

TARGET MARKET DETERMINATION

MADE BY: Traffic Technologies Ltd ACN 080 415 407 of 320 Darebin Road, Fairfield, VIC 3078 (**TTI** or the **Company**)

PRODUCT: Free attaching options (**New Options**) to acquire fully paid ordinary shares in the capital of the Company (**Shares**) issued under the replacement prospectus dated 11 November 2024 (**Prospectus**).

EFFECTIVE DATE: 11 November 2024

1. Introduction

This target market determination (**TMD**) has been prepared pursuant to section 994B of the *Corporations Act 2001* (Cth) (**Corporations Act**) in relation to the offer of 1 free New Option for every 1 Share subscribed for under the Offer made by the Company pursuant to the Prospectus. The Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on 11 November 2024 and was released to ASX on that date. An electronic copy of the Prospectus can be accessed in the ASX announcements for the Company on ASX's website available at: <https://tti.irm.au.com/>. For the avoidance of doubt, New Options will not be issued other than as free securities attaching to the Shares.

The Offer will only be made under, or accompanied by, a copy of the Prospectus. Recipients of this TMD are only entitled to acquire New Options under the Offer as set out in the Prospectus. Any recipient of this TMD should carefully read and consider the Prospectus in full and consult their professional advisers if they have any questions regarding the contents of the Prospectus. Any recipient of this TMD who wishes to acquire New Options under the Offer will need to complete the application form that will be in, or will accompany, the Prospectus. This TMD is not a disclosure document for the purposes of the Corporations Act and therefore has not been lodged, and does not require lodgement, with ASIC.

This TMD is not to be treated as a full summary of the product terms and conditions and is not intended to provide financial advice. Investors should refer to the Prospectus for the terms and conditions of the product and when making a decision in respect of the product. The Company is not licensed to provide financial product advice in relation to the New Options.

Unless otherwise defined in this TMD, capitalised terms have the meaning given to them in the Prospectus.

2. Product information

The key features of the New Options are as follows:

Information	Description
Eligibility	The Offer is made under the Prospectus to persons specified in the Prospectus or as otherwise determined by the Company.
Share entitlement	<p>Each New Option entitles the holder to subscribe for, and be allotted, 1 ordinary Share in the capital of the Company.</p> <p>Shares issued on the exercise of New Options will rank equally with all existing Shares on issue, as at the exercise date, and will be subject to the provisions of the Constitution of the Company and any escrow restrictions imposed on them by the ASX.</p>

Information	Description
Exercise price	The New Options confer on the holder the right to subscribe for one Share at an exercise price of \$0.01 (1 cent).
Expiry Date	24 months from date of issue (Expiry Date). New Options not exercised before the Expiry Date will automatically lapse at that time. The New Options will be exercisable at any time on or prior to the Expiry Date.
Quotation	If the Shares of the Company are quoted on the ASX, subject to meeting the requirements of the ASX Listing Rules for quotation of a new class of securities, the Company will apply to the ASX for, and will use its best endeavours to obtain official quotation on the ASX of the New Options.
Transferability	Until such time as the New Options are quoted on the ASX (if at all), the New Options are not capable of being transferred, sold, mortgaged, charged, hedged or made subject to any margin lending arrangement or otherwise disposed of or dealt with or encumbered in any way, and the New Options will lapse immediately if any such thing purports to occur.

3. Target market

The New Options have been designed for investors whose likely objectives, financial situation and needs (as detailed below) are aligned with the product (including the key attributes) as set out in this section 3.

Market attribute	Description
Class of investors within target market	<p>The information below summarises the overall class of investors that fall within the target market, based on the key attributes of the product and the objectives, financial situation and needs that they have been designed to meet.</p> <p>The New Options have been designed for persons whose likely objectives, financial situation and needs (as listed below) are consistent with the product (including the key attributes). The New Options are for those persons who:</p> <ul style="list-style-type: none"> • are entitled to apply for them under the Prospectus; • are accustomed to participating in speculative investments; and • wish to profit from gains in the market price of Shares in the Company.
Objectives, financial situation and needs	<p>The New Options are issued only to specific parties as set out in the Prospectus and consequently have been designed for persons who would:</p> <ul style="list-style-type: none"> • be in a financial position to have sufficient available funds so as to facilitate an exercise of the New Options prior to the Expiry Date, as an exercise price of \$0.01 (1 cent) is required to be paid to acquire Shares on exercise of each New Options;

