

1414 Degrees Ltd
Appendix 4D
Half-year report

1. Company details

Name of entity: 1414 Degrees Ltd
 ABN: 57 138 803 620
 Reporting period: For the half-year ended 31 December 2025
 Previous period: For the half-year ended 31 December 2024

2. Results for announcement to the market

			\$
Loss from ordinary activities after tax	up	192.2% to	(3,856,345)
Loss for the half-year	up	192.2% to	(3,856,345)

Dividends

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

Comments

The loss for the Group after providing for income tax amounted to \$3,856,345 (31 December 2024: \$1,319,934).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	1.00	2.16

4. Control gained over entities

The company acquired 100% of Sintl Pty Ltd during the period ended 31 December 2025. This transaction did not have a material impact on the financial statements of the group.

5. Details of associates and joint venture entities

Name of associate / joint venture	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
	Reporting period %	Previous period %	Reporting period \$	Previous period \$
SiliconAurora Pty Ltd	50.00%	50.00%	(117,931)	(356,861)
<i>Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)</i>				
Profit/(loss) from ordinary activities before income tax			(117,931)	(356,861)
Income tax on operating activities			-	-

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6. Foreign entities

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

Not applicable.

7. Audit qualification or review

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

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

8. Attachments

Details of attachments (if any):

The Interim Report of 1414 Degrees Ltd for the half-year ended 31 December 2025 is attached.

9. Signed



Signed _____

Date: 27 February 2026

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1414 Degrees Ltd

ABN 57 138 803 620

Interim Report - 31 December 2025

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**1414 Degrees Ltd
Directors' report
31 December 2025**

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of 1414 Degrees Ltd (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2025.

Directors

The following persons were directors of 1414 Degrees Ltd during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

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

Company Secretary

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

Katelyn Adams

Principal activities

The principal activity of the Company is the development and commercialisation of silicon-based high temperature energy storage and related technologies to support industrial decarbonisation and low-emissions energy applications. The Company's proprietary SiBrick® thermal storage media underpins its SiBox® system designed to deliver industrial heat derived from low-cost renewable electricity. SiBox supports industrial decarbonisation across energy-intensive sectors, including manufacturing, mineral processing, and thermal power generation.

During the half year ended 31 December 2025, the Company progressed commercial and technical initiatives supporting SiBox, including confirmation of its retained intellectual property and continued engagement with prospective industrial customers for Heat-as-a-Service and industrial decarbonisation applications.

During the period, the Company advanced its silicon-based reactor program, SiPhyR®, which integrates silicon based thermal storage with methane pyrolysis to support low emissions hydrogen production and solid carbon co-products. Test reactors produced hydrogen and solid carbon, informing the design of a larger prototype system. In July 2025, the Company announced receipt of an Australian Government Economic Accelerator Ignite grant valued at \$492,526 to support catalyst development activities undertaken with the University of Adelaide and the University of Queensland.

In October 2025, the Company executed an exclusive worldwide licence agreement for George Washington University's patented silicon nanoparticle technology branded SiNTL™, expanding the Company's silicon platform into next generation lithium ion battery materials. SiNTL is being developed as a drop-in silicon-enhanced anode material designed to improve energy density while remaining compatible with existing lithium-ion battery manufacturing processes. In connection with this initiative, the Company raised \$1,214,000 (before costs) via a placement of ordinary shares.

The Company is also developing the Crown-sponsored Aurora Energy Precinct near Port Augusta, South Australia. The precinct is designed to support co-located, energy-intensive industries through access to firmed renewable electricity infrastructure.

Development activities include a 140 MW / 280 MWh Battery Energy Storage System project within the National Electricity Market and broader planning for firmed power solutions integrating battery storage, solar generation and SiBox® thermal storage.

Review of operations

The loss for the Group after providing for income tax amounted to \$3,856,345 (31 December 2024: \$1,319,934).

