

1414 Degrees Ltd

ABN 57 138 803 620

Annual 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 19, 30 Pirie 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

Corporate Governance Statement

1414 Degrees Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance.
The Group has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.
The 2026 Corporate Governance Statement is dated as at 30 June 2026 and reflects the corporate governance practices in place throughout the 2026 year.
The 2026 Corporate Governance Statement has been approved by the Board.
A description of the Group's current corporate governance practices is set out in the Corporate Governance Statement which can be viewed at 1414degrees.com.au

1414 Degrees Ltd**Contents****30 June 2026**

Directors' report	3
Auditor's independence declaration	17
Statement of profit or loss and other comprehensive income	18
Statement of financial position	19
Statement of changes in equity	20
Statement of cash flows	21
Notes to the financial statements	22
Consolidated entity disclosure statement	46
Directors' declaration	47
Independent auditor's report to the members of 1414 Degrees Ltd	48
Shareholder information	52

1414 Degrees Ltd
Directors' report
30 June 2026

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 'Group' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2026.

Directors

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

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

Company Secretary

The following person was Company Secretary of the Group during the whole of the financial year and up to the date of this report, unless otherwise stated:

Katelyn Adams

Principal activities

During the year, 1414 Degrees continued to develop and commercialise technologies and infrastructure across energy storage, advanced battery materials and industrial decarbonisation.

The Group's activities comprise the development of the Aurora Energy Precinct in South Australia; commercialisation of its SiNTL™ silicon anode material for advanced lithium-ion batteries; and development and commercialisation of its silicon-based thermal technologies, including SiBox®, SiBrick® and SiPHyR®.

During FY26, the Group expanded the commercialisation pathway for SiNTL, establishing an Aerospace and Defence Division and entering third-party evaluation programs targeting drone, unmanned aerial vehicle and space applications. SiNTL is developed under an exclusive global licence from The George Washington University and is designed to increase lithium-ion battery energy density while remaining compatible with existing manufacturing processes.

SiBox delivers high-temperature heat for industrial applications using the Group's SiBrick silicon thermal storage media. The technology is being commercialised for applications including building products manufacturing, minerals processing and other energy-intensive industrial processes.

SiPHyR integrates the Group's SiBrick thermal storage technology with methane pyrolysis reactor technology to produce low-emissions hydrogen and solid carbon. The Group is developing SiPHyR as a potential pathway to lower-emissions hydrogen production and is also investigating potential applications for the solid carbon co-product.

The Aurora Energy Precinct is an energy and industrial development site of approximately 16 square kilometres near Port Augusta, South Australia. During FY26, development focused on the approved 140 MW / 280 MWh Stage 1 battery energy storage system (BESS), progressing transmission access and establishing commercial pathways for the precinct, including opportunities for data centre and other energy-intensive infrastructure.

Dividends

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

Review of operations

Corporate and financial

The loss for the Group after providing for income tax amounted to \$6,235,094 (30 June 2025: \$3,340,190). Key contributors to the result included continued investment in the commercialisation of the SiBox® and SiPHyR® technologies, the establishment and scale-up of the SiNTL™ advanced battery materials program, and ongoing expenditure in progressing the Aurora Energy Precinct. The loss for the year was also impacted by the recognition of a \$1,500,000 credit loss on the SiliconAurora sale proceeds receivable (note 10).

As at 30 June 2026, the Group held cash and cash equivalents of \$1,635,242.

During the year, the Group undertook three placements to fund its commercialisation and development activities.

In October 2025, the Group completed a placement to sophisticated and professional investors raising \$1,214,000 before costs at an issue price of \$0.042 per share to support the acquisition and commercialisation of the SiNTL technology and provide additional working capital. The placement coincided with the Group securing an exclusive global licence from The George Washington University to commercialise the SiNTL silicon anode technology.

In March 2026, the Group raised \$2,742,501 before costs at an issue price of \$0.0145 per share. The funds were raised to support near-term commercial and technical milestones including to progressing the Aurora Energy Precinct transmission connection, regaining full ownership of the precinct, and advancing SiNTL commercialisation.

On 23 June 2026, the Group announced firm commitments to raise \$8,457,044 before costs through a placement of 84,570,440 fully paid ordinary shares at \$0.10 per share, together with one free attaching option for every two shares subscribed, exercisable at \$0.18 and expiring four years from the date of issue. As at 30 June 2026, no shares had been issued under the placement. Subsequent to year end, 63,570,440 placement shares were issued on 6 July 2026, with a further 21,000,000 yet to be issued as at the date of this report. Tribeca Investment Partners participated in the placement. Further detail on the settlement of the placement following year end is set out under *Matters subsequent to the end of the financial year*.

Funds from the placement are intended to support the scale-up and production of SiNTL material, the Energia 2000 and Orbit Boy testing programs, progression of the approved BESS and data centre opportunities at the Aurora Energy Precinct, and the continued development of the Group's silicon technology platform.

The SiPHyR development program continued to be supported by grants from Woodside Energy Technologies and the Australian Government. During the year, the SiPHyR program was awarded an Australia's Economic Accelerator Ignite grant of \$492,526 for catalyst development, and the Group and the Australian National University executed a research collaboration agreement under a program funded by the Australian Renewable Energy Agency.

The Group continued to develop the Aurora Energy Precinct. The approved 140 MW / 280 MWh BESS completed the technical requirements to progress to commercial transmission access negotiations with ElectraNet, following acceptance of the Generator Performance Standards by the Australian Energy Market Operator and ElectraNet. The Group also identified a 33 kV connection pathway intended to support commercial activity at the precinct ahead of the proposed 275 kV transmission connection.

Projects

During the year, the Group progressed its silicon technology platforms across grid-scale energy storage, industrial heat, hydrogen production and advanced battery materials. A summary of activity across each of the Group's projects during the year is set out below.

Advanced battery materials (SiNTL™)

SiNTL is the Group's aluminium-coated silicon nanoparticle anode material, developed under an exclusive global licence from The George Washington University. Silicon holds substantially more energy than the graphite used in most lithium-ion battery anodes, and the aluminium coating is intended to control the swelling that has historically limited the use of silicon, while remaining compatible with existing battery manufacturing processes.

In April 2026, the Group identified drones and unmanned aerial vehicles as the initial target market for SiNTL, given the sensitivity of flight time and payload to battery weight and capacity. During the year, SiNTL test cells achieved a specific capacity in excess of 530 milliamp hours per gram (mAh/g), compared with approximately 372 mAh/g for graphite, as the program progressed towards its 600 mAh/g target. In May 2026, the Group commenced a scale-up program at The George Washington University to produce larger and more consistent quantities of SiNTL material for third-party evaluation and full-cell development, and began engaging contract battery manufacturers to build complete cells for testing. The production process has demonstrated a yield of approximately 97 per cent at laboratory scale using a low-temperature, single-step method.

Aerospace and Defence Division

In May 2026, the Group established an Aerospace and Defence Division to pursue commercial opportunities for SiNTL across drone, unmanned aerial vehicle, satellite and defence applications, and in June 2026 appointed an advisory board of industry experts to guide the Division's activities.

In June 2026, the Group entered a battery evaluation agreement with Energia 2000, a Ukrainian Government-approved defence manufacturer, supported by Trecenta Systems as program supervisor and guarantor. Energia 2000 has reported that it currently produces approximately 72,000 drones per annum. The agreement provides for the testing of SiNTL across multiple unmanned aerial vehicle platforms through six staged milestones.

