1414 Degrees Ltd
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	1414 Degrees Ltd
ABN:	57 138 803 620
Reporting period:	For the year ended 30 June 2026
Previous period:	For the year ended 30 June 2025

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2. Results for announcement to the market

				$
Loss from ordinary activities after tax	up	86.7%	to	(6,235,094)
Loss for the year	up	86.7%	to	(6,235,094)

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 $6,235,094 (30 June 2025: $3,340,190).

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3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.74	2.16

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4. Control gained over entities

SINTL Pty Ltd was incorporated on 18 September 2025 as a wholly owned subsidiary of the Group. The incorporation did not have a material impact on the Group's financial position, financial performance or cash flows for the period.

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5. Loss of control over entities

Not applicable.

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6. Dividends

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

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

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7. Dividend reinvestment plans

Not applicable.

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8. Details of associates and joint venture entities

	Reporting entity's percentage holding		Contribution to profit/(loss) (where material)	
Name of associate / joint venture	**Reporting period %**	**Previous period %**	**Reporting period $**	**Previous period $**
SiliconAurora Pty Ltd	50.00%	50.00%	(282,872)	(830,428)
Group's aggregate share of associates and joint venture entities' profit/(loss) (where material)				
Profit/(loss) from ordinary activities before income tax			(282,872)	(830,428)

9. Foreign entities

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

Not applicable.

10. Audit qualification or review

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

The audit of the financial statements has not yet been finalised. At this stage no audit opinion has been issued.

11. Attachments

Details of attachments (if any):

The unaudited preliminary financial report of 1414 Degrees Ltd for the year ended 30 June 2026 is attached.

12. Signed

Signed ______________________________ Date: 31 August 2026

1414 Degrees Ltd

ABN 57 138 803 620

Preliminary Financial Report - 30 June 2026

1414 Degrees Ltd
Corporate directory
30 June 2026

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	Western Plant, Door 1 1 Watts Road, Tonsley South Australia, 5042 T + 61 8357 8273 E info@1414degrees.com.au
Share Registry	Computershare Investor Services Pty Limited Level 5, 115 Grenfell Street Adelaide SA 5000 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 23/525 Collins Street Melbourne VIC 3004
Patent & Trademark 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

1414 Degrees Ltd
Contents
30 June 2026

1414 Degrees Ltd
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2026

	Note	Consolidated 2026 $	2025 $
Revenue			
Other Income	4	2,057,718	53,621
Total income		2,057,718	53,621
Expenses			
Administration and professional expenses	5	(2,057,460)	(1,048,729)
Depreciation and amortisation		(324,403)	(312,371)
Employee benefits expense		(1,166,764)	(622,909)
Expected credit losses		(1,500,000)	-
Finance costs		(878,945)	(78,258)
Product development costs		(1,556,792)	-
Relocation costs		-	(1,705)
Share based payments (equity settled)	35	(31,500)	(6,954)
Share of loss - SiliconAurora joint venture	11	(282,872)	(830,428)
Other expenses	6	(494,076)	(492,457)
Total expenses		(8,292,812)	(3,393,811)
Loss before income tax expense		(6,235,094)	(3,340,190)
Income tax expense	7	-	-
Loss after income tax expense for the year	22	(6,235,094)	(3,340,190)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		(6,235,094)	(3,340,190)
		Cents	**Cents**
Basic earnings per share	34	(1.57)	(1.23)
Diluted earnings per share	34	(1.57)	(1.23)

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

1414 Degrees Ltd
Statement of financial position
As at 30 June 2026

	Note	Consolidated 2026 $	Consolidated 2025 $
Assets			
Current assets			
Cash and cash equivalents	8	1,635,242	1,799,915
Trade and other receivables	9	2,621,430	3,986,471
Financial assets	10	179,419	174,437
Other assets	13	188,667	84,282
Total current assets		4,624,758	6,045,105
Non-current assets			
Joint venture investment	11	668,641	951,513
Property, plant and equipment	14	213,232	206,854
Right-of-use assets	12	562,302	743,584
Intangible assets	15	375,332	449,562
Total non-current assets		1,819,507	2,351,513
Total assets		6,444,265	8,396,618
Liabilities			
Current liabilities			
Trade and other payables	16	775,441	675,761
Lease liabilities	17	194,252	170,962
Employee benefits	18	104,756	168,964
Provisions	19	34,000	34,000
Total current liabilities		1,108,449	1,049,687
Non-current liabilities			
Lease liabilities	17	386,033	556,247
Employee benefits	18	16,473	40,891
Provisions	19	70,000	70,000
Total non-current liabilities		472,506	667,138
Total liabilities		1,580,955	1,716,825
Net assets		4,863,310	6,679,793
Equity			
Contributed equity	20	41,270,288	36,851,677
Reserves	21	-	8,548
Accumulated losses	22	(36,406,978)	(30,180,432)
Total equity		4,863,310	6,679,793