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

- The Company progressed commercialisation activities for SiBox, including confirmation of retained SiBox intellectual property and continued engagement with industrial customers for high-temperature heat decarbonisation applications.
- Progress continued on SiBrick advancement and scale up initiatives directed toward performance optimisation and manufacturability.
- During the period, SiPHyR reactors produced hydrogen and solid carbon in test runs, informing the design of a larger prototype reactor.
- The Company progressed SiPHyR, including commencement of funded catalyst advancement activities supported by the Australian Government Economic Accelerator Ignite grant.
- The Company expanded its silicon technology platform via execution of the SiNTL exclusive worldwide licence agreement, accompanied by a \$1,214,000 placement (before costs).
- The Company continued to progress the Aurora Energy Precinct and associated 140 MW / 280 MWh Battery Energy Storage System project. Subsequent to period end, Generator Performance Standards were accepted by AEMO and ElectraNet, advancing the grid connection pathway.
- During the period, the Company received funding under its existing share subscription agreement with Lind Global Fund II, LP, supporting working capital and project development activities.
- Following the appointment of administrators to Vast Renewables Limited and its subsidiary companies ("Vast Group"), being the 50% joint venture shareholder of SiliconAurora Pty Ltd, on 13 November 2025, the Company assessed the recoverability of the \$1,500,000 deferred consideration receivable arising from the sale of 50% of SiliconAurora. The receivable is payable upon achievement of a connection milestone and is measured at amortised cost. As at 31 December 2025, the milestone had not been achieved and Vast had entered administration, constituting objective evidence of credit impairment under AASB 9 Financial Instruments. Accordingly, lifetime expected credit losses of \$1,500,000 have been recognised for the half year ended 31 December 2025.

Significant changes in the state of affairs

The Company has publicly confirmed that its joint venture partner, Vast Renewables Limited, entered administration in November 2025. Following release of the creditors' report, the Company has stated that development activities associated with the SiliconAurora joint venture and the Aurora Energy Precinct continue notwithstanding the administration process. The Company has also indicated that it is exploring strategic options, including a potential acquisition of its partner's 50% interest in SiliconAurora, subject to due diligence and requisite approvals.

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

Matters subsequent to the end of the financial half-year

On 23 January 2026, 44,000,000 new ordinary shares were issued to Lind Global Fund II, LP under the existing share subscription agreement.

No other matters or circumstances have arisen since 31 December 2025 that have significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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.

Auditor's independence declaration

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

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

On behalf of the directors



Kevin Moriarty
Chairman

27 February 2026



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DECLARATION OF INDEPENDENCE
BY JOSHUA CARVER
TO THE DIRECTORS OF 1414 DEGREEES LIMITED

As lead auditor for the review of 1414 Degrees Limited for the half-year ended 31 December 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of 1414 Degrees Limited and the entities it controlled during the period.

Joshua Carver
Director

BDO Audit Pty Ltd

Adelaide, 27 February 2026

1414 Degrees Ltd
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31 December 2025

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General information

The financial statements cover 1414 Degrees Ltd as a Group consisting of 1414 Degrees Ltd and the entities it controlled at the end of, or during, the half-year. 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
4 Watts Road, Tonsley
South Australia, 5042

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

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 February 2026.

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1414 Degrees Ltd
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2025

		Consolidated	
	Note	31 December 2025	31 December 2024
		\$	\$
Revenue			
Other income	4	896,120	20,379
Total revenue		<u>896,120</u>	<u>20,379</u>
Expenses			
Administration and professional expenses		(870,071)	(411,342)
Product development expenses	11	(966,741)	-
Depreciation and amortisation		(168,316)	(110,948)
Employee benefits expense		(340,890)	(204,504)
Expected credit losses	7	(1,500,000)	-
Finance costs	5	(384,463)	(38,863)
Share based payments (equity settled)		(12)	(3,373)
Share of loss - SiliconAurora joint venture	8	(117,931)	(356,861)
Other expenses	6	(404,041)	(214,422)
Total expenses		<u>(4,752,465)</u>	<u>(1,340,313)</u>
Loss before income tax expense		(3,856,345)	(1,319,934)
Income tax expense		-	-
Loss after income tax expense for the half-year		(3,856,345)	(1,319,934)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year		<u>(3,856,345)</u>	<u>(1,319,934)</u>
		Cents	Cents
Basic earnings per share	21	(1.18)	(0.51)
Diluted earnings per share	21	(1.18)	(0.51)