The Group also entered a testing and commercialisation agreement with Orbit Boy, an Italian space technology company, to evaluate SiNTL for satellites, launch systems and space applications through six milestone-gated stages. These agreements provide for independent testing and do not constitute qualification, adoption or a commitment to purchase. Orbit Boy advised that SiNTL was selected as the primary energy storage candidate for its planned defence launch vehicles and its ARCap satellite servicing module, subject to successful completion of the testing program.

SiBox®

During the year, the Group completed all technical milestones under its SiBox Development Agreement with Woodside Energy Technologies. The Group retained complete ownership and control of the SiBox intellectual property, with Woodside retaining a non-exclusive licence to the technology. Completion of the agreement leaves the Group free to pursue other partnerships, customers and commercialisation pathways for SiBox.

Commercial engagement for the SiBox industrial thermal energy storage technology continued during the year. The Group responded to customer and industry enquiries and participated in tender and project evaluation processes concerning the supply of high-temperature industrial heat. These opportunities remain subject to commercial confidentiality, and the Group is not presently able to identify the counterparties, project locations, technical configurations or potential contract values. Tender participation and customer enquiry do not guarantee that a project will proceed or that the Group will be selected as a supplier.

The Group continued to consider both direct equipment supply and Heat-as-a-Service structures for SiBox, the latter of which may provide a recurring revenue model and may reduce the need for customers to fund and operate energy infrastructure directly.

SiPHyR®

SiPHyR integrates the Group's SiBrick thermal storage technology with methane pyrolysis reactor technology to produce low-emissions hydrogen and solid carbon from renewable energy sources. During the year, the Group established a dedicated commercial team to progress the market entry strategy for SiPHyR and completed the de-risking work covering reactor design, carbon collection and the pyrolysis operating envelope. Detailed design of the first prototype reactor was completed and fabrication commenced, with commissioning expected by the end of 2026 to demonstrate the technology at Technology Readiness Level 5.

The prototype is designed to process approximately 50 tonnes of natural gas per annum, with the flexibility to service a range of industries. The Group also continued to investigate whether SiPHyR-derived carbon may be suitable for use in silicon-carbon battery anode materials within the SiNTL development program.

Aurora Energy Precinct

The Aurora Energy Precinct is the Group's development site of approximately 16 square kilometres near Port Augusta, South Australia, which combines grid access, development approvals, and water and fibre infrastructure.

Development of Aurora continued following the appointment of voluntary administrators to Vast Renewables Limited and its wholly owned subsidiary Vast Solar Aurora Pty Ltd (VSA) on 13 November 2025. VSA holds a 50% interest in SiliconAurora Pty Ltd, the joint venture company through which the Aurora Energy Precinct is developed. SiliconAurora was not subject to the administration and development activities continued during the period. Following the appointment of the administrators, the Group explored options in relation to VSA's interest in SiliconAurora.

Key development activities during the year included the completion of technical requirements for the approved 140 megawatt, 280 megawatt hour Stage 1 battery energy storage system to progress to commercial transmission access negotiations with ElectraNet for a Transmission Connection Agreement, following acceptance of the Generator Performance Standards by the Australian Energy Market Operator and ElectraNet. The Group also identified a 33 kilovolt connection pathway intended to support commercial activity at the precinct ahead of the proposed 275 kilovolt transmission connection.

Subsequent to the end of the financial year, the Group executed a Heads of Agreement with an Australian data centre operator for a proposed staged development of up to 1 gigawatt of data centre infrastructure at the precinct, granting the operator exclusivity over an initial 40-hectare development parcel while definitive commercial agreements are negotiated.

On 1 September 2026, the Group entered into an agreement to acquire VSA for \$350,000. Upon completion of the acquisition, the Group will hold 100% of SiliconAurora, removing the previous joint venture structure and giving 1414 Degrees full control of the development of the Aurora Energy Precinct.

Further detail is set out under Matters subsequent to the end of the financial year (note 34).

Intellectual property

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

Current status of patents:

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

Trademarks:

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

Risks specific to the Group

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

- Commercialisation of technology risk - The Group is developing the Aurora BESS project and commercialising technologies including its SiBox thermal energy storage system, SiNTL silicon anode material and SiPHyR hydrogen production technology. Each of these programs faces commercialisation risk and there is no guarantee that any will achieve commercial scale on the expected timeline or at all. The Group's growth depends on its ability to secure customers and commercial partners across target sectors including data centres, grid-scale energy storage, advanced battery applications and heavy industry. Delays in customer engagement or qualification programs, failure to validate technology performance to customer requirements, or changes in customer demand could delay commercialisation and revenue generation. The Group also relies on its ability to develop the technical and commercial expertise, supply chains and manufacturing partnerships required to support commercial scale-up.
- Competition and intellectual property (IP) risk - 1414 Degrees operates across several markets, including grid-scale battery energy storage, thermal energy storage, advanced battery materials and hydrogen production, which are subject to competition from established companies and other technology developers. Competing technologies may emerge or improve faster than anticipated, or achieve greater market acceptance, which could reduce the Group's addressable markets, pricing power or ability to commercialise its technologies.
The Group relies on a combination of patents, patent applications, trade secrets, licences and other intellectual property rights. There is a risk that third parties may challenge the validity or ownership of intellectual property used by the Group, that the Group may be unable to adequately protect or enforce its rights, or that intellectual property licensed from third parties becomes unavailable. Any such event could adversely affect the Group's competitive position and commercialisation prospects
- Technology performance and scale-up risk - The Group's technologies remain at various stages of development, demonstration, qualification and commercialisation. The Group's silicon-based thermal storage media has not been tested over its targeted long-term operating life. There is a risk that the storage media does not achieve the expected operating lifetime or performance at commercial scale, which could affect the commercial competitiveness of SiBox.
- Contractual and counterparty risk - The Group is party to agreements with technology licensors, research institutions, development partners, suppliers and third parties undertaking evaluation and qualification of its technologies. Its commercialisation strategy increasingly depends on the performance of these counterparties and the continuation of key contractual arrangements. There is a risk that a counterparty does not perform its obligations, that an agreement is terminated or not renewed, or that a dispute arises regarding contractual rights or obligations. Some commercial arrangements are preliminary, conditional or milestone-based and may not progress to binding commercial agreements, product qualification, adoption or revenue. Such events could delay development or commercialisation of the Group's projects and technologies.
- Commercial risks relating to Aurora Energy Precinct - The Group has invested in the development of the Aurora Energy Precinct, including an approved BESS and prospective data centre and industrial tenancies. Realisation of value from these investments requires the Group to secure the necessary transmission and network access arrangements and to

convert commercial pathways, including the proposed data centre development and the earlier-stage 33 kV connection pathway, into binding agreements. There is a risk that the required access will not be obtained, that the cost or timing of access could adversely affect project economics, or that heads of agreement and other preliminary arrangements do not proceed to definitive agreements.

- Operating experience, key personnel risk and business strategy execution - The Group's ability to execute its strategy depends on the experience and capabilities of its directors, management, technical personnel and other key employees and advisers. The loss of key personnel, or an inability to recruit and retain personnel with appropriate technical and commercial expertise, could delay the Group's development and commercialisation activities. The Group's future growth, financial performance and cash flows also depend on management successfully executing its business strategy across multiple technologies and development opportunities. There can be no assurance that the Group will achieve its business objectives within anticipated timeframes or at all.
- Defence, export and geopolitical risk - The Group is pursuing commercial opportunities for SiNTL in aerospace and defence applications, including evaluation programs involving defence-related counterparties. The Group's Battery Qualification Testing Agreement with Enerгия 2000 involves proposed testing in Ukraine, including testing in an active conflict environment. There is a risk that the conflict delays, disrupts or prevents testing or other activities from proceeding as planned. Geopolitical developments, including changes to sanctions regimes, export controls or the course of the conflict, could also affect the Group's ability to conduct business with counterparties in relevant jurisdictions. The Group is subject to applicable export control, sanctions and other regulatory requirements in connection with defence-related activities. Compliance requirements, changes in regulation or an inability to obtain necessary approvals may restrict or delay commercial activities.