1414 Degrees Ltd
Statement of changes in equity
For the year ended 30 June 2026

Consolidated	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)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 20)	2,466,737	-	-	2,466,737
Contribution of unissued equity (note 20)	50,000	-	-	50,000
Performance rights valuation	-	6,954	-	6,954
Performance rights lapsed	-	(1,045)	1,045	-
Balance at 30 June 2025	36,851,677	8,548	(30,180,432)	6,679,793

Consolidated	Contributed equity $	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 year	-	-	(6,235,094)	(6,235,094)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(6,235,094)	(6,235,094)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 20)	4,292,611	-	-	4,292,611
Contribution of unissued equity (note 20)	126,000	-	-	126,000
Performance rights lapsed	-	(8,548)	8,548	-
Balance at 30 June 2026	41,270,288	-	(36,406,978)	4,863,310

1414 Degrees Ltd
Statement of cash flows
For the year ended 30 June 2026

	Note	Consolidated 2026 $	2025 $
Cash flows from operating activities			
Receipts from customers		4,571	-
Payments to suppliers and employees		(2,432,535)	(2,437,114)
Payments for product development activities		(1,731,439)	-
Interest received		8,745	40,677
Interest and other finance costs paid		(878,945)	(78,258)
Partner project contributions		165,000	-
Research and development tax offset received		506,470	-
Government grants received		788,220	-
Net cash used in operating activities	33	(3,569,913)	(2,474,695)
Cash flows from investing activities			
Payments for property, plant and equipment	14	(56,837)	(98,789)
Payments used for product development activities		-	(720,342)
Partner project contributions used for product development activities		-	750,000
Research and development tax offset received and used for intangible asset	15	-	1,055,959
Loans to Joint Venture		(473,165)	(800,000)
Net cash from/(used in) investing activities		(530,002)	186,828
Cash flows from financing activities			
Proceeds from issue of shares	20	4,673,764	2,726,640
Proceeds from borrowings		261,699	264,327
Share issue transaction costs		(381,153)	(209,903)
Repayment of borrowings		(219,860)	(264,327)
Repayment of lease liabilities		(399,208)	(136,307)
Net cash from financing activities		3,935,242	2,380,430
Net increase/(decrease) in cash and cash equivalents		(164,673)	92,563
Cash and cash equivalents at the beginning of the financial year		1,799,915	1,707,352
Cash and cash equivalents at the end of the financial year	8	1,635,242	1,799,915

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

Note 1. 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 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
1 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 31 August 2026. 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 a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business for a period of at least 12 months from the date of this report.

For the year ended 30 June 2026 the Group incurred a loss after income tax of $6,235,094 (2025: $3,340,190) and net cash outflows from operating activities of $3,569,913 (2025: $2,474,695). After investing and financing activities, the net decrease in cash and cash equivalents for the year was $164,673 (2025: increase of $92,563), and the Group held cash and cash equivalents of $1,635,242 at 30 June 2026 (2025: $1,799,915). The Group had net assets of $4,863,310 at 30 June 2026 (2025: $6,679,793) and carries no material external borrowings, its principal commitments being its operating costs and its lease obligations.

The loss for the year reflects the Group's continued investment in the development and commercialisation of its technologies and includes significant non-cash items, in particular a $1,500,000 expected credit loss recognised against the deferred consideration receivable arising on the 2022 sale of 50% of SiliconAurora Pty Ltd. This item does not affect the Group's cash position or its capacity to meet its obligations as they fall due.