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

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1414 Degrees Ltd
Statement of financial position
As at 31 December 2025

		Consolidated	
	Note	31 December	30 June 2025
		2025	2025
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		933,456	1,796,755
Trade and other receivables	7	2,032,561	3,986,471
Financial assets		174,437	174,437
Prepayment		269,022	83,110
Other current assets		-	1,172
Total current assets		<u>3,409,476</u>	<u>6,041,945</u>
Non-current assets			
Joint venture investment	8	833,582	951,513
Property, plant and equipment	10	286,094	206,854
Right-of-use assets	9	644,439	743,584
Intangibles	11	412,447	449,562
Total non-current assets		<u>2,176,562</u>	<u>2,351,513</u>
Total assets		<u>5,586,038</u>	<u>8,393,458</u>
Liabilities			
Current liabilities			
Trade and other payables		372,096	672,601
Borrowings	12	173,882	-
Lease liabilities	13	230,972	170,962
Employee benefits		135,301	168,964
Provisions	14	34,000	34,000
Total current liabilities		<u>946,251</u>	<u>1,046,527</u>
Non-current liabilities			
Lease liabilities	13	412,721	556,247
Employee benefits		18,741	40,890
Provisions	14	70,000	70,000
Total non-current liabilities		<u>501,462</u>	<u>667,137</u>
Total liabilities		<u>1,447,713</u>	<u>1,713,664</u>
Net assets		<u>4,138,325</u>	<u>6,679,794</u>
Equity			
Contributed equity	15	38,166,542	36,851,677
Reserves		20	8,548
Accumulated losses		<u>(34,028,237)</u>	<u>(30,180,431)</u>
Total equity		<u>4,138,325</u>	<u>6,679,794</u>

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

1414 Degrees Ltd
Statement of changes in equity
For the half-year ended 31 December 2025

Consolidated	Issued capital \$	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 half-year	-	-	(1,319,934)	(1,319,934)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,319,934)	(1,319,934)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs	2,373,567	-	-	2,373,567
Performance rights valuation	-	4,508	-	4,508
Performance rights lapsed	-	(1,135)	-	(1,135)
Balance at 31 December 2024	<u>36,708,507</u>	<u>6,012</u>	<u>(28,161,221)</u>	<u>8,553,298</u>
Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2025	36,851,677	8,548	(30,180,432)	6,679,793
Loss after income tax expense for the half-year	-	-	(3,856,345)	(3,856,345)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(3,856,345)	(3,856,345)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 15)	1,314,865	-	-	1,314,865
Performance rights valuation	-	12	-	12
Performance rights lapsed	-	(8,540)	8,540	-
Balance at 31 December 2025	<u>38,166,542</u>	<u>20</u>	<u>(34,028,237)</u>	<u>4,138,325</u>