Significant changes in the state of affairs

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

Matters subsequent to the end of the financial year

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

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

On 6 July 2026, 63,570,440 fully paid ordinary shares were issued at \$0.10 per share as part of the placement announced on 23 June 2026. A further 21,000,000 fully paid ordinary shares under the placement remain to be issued as at the date of this report.

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.

On 24 July 2026, 1,000,000 shares were issued 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 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.

On 27 July 2026, the Group executed a Heads of Agreement with an Australian data centre operator for a proposed staged development of up to 1 GW of data centre infrastructure at the Aurora Energy Precinct. The proposed development commences with a 17 MW campus proposed to utilise the 33 kV connection pathway, expanding to an anchor campus of approximately 200 MW following construction of the proposed 275 kV transmission connection, with a longer-term pathway towards gigawatt-scale deployment. The agreement grants the operator exclusivity over an initial 40-hectare development parcel while definitive commercial agreements are negotiated.

Subsequent to the end of the financial year, SiNTL test cells exceeded 550 milliamp hours per gram across all tested configurations, with optimised formulations recording above 600 milliamp hours per gram on initial cycles.

On 28 July 2026 41,900,000 shares were issued from the conversion of options with the exercise price of \$0.05. A further 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, an Italian satellite manufacturer, and Orbit Boy for a staged program to evaluate, integrate and qualify SiNTL for use in satellite power systems. The program provides a pathway for SiNTL cells and battery packs to be integrated into a representative satellite energy storage system and progressed through qualification and space-representative testing. Subject to successful completion of the program, SiNTL may progress to design-in for Space Industries' serially produced satellites. The agreement does not constitute qualification, adoption or a commitment to purchase SiNTL products.

On 24 August 2026, the Group signed a Letter of Intent with JR Energy Solution (JRES), a South Korean battery electrode and cell manufacturer, to jointly develop electrodes and battery cells incorporating SiNTL. The collaboration provides a potential pathway from SiNTL material qualification through electrode manufacture and full-cell testing to scaled battery cell production in South Korea. The development program is intended initially to support high-performance applications including defence, unmanned aerial vehicles, space and robotics. Any future manufacturing or supply arrangements remain subject to successful development and separate definitive agreements.

On 27 August 2026, the Group reported further cycling results from its SiNTL development program at The George Washington University. A SiNTL formulation with a specific capacity of approximately 550 mAh/g had completed more than 640 charge-discharge cycles while maintaining acceptable capacity, with several other formulations exceeding 400 cycles. A newer formulation demonstrating approximately 600 mAh/g remained in early-stage cycling. Testing continues.

On 1 September 2026, the Group agreed to acquire 100% of the issued share capital of Vast Solar Aurora Pty Ltd (subject to deed of company arrangement) ("VSA") from Vast Renewables Limited (subject to deed of company arrangement) ("Vast") for cash consideration of \$350,000 (exclusive of GST).

VSA holds the remaining 50% interest in SiliconAurora Pty Ltd ("SiliconAurora"), the joint venture entity in which the Group held a 50% interest as at 30 June 2026. SiliconAurora is the entity through which the Aurora Energy Precinct project is being developed. VSA also holds a shareholder loan receivable from SiliconAurora of approximately \$1.76 million, which is acquired as part of the transaction.

As a result of the acquisition, the Group will hold a 100% interest in SiliconAurora, and the shareholders' agreement between the Group, Vast, VSA and SiliconAurora terminated with effect from completion. SiliconAurora, which was accounted for as a joint venture using the equity method as at 30 June 2026, will be accounted for as a controlled entity and consolidated into the Group from 1 September 2026, being the date on which control was obtained.

The financial effects of the proposed acquisition, including the purchase price allocation and the fair values of identifiable assets acquired and liabilities assumed, have not yet been determined. Accordingly, it is not currently practicable to estimate the financial impact of the transaction on the Group's future financial position or results of operations.

The Group has assessed the acquisition against the requirements of AASB 3 Business Combinations. The Group did not acquire an organised workforce or substantive processes capable of producing outputs. On this basis, the acquisition has been assessed as an asset acquisition rather than a business combination. Accordingly, no goodwill will be recognised, the previously held 50% interest in SiliconAurora will not be remeasured to fair value, and the cost of the acquisition will be allocated to the identifiable assets acquired and liabilities assumed on the basis of their relative fair values at the acquisition date.

The assets were acquired on an "as is, where is" basis with no warranties from Vast or the deed administrators, other than as to due authorisation.

No adjustments have been made to the financial statements for the year ended 30 June 2026 in respect of the above, as the transaction represents a non-adjusting event after the reporting period in accordance with AASB 110 Events after the Reporting Period.

On 3 September 2026, 600,000 shares were issued from the conversion of options with the exercise price of \$0.05 per option.

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.

Likely developments and expected results of operations

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

Environmental regulation

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

Information on Directors

Name:	Kevin Moriarty
Title:	Executive Chairman
Qualifications:	BSc (Hons), Ph.D., MAusIMM
Experience and expertise:	Dr. Kevin Charles Moriarty, BSc (Hons), Ph.D., MAusIMM has more than 40 years of corporate experience, including as Chairman and Managing Director of ASX-listed companies. He has founded and led companies involved in the development of mining projects in Australia and Africa and has extensive experience in corporate strategy, project development, capital markets and commercialisation.

Dr Moriarty served as Executive Chairman of 1414 Degrees from 2016 to 2021, during which time the Group developed and demonstrated its early silicon-based thermal energy storage technologies and acquired the Aurora Energy Precinct near Port Augusta, South Australia. He returned to the Board and was re-appointed Executive Chairman in 2022.

Since returning as Executive Chairman, Dr Moriarty has led the Group's strategy to develop and commercialise silicon-based technologies and energy infrastructure assets. This has included development of SiBox® for high-temperature industrial heat, SiPHyR® methane pyrolysis hydrogen technology, and the Group's expansion into advanced battery materials through the acquisition of an exclusive global licence to commercialise SiNTL™ silicon anode technology developed at The George Washington University.

He has also led the development of the Aurora Energy Precinct as a renewable energy and industrial hub, including progression of its grid-scale battery energy storage system and commercial opportunities for data centres and other energy-intensive users.

Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	16,737,916 ordinary shares
Interests in options:	418,447 options expiring 09/07/2030 at \$0.18

1414 Degrees Ltd
Directors' report
30 June 2026

Name: Graham Dooley
 Title: Non-Executive Director
 Qualifications: BSc, BE (Hons), MPA, FAICD, FIEAust
 Experience and expertise: Graham is an accomplished Non-Executive Director, Managing Director and Chairman with extensive infrastructure and investment experience. As well as serving as a Director of the businesses below, Graham is also Chairman of the Northern Adelaide Waste Management Authority and a Director of the Salisbury Water business unit of the City of Salisbury. He is also a senior adviser to two South Australian Local Government Councils. He has been a Senior Advisor to Igneo Infrastructure Partners, one of the top 10 infrastructure investors world-wide and a Director of a solid waste company acquired by Igneo.