Subsequent to the reporting date, on 1 July 2026, the Group received settlement of a placement completed in June 2026 which raised $8.45 million before costs. This is a completed and non-contingent event that materially strengthened the Group's cash position. During the year ended 30 June 2026 the Group completed placements raising in aggregate more than $11 million before costs. A significant part of the Group's development expenditure is discretionary in timing and scale, and the Directors are able to defer or reduce that expenditure to preserve cash.

The Group's ability to continue as a going concern is dependent on it generating sufficient cash flows from its business activities and, to the extent required, on its continued ability to raise additional capital, to enable it to meet its liabilities as and when they fall due. The generation of those future cash inflows and the raising of any further capital are subject to matters outside the Group's control. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial statements.

Having assessed these matters, the Directors have reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due, and consider that the preparation of the financial statements on a going concern basis is appropriate. The financial statements do not include any adjustments relating to the recoverability or classification of recorded asset amounts, or to the amounts or classification of liabilities, that might be necessary should the Group not continue as a going concern.

Note 2. Material accounting policy information (continued)

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 Group is of a kind referred to in Corporations Instrument 2026/183, 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 Group'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.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 30.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of 1414 Degrees Ltd ('Group' or 'parent entity') as at 30 June 2026 and the results of all subsidiaries for the year then ended. 1414 Degrees Ltd and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when 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 de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2026. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Material accounting policy information (continued)

AASB 18 Presentation and Disclosure in Financial Statements
This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces IAS 1 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

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. 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.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Going concern
The preparation of the financial statements on a going concern basis is a significant judgement made by the Directors. It requires an assessment of whether the Group will have sufficient cash resources to fund its operations and meet its liabilities as and when they fall due for a period of at least 12 months from the date of this report. The financial position relevant to that assessment, and the material uncertainty identified by the Directors, are set out in note 2.

In forming this judgement, the Directors assessed the Group's forecast cash position over the assessment period, taking into account the cash resources available to the Group, its expected operating and development expenditure, and the funding available to it. The judgement is most sensitive to the following assumptions:

- the timing and quantum of future cash inflows from the Group's business activities;
- the availability of additional capital, if and when required, and the market conditions affecting the Group's ability to raise it;
- the extent to which discretionary development expenditure is deferred or reduced in order to preserve cash.

A number of these matters are outside the Group's control, and as such the going concern assessment is subject to inherent uncertainty. Different assumptions as to funding availability, operating performance or market conditions could lead the Directors to a different conclusion. Having weighed these matters, and for the reasons set out in note 2, the Directors concluded that the going concern basis of preparation remains appropriate.

Research and development receivable
The Group recognises a receivable in respect of eligible research and development ("R&D") tax incentive claims when there is reasonable assurance that the claim will be received and the Group has complied with the relevant legislative requirements.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

The recognition and measurement of the R&D receivable requires management judgement in relation to:
- eligibility of activities under applicable tax incentive legislation;
- classification of expenditure as qualifying R&D expenditure;
- interpretation of relevant regulatory guidance;
- assessment of compliance with registration requirements; and
- recoverability of the claim.

The estimate of the receivable is based on management's assessment of qualifying expenditure incurred during the reporting period and the applicable incentive rates.

Actual amounts received may differ from estimates where claims are subsequently reviewed by regulatory authorities or where interpretations of eligibility requirements change.

Note 4. Other Income

	Consolidated	
	2026 $	2025 $
Government grants	1,252,330	-
Interest received	17,574	53,621
Research & development tax incentive income	120,982	-
Woodside Funding	659,818	-
Other income	7,014	-
	2,057,718	53,621

Note 5. Administration and professional expenses

	Consolidated	
	2026 $	2025 $
Administration and professional expenses	785,196	618,366
Professional fees	766,220	417,698
Other administrative fees	126,861	6,300
Legal fees	379,183	6,365
	2,057,460	1,048,729

Note 6. Other expenses

	Consolidated	
	2026 $	2025 $
Non-executive Director's fees	116,667	116,711
Marketing	111,617	117,350
Other expenses	265,792	258,396
	494,076	492,457

Note 7. Income tax expense

	Consolidated	
	2026	**2025**
	$	**$**
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(6,235,094)	(3,340,190)
Tax at the statutory tax rate of 25%	(1,558,774)	(835,048)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	-	1,477
Share of loss - SiliconAurora Pty Ltd Joint Venture	70,718	207,607
Non-deductible expenses	387	254
	(1,487,669)	(625,710)
Current year tax losses not recognised	1,422,677	624,191
Current year temporary differences not recognised	64,992	1,519
Income tax expense	-	-

	Consolidated	
	2026	**2025**
	$	**$**
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	17,395,980	11,887,699
Potential tax benefit @ 25%	4,348,995	2,971,925

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.