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

1414 Degrees Ltd
Statement of cash flows
For the half-year ended 31 December 2025

		Consolidated	
	Note	31 December 2025	31 December 2024
		\$	\$
Cash flows from operating activities			
Receipts from customers		3,327	-
Payments to suppliers and employees		(1,670,212)	(1,135,773)
Payments for product development activities		(968,757)	-
Interest paid on lease liabilities		(31,969)	(37,980)
Interest and other finance costs paid		(352,494)	(883)
Research and development tax offset received and used to fund development activities		506,470	-
Government grants received and used to fund product development activities		464,110	-
Interest received		5,875	20,379
Partner project contributions		150,000	-
Net cash used in operating activities		<u>(1,893,650)</u>	<u>(1,154,257)</u>
Cash flows from investing activities			
Payments for property, plant and equipment	10	(111,296)	(40,817)
Payments for product development activities		-	(1,323,181)
Partner project contributions		-	550,000
Loans to Joint Venture		(263,584)	(380,000)
Government grants received and used to fund product development activities		-	607,833
Net cash used in investing activities		<u>(374,880)</u>	<u>(586,165)</u>
Cash flows from financing activities			
Proceeds from issue of shares	15	1,414,000	2,576,645
Proceeds from the exercise of options		3,208	-
Proceeds from borrowings		261,699	157,677
Share issue transaction costs		(102,343)	(203,078)
Repayment of borrowings		(87,817)	-
Repayment of lease liabilities		(83,516)	(73,296)
Receipt of bond		-	104,107
Net cash from financing activities		<u>1,405,231</u>	<u>2,562,055</u>
Net increase/(decrease) in cash and cash equivalents		(863,299)	821,633
Cash and cash equivalents at the beginning of the financial half-year		<u>1,796,755</u>	<u>1,707,352</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>933,456</u></u>	<u><u>2,528,985</u></u>

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

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2025 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2025 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

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

Going concern

The financial report has been prepared on the basis of a going concern. The financial report shows the Company incurred a net loss of \$3,856,345 and a net cash outflow from operating and investing activities of \$2,268,530 during the reporting period. The Company's ability to continue as a going concern is contingent upon generation of cash inflow from its business and/or successfully raising additional capital. The circumstances represent a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern and therefore the company may be unable to realise its assets and discharge its liabilities in the normal course of business. No allowance for such circumstances has been made in the financial report.

Principles of consolidation

The financial statement's comparative period was not prepared on a consolidated basis. The period ended 31 December 2025 is the first period in which the group has been a consolidated entity. The principles of consolidation are as follows:

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity where the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

New or amended Accounting Standards and Interpretations adopted

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

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

Note 2. Critical accounting judgements, estimates and assumptions

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

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

Key estimates - impairment

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

SiliconAurora sales proceeds receivable

The Company assessed the recoverability of the \$1,500,000 deferred consideration receivable arising from the sale of 50% of the shares in SiliconAurora Pty Ltd ("SiliconAurora"). The amount is payable by a wholly owned subsidiary of Vast Renewables Limited ("Vast") when SiliconAurora receives a written offer to connect to the transmission system under the rules of the National Electricity Market ("Offer"). The receivable is measured at amortised cost.

As at 31 December 2025, the milestone had not been achieved and Vast had appointed external administrators in November 2025. In accordance with AASB 9 *Financial Instruments*, the asset has been assessed under the expected credit loss model and determined to be credit-impaired. Accordingly, lifetime expected credit losses equal to the full carrying amount of \$1,500,000 have been recognised for the half-year ended 31 December 2025.

Under the terms of the share sale agreement, if the deferred consideration is not paid in accordance with the contractual arrangements, the shares previously transferred may revert to the Company, resulting in 1414 Degrees Limited regaining full ownership of SiliconAurora. Any such outcome would be accounted for in the period in which it occurs and is subject to the administration process.

The recoverability of the amount will continue to be reassessed in future reporting periods based on developments in relation to the transmission milestone and the administration process.

SiliconAurora Pty Ltd loan

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

Note 3. Operating segments

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

Note 4. Other income

	Consolidated	
	31 December 2025	31 December 2024
	\$	\$
Woodside funding	409,818	-
Government grants	464,110	-
Interest received	10,818	20,379
Other income	11,374	-
	<u>896,120</u>	<u>20,379</u>

Note 5. Finance costs

	Consolidated	
	31 December 2025	31 December 2024
	\$	\$
Lind payment	349,230	-
Finance costs	35,233	38,863
	<u>384,463</u>	<u>38,863</u>

Finance costs for the period include \$349,230 incurred in connection with the Share Subscription Agreement with Lind Global Fund II, LP, a United States institutional investor.