Market attribute	Description
	<ul style="list-style-type: none"> be able to bear the loss of some or all of their investment as the New Options offer no income guarantee or capital protection for investors; have sufficient financial literacy and resources (including appropriate advisers) to understand and appreciate the potential risk of investing in the Company (including the New Options) as an asset class generally and the more specific risks of investing in an ASX listed integrated supplier of products, services and software applications to the road industry and government; not have a need to derive income from an investment in the New Options; and have adequate means to provide for their current needs and other contingencies and to withstand a loss of their entire investment in the New Options.
Investment timeframe	The target market of investors will take a short to medium term outlook in relation to their investment in the Company and are in a financial position that is sufficient for them to invest their funds over the 24 month period from the issue of the New Options to the Expiry Date, should they wish to exercise their New Options.
Investor metrics	Only specific parties are eligible for New Options under the Prospectus. It is expected that the target market of investors will be able to withstand potential fluctuations in the value of their investment and those who wish to obtain optionality for exposure to the Company's targeted future growth.
Risks	<p>The Company considers that an investment in the New Options is high risk and speculative, such that an investment in the Company is not appropriate for any persons who would not be able to bear a loss of some or all of the investment.</p> <p>Investors should also have a sufficient level of financial literacy and resources (either alone or in conjunction with an appropriate adviser) to understand and appreciate the high risks of investing in New Options as an asset class generally and the high risks of investing in the Company.</p>
Excluded class of consumers	<p>The product is not suitable for:</p> <ul style="list-style-type: none"> any person who is not a specified recipient under the Prospectus; any investor who is ineligible to receive the New Options; inexperienced investors, especially those who do not understand the risks of investing in options as an asset class or in Shares; and investors looking for immediate returns or those not seeking to have the potential to increase their investment in the Company.

The Company has assessed the New Options and formed the view that the New Options are likely to be consistent with the objectives, financial situation and needs of investors in the target market described in this section 3.

4. Distribution conditions

The offer of New Options is designed to be distributed under the Prospectus to specific parties only. A copy of the Prospectus and relevant application form will only be made available to the specified persons eligible for the Offer (and/or their nominee(s) acceptable to the Company) before they apply for New Options.

The Prospectus includes jurisdictional conditions on eligibility. The Company considers that these distribution conditions will ensure that persons who invest in New Options fall within the target market in circumstances where personal advice is not being provided to those persons by the Company.

5. Review triggers

The New Options are being offered to a discrete class of persons for a limited offer period set out in the Prospectus. The New Options will no longer be available for investment by way of issue following close of the offer period. Accordingly, this TMD applies between the commencement of the Offer of the New Options and the closing date of all offers under the Prospectus (**Offer Period**). To allow the Company to determine whether circumstances exist indicating this TMD is no longer appropriate to the New Options, the following review triggers apply during the Offer Period:

- (a) there is a material change to the New Options' key attributes that make the New Options no longer consistent with the likely objectives, financial situation and needs of persons in the target market;
- (b) any event or circumstance occurs that materially changes a factor that was taken into account in making this TMD;
- (c) the existence of a significant dealing of the New Options that is not consistent with this TMD;
- (d) the Company identifies a substantial divergence in how the New Options are being distributed to the target market;
- (e) an unexpectedly high number of complaints are received that indicate the New Options are not suitable for the target market or that the New Options are not being distributed to the target market;
- (f) ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the New Options or this TMD; and
- (g) there are material changes to the regulatory environment that applies to an investment in the New Options.

The Company may also amend this TMD at any time.

6. Review

If a review trigger occurs during the Offer Period, the Company will review this TMD in light of the review trigger as soon as reasonably practicable and, in any case, within 10 business days of the review trigger occurring.

The Company will otherwise complete a review of the TMD immediately prior to the issue of New Options under the Prospectus.

Periodic reviews of the TMD will not occur during the Offer Period given its duration (subject to any decision to extend the Offer Period). If the Offer Period is extended for more than three months, the TMD will be reviewed on a monthly basis. The Company will otherwise complete a review of the TMD immediately prior to the issue of the New Options under the Offer.

7. Reporting requirements

In the event that an external distributor is appointed to undertake retail product distribution of the New Options, the following reporting requirements will apply:

Reporting requirement	Period for reporting to the Company by the distributor	Information to be provided
Whether the distributor received complaints about the New Options	<ul style="list-style-type: none"> For such time as the Offer Period remains open, within 10 business days after the end of each calendar month during the Offer Period. Within 10 business days after the end of the Offer Period. 	<ul style="list-style-type: none"> The number of complaints received. A summary of the nature of each complaint or a copy of each complaint.
A significant dealing of the New Options occurs that is not consistent with this TMD	As soon as reasonably practicable after the significant dealing occurs, but in any event no later than 10 business days after the significant dealing occurs.	<ul style="list-style-type: none"> Details of the significant dealing. Reasons why the distributor considers that the significant dealing is not consistent with this TMD.
A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD	Within 10 business days after the end of the close of the Offer of New Options in accordance with the Prospectus.	A summary of the steps taken by the distributor to ensure that its conduct was consistent with this TMD.

Contact Details

For further information please contact the Share Registry, from 8.30am to 5.00pm (AEDT), Monday to Friday, on +61 3 9415 4000 (from within Australia) or 1300 850 505 (from outside Australia).

This announcement was authorised for release to the market by the Board of Traffic Technologies Limited.