

Target Market Determination

Issuer	Independent Reserve Pty Limited ABN: 46 164 257 069
Product	Leveraged Trading Product: Virtual Assets (Also known as Cryptocurrencies)
TMD version	2.2
Effective date	12 February 2026

Introduction

This Target Market Determination (**TMD**) describes the group of customers that our Leveraged Trading Product (**Product**) is likely to be appropriate for (our “Target Market”), for the level of leverage available to the Target Market and any conditions around how the product is distributed to customers.

Specifically, this TMD describes:

- Who the Product is suitable for and who it is not suitable for;
- How the Product will be distributed;
- How often we will review this TMD and when the next review will occur;
- What events or circumstances may trigger a review of this TMD;
- The information that we need to decide if the TMD is no longer appropriate; and
- Our reporting obligations for this TMD.

This TMD is not a Product Disclosure Statement (PDS) and does not comprehensively detail the Product features and risks. Please refer to the Leveraged Trading Terms and Conditions for details on the Product and the related risks.

This TMD does not consider any person’s individual objectives, financial situation or needs.

This TMD will apply from the Effective Date until it is replaced or withdrawn. We may review this TMD at any time.

Product description

The Product allows customers to trade cryptocurrency on margin, that is, to buy cryptocurrency using borrowed funds or sell cryptocurrency using borrowed assets. Customers who access the Product are required to provide a percentage of the trade value as collateral in the form of either fiat currency or cryptocurrency, and we advance the remaining funds or assets as required for the customer to make the trade. As part of this process, we take security over the full amount of the trade and the collateral.

Target market

<p>Target Market</p>	<p>A TMD is only required in respect of retail customers, but to provide a complete view of the market, we have referenced both wholesale and retail customers. The Target Market for the Product includes the following:</p> <p>Retail customers who meet all of the following criteria:</p> <ul style="list-style-type: none"> - Individual customers at least 18 years old, Australian-registered companies, or registered companies in an accepted overseas jurisdiction - Demonstrated an understanding of the higher risks involved in leveraged cryptocurrency trading via the Leveraged Trading Suitability Test - Have a high risk tolerance - Can sustain losses incurred through leveraged trading, knowing that in volatile market circumstances, the losses suffered could be greater than the amount invested in each leveraged trade - Have successfully passed our Leveraged Trading Suitability Test - Have an understanding that cryptocurrencies are a high-risk and highly volatile asset - Are comfortable engaging in speculative trading <p>Wholesale customers who meet the following criteria:</p> <ul style="list-style-type: none"> - Individual customers aged 18 and above; Australian registered companies, or registered companies in an accepted overseas jurisdiction - Wholesale customers who have demonstrated an understanding of the higher risks involved in Leveraged cryptocurrency trading via the Leveraged Trading Suitability Test - Wholesale customers who have successfully passed the Independent Reserve Leveraged Trading Suitability Test. <p>The Product is not suitable for customers who:</p> <ul style="list-style-type: none"> - Are new to cryptocurrency trading - Are not familiar with trading on margin - Have a low or medium risk tolerance - Have insufficient funds to place the margin, who cannot afford to lose the margin, or cannot afford to be exposed to uncapped losses - Are a Self Managed Super Fund (SMSF) - Are not over the age of 18 - May not be able to support losses should they arise from using the Product - Are unable to pass the Leveraged Trading Suitability Test within
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	<p>the maximum number of attempts allowed</p> <ul style="list-style-type: none"> - Customers who have accessed the Product and have sustained excessive losses over an extended period of time
Anticipated Customer Objectives, Financial Situation and Needs	<ul style="list-style-type: none"> - Customers who wish to gain greater exposure to the assets than they can support without leverage - Use existing assets to support leverage in order to seek higher returns with corresponding higher risk - Customers who wish to use leveraged sell positions to hedge against market downturns - Customers who have the financial stability and the ability to meet the margin requirements as and when they arise - Customers who have the financial stability to withstand any losses suffered
Risk Tolerance	<p>Cryptocurrencies are volatile assets when compared to most traditional financial products. Trading cryptocurrencies with leverage can generate losses rapidly. These losses can be significant and in extreme circumstances a customer may lose more than their initial investment amount. As such, leveraged trading in cryptocurrencies is only suitable for customers with a high investment risk tolerance.</p>
Knowledge and Risk Awareness	<p>Independent Reserve requires all customers wanting to access the Product to complete the Leveraged Trading Suitability Test, which is a knowledge test. The Leveraged Trading Suitability Test is designed to assess if a potential user of the Product understands the fundamental concepts and risks of leveraged trading on cryptocurrencies.</p> <p>The Leveraged Trading Suitability Test is a questionnaire requiring the potential customer to demonstrate their understanding of:</p> <ul style="list-style-type: none"> - The risks involved in leveraged trading - The leveraged trading terms and conditions - The way leveraged trading operates - Margin calls, margin calculations and automatic close-outs - The potential for amplified losses as well as amplified gain - The risk of financial loss and whether the customer is able to support losses should they arise - The concept that higher leverage ratios translate to higher risk of margin calls and higher risk of potential losses - The fees associated with the Product

Customers outside the target market

This TMD is used at onboarding and on an ongoing basis. A customer may move outside the target market for the Product over time.