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

Other current directorships: None
 Former directorships (last 3 years): Water Authority of Fiji and SA Hydrogen Hubs Inc
 Interests in shares: 507,846 ordinary shares
 Interests in options: 12,696 options expiring 09/07/2030 at \$0.18

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

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

Other current directorships: None
 Former directorships (last 3 years): None
 Interests in shares: 3,500,000 ordinary shares
 Interests in options: 87,500 options expiring 09/07/2030 at \$0.18

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

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

Company Secretary

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

Meetings of Directors

The number of meetings of the Group's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2026, and the number of meetings attended by each Director were:

	Full Board		Audit Committee	
	Attended	Held	Attended	Held
Kevin Moriarty	12	12	2	2
Graham Dooley	12	12	2	2
Randolph Bowen	7	12	2	2

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

Remuneration report (audited)

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

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all Directors.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:

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

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

The board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group, with an appropriate level of fixed remuneration for key management personnel, as well as a proportion of performance based remuneration.

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

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

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

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

Non-executive Directors remuneration

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

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

Executive remuneration

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

The executive remuneration and reward framework has three components:

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

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

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

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

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

Company performance and link to remuneration

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

Corporate performance

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

Year	Net loss for the year \$	Loss per share Cents	Shareholder's equity \$	Number of shares on issue at year end No.	Share price at end of year \$	Net asset position \$
2022	(1,369,310)	0.680	32,656,879	201,985,458	\$0.073	10,475,738
2023	(1,831,521)	0.910	33,002,185	205,485,458	\$0.046	8,834,118
2024	(2,505,500)	1.070	34,334,940	238,168,521	\$0.058	7,496,292
2025	(3,340,190)	1.230	36,851,677	287,779,018	\$0.017	6,679,793
2026	(6,235,094)	1.570	41,270,288	607,199,940	\$0.090	4,863,310

Voting and comments made at the Group's 2025 Annual General Meeting ('AGM')

At the 19 November 2025 AGM, 95% of the votes received supported the adoption of the remuneration report for the year ended 2025. The Group did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration

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

1414 Degrees Ltd
Directors' report
30 June 2026

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments		
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled shares	Equity-settled performance rights	Total
30 June 2026	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
Graham Dooley	66,667	-	-	-	-	-	-	66,667
Randolph Bowen	50,000	-	-	-	-	-	-	50,000
<i>Executive chairman:</i>								
Kevin Moriarty	200,000	-	-	24,000	9,471	-	-	233,471
	316,667	-	-	24,000	9,471	-	-	350,138

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

Service agreements

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

Name:	Kevin Moriarty
Title:	Executive Chairman
Agreement commenced:	28 July 2022
Term of agreement:	Ongoing
Details:	Effective 1 August 2023 the annual salary was updated to \$200,000 per annum. Effective 1 July 2026 the annual salary was updated to \$250,000.
Name:	Graham Dooley
Title:	Non-Executive Director
Agreement commenced:	3 November 2022
Term of agreement:	Ongoing
Details:	Annual fee effective 3 November 2022 of \$50,000. On 3 March 2025 Mr Dooley agreed to a variation of his appointment to reflect his increase in work load for the duration of the commercialisation project his monthly fee increased to \$8,333. In December 2025 his fee returned to \$4,167 monthly.

1414 Degrees Ltd
Directors' report
30 June 2026

Name: Randolph Bowen
Title: Non-Executive Director
Agreement commenced: 3 November 2022
Term of agreement: Ongoing
Details: Annual fee effective 3 November 2022 of \$50,000

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

Share-based compensation

Issue of shares

There were no shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2026.

Options

There were no options over ordinary shares issued to Directors and other key management personnel as part of compensation during the year ended 30 June 2026.

Performance rights

There were no performance rights over ordinary shares issued to Directors and other key management personnel as part of compensation that were outstanding as at 30 June 2026.

Additional disclosures relating to key management personnel

Shareholdings

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

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

Performance rights

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

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

Options

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

1414 Degrees Ltd
Directors' report
30 June 2026

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

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of 1414 Degrees Ltd under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
21/11/2025	21/11/2027	\$0.1000	4,000,000
29/01/2026	29/01/2028	\$0.0500	276,120,197
09/07/2026	09/07/2030	\$0.1800	95,592,927
24/07/2026	30/06/2028	\$0.2000	1,000,000
24/07/2026	30/06/2029	\$0.2500	1,000,000
24/07/2026	30/06/2028	\$0.3000	2,500,000
24/07/2026	30/06/2029	\$0.3000	1,000,000
24/07/2026	30/06/2029	\$0.4000	2,500,000
24/07/2026	30/06/2029	\$0.5000	2,000,000
24/07/2026	30/06/2030	\$0.5000	500,000
			<u>386,213,124</u>

Shares issued on the exercise of options

The following ordinary shares of 1414 Degrees Ltd were issued during the year ended 30 June 2026 and up to the date of this report on the exercise of options:

	Exercise price	Number of shares issued
22 August 2025	\$0.1000	32,075
29 May 2026	\$0.0750	1,333,333
4 June 2026	\$0.0750	666,667
2 July 2026	\$0.0500	119,048
28 July 2026	\$0.1800	375
28 July 2026	\$0.0500	41,900,000
3 September 2026	\$0.0500	600,000
		<u>44,651,498</u>

Shares under performance rights

There were no unissued ordinary shares of 1414 Degrees Ltd under performance rights outstanding at the date of this report.

Shares issued on the exercise of performance rights

There were no ordinary shares of 1414 Degrees Ltd issued on the exercise of performance rights during the year ended 30 June 2026 and up to the date of this report.

Indemnity and insurance of officers

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

1414 Degrees Ltd
Directors' report
30 June 2026

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

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the Group

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

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.

Non-audit services

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

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

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

Auditor's independence declaration

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

Auditor

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

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

On behalf of the Directors



Kevin Moriarty
Executive Chairman

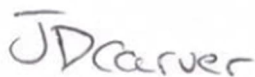
30 September 2026

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

As lead auditor of 1414 Degrees Limited for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been:

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

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, 30 September 2026

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

	Note	Consolidated 2026 \$	2025 \$
Other Income	4	1,832,732	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	10	(1,500,000)	-
Finance costs	6	(878,945)	(78,258)
Product development costs	16	(1,331,806)	-
Relocation costs		-	(1,705)
Share based payments (equity settled)	37	(31,500)	(6,954)
Share of loss - SiliconAurora joint venture	12	(282,872)	(830,428)
Other expenses	7	(494,076)	(492,457)
Total expenses		<u>(8,067,826)</u>	<u>(3,393,811)</u>
Loss before income tax expense		(6,235,094)	(3,340,190)
Income tax expense	8	-	-
Loss after income tax expense for the year	23	(6,235,094)	(3,340,190)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		<u>(6,235,094)</u>	<u>(3,340,190)</u>
		Cents	Cents
Basic earnings per share	36	(1.57)	(1.23)
Diluted earnings per share	36	(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 \$	2025 \$
Assets			
Current assets			
Cash and cash equivalents	9	1,635,242	1,799,915
Trade and other receivables	10	2,621,430	3,986,471
Financial assets	11	179,419	174,437
Other assets	14	188,667	84,282
Total current assets		<u>4,624,758</u>	<u>6,045,105</u>
Non-current assets			
Joint venture investment	12	668,641	951,513
Property, plant and equipment	15	213,232	206,854
Right-of-use assets	13	562,302	743,584
Intangible assets	16	<u>375,332</u>	<u>449,562</u>
Total non-current assets		<u>1,819,507</u>	<u>2,351,513</u>
Total assets		<u>6,444,265</u>	<u>8,396,618</u>
Liabilities			
Current liabilities			
Trade and other payables	17	775,441	675,761
Lease liabilities	18	194,252	170,962
Employee benefits	19	104,756	168,964
Provisions	20	<u>34,000</u>	<u>34,000</u>
Total current liabilities		<u>1,108,449</u>	<u>1,049,687</u>
Non-current liabilities			
Lease liabilities	18	386,033	556,247
Employee benefits	19	16,473	40,891
Provisions	20	<u>70,000</u>	<u>70,000</u>
Total non-current liabilities		<u>472,506</u>	<u>667,138</u>
Total liabilities		<u>1,580,955</u>	<u>1,716,825</u>
Net assets		<u><u>4,863,310</u></u>	<u><u>6,679,793</u></u>
Equity			
Contributed equity	21	41,270,288	36,851,677
Reserves	22	-	8,548
Accumulated losses	23	<u>(36,406,978)</u>	<u>(30,180,432)</u>
Total equity		<u><u>4,863,310</u></u>	<u><u>6,679,793</u></u>

