and the Tranche Shares, but excluding any Shares issued with prior shareholder approval and excluding any previously issued Shares the issue of which is subsequently ratified by the Company's shareholders) is being made pursuant to the Company's placement capacity under Listing Rule 7.1 and is limited to 35,725,278 Shares.</p>
Purchase Price	The applicable Purchase Price may be the Fixed Price or the Variable Price, as determined by the Investor in relation to the relevant Tranche Shares to be issued, provided that the Investor may only determine to use the Fixed Price on 2 occasions for every 12 monthly tranches.

⁴ Refer to the 'Purchase Price' row below.

Interest	Interest will not apply in relation to any Tranche Amount unless an event of default occurs in relation to the Company, in each which case interest will be payable on the Tranche Amount outstanding at 1.5% per month (accruing daily until the Tranche Amount outstanding is discharged in full or the default is remedied to the Investor's satisfaction).
Dilution protection	Where an issue of shares to the Investor would result in the voting power in the Company of the Investor or any other person exceeding 19.99%, the Company must not issue the relevant shares to the Investor but must instead repay to the Investor the relevant Tranche Amount. No Tranche Amount will exceed 0.6% of the Company's market capitalisation, except where the Tranche Amount has been increased by mutual consent.
Investor pause	If the VWAP of the Shares is at or below A\$0.05 (or as may be adjusted) for any two consecutive trading days, the Investor may pause Share purchases for up to 60 days. If during any Investor pause the VWAP of the Shares is greater than A\$0.05 (or as may be adjusted) for 10 consecutive trading days, the Company may require the Investor to end the pause. The term of the Monthly Purchase Agreement will be extended for the same duration as the duration of any such pause.
Fee	The Company will pay the Investor a fee of \$25,500 for the establishment of the monthly tranches and 3.5% of each Tranche Amount funded. These fees will be offset from the payment of the Tranche Amount made to the Company.
Covenants	The Monthly Purchase Agreement contains certain market standard covenants from the Company, including negative covenants on disposing of material assets without the Investor's prior written consent.
Representations and warranties	The Monthly Purchase Agreement contains certain market standard representations and warranties by the Company and the Investor for an agreement of this nature.
Events of default	The Monthly Purchase Agreement contains certain market standard events of default for an agreement of this nature.
Assignment	Upon the written consent of the Company (which shall not be unreasonably withheld or delayed), the Investor may assign the Monthly Purchase Agreement and/or any of its rights and/or obligations under the Monthly Purchase Agreement to an affiliate of the Investor, bank or financial institution, successor entity in connection with a merger or consolidation of the Investor with another entity, and/or acquirer of a substantial portion of the Investor's business and/or assets, at any time, on 10 business days' prior notice to the Company.
Governing law	Western Australia