Under the Share Subscription Agreement announced on 16 September 2024, the Company issued 53,846,154 fully paid ordinary shares to Lind during the period. The finance cost recognised represents amounts payable to Lind in accordance with the terms of the agreement and has been recognised in profit or loss in the period incurred.

Note 6. Other expenses

	Consolidated	
	31 December 2025	31 December 2024
	\$	\$
Directors fees	67,500	45,833
Marketing	75,414	50,842
Research and development offset	206,331	-
Other expenses	54,796	117,747
	<u>404,041</u>	<u>214,422</u>

Note 7. Trade and other receivables

	Consolidated	
	31 December 2025	30 June 2025
	\$	\$
<i>Current assets</i>		
SiliconAurora Pty Ltd sales proceeds receivable	1,500,000	1,500,000
Less: Allowance for expected credit losses	(1,500,000)	-
	<u>-</u>	<u>1,500,000</u>
R & D refundable tax offset	169,124	881,925
SiliconAurora Pty Ltd loan	1,825,109	1,561,525
Other receivables	38,328	43,021
	<u>2,032,561</u>	<u>3,986,471</u>

Allowance for expected credit losses

In November 2025 Vast Renewables Limited appointed external administrators, as such the Group has recognised an expected credit-loss of \$1,500,000 for the half-year ended 31 December 2025 in respect of lifetime expected credit losses on the receivable from Vast Renewables Limited, in accordance with AASB 9 *Financial Instruments*.

1414 Degrees Ltd
Notes to the financial statements
31 December 2025

Note 7. Trade and other receivables (continued)

The Group holds security over the \$1,500,000 deferred consideration. Under the terms of the Share Sale Agreement, if Vast Renewables Limited fails to pay the \$1,500,000 deferred consideration in accordance with the contractual arrangements, Vast Renewables Limited's 50% ownership interest in SiliconAurora Pty Ltd will transfer to 1414 Degrees Limited. In that event, the Company would regain 100% ownership of SiliconAurora and its underlying project. Any such transfer would be accounted for in the period in which it occurs and is subject to the administration process.

Note 8. Joint venture investment

	Consolidated	
	31 December	30 June 2025
	2025	2025
	\$	\$
<i>Non-current assets</i>		
SiliconAurora Pty Ltd	833,582	951,513

During the period the carrying amount of the asset was reduced by \$117,931 being the Group's share of the SiliconAurora Pty Ltd's loss (31 December 2024: loss of \$356,861).

Note 9. Right-of-use assets

	Consolidated	
	31 December	30 June 2025
	2025	2025
	\$	\$
<i>Non-current assets</i>		
Land and buildings - right-of-use	984,882	984,882
Less: Accumulated depreciation	(340,443)	(241,298)
	<u>644,439</u>	<u>743,584</u>

Note 10. Property, plant and equipment

	Consolidated	
	31 December	30 June 2025
	2025	2025
	\$	\$
<i>Non-current assets</i>		
Plant and equipment	233,047	156,055
Less: Accumulated depreciation	(42,972)	(27,678)
	<u>190,075</u>	<u>128,377</u>
Fixtures and fittings	121,870	118,746
Less: Accumulated depreciation	(69,899)	(61,745)
	<u>51,971</u>	<u>57,001</u>
Office equipment	100,303	74,973
Less: Accumulated depreciation	(62,105)	(53,497)
	<u>38,198</u>	<u>21,476</u>
Work in progress	5,850	-
	<u>286,094</u>	<u>206,854</u>

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1414 Degrees Ltd
Notes to the financial statements
31 December 2025

Note 10. Property, plant and equipment (continued)

Consolidated	Plant and equipment \$	Fixtures and fittings \$	Office equipment \$	Work in progress \$	Total \$
Balance at 1 July 2025	128,377	57,001	21,476	-	206,854
Additions	76,992	3,124	25,330	5,850	111,296
Depreciation expense	(15,294)	(8,154)	(8,608)	-	(32,056)
Balance at 31 December 2025	<u>190,075</u>	<u>51,971</u>	<u>38,198</u>	<u>5,850</u>	<u>286,094</u>

