

Target Market Determination – Issue of Options as part of offering of ordinary shares under an entitlement offer and institutional placement

Made by: Opthea Limited ABN 32 006 340 567 (**Issuer**)

Product: Options to acquire fully paid ordinary shares in the Issuer (**Options**) to be issued under a transaction specific prospectus dated 12 June 2024 (**Prospectus**)

Effective date: 12 June 2024

1 Background

This target market determination (**TMD**) has been produced by the Issuer in relation to an offer to issue the Options made by the Issuer under the Prospectus pursuant to section 713 of the *Corporations Act 2001* (Cth) (**Act**) and has been designed to help investors understand the class of consumers for whom the offer of Options is most suitable.

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 Options, as well as reporting requirements for distributors in accordance with the requirements of section 994B of the Act.

A copy of the Prospectus is available on the Issuer's website, <https://opthea.com/>. The offer of Options will be made under 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.

This TMD is not a disclosure document for the purposes of the Act and does not provide a full summary of the product features or terms of the Options. This TMD is not to be used except for the purpose of a regulated person complying with their obligations under Part 7.8A of the Act. To the extent permitted by law, no liability is accepted for any loss or damage as a result of any reliance on this information. This TMD is not intended to provide you with financial advice or take into account your objectives, financial situations or needs. 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 Options are as follows:

Offer	For every 3 new fully paid ordinary shares in the capital of the Issuer (Shares) subscribed for under: <ul style="list-style-type: none">a pro-rata accelerated non-renounceable entitlement offer of Shares consisting of:
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	<ul style="list-style-type: none"> • a pro-rata accelerated non-renounceable entitlement offer to existing institutional and sophisticated shareholders in Australia and New Zealand and certain other foreign jurisdictions (Institutional Entitlement Offer); and • a pro-rata accelerated non-renounceable entitlement offer to existing retail shareholders in Australia and New Zealand (Retail Entitlement Offer), <p>(together, the Entitlement Offer) offered by the Issuer under the Prospectus; and</p> <ul style="list-style-type: none"> ▪ a placement of Shares to institutional and sophisticated investors conducted by the Issuer (Placement), <p>each participant is entitled to receive one free Option to acquire one Share.</p>
<p>Eligibility</p>	<p>Only:</p> <ul style="list-style-type: none"> ▪ in respect of the Retail Entitlement Offer, existing shareholders of the Issuer: <ul style="list-style-type: none"> - who are registered holders of Shares as at 7.00pm (Melbourne time) on Friday, 14 June 2024 (being the record date for the Entitlement Offer); - whose registered address is in Australia or New Zealand; - who are not in the United States nor acting for the account or benefit of a person in the United States or elsewhere outside Australia and New Zealand; and - who do not hold Shares on behalf of another person who resides outside Australia or New Zealand (unless they hold Shares in an eligible capacity); and ▪ in respect of the Placement (or any bookbuild or underwriting associated with any shortfall in the Entitlement Offer) and the Institutional Entitlement Offer: <ul style="list-style-type: none"> - if in Australia, a sophisticated investor or a professional investor in accordance with sections 708(8) or section 708(11) of the Act respectively; - if in the United States, a Qualified Institutional Buyer who is not purchasing the Securities with a view to any distribution thereof and who became aware of this offering of the Securities solely by means of direct contact from the Issuer as a result of a pre-existing, substantive relationship with the Issuer, and the Securities were offered to such Qualified Institutional Buyer solely by direct contact between the Qualified Institutional Buyer and the Issuer or an Eligible U.S. Manager; - if outside the United States, someone who is not acting for the account or benefit of a person in the United States; or

	<ul style="list-style-type: none"> - if outside Australia, an institutional or professional investor in New Zealand, the European Union (excluding Austria), Hong Kong, Israel, Singapore, South Africa or the United Kingdom to whom the underwriter has reasonable grounds to believe that offers for the issue or sale of Shares and Options can be made without any prospectus, lodgement, approval with or by any government agency or any other formality.
Exercise price	<p>The exercise price for the Options will be \$1.00 per Share.</p> <p>A minimum of 3,000 Options may be exercised under each notice of exercise.</p>
Expiry date	<p>Each Option will expire at 5.00pm (Melbourne time) on 30 June 2026 (Expiry Date).</p> <p>An Option not exercised before 5.00pm (Melbourne time) on the Expiry Date will automatically lapse at that time.</p>
Exercise period	The Options are exercisable at any time on or prior to the Expiry Date.
Shares issued on exercise	Shares issued on exercise of the Options will rank equally in all respects with the then issued Shares.
Transferability	The Options are transferable and are expected to be quoted on the ASX.