	Consolidated	
	2026	**2025**
	$	**$**
Deferred tax assets/(liabilities) not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Right of use assets	(140,575)	(185,896)
Lease liabilities	145,071	181,803
Employee benefits	30,307	52,463
Provision for lease make good	17,500	17,500
Provision for remediation	8,500	8,500
Accrued expenses	36,884	19,627
Trade and other payables	-	13,448
Plant and equipment	2,972	3,027
SiliconAurora Pty Ltd Joint Venture share of loss	332,840	-
Expected credit losses	375,000	-
Total deferred tax not recognised	808,499	110,472

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 8. Cash and cash equivalents

	Consolidated	
	2026	2025
	$	$
Current assets		
Cash at bank	1,635,242	1,799,915

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 9. Trade and other receivables

	Consolidated	
	2026	2025
	$	$
Current assets		
Trade receivables	275,000	-
SiliconAurora sale proceeds receivable	1,500,000	1,500,000
Less: Allowance for expected credit losses	(1,500,000)	-
	-	1,500,000
R & D refundable tax offset	290,106	881,925
SiliconAurora Pty Ltd loan	2,034,690	1,561,525
Other receivables	21,634	43,021
	2,621,430	3,986,471

Allowance for expected credit losses
In November 2025 Vast Renewable Limited, the parent of Vast Solar Aurora Pty Ltd (VSA) appointed external administrators, as such the group has recognised an expected credit-loss of $1,500,000 for the full year-ended 30 June 2026 in respect of lifetime expected credit losses on the receivable from VSA, in accordance with AASB 9 *Financial Instruments.*

The Group holds security over the $1,500,000 deferred consideration. Under the terms of the Share Sale Agreement, if VSA fails to pay the $1,500,000 deferred consideration in accordance with the contractual arrangements, VSA's 50% ownership interest in SiliconAurora Pty Ltd will transfer to 1414 Degrees Limited. In that event, the Group 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.

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

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 Group 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
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Note 9. Trade and other receivables (continued)

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

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

Note 10. Financial assets

	Consolidated 2026 $	Consolidated 2025 $
Current assets		
Term deposit - 12 month maturity	179,419	174,437

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

	2026 $	2025 $
Opening carrying amount at amortised cost	174,437	164,377
Interest	4,982	10,060
Closing carrying amount at amortised cost	179,419	174,437

Note 11. Joint venture investment

	Consolidated 2026 $	Consolidated 2025 $
Non-current assets		
SiliconAurora Pty Ltd	668,641	951,513

During the period the carrying amount of the asset was reduced by $282,872 being the Group's share of the SiliconAurora Pty Ltd's loss (2025: loss of $830,428).

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 Group's share of net assets of the joint venture.

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

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 2026 (note 9) with a $1,500,000 expected credit loss recognised.

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

Note 12. Right-of-use assets

	Consolidated 2026 $	Consolidated 2025 $
Non-current assets		
Land and buildings - right-of-use	1,003,275	984,882
Less: Accumulated depreciation	(440,973)	(241,298)
	562,302	743,584

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

Consolidated	**Watts Road $**
Balance at 1 July 2024	910,697
Modification	26,254
Depreciation expense	(193,367)
Balance at 30 June 2025	743,584
Modification	18,433
Depreciation expense	(199,715)
Balance at 30 June 2026	562,302

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 Group 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 Group 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.