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

1414 Degrees Ltd
Statement of changes in equity
For the year ended 30 June 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)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 21)	2,466,737	-	-	2,466,737
Contribution of unissued equity (note 21)	50,000	-	-	50,000
Performance rights valuation	-	6,954	-	6,954
Performance rights lapsed	-	(1,045)	1,045	-
Balance at 30 June 2025	<u>36,851,677</u>	<u>8,548</u>	<u>(30,180,432)</u>	<u>6,679,793</u>
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)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 21)	4,292,611	-	-	4,292,611
Contribution of unissued equity (note 21)	126,000	-	-	126,000
Performance rights lapsed	-	(8,548)	8,548	-
Balance at 30 June 2026	<u>41,270,288</u>	<u>-</u>	<u>(36,406,978)</u>	<u>4,863,310</u>

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

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

	Note	Consolidated 2026 \$	2025 \$
Cash flows from operating activities			
Receipts from customers		4,571	-
Payments to suppliers and employees		(3,104,827)	(2,437,114)
Payments for product development activities		(1,366,404)	-
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	35	<u>(3,877,170)</u>	<u>(2,474,695)</u>
Cash flows from investing activities			
Payments for property, plant and equipment	15	(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	16	-	1,055,959
Loans to Joint Venture		<u>(473,165)</u>	<u>(800,000)</u>
Net cash from/(used in) investing activities		<u>(530,002)</u>	<u>186,828</u>
Cash flows from financing activities			
Proceeds from issue of shares	21	4,673,764	2,726,640
Proceeds from borrowings		261,699	264,327
Share issue transaction costs		(281,153)	(209,903)
Repayment of borrowings		(219,860)	(264,327)
Repayment of lease liabilities		<u>(191,951)</u>	<u>(136,307)</u>
Net cash from financing activities		<u>4,242,499</u>	<u>2,380,430</u>
Net increase/(decrease) in cash and cash equivalents		(164,673)	92,563
Cash and cash equivalents at the beginning of the financial year		<u>1,799,915</u>	<u>1,707,352</u>
Cash and cash equivalents at the end of the financial year	9	<u><u>1,635,242</u></u>	<u><u>1,799,915</u></u>

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 17 September 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 \$3,877,170 (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, the Group received settlement of a placement announced in June 2026 to raise up to \$8,457,044 before costs through the issue of 84,570,440 fully paid ordinary shares at \$0.10 per share. As at 30 June 2026, no shares had been issued under the placement. Subsequent to year end, 63,570,440 placement shares were issued on 6 July 2026, with a further 21,000,000 shares yet to be issued as at the date of this report. The placement has materially strengthened the Group's cash position. During the year ended 30 June 2026, the Group completed capital raisings of approximately \$11 million before costs in aggregate, including the placement announced prior to year end and partially settled subsequent to year end. 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.

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 31.

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.

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.

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.

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	858,220	-
Interest received	17,574	53,621
Research & development tax incentive income	290,106	-
Woodside Funding	659,818	-
Other income	7,014	-
	<u>1,832,732</u>	<u>53,621</u>

During the prior year, expenditure incurred on the SiPhyR project satisfied the recognition criteria of AASB 138 *Intangible Assets* and was capitalised as an intangible asset. Accordingly, related government grants, research and development tax incentives and project funding were recognised as a reduction of the carrying amount of the asset. From 1 July 2025, project expenditure no longer satisfied the AASB 138 capitalisation criteria and was expensed as incurred. As a result, related grants, incentives and funding received during the current year have been recognised in profit or loss as other income.

Government grants

In prior periods, Government grants received were recognised as a reduction of the carrying amount of the related intangible asset (refer note 16). As no product development expenditure was capitalised as an intangible asset during the current period, the grants received have instead been recognised as income in Profit or Loss.

Research & development tax incentive income

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. In previous periods the Research & Development tax incentive has been recognised by deducting the incentive in arriving at the carrying amount of the intangible asset (refer note 16). As no product development costs have been capitalised as an intangible asset during the period, the incentive received has been recognised as income in Profit or Loss. These amounts are recognised to the extent that where the incentive will be received.

Woodside funding

In prior periods, funding received from Woodside was recognised as a reduction of the carrying amount of the related intangible asset (refer note 16). As no product development costs was capitalised as an intangible asset during the current period, the funding received has instead been recognised as income in Profit or Loss.

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
	<u>2,057,460</u>	<u>1,048,729</u>

Note 6. Finance costs

	Consolidated	
	2026	2025
	\$	\$
Finance costs	<u>878,945</u>	<u>78,258</u>

Finance costs include payments totalling \$811,230 to Lind Global Fund II, LP under the Share Subscription Agreement and Monthly Purchase Agreement announced on 16 September 2024. These payments relate to the non-issuance of tranche shares.

Note 7. 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
	<u>494,076</u>	<u>492,457</u>

Note 8. Income tax expense

	Consolidated	
	2026	2025
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
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
Research and development income	(72,526)	-
Research and development expenditure	166,727	-
	(1,393,468)	(625,710)
Current year tax losses not recognised	695,441	624,191
Current year temporary differences not recognised	698,027	1,519
Income tax expense	-	-

	Consolidated	
	2026	2025
	\$	\$
<i>Tax losses not recognised</i>		
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
	\$	\$
<i>Deferred tax assets/(liabilities) not recognised</i>		
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 9. Cash and cash equivalents

	Consolidated	
	2026	2025
	\$	\$
<i>Current assets</i>		
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 10. Trade and other receivables

	Consolidated	
	2026	2025
	\$	\$
<i>Current assets</i>		
Project partner funding receivable	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. Subsequent to 30 June 2026, the Group acquired VSA's remaining 50% interest in SiliconAurora Pty Ltd and obtained control of the entity (note 34).

