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# 1414 shares tumble as SA Water project falters

CAMERON ENGLAND

SHARES in Adelaide renewable energy company 1414 Degrees hit a record low yesterday after news that SA Water had passed on an option to install their technology at the Glenelg wastewater treatment plant.

The share price has more than halved this week following the release of the results on an internal review which said that more work needed to go into making the company's technology – which aims to store energy as molten silicon

– economically viable.

That triggered an almost 40 per cent share price drop on Wednesday, followed by a further 18.8 per cent drop following the SA Water news.

The shares closed at 6.9c yesterday, compared with the 12-month high of 31c a year ago.

Yesterday's announcement said SA Water had completed its business case evaluation for the installation of the company's GAS-TESS technology, and decided against moving forward.

"SA Water said the GASTEES has potential for its future generation projects after demonstrating significant improvements in electrical efficiency," 1414 Degrees said.

"As announced by 14D earlier today, this limitation has already been identified in the company's recent technology review and is being addressed for future designs. 1414 Degrees will work with SA Water on a plan to progress development on the pilot site and will continue commercial discussions with wastewater treatment facilities."

In the company's update to shareholders on Wednesday, executive chairman Kevin Moriarty said the company's earlier expectations for sales were "optimistic", with "significant development" needed to deliver reliable performance.

"The prototype silicon storage technology could not sustain many cycles without degrading," he said.

"In response to this challenge, 1414 Degrees operations management was refocused to work on developing a robust, scalable and energy dense storage technology for air and combustion environments. That work is progressing well."

Dr Moriarty said a fully-developed electric charging TESS (thermal energy storage system) was "not currently competitive with fossil fuel heating in most customer sites due to the higher input cost of electricity with transmission charges".

1414 Degrees had \$5.4 million in cash at the end of the March quarter.

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