Note 11. Intangibles

	Consolidated	
	31 December 2025 \$	30 June 2025 \$
<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)	(14,325,833)
Less: Accumulated amortisation	<u>(129,852)</u>	<u>(92,737)</u>
	<u>412,447</u>	<u>449,562</u>

Reconciliations

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

Consolidated	Sibox demonstratio n model \$
Balance at 1 July 2025	449,562
Amortisation expense	<u>(37,115)</u>
Balance at 31 December 2025	<u>412,447</u>

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Note 11. Intangibles (continued)

Development expenditure of \$966,741 was incurred during the period in relation to product development activities for SiBox®, SiBrick® and SiPhyR®.

During the half year, the Group continued development activities in relation to its SiBox technology and associated product initiatives, including engineering refinement, system optimisation and progression of commercial implementation planning.

In prior periods, certain development expenditure was capitalised where the recognition criteria under AASB 138 Intangible Assets were met. During the current period, following assessment of the nature of activities undertaken, management determined the recognition criteria for intangible assets were not satisfied for the expenditure incurred in the half year as it mostly pertained to the maintenance of the current asset and exploration of additional commercialisation opportunities and applications.

Expenditure for the development of the SiPhyR® project was assessed by management of the company to not yet meet the recognition requirements outlined in AASB138.

Accordingly, all development expenditure incurred during the period has been recognised as an expense in profit or loss.

Government grants of \$464,110 and third party funding of \$409,818 were recognised in accordance with the Group's accounting policies as revenue.

Capitalisation of development expenditure will continue to be assessed in future reporting periods in accordance with AASB 138.

Note 12. Borrowings

	Consolidated	
	31 December	30 June 2025
	2025	2025
	\$	\$
<i>Current liabilities</i>		
Payable to Hunter Premium Funding	173,882	-

Borrowings

The Company has funded its insurance premiums through a short term premium funding facility with Hunter Premium Funding. Under this arrangement, Hunter Premium Funding pays the full annual insurance premium upfront on behalf of the Company. The Company then repays the funded amount in regular instalments over the term of the policy, together with applicable interest and fees.

The outstanding balance at reporting date has been classified as current, as the Company does not have an unconditional right to defer settlement beyond 12 months.

Note 13. Lease liabilities

	Consolidated	
	31 December	30 June 2025
	2025	2025
	\$	\$
<i>Current liabilities</i>		
Lease liability	230,972	170,962
<i>Non-current liabilities</i>		
Lease liability	412,721	556,247
	<u>643,693</u>	<u>727,209</u>

Note 13. Lease liabilities (continued)

Total interest incurred on the lease liability for the period 1 July 2025 to 31 December 2025 was \$31,969 (2024: \$37,980).

Note 14. Provisions

	Consolidated	
	31 December	30 June 2025
	2025	2025
	\$	\$
<i>Current liabilities</i>		
Provision for Gas-TESS decommissioning	34,000	34,000
	<u>34,000</u>	<u>34,000</u>
<i>Non-current liabilities</i>		
Lease make good	70,000	70,000
	<u>70,000</u>	<u>70,000</u>
	<u>104,000</u>	<u>104,000</u>

Lease make good

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

Gas-TESS Decommissioning Provision

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

Note 15. Contributed equity

	Consolidated			
	31 December	30 June 2025	31 December	30 June 2025
	2025	2025	2025	2025
	Shares	Shares	\$	\$
Ordinary shares - fully paid	372,062,009	287,779,018	38,166,542	36,801,677
Unissued ordinary shares	-	3,846,154	-	50,000
	<u>372,062,009</u>	<u>291,625,172</u>	<u>38,166,542</u>	<u>36,851,677</u>

