

Target Market Determination

Made by: 1414 Degrees Limited ACN 138 803 620 (**Company**)

Product: Options to acquire fully paid ordinary shares in the capital of the Company with an exercise price of \$0.18 each and expiry date of 9 July 2030 (**Loyalty Options**) issued in connection with the Offer (among others) made under the prospectus dated 26 June 2026 (**Prospectus**)

Effective Date: 26 June 2026

1. About this document

This target market determination (**TMD**) has been prepared by the Company in relation to Offer to issue Loyalty Options made by the Company under a transaction specific prospectus issued pursuant to section 713 of the *Corporations Act 2001* (Cth) (**Corporations Act**) and has been designed to help investors understand the class of consumers for whom the offer of Loyalty Options is most suitable for.

This TMD sets out the class of consumers whose financial objectives would likely be consistent with the distribution conditions and restrictions imposed on the distribution of the Loyalty Options, as well as reporting requirements for distributors in accordance with the requirements of section 994B of the *Corporations Act*.

A copy of the Prospectus is available on the Company's website, <https://1414degrees.com.au/>. The Offer will be made under, or accompanied by, a copy of the Prospectus. Any recipient of this TMD should carefully read and consider the Prospectus in full and consult their stockbroker, accountant, solicitor and / or other professional adviser if they have any questions regarding the contents of the Prospectus.

The Offer is made pursuant to *ASIC Corporations (Application Form Requirements) Instrument 2017/241* which provides relief of the requirements in section 723(1) of the *Corporations Act* such that Eligible Shareholders are not required to apply for Loyalty Options under the Offer and accordingly, there is no application form that will be in, or will accompany, the Prospectus. There is no cooling off period in respect of the issue of the Loyalty Options. 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 the Australian Securities and Investments Commission (**ASIC**).

Application will be made to ASX for official quotation of the Loyalty Options offered under the Prospectus. The Loyalty Options will only be admitted to official quotation by ASX if the conditions for quotation of a new class of options are satisfied. Failure to obtain official quotation of the Loyalty Options will not prevent the issue of the Loyalty Options and will not cause any such issue to be void pursuant to the *Corporations Act*, as the Offer are not conditional upon official quotation being granted. If official quotation is not granted, the Loyalty Options issued pursuant to the Offer will not be able to be traded on ASX.

This TMD does not take into account what you currently have, or what you want and need, for your financial future. It is important for you to consider these matters and read the Prospectus before you make an investment decision. The Company is not licensed to provide financial product advice in relation to the Loyalty Options.

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

2. Product Information

The table below summarises the key features of the Loyalty Options as follows:

Offer Details	The Company is making a pro-rata non-renounceable offer of Loyalty Options under the Prospectus to Eligible Shareholders, on the basis of 1 new option for every 40 shares held by Eligible Shareholders as at 7.00pm (AEST) on the record date, being Thursday, 2 July 2026.
Eligibility	<p>Eligible Shareholders are those persons who:</p> <ul style="list-style-type: none">• are registered as a holder of shares in the Company as at the Record Date, being 7:00 pm (AEST) on Thursday 2 July 2026;• have a registered address on the Company share register in Australia or New Zealand or are, in the opinion of the Company, otherwise eligible to receive an offer of Loyalty Options under the Offer; and• are not in the United States and are not acting for the account or benefit of a person in the United States.
Terms of Options	<ul style="list-style-type: none">• Entitlement: Subject to and conditional upon any adjustment in accordance with these conditions, each of Loyalty Option entitles the holder to apply for one Share upon payment of the Exercise Price.• Exercise Price: The Exercise Price for each Loyalty Option is \$0.18 per Share.• Expiry Date: Each Loyalty Option will expire at 5.00pm (AEST) on 9 July 2030. A Loyalty Option not exercised before that expiry date will automatically lapse on that Expiry Date.• Exercise period: The Loyalty Options are exercisable at any time from the date of issue until 5.00pm on the Expiry Date (AEST).• Exercise notice: The Loyalty Options may be exercised during the exercise period specified in these conditions by forwarding to the Company the Exercise Notice together with payment (in cleared funds) of the Exercise Price for the number of Shares to which the Exercise Notice relates.• Partial exercise: The Loyalty Options may be exercised in full or in parcels of at least 10,000 Loyalty Options (or such lesser amount in the event the holding of Loyalty Options by an optionholder is less than 10,000 Options).• Timing of issue of Shares on exercise: Within 15 business days after the Exercise Notice is received, the Company will allot and issue the number of Shares as specified in the Exercise Notice and for which the Exercise Price has been received by the Company in cleared funds.• Participation in new issues: The Loyalty Options do not confer any right on the optionholder to participate in a new issue of securities without exercising the Loyalty Options. An optionholder will be given at least 2 business days prior to the record date for the new issue of securities, to exercise their Loyalty Options.• Shares issued on exercise: Shares issued as a result of the exercise of the Loyalty Options will rank equally in all respects with all other Shares then on issue.• Change in exercise price: A Loyalty Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Loyalty Option can be exercised.• Reconstruction: In the event of any reconstruction (including consolidation, subdivisions, reduction or return) of the authorised or issued capital of the

Company, all rights of the Loyalty Option holder shall be changed to the extent necessary to comply with the ASX Listing Rules applying at the time.

- **Quotation:** The Company intends to apply to ASX for official quotation of the Loyalty Options. If the Shares of the Company are quoted on the ASX, the Company will apply to the ASX for, and will use its best endeavours to obtain, quotation of all Shares issued on the exercise of any Loyalty Options within 5 business days of issue.
- **Transferability:** Except where the Loyalty Options are quoted on ASX, the Loyalty Options are non-transferable, unless the transfer is made to a related body corporate of the relevant optionholder with the Company's consent.