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 10. 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 11. Financial assets

	Consolidated	
	2026	2025
	\$	\$
<i>Current assets</i>		
Term deposit - 12 month maturity	<u>179,419</u>	<u>174,437</u>
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening carrying amount at amortised cost	174,437	164,377
Interest	<u>4,982</u>	<u>10,060</u>
Closing carrying amount at amortised cost	<u>179,419</u>	<u>174,437</u>

Note 12. Joint venture investment

	Consolidated	
	2026	2025
	\$	\$
<i>Non-current assets</i>		
SiliconAurora Pty Ltd	<u>668,641</u>	<u>951,513</u>

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 10) 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 13. Right-of-use assets

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

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	<u>(193,367)</u>
Balance at 30 June 2025	743,584
Modification	18,433
Depreciation expense	<u>(199,715)</u>
Balance at 30 June 2026	<u>562,302</u>

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 14. Other assets

	Consolidated	
	2026	2025
	\$	\$
<i>Current assets</i>		
Prepayments	188,667	83,110
Other current assets	<u>-</u>	<u>1,172</u>
	<u>188,667</u>	<u>84,282</u>

Note 15. Property, plant and equipment

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

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	<u>(22,446)</u>	<u>(15,843)</u>	<u>(6,486)</u>	<u>-</u>	<u>(44,775)</u>
Balance at 30 June 2025	128,377	57,001	21,476	-	206,854
Additions	34,414	3,124	-	19,299	56,837
Depreciation expense	<u>(26,954)</u>	<u>(16,214)</u>	<u>(7,291)</u>	<u>-</u>	<u>(50,459)</u>
Balance at 30 June 2026	<u><u>135,837</u></u>	<u><u>43,911</u></u>	<u><u>14,185</u></u>	<u><u>19,299</u></u>	<u><u>213,232</u></u>

Accounting policy for property, plant and equipment

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

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

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 16. Intangibles

	Consolidated	
	2026	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	(166,967)	(92,737)
	<u>375,332</u>	<u>449,562</u>

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)
	<u>375,332</u>
Balance at 30 June 2026	<u>375,332</u>

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

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.

Product development costs

During the current year, expenditure incurred in relation to the Group's SiBox technology, SiPHyR programme and SiBrick thermal energy storage medium was recognised as an expense when incurred. Such expenditure related to commercialisation activities, customer engagement, tendering, optimisation and engineering support of existing technologies. Management determined the expenditure in the 30 June 2026 year did not meet the recognition criteria for capitalisation under AASB 138 *Intangible Assets*. Accordingly, no additional internally generated intangible assets were recognised during the year. In previous years, the nature of the expenditure had been determined to meet the recognition criteria by management and was capitalised accordingly.

In prior periods, expenditure was capitalised where it was directly attributable to the development and construction of the SiBox Demonstration Model ("SDM"), resulting in the creation of a separately identifiable asset. The SDM completed testing in March 2024 and is available for use as a demonstration facility supporting the commercialisation of the Group's technology. Following completion of the SDM, the nature of expenditure changed from development activities directed at creating the underlying asset to activities directed at commercialisation and deployment of the technology. Expenditure incurred during the current year was therefore not considered to generate a new or enhanced identifiable intangible asset capable of recognition under AASB 138.

Note 16. Intangibles (continued)

The outlook for hydrogen derived from methane pyrolysis, and for renewably-sourced hydrogen more broadly, deteriorated materially as a near-to-medium term decarbonisation pathway. This reflected a combination of factors including the elevated relative cost of production compared to competing low-carbon technologies, slower-than-anticipated development of supporting transport and storage infrastructure, softening of policy and subsidy support across key markets, and an increasing preference among prospective customers for more established decarbonisation alternatives. These developments reduced the near-term likelihood of the Group securing binding customer commitments, offtake arrangements or other firm commercial engagement in respect of hydrogen produced using the SiPHyR technology. As a result, management determined it could no longer demonstrate, to the degree of probability required under AASB 138, how the SiPHyR asset would generate future economic benefits — specifically, the Group was unable to identify an existing or emerging market for the output of the technology (or for the technology itself) sufficient to satisfy the recognition criterion of AASB 138. The change in market outlook also affected management's ability to affirm its intention to complete and commercialise the technology within the timeframe and manner previously contemplated, and the level of resources committed to the programme relative to the Group's other priorities. Accordingly, management concluded that the recognition criteria in AASB 138 were no longer satisfied in their entirety, and expenditure incurred on the SiPHyR programme during the year was expensed as incurred rather than capitalised.

Note 17. Trade and other payables

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

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 18. Lease liabilities

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

Refer to note 25 for further information on financial instruments.

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

Note 18. Lease liabilities (continued)

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 19. Employee benefits

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

Accounting policy for employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

Note 20. Provisions

	Consolidated 2026 \$	2025 \$
<i>Current liabilities</i>		
Provision for Gas-TESS decommissioning	34,000	34,000
<i>Non-current liabilities</i>		
Lease make good	70,000	70,000
	<u>104,000</u>	<u>104,000</u>

Gas-TESS Decommissioning Provision

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

Accounting policy for provisions

Provisions are recognised when the 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 21. Contributed equity

	2026 Shares	Consolidated 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	<u>615,889,595</u>	<u>291,625,172</u>	<u>41,270,288</u>	<u>36,851,677</u>

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 - exercise of 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 - exercise of options	29/05/2026	1,333,333	\$0.0750	100,000
Issue of shares - exercise of 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	<u>607,199,940</u>		<u>41,144,288</u>

Note 21. Contributed equity (continued)

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	<u>8,689,655</u>	<u>\$0.0144</u>	<u>126,000</u>
Balance	30 June 2026	<u><u>8,689,655</u></u>		<u><u>126,000</u></u>

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.

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 22. Reserves

	Consolidated	
	2026	2025
	\$	\$
Share-based payments reserve	-	<u><u>8,548</u></u>

Note 22. Reserves (continued)

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 23. 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
	<u>(36,406,978)</u>	<u>(30,180,432)</u>

Note 24. Dividends

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

Note 25. 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:

	Consolidated	
	2026	2025
	\$	\$
Financial assets		
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	<u>4,436,091</u>	<u>5,960,823</u>
Financial liabilities		
Trade and other payables	775,441	675,761
Total financial liabilities	<u>775,441</u>	<u>675,761</u>

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.

Note 25. Financial instruments (continued)

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's activities have no material exposure to financial risks of changes in foreign currency.

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

	1 year or less \$	Between 1 and 2 years \$	Between 2 and 5 years \$	Over 5 years \$	Total \$
Consolidated - 2026					
Non-derivatives					
<i>Financial liabilities due for settlement</i>					
Trade and other payables	(775,440)	-	-	-	(775,440)
Lease liabilities	(239,730)	(239,730)	(179,798)	-	(659,258)
<i>Financial assets - cash flow realisable</i>					
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	3,420,921	(239,730)	(179,798)	-	3,001,393

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

Note 26. 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
	<u>350,138</u>	<u>348,296</u>

Note 27. 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
	\$	\$
<i>Audit services - BDO Audit Pty Ltd</i>		
Audit or review of the financial statements	<u>76,827</u>	<u>61,740</u>

Note 28. 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 29. 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. On 1 September 2026 the Group entered into an agreement to purchase the joint venture partner's interest (note 34). The Group has assessed that its joint control of SiliconAurora in the period has not changed and continues to equity account for its interest.

Note 30. Related party transactions

Subsidiaries

Interests in subsidiaries are set out in note 32.

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 30. 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 31. 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	(6,052,574)	(3,340,190)
Total comprehensive income	(6,052,574)	(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 31. 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 32. 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 2:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2026 %	2025 %
SINTL Pty Ltd	Australia	100.00%	-

Note 33. 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	
		2026 %	2025 %
SiliconAurora Pty Ltd	Australia	50.00%	50.00%

Note 34. 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.

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

On 6 July 2026, 63,570,440 fully paid ordinary shares were issued at \$0.10 per share as part of the placement announced on 23 June 2026. A further 21,000,000 fully paid ordinary shares under the placement remain to be issued as at the date of this report.

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.

On 24 July 2026, 1,000,000 shares were issued 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.

Note 34. Events after the reporting period (continued)

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.