Movements in ordinary share capital

Details	Date	Shares	\$	
Balance	1 July 2025	287,779,018		36,801,677
Shares issued under share subscription agreement*	3 July 2025	3,846,154	\$0.013	50,000
Exercise of options	22 August 2025	32,075	\$0.100	3,208
Shares issued under share subscription agreement*	24 September 2025	35,725,278	\$0.000	-
Placement **	16 October 2025	28,904,762	\$0.042	1,214,000
Funds received from Lind under share subscription agreement*	16 October 2025	-	\$0.000	200,000
Facilitation shares (note 22)**	21 November 2025	1,500,000	\$0.042	63,000
Shares issued under share subscription agreement*	21 November 2025	14,274,722	\$0.000	-
Transaction costs		-	\$0.000	(165,343)
Balance	31 December 2025	<u>372,062,009</u>		<u>38,166,542</u>

Note 15. Contributed equity (continued)

* During the period 53,846,154 ordinary fully paid shares were issued to as US institutional investor, Lind Global Fund II, LP ("Lind"). These shares were issued under the Share Subscription Agreement that was announced on 16 September 2024.

**Transaction costs of \$63,000 were incurred in connection with the placement. This amount was settled via the issue of facilitation shares on 21 November 2025.

Ordinary shares

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

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

Share buy-back

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

Capital risk management

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

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

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

The capital risk management policy remains unchanged from the 30 June 2025 Annual Report.

Note 16. Dividends

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

Note 17. Contingent liabilities and commitments

As at 31 December 2025 those charged with governance of the Group note that there are no known contingent liabilities or commitments (2024: nil).

Note 18. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 December 2025 %	30 June 2025 %
Sintl Pty Ltd	Australia	100.00%	-

Note 19. 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 Group are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest	
		31 December 2025 %	30 June 2025 %
SiliconAurora Pty Ltd	Australia	50.00%	50.00%

Note 20. Events after the reporting period

On 23 January 2026 the group issued 44,000,000 fully paid ordinary shares under the terms of Share Subscription Agreement with Lind Global Fund II, LP that was announced on 16 September 2024.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 21. Earnings per share

	Consolidated	
	31 December 2025 \$	31 December 2024 \$
Loss after income tax	<u>(3,856,345)</u>	<u>(1,319,934)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>326,439,164</u>	<u>258,995,223</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>326,439,164</u>	<u>258,995,223</u>
	Cents	Cents
Basic earnings per share	(1.18)	(0.51)
Diluted earnings per share	(1.18)	(0.51)

Note 22. Share-based payments

Performance rights

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

Note 22. Share-based payments (continued)

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

	Number of performance rights 31 December 2025	Weighted average exercise price 31 December 2025
Outstanding at the beginning of the financial half-year	9,100,000	\$0.000
Forfeited	(1,300,000)	\$0.000
Expired	<u>(7,200,000)</u>	\$0.000
Outstanding at the end of the financial half-year	<u><u>600,000</u></u>	\$0.000

During the period a share based payment expense of \$12 was recognised in the Statement of Profit or Loss for the period ended 31 December 2025 (2014: \$3,373) for the performance rights on issue.

Other share based payments

During the period 1,500,000 fully paid ordinary shares were issued to Peak Asset Management as consideration for their facilitation fee for the 16 October 2025 share placement. The value of the shares issued was \$63,000.

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1414 Degrees Ltd
Directors' declaration
31 December 2025

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2025 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Kevin Moriarty
Chairman

27 February 2026

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of 1414 Degrees Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, material accounting policy information and other explanatory information, and the directors' declaration.

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

- i. Giving a true and fair view of the Group's financial position as at 31 December 2025 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

Basis for conclusion

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

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

Material uncertainty relating to going concern

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



Responsibility of the directors for the financial report

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

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

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

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

BDO Audit Pty Ltd

A handwritten signature in blue ink that reads 'J Carver'.

Joshua Carver
Director

Adelaide, 27 February 2026

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