Note 13. Other assets

	Consolidated 2026 $	Consolidated 2025 $
Current assets		
Prepayments	188,667	83,110
Other current assets	-	1,172
	188,667	84,282

Note 14. Property, plant and equipment

	Consolidated 2026 $	Consolidated 2025 $
Non-current assets		
Plant and equipment - at cost	190,469	156,055
Less: Accumulated depreciation	(54,632)	(27,678)
	135,837	128,377
Fixtures and fittings - at cost	121,870	118,746
Less: Accumulated depreciation	(77,959)	(61,745)
	43,911	57,001
Office equipment - at cost	74,973	74,973
Less: Accumulated depreciation	(60,788)	(53,497)
	14,185	21,476
Work in progress - at cost	19,299	-
	213,232	206,854

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

Consolidated	Plant and equipment $	Fixture and fittings $	Office equipment $	Work in progress $	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	128,377	57,001	21,476	-	206,854
Additions	34,414	3,124	-	19,299	56,837
Depreciation expense	(26,954)	(16,214)	(7,291)	-	(50,459)
Balance at 30 June 2026	135,837	43,911	14,185	19,299	213,232

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 Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Note 15. Intangibles

	Consolidated 2026 $	Consolidated 2025 $
Non-current assets		
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	(166,967)	(92,737)
	375,332	449,562

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

Consolidated	**Sibox demonstration model $**
Balance at 1 July 2025	449,562
Amortisation expense	(74,230)
Balance at 30 June 2026	375,332

The intangible assets are tested for impairment when an impairment indicator is detected.

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.

SiBox demonstration model
On 28 March 2024 the Group 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 16. Trade and other payables

	Consolidated 2026 $	Consolidated 2025 $
Current liabilities		
Trade payables	515,668	208,425
Woodside funding received in advance	-	259,818
Other payables and accruals	259,773	207,518
	775,441	675,761

Accounting policy for trade and other payables
These amounts represent liabilities for goods and services provided to the Group 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 17. Lease liabilities

	Consolidated	
	2026	2025
	$	$
Current liabilities		
Lease liability	194,252	170,962
Non-current liabilities		
Lease liability	386,033	556,247
	580,285	727,209

Refer to note 24 for further information on financial instruments.

Total interest incurred on the lease liability for the year was $61,188 (2025: $69,423).

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 Group'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.

Note 18. Employee benefits

	Consolidated	
	2026	2025
	$	$
Current liabilities		
Annual leave	75,853	118,314
Long service leave	28,903	50,650
	104,756	168,964
Non-current liabilities		
Long service leave	16,473	40,891
	121,229	209,855

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.

Note 18. Employee benefits (continued)

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 19. Provisions

	Consolidated	
	2026	**2025**
	$	**$**
Current liabilities		
Provision for Gas-TESS decommissioning	34,000	34,000
Non-current liabilities		
Lease make good	70,000	70,000
	104,000	104,000

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 Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group 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.

Note 20. Contributed equity

	Consolidated			
	2026 Shares	**2025 Shares**	**2026 $**	**2025 $**
Ordinary shares - fully paid	607,199,940	287,779,018	41,144,288	36,801,677
Unissued ordinary shares	8,689,655	3,846,154	126,000	50,000
Total contributed equity	615,889,595	291,625,172	41,270,288	36,851,677

Note 20. Contributed equity (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2025	287,779,018		36,801,677
Issue of shares - placement	03/07/2025	3,846,154	$0.0130	50,000
Issue of shares - options	22/08/2025	32,075	$0.1000	3,208
Issue of shares - placement	25/09/2025	35,725,278	$0.0000	-
Issue of shares - placement	16/10/2025	28,904,762	$0.0420	1,214,000
Issue of shares - placement	21/11/2025	1,500,000	$0.0420	63,000
Issue of shares - placement	21/11/2025	14,274,722	$0.0000	-
Issue of shares - placement	23/01/2026	44,000,000	$0.0100	440,000
Issue of shares - placement	17/04/2026	93,672,099	$0.0145	1,358,245
Issue of shares - placement	29/05/2026	95,465,832	$0.0145	1,384,256
Issue of shares - options	29/05/2026	1,333,333	$0.0750	100,000
Issue of shares - options	04/06/2026	666,667	$0.0750	50,000
Issue of shares - placement	16/10/2025	-	$0.0000	200,000
Transaction costs		-	$0.0000	(520,098)
Balance	30 June 2026	607,199,940		41,144,288

Movements in unissued share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2025	3,846,154		50,000
Issued shares	3 July 2025	(3,846,154)	$0.0130	(50,000)
Unissued Shares	1 April 2026	8,689,655	$0.0144	126,000
Balance	30 June 2026	8,689,655		126,000

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Group in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Group 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
At 30 June 2026, the Group had unissued ordinary shares with an aggregate value of $126,000 (2025: $50,000). These shares had not been allotted or issued as at the reporting date and, accordingly, no voting rights, dividend entitlements, or rights to participate in the surplus assets of the Group attach to these shares until such time as they are issued.