3 Target market

The objectives, financial situation and needs of investors which are suitable for investment in the Options and an explanation of why those particular financial circumstances are suitable are provided below:

Investment objective	As the Options may be exercised at any time prior to the Expiry Date, the Issuer expects that an investment in the Options will be suitable to investors who wish to have the right, but not obligation, in the medium to long term (over 2 years) to acquire Shares.
Investment timeframe	The target market of investors will take a medium to long term outlook in relation to their investment in the Issuer and are in a financial position that is sufficient for them to invest their funds no later than the Expiry Date should they wish to exercise their Options.
Investor suitability metrics	<p>While the Issuer does not have an established eligibility framework for Investors based on metrics such as employment status, income levels, age or an expected return or volatility, it is expected that the target market of investors will be those investors that wish to obtain optionality for exposure to the Issuer's ongoing operations.</p> <p>The Options are not suitable for investors:</p> <ol style="list-style-type: none"> 1. ineligible to apply for or receive the Options; 2. looking for immediate returns; 3. who are not seeking to have the potential to increase their investment in the Issuer; and

	<p>4. 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 Issuer.</p> <p>The Issuer has assessed the Options and formed the view that the issue of Options, having the key attributes set out above, is likely to be consistent with the objectives, financial situation and needs of investors in the target market as described above.</p>
<p>Risk</p>	<p>The Issuer considers that an investment in the 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 Options prior to the Expiry Date.</p> <p>The Issuer considers that an investment in the Options (including an investment in Shares following the exercise of the Options) is speculative, such that an investment in the Issuer may not be appropriate for an investor who would not be able to bear the loss of some or all of their investment.</p> <p>Investors should also have a sufficient level of financial literacy to understand and appreciate the risks of investing in options as an asset class generally and the more specific risks of investing in the Issuer.</p> <p>Specific risks relating to the Company, and an investment in the Options and Shares, are set out in the Prospectus, and investors should review those risks carefully before deciding whether to invest.</p>
<p>Liquidity needs</p>	<p>To the extent that the Options are quoted on the Official List of ASX, the Options will be freely transferable from the date of issue. However, there may not be a liquid market for the Options, and investors who wish to dispose of the Options may not be able to do so at an acceptable price, or at all (in particular, if the trading price of the Shares is at or below the exercise price of the Options).</p>

4 Distribution conditions

The Options will also be subject to the distribution condition that retail investors will be provided with a copy of the Prospectus and access to this TMD before they receive the Options.

The Prospectus will require retail investors to self-confirm that they meet the eligibility criteria of the expected target market outlined in this TMD.

The Issuer considers that these distribution conditions will ensure that persons who invest in Options fall within the target market in circumstances where personal advice is not being provided to those persons by the Issuer.

5 Review triggers

The Options are being offered for a limited offer period set out in the Prospectus, after the conclusion of which the Options will no longer be available for investment through the Issuer. It follows that the TMD will only apply in the period between the commencement of the offer of the Options under the Prospectus and the Closing Date (as defined in the Prospectus) (**Offer Period**), after which the TMD will be withdrawn.

To allow the Issuer to determine whether circumstances exist that indicate this TMD is no longer appropriate and that distribution of the Options should cease, the following review triggers will apply for the Offer Period:

- there is a material change to the Options' key attributes that make it no longer consistent with the likely objectives, financial situation and needs of clients in the target market;
- the Issuer lodges with ASIC a supplementary or replacement prospectus in relation to the