A customer may be outside the target market where one or more of the following apply:

- The customer does not understand key features of leveraged trading;
- The customer does not understand key risks (for example margin close-out, volatility or the amplifying effect of leverage on losses);
- The customer appears unlikely to meet margin obligations or to withstand material losses;
- The customer's use of the Product appears to have been influenced by a misunderstanding or misrepresentation relevant to access or use; or
- The customer is vulnerable in a way that may affect the safe use of the Product.

Where one or more of the above factors is present, the customer may be outside the target market, and the Issuer may take intervention steps, which can include:

- providing additional risk disclosures and educational communications;
- placing limitations on the customer's ability to open new positions;
- restricting or removing access to the Product (for example, allowing only position closure);
- offboarding the customer from the Product.

Distribution

Independent Reserve is the sole distributor and Issuer of the Product. The Product is only available to existing customers of Independent Reserve.

Distribution channels

The Product is available online only, accessed through the Independent Reserve portal or the Independent Reserve app.

Access to the Product is controlled through the Independent Reserve online channels and is available to existing, fully verified customers that have been activated for the Product. This ensures only suitable customers who have met the requirements as stated in this TMD are able to access the product.

Review triggers

We will conduct the initial review of this TMD within 12 months of the effective date to ensure it remains appropriate. The TMD will then be reviewed every 12 months. Nothing precludes Independent Reserve from reviewing this TMD at any other time.

Certain events and circumstances taking place could mean that a review should take place earlier because the TMD may no longer be appropriate or the Product is no longer consistent with the likely objectives, financial situation and needs of consumers in the Target Market. These events and circumstances are called review triggers. Below is a list of review triggers for this TMD:

Trigger	<u>Description</u>
Customer Experience	If customers are using the Product in a way that it is not designed to be used.

Customer Complaints	We receive excessive or unexpected complaints from customers about the Product, particularly where complaints indicate that customers do not understand the key features or risks of leveraged margin trading or are experiencing losses they did not anticipate.
Legal / Regulatory	We detect or are informed of any material breach of our legal or regulatory obligations.
Product changes	If there is a material change to the Product or Product terms.
Significant or material use outside the Target Market	If we detect that there is significant/material use of the product by customers outside the target market as described in this TMD.
Customer outcomes (loss patterns and behaviour)	Monitoring of customer outcomes suggests that the Product is not being used by a material number of customers in line with the target market description, or that individual customers may no longer be in the target market.
Regulator Feedback	Feedback, orders or directions from a regulator or external dispute resolution body (such as the Australian Financial Complaints Authority or ASIC) that suggests this TMD is no longer appropriate, or the Product should cease distribution, or that changes to monitoring and intervention practices may be required.
Distribution changes	The distribution of the Product changes.

Ongoing monitoring of customer outcomes

The Issuer conducts ongoing monitoring of trading outcomes for customers using the Product to assess whether this TMD, and individual use of the Product, remain appropriate. Monitoring may consider one or more of the following non-exhaustive factors:

- patterns in realised profit and loss over time
- the customer's ability to meet margin and funding obligations without persistent distress
- the level and pace of exposure and concentration
- behaviour inconsistent with customer terms or applicable law
- indications that use of the Product no longer aligns with the intended audience or the customer's disclosed circumstances.

Monitoring is continuous and risk-based. Not every loss or isolated event prompts action; escalation is informed by patterns and materiality. Monitoring is conducted in accordance with internal policies and procedures.

Insights from monitoring are used to:

- Assess whether individual customers remain within the target market described in this TMD;

and

- Inform periodic reviews of this TMD, including whether it remains appropriate having regard to customer outcomes.

Record keeping

We will maintain records of any actions taken to ensure that this Product is distributed only to customers in the Target Market. We will also prepare and maintain complete and accurate records of our decisions, and the reasons for those decisions, in relation to:

- The TMD for this product;
- Identifying and tracking review triggers;
- How we decide if a review trigger has taken place;
- How often we review this TMD;
- Setting review periods; and
- The matters documented in this TMD