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

Note 20. Contributed equity (continued)

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.

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 21. Reserves

	Consolidated	
	2026	**2025**
	$	**$**
Share-based payments reserve	-	8,548

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

Note 22. Accumulated losses

	Consolidated	
	2026	**2025**
	$	**$**
Accumulated losses at the beginning of the financial year	(30,180,432)	(26,841,287)
Loss after income tax expense for the year	(6,235,094)	(3,340,190)
Transfer from options reserve	8,548	1,045
Accumulated losses at the end of the financial year	(36,406,978)	(30,180,432)

Note 23. Dividends

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

Note 24. Financial instruments

Financial risk management objectives
The Group'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:

Note 24. Financial instruments (continued)

Financial assets	Consolidated 2026 $	Consolidated 2025 $
Financial assets at amortised cost:		
Cash and cash equivalents	1,635,242	1,799,915
Term deposits	179,419	174,437
Trade and other receivables - SiliconAurora sales proceeds	1,500,000	1,500,000
Trade and other receivables - Expected credit loss	(1,500,000)	-
Trade and other receivables - SiliconAurora loan	2,034,690	1,561,525
Trade and other receivables - R&D tax refund	290,106	881,925
Trade and other receivables - other	296,634	43,021
Total financial assets	4,436,091	5,960,823
Financial liabilities		
Trade and other payables	775,441	675,761
Lease liabilities	580,285	727,209
Total financial liabilities	1,355,726	1,402,970

General objectives, policies and processes

In common with all other businesses, the group is exposed to risks that arise from its use of financial instruments. This note describes the Group'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 Group'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 Group’s activities have no material exposure to financial risks of changes in interest rates. The Group analyses its risk by considering sensitivity on its interest rate exposures and determining the potential impact on its affected 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 Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

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 Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

Consolidated	Assets 2026 $	Assets 2025 $	Liabilities 2026 $	Liabilities 2025 $
US dollars	127	133	-	-
Euros	257	279	-	-
	384	412	-	-

The Group had net assets denominated in foreign currencies of $384 as at 30 June 2026 (2025: $412).

The actual foreign exchange gains for the year ended 30 June 2026 was $6,322 (2025: loss of $1,950).

Note 24. Financial instruments (continued)

Interest rate risk
At 30 June 2026 investment in Cash, Fixed Interest and Floating Interest rate deposits amounted to $1,635,242. A +/-1% change in interest rates during the year ended 30 June 2026 will result in a +/- change in net interest income of $16,352

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.

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 Group.

The Group's primary credit risk exposure relates to amounts receivable from SiliconAurora Pty Ltd, an entity in which the Group holds a 50% interest alongside its joint venture partner, Vast Solar Aurora Pty Ltd. During the year, management assessed the recoverability of amounts owing from SiliconAurora Pty Ltd and recognised an expected credit loss allowance of $1.5 million. Accordingly, the carrying value of amounts receivable has been reduced to reflect the estimated recoverable amount. Other trade receivables do not expose the Group to any material concentration of credit risk, and their credit quality is considered good. Trade receivables represent the Group's maximum exposure to credit risk.

Liquidity risk
Liquidity risk is the risk that the Group 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 Group's operations are adequate to meet liabilities due.

Financial liability and financial asset maturity analysis

Consolidated - 2026	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Total $
Non-derivatives					
Financial liabilities due for settlement					
Trade and other payables	(775,440)	-	-	-	(775,440)
Lease liabilities	(194,251)	(212,959)	(173,074)	-	(580,284)
Financial assets - cash flow realisable					
Cash at bank	1,635,242	-	-	-	1,635,242
Term deposits	179,419	-	-	-	179,419
trade and other receivables	275,000	-	-	-	275,000
Other receivables	311,740	-	-	-	311,740
Other loans	2,034,690	-	-	-	2,034,690
Total non-derivatives	3,466,400	(212,959)	(173,074)	-	3,080,367