On 27 July 2026, the Group executed a Heads of Agreement with an Australian data centre operator for a proposed staged development of up to 1 GW of data centre infrastructure at the Aurora Energy Precinct. The proposed development commences with a 17 MW campus proposed to utilise the 33 kV connection pathway, expanding to an anchor campus of approximately 200 MW following construction of the proposed 275 kV transmission connection, with a longer-term pathway towards gigawatt-scale deployment. The agreement grants the operator exclusivity over an initial 40-hectare development parcel while definitive commercial agreements are negotiated.

Subsequent to the end of the financial year, SiNTL test cells exceeded 550 milliamp hours per gram across all tested configurations, with optimised formulations recording above 600 milliamp hours per gram on initial cycles.

On 28 July 2026 41,900,000 shares were issued from the conversion of options with the exercise price of \$0.05. A further 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, an Italian satellite manufacturer, and Orbit Boy for a staged program to evaluate, integrate and qualify SiNTL for use in satellite power systems. The program provides a pathway for SiNTL cells and battery packs to be integrated into a representative satellite energy storage system and progressed through qualification and space-representative testing. Subject to successful completion of the program, SiNTL may progress to design-in for Space Industries' serially produced satellites. The agreement does not constitute qualification, adoption or a commitment to purchase SiNTL products.

On 24 August 2026, the Group signed a Letter of Intent with JR Energy Solution (JRES), a South Korean battery electrode and cell manufacturer, to jointly develop electrodes and battery cells incorporating SiNTL. The collaboration provides a potential pathway from SiNTL material qualification through electrode manufacture and full-cell testing to scaled battery cell production in South Korea. The development program is intended initially to support high-performance applications including defence, unmanned aerial vehicles, space and robotics. Any future manufacturing or supply arrangements remain subject to successful development and separate definitive agreements.

On 27 August 2026, the Group reported further cycling results from its SiNTL development program at The George Washington University. A SiNTL formulation with a specific capacity of approximately 550 mAh/g had completed more than 640 charge-discharge cycles while maintaining acceptable capacity, with several other formulations exceeding 400 cycles. A newer formulation demonstrating approximately 600 mAh/g remained in early-stage cycling. Testing continues.

On 1 September 2026, the Group agreed to acquire 100% of the issued share capital of Vast Solar Aurora Pty Ltd (subject to deed of company arrangement) ("VSA") from Vast Renewables Limited (subject to deed of company arrangement) ("Vast") for cash consideration of \$350,000 (exclusive of GST).

VSA holds the remaining 50% interest in SiliconAurora Pty Ltd ("SiliconAurora"), the joint venture entity in which the Group held a 50% interest as at 30 June 2026. SiliconAurora is the entity through which the Aurora Energy Precinct project is being developed. VSA also holds a shareholder loan receivable from SiliconAurora of approximately \$1.76 million, which is acquired as part of the transaction.

As a result of the acquisition, the Group will hold a 100% interest in SiliconAurora, and the shareholders' agreement between the Group, Vast, VSA and SiliconAurora terminated with effect from completion. SiliconAurora, which was accounted for as a joint venture using the equity method as at 30 June 2026, will be accounted for as a controlled entity and consolidated into the Group from 1 September 2026, being the date on which control was obtained.

The financial effects of the proposed acquisition, including the purchase price allocation and the fair values of identifiable assets acquired and liabilities assumed, have not yet been determined. Accordingly, it is not currently practicable to estimate the financial impact of the transaction on the Group's future financial position or results of operations.

Note 34. Events after the reporting period (continued)

The Group has assessed the acquisition against the requirements of AASB 3 Business Combinations. The Group did not acquire an organised workforce or substantive processes capable of producing outputs. On this basis, the acquisition has been assessed as an asset acquisition rather than a business combination. Accordingly, no goodwill will be recognised, the previously held 50% interest in SiliconAurora will not be remeasured to fair value, and the cost of the acquisition will be allocated to the identifiable assets acquired and liabilities assumed on the basis of their relative fair values at the acquisition date.

The assets were acquired on an "as is, where is" basis with no warranties from Vast or the deed administrators, other than as to due authorisation.

No adjustments have been made to the financial statements for the year ended 30 June 2026 in respect of the above, as the transaction represents a non-adjusting event after the reporting period in accordance with AASB 110 Events after the Reporting Period.

On 3 September 2026, 600,000 shares were issued from the conversion of options with the exercise price of \$0.05 per option.

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 35. 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	(26,907)	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	(104,385)	70,724
Increase/(decrease) trade and other payables	99,688	(344,824)
Increase/(decrease) in employee benefits	(88,625)	33,680
Net cash used in operating activities	<u>(3,877,170)</u>	<u>(2,474,695)</u>

Note 36. Earnings per share

	Consolidated	
	2026	2025
	\$	\$
Loss after income tax	<u>(6,235,094)</u>	<u>(3,340,190)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>396,181,053</u>	<u>272,605,209</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>396,181,053</u>	<u>272,605,209</u>

Note 36. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	(1.57)	(1.23)
Diluted earnings per share	(1.57)	(1.23)

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 37. 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.

Note 37. Share-based payments (continued)

Accounting policy for share-based payments

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

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

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the 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.

1414 Degrees Ltd
Directors' declaration
30 June 2026

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Accounting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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

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

On behalf of the Directors



Kevin Moriarty
Executive Chairman

30 September 2026

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

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of 1414 Degrees Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, 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 year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the 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 audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Material uncertainty related to going concern

We draw attention to Note 2 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 opinion is not modified in respect of this matter.

Key audit matters

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

Joint venture investment and loan receivable from joint venture entity – judgement regarding carrying value

Key audit matter	How the matter was addressed in our audit
The carrying value of the joint venture investment (note 12) and loan receivable from joint venture entity SiliconAurora Pty Ltd (note 10) is a key audit matter due to: • The significance of the balances, • The level of judgment applied by management and inherent subjectivity in their assessment of impairment indicators and the consequential impact on the carrying value of these assets as disclosed in note 3, • The post reporting date acquisition of SiliconAurora Pty Ltd; and • The level of audit procedures undertaken to evaluate management's judgement involved in determining whether the carrying value of these assets exceed their recoverable value.	Our audit procedures included, but were not limited to: • Checking the accuracy of the reconciliation of the balances including examining the underlying transactions, • Consideration of the assumptions made by management in their assessment of the value of the assets and whether they are reasonable given the likelihood of SiliconAurora Pty Ltd project reaching a stage of development which allows for repayment of the loan balance and return on investment, and • Understanding the proposed accounting treatment of the acquisition of SiliconAurora Pty Ltd including the proposed consolidation workings, to determine if this led to an indicator of impairment of loan receivable or investment balances at reporting date.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and the auditor's report thereon.

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

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

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



Responsibilities of the directors for the Financial Report

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

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

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

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

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

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 11 to 15 of the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of 1414 Degrees Limited, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.