3. Target Market

The table below summarises the overall class of consumers that fall within the target market for the Loyalty Options, based on the product key attributes and the objectives, financial situation and needs that it has been designed to meet.

Factor	Target Market
Investment Objective	As the Loyalty Options may be exercised at any time prior to the Expiry Date, the Company expects that an investment in the Loyalty Options will be suitable to investors who want to have the right, but not the obligation, to gain exposure to equities in a small cap listed on Australian Securities Exchange (ASX) engaged in commercialising thermal energy storage technology.
Investment Timeframe	<p>The target market of investors will take a short to medium term outlook in relation to their investment in the Company.</p> <p>Investors with a short-term outlook for their investment will benefit from an anticipated listing of the Loyalty Options on ASX, as well as the ability to exercise the Loyalty Options and trade the underlying Shares issued on exercise should the exercise price of the Loyalty Options be lower than the trading price of the Shares.</p> <p>Investors with a medium-term outlook will benefit from an ability to exercise the Loyalty Options during the Exercise Period and up until the Expiry Date, and increase their shareholding and exposure to the potential upside in the Company's shares into the future.</p> <p>Given the requirement to pay the Exercise Price in order to acquire the Shares, investors in the target market are in a financial position that is sufficient for them to invest their funds over the Exercise Period of approximately 4 years, should they wish to exercise their Loyalty Options. Any decision to exercise the Loyalty Options is likely to be based on the trading price of the Shares.</p>
Investment Metrics	<p>While the Company does not have an established eligibility framework for investors based on metrics such as age, expected return or volatility, it is expected that the target market of investors will be able to withstand potentially large fluctuations, and the potential for the losses, in the value of their investment.</p> <p>The Exercise Price is required to be paid to acquire Shares on exercise of Loyalty Options. The capacity to realise the underlying value of the Loyalty Options would require that they be exercised on or before the Expiry Date. Investors in the target market will need to be in a financial position to have sufficient available funds so as to facilitate an exercise of the Loyalty Options prior to the Expiry Date.</p>

	The Loyalty Options offer no guaranteed income or capital protection and also offer no guarantee of whether there will be liquidity to enable trading of the Loyalty Options or of the Shares which may be issued upon their exercise.
Risks	<p>The Company considers that an investment in the Loyalty Options will have a different risk profile to a direct investment in Shares, including due to the fact that there is no obligation to exercise the Loyalty Options prior to the Expiry Date.</p> <p>The Company considers that an investment in the Loyalty Options is high risk and speculative, such that an investment in the Company is not appropriate for an investor 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 Loyalty Options as an asset class generally and the high risks of investing in the Company.</p>

The Loyalty Options are **not** suitable for investors:

- (a) who are not seeking to have the potential to increase their investment in the Company; and
- (b) who do not understand and appreciate the risks of investing in options as an asset class generally and the more specific risks of investing in the Company.

The Company has assessed the Loyalty Options and formed the view that the Loyalty Options, including the key attributes set out in section 2, are likely to be consistent with the objectives, financial situation and needs of investors in the target market as described above in this section 3.

4. Distribution Conditions

The offer of Loyalty Options under the Prospectus is being made to Eligible Shareholders, being registered holder of shares on the Record Date with an address in Australia or New Zealand.

The Company will include on its website a copy of this TMD.

The Company considers that these distribution conditions will ensure that persons who invest in Loyalty 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 Loyalty Options are only being offered for a limited offer period detailed in the Prospectus, after the conclusion of which the Loyalty Options will no longer be available for investment by way of issue. It follows that the TMD will only apply in the period between the commencement of the offer of the Loyalty Options and the issue of the Loyalty Options shortly after the close of the Offer (**Offer Period**), after which the TMD will be withdrawn.

To allow the Company to determine whether circumstances exist that indicate this TMD is no longer appropriate to the Offer and should be reviewed, the following review triggers apply for the Offer Period:

- (a) there is a material change to the Loyalty Options' key attributes that make them no longer consistent with the likely objectives, financial situation and needs of consumers in the target market;
- (b) the Company lodges with ASIC a supplementary or replacement prospectus in relation to the Prospectus;
- (c) the occurrence of a significant dealing in Loyalty Options that is not consistent with this TMD. The Company does not consider that an on-sale of the Loyalty Options on market is a significant dealing;
- (d) the Company identifies a substantial divergence in how the Loyalty Options are being distributed and purchased from this TMD;
- (e) ASIC raises concerns with the Company regarding the adequacy of the design or distribution of the Loyalty Options or this TMD; and

- (f) there are material changes to the regulatory environment that applies to an investment in the Loyalty Options.

The Company may also amend this TMD at any time.

6. Review Period

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

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

Periodic reviews of the TMD will not occur during the Offer Period, noting that the Offer Period is (subject to any decision to extend) less than one month. If the Offer Period is extended for more than one month, the TMD will be reviewed on a monthly basis.

7. Information Reporting

The reporting requirements of all distributors is detailed in the table below:

Reporting requirement	Period for reporting to the Company by the distributor	Information to be provided
Whether the distributor received complaints about the Loyalty Options.	<ul style="list-style-type: none"> For such time as the Offer Period remains open, within five business days after the end of each quarter. Within five 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 Loyalty Options that is not consistent with this TMD	As soon as reasonably practicable after the significant dealing occurs, but in any event no later than five 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 five business days after the end of the close of the offer of Loyalty 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.

8. Contact Details

For further information, please contact the Company at info@1414degrees.com.au.