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

Note 25. Key management personnel disclosures

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

	Consolidated	
	2026 $	2025 $
Short-term employee benefits	316,667	316,711
Post-employment benefits	24,000	23,000
Long-term benefits	9,471	5,000
Share-based payments	-	3,585
	350,138	348,296

Note 26. 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 Group:

	Consolidated	
	2026 $	2025 $
Audit services - BDO Audit Pty Ltd		
Audit or review of the financial statements	76,827	61,740

Note 27. Contingent liabilities

As at 30 June 2026 those charged with governance of the Group note that there are no known contingent liabilities (2025: nil).

Note 28. Commitments

Aurora Energy Project
On 15 June 2022 the Group and a wholly owned subsidiary of Vast Solar Aurora Pty Ltd (VSA) entered into a Shareholders Agreement (SA) for the 50/50 incorporated joint venture SiliconAurora Pty Ltd (SiliconAurora). The SA governs the operation of SiliconAurora and the development of the Aurora Energy Precinct (Aurora).

Under the SA, the joint venture partners are each to contribute 50% of the development costs required to bring Stage 1 of Aurora (a 140 MW / 280 MWh Battery Energy Storage System) to a position of readiness for a Final Investment Decision. At 30 June 2026, the joint venture partners had contributed $3,733,164 in total (2025: $3,123,051).

During the year, Vast Renewables Limited, the parent of the Group's joint venture partner, appointed an administrator. The Group holds a security interest in the joint venture partner's shares in SiliconAurora and is in negotiations to acquire the remaining 50% interest through the purchase of VSA. The Group has assessed that its joint control of SiliconAurora has not changed and continues to equity account for its interest.

Note 29. Related party transactions

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

Note 29. Related party transactions (continued)

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

	Consolidated	
	2026 $	2025 $
Current receivables:		
Trade receivables from joint venture	-	11,799

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

	Consolidated	
	2026 $	2025 $
Current receivables:		
Loan to joint venture	2,034,690	1,561,525

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

Note 30. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2026 $	2025 $
Loss after income tax	(6,052,673)	(3,340,190)
Total comprehensive income	(6,052,673)	(3,340,190)

Statement of financial position

	Parent	
	2026 $	2025 $
Total current assets	4,747,783	6,045,105
Total assets	6,567,290	8,396,618
Total current liabilities	1,049,061	1,049,687
Total liabilities	1,521,567	1,716,826
Equity		
Contributed equity	41,270,288	36,851,677
Share-based payments reserve	-	8,548
Accumulated losses	(36,224,565)	(30,180,433)
Total equity	5,045,723	6,679,792

Note 30. Parent entity information (continued)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2026

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2026

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2026

Material accounting policy information
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 31. 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:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**2026 %**	**2025 %**
SiliconAurora Pty Ltd	Australia	50.00%	50.00%

Note 32. Events after the reporting period

On 1 July 2026 the group issued 287,834,483 listed options with an exercise price of $0.05 expiring on 29 January 2028.

119,048 shares were issued on 2 July 2026 from the conversion of options with the exercise price of $0.05 per option.

63,570,440 ordinary fully paid shares were issued for $0.10 per share on 6 July 2026 as part of the placement announced on 23 June 2026.

On 9 July 2026 the Group issued 14,945,160 listed options with an exercise price of $0.18 expiring on 9 July 2030. These options are part of Bonus Loyalty Options Offer announced on 26 June 2026.

On 10 July 2026 80,648,142 options expiring on 9 July 2030 were issued with an exercise price of $0.18.

1,000,000 shares were issued on 24 July 2026 to the Advisory Board Members for no consideration as announced on 1 June 2026. These shares will be escrowed for four months from date of issue.

On 27 July 2026, the Group entered into a non-binding Heads of Agreement with an Australian data centre operator to develop up to 1GW of AI data centre capacity at the Aurora Energy Precinct. The agreement remains subject to due diligence, approvals and execution of definitive agreements and has been assessed as a non-adjusting subsequent event.