Responsibilities

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

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

BDO Audit Pty Ltd

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

Joshua Carver

Director

Adelaide, 30 September 2026

1414 Degrees Ltd
Shareholder information
30 June 2026

The shareholder information set out below was applicable as at 29 September 2026

Distribution of equitable securities

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

	Ordinary shares		Listed options expiring 9 Jul 2030		Listed options expiring 29 Jan 2028	
	Number of holders	% of total shares issued	Number of holders	% of total options issued	Number of holders	% of total options issued
1 to 1,000	89	-	3,102	1.10	-	-
1,001 to 5,000	573	0.27	1,161	2.76	3	0.01
5,001 to 10,000	1,068	1.17	190	1.46	4	0.01
10,001 to 100,000	2,661	14.69	294	10.27	77	1.56
100,001 and over	1,016	83.87	134	84.41	179	98.42
	5,407	100.00	4,881	100.00	263	100.00
Holding less than a marketable parcel at \$500 (\$0.0520 per share)	1,441	-	-	-	-	-

Equity security holders

Twenty largest quoted equity security holders

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

Ordinary shares	Ordinary shares	
	Number held	% of total shares issued
SURFIT CAPITAL PTY LTD	31,000,000	4.34
CITICORP NOMINEES PTY LIMITED	25,964,619	3.63
MR LINPING FU	21,500,000	3.01
FOCEM PTY LTD <TOWARNIE SUPER FUND A/C>	15,937,916	2.23
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	13,232,614	1.85
KATHERINE GRACE LITTLECHILD + PAUL JEFFREY LITTLECHILD	12,979,841	1.82
PHILLIP STREET HOLDINGS PTY LT<PHILLIP STREET A/C>	11,600,000	1.62
FINCLEAR SERVICES PTY LTD <SUPERHERO SECURITIES A/C>	8,498,506	1.06
MR BRENTON MARK MADDEN	7,199,760	1.01
MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	5,840,429	0.82
WARBONT NOMINEES PTY LTD <UNPAID ENTREPOT A/C>	5,639,539	0.79
MRS WENDY ELIZABETH MOSS <MOSS RETIREMENT A/C>	5,249,188	0.73
BNP PARIBAS NOMS PTY LTD	4,742,239	0.66
AMMJOHN PTY LTD	4,336,039	0.61
MEWTWO GLOBAL INVESTMENTS	4,333,333	0.61
MR HAROLD TOMBLIN + MRS JUDITH JOHNSTON - HAROLD TOMBLIN S/F A/C	4,106,976	0.57
SHARESIES AUSTRALIA NOMINEE PTY LIMITED	3,599,043	0.50
RANAT INVESTMENTS PTY LTD - MARANANGA A/C	3,500,000	0.49
MR MICHAEL NOEL MASON + MS KIM MAREE FOWLER + MR DEAGLAN MASON-FOWLER - MASON FOWLER FAMILY S/F A/C	3,467,117	0.49
MR ANTHONY JAY TREVORROW <TONESTA INVESTMENT A/C>	3,300,000	0.46
MR BAO FENG PAN + MS HIN HUA XUAN <BAO SUPERFUND>	3,300,000	0.46
	198,408,541	27.77

1414 Degrees Ltd
Shareholder information
30 June 2026

	Options over ordinary shares	
	Number held	% of total options issued
\$0.18 listed options expiring 9 July 2030		
10 BAY STREET PTY LIMITED	12,212,175	12.78
MR JORDAN WILLIAM SIMPSON	5,000,000	5.23
MRS ESTHER THANGARANI EBENEZER	4,005,000	4.19
ARGYLE SF PTY LTD <SFG SUPERANNUATION FUND A/C>	3,500,000	3.66
MR LINPING FU	3,000,000	3.14
TIME VALUATIONS PTY LTD	2,256,346	2.36
THE POWER8 PTY LTD <THE POWER8 SUPERFUND A/C>	2,200,000	2.30
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	2,041,975	2.14
BEHEMOTH CAPITAL PTY LTD <JAVA INVESTMENT A/C>	2,000,000	2.09
MR TIMOTHY LAURENCE JOHNSTON	2,000,000	2.09
MRS SUSAN ELIZABETH BERKIN	1,425,000	1.49
KATHERINE GRACE LITTLECHILD + PAUL JEFFREY LITTLECHILD	1,274,496	1.33
DR WEIYUAN WANG	1,274,129	1.33
NEAVE TRADING PTY LTD	1,272,311	1.33
GUY WALKER PTY LTD <GUY WALKER SUPER FUND A/C>	1,200,000	1.26
MR VAN TOI NGUYEN	1,060,919	1.11
CITICORP NOMINEES PTY LIMITED	1,051,858	1.10
MR AHMAD SHAHID HZRATI	1,008,750	1.06
MR ANDREW CAIRE	1,002,500	1.05
D M AFFLITTO SUPERFUND PTY LTD <D M AFFLITTO SUPER FUND>	1,000,000	1.05
INVIA CUSTODIAN PTY LIMITED <MR JAMES LEON LEFEBVRE A/C>	1,000,000	1.05
SIMKAR PTY LTD <S & K BOND SUPER FUND A/C>	1,000,000	1.05
	<u>51,785,459</u>	<u>54.17</u>

1414 Degrees Ltd
Shareholder information
30 June 2026

	Options over ordinary shares	
	Number held	% of total (spare) issued
\$0.05 listed options expiring 29 January 2028		
MR LINPING FU	46,399,656	16.77
10 BAY STREET PTY LIMITED	24,387,069	8.81
LIND GLOBAL FUND II LP	18,000,000	6.50
COMSEC NOMINEES PTY LIMITED	7,977,543	2.88
KATHERINE GRACE LITTLECHILD + PAUL JEFFREY LITTLECHILD	7,542,110	2.73
MR LEMUEL CHERLOABA	6,900,000	2.49
BARRAK ACCOUNTANTS PTY LTD	5,675,627	2.05
SCOTT WILSON SUPER PTY LTD <SJW CONSULTING S/F A/C>	5,500,000	1.99
CITICORP NOMINEES PTY LIMITED	4,980,952	1.80
MELBOR PTY LTD <RJW FAMILY A/C>	4,420,954	1.60
MR ANDREW CAIRE	4,050,000	1.46
MYRNIONG PTY LTD	4,000,000	1.45
MR PHILIP ANDREW RAVEN	4,000,000	1.45
SH FINTECH PTY LTD	4,000,000	1.45
MRS MARIE-MICHELE KYRIAKOPOULOS + MR JOHN KYRIAKOPOULOS	3,798,000	1.37
NEAVE TRADING PTY LTD	3,375,214	1.22
INVIA CUSTODIAN PTY LIMITED <MR JAMES LEON LEFEBVRE A/C>	3,000,000	1.08
MR KYLE RICHARDSON <RICHARDSON ACCOUNT>	2,820,804	1.02
MR MATTHEW IAN BRADLEY	2,755,000	1.00
MR AHMET CAGRIER	2,695,706	0.97
	166,278,635	60.09

Unquoted equity securities

The following unquoted securities are on issue:

	Number on issue	Number of holders
Options over ordinary shares issued - \$0.10 expiring 21 November 2027	4,000,000	6
Options over ordinary shares issued - \$0.20 expiring 30 June 2028	1,000,000	6
Options over ordinary shares issued - \$0.25 expiring 30 June 2029	1,000,000	6
Options over ordinary shares issued - \$0.30 expiring 30 June 2028	2,500,000	6
Options over ordinary shares issued - \$0.30 expiring 30 June 2029	1,000,000	6
Options over ordinary shares issued - \$0.40 expiring 30 June 2029	2,500,000	6
Options over ordinary shares issued - \$0.50 expiring 30 June 2029	2,000,000	6
Options over ordinary shares issued - \$0.50 expiring 30 June 2030	500,000	6

Substantial holders

There are no substantial holders in the Group.

Voting rights

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

Ordinary shares

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

Listed and unlisted options

Have no voting rights.

There are no other classes of equity securities.

1414 Degrees Ltd
Shareholder information
30 June 2026

Securities subject to voluntary escrow

Class	Expiry date	Number of shares
Ordinary fully paid	24 November 2026	500,000