On 24 July 2026, the Group issued 10,500,000 unlisted options to advisory board members as non-cash consideration for advisory services. The options comprised of 1,000,000 options exercisable at $0.20 expiring 30 June 2028; 1,000,000 options exercisable at $0.25 expiring 30 June 2029; 2,500,000 options exercisable at $0.30 expiring 30 June 2028; 1,000,000 options exercisable at $0.30 expiring 30 June 2029; 2,500,000 options exercisable at $0.40 expiring 30 June 2029; 2,000,000 options exercisable at $0.50 expiring 30 June 2029; and 500,000 options exercisable at $0.50 expiring 30 June 2030.

Note 32. Events after the reporting period (continued)

On 28 July 2026 41,900,375 shares were issued from the conversion of options with the exercise price of $0.18.

On 6 August 2026, the Group entered into an agreement with Space Industries S.p.A. and Orbit Boy Ltd to evaluate, integrate and qualify its SiNTL™ silicon-anode battery technology for use in satellite power systems, with a potential pathway to inclusion in serially produced satellites. The agreement is subject to successful testing and future commercial arrangements.

On 24 August 2026, the Group signed a non-binding Letter of Intent with JR Energy Solution, a South Korean battery manufacturer, to jointly develop and test battery electrodes and cells incorporating the Group's SiNTL™ silicon anode technology. The parties intend to evaluate a pathway to scaled battery cell production, with any future manufacturing arrangements subject to further negotiation and execution of definitive agreements.

No other matter or circumstance has arisen since 30 June 2026 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 33. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2026	**2025**
	$	**$**
Loss after income tax expense for the year	(6,235,094)	(3,340,190)
Adjustments for:		
Depreciation and amortisation	324,403	312,371
Share of loss - joint ventures	282,872	830,428
Share-based payments	31,500	6,954
Other	21,713	33,609
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	1,839,378	(77,447)
Decrease/(increase) in other current assets	(105,557)	70,724
Decrease/(increase) trade and other payables	359,497	(344,824)
Increase/(decrease) in employee benefits	(88,625)	33,680
Net cash used in operating activities	(3,569,913)	(2,474,695)

Note 34. Earnings per share

	Consolidated	
	2026	**2025**
	$	**$**
Loss after income tax	(6,235,094)	(3,340,190)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	396,181,053	272,605,209
Weighted average number of ordinary shares used in calculating diluted earnings per share	396,181,053	272,605,209
	Cents	**Cents**
Basic earnings per share	(1.57)	(1.23)
Diluted earnings per share	(1.57)	(1.23)

Note 34. Earnings per share (continued)

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 35. Share-based payments

No shares were issued to employees of the Group in this financial year as part of the Group's Performance Right's plan (2025: Nil).

During the year no shares were issued to key management personnel as part of the Group's Performance Rights Plan (2025: Nil). During the year no shares were issued to key management personnel as part of compensation (2025: Nil).

A Performance Rights Plan was established by the Group in the 2019 financial year, whereby the Group may, at the discretion of the board, grant Performance Rights over ordinary shares in the Group to certain employees of the Group. 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:

2026

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	23/05/2026	$0.0000	2,200,000	-	-	(2,200,000)	-
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)	-
			9,400,000	-	-	(9,400,000)	-

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

The weighted average exercise price during the financial year was $0 (2025: $0).

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 0 years (2025: 0.59 years).

Other share based payments
During the period, the Group entered into a share-based payment arrangement with a supplier, whereby ordinary fully paid shares to the value of $126,000 are to be issued in exchange for services provided over a 12-month term. The service period commenced in April 2026; however, no shares had been issued as at the reporting date.

The expense associated with the arrangement is recognised on a straight-line basis over the service period. Accordingly, an expense of $31,500 was recognised during the year ended 30 June 2026.

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.

Note 35. Share-based payments (continued)

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 Group 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 Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group 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 2026

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
1414 Degrees Ltd	Body corporate	Australia	-	Australia
SINTL Pty Ltd	Body corporate	Australia	100.00%	Australia

Basis of Preparation
This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the public company as at the end of the financial year.

Determination of Tax Residency
Section 295 (3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency
The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5 Income tax: central management and control test of residency.

Consolidated entity
This CEDS includes information relating to entities that are consolidated in accordance with AASB 10 Consolidated Financial Statements and investments accounted for using the equity method in accordance with AASB 128 Investments in Associates and Joint Ventures as at the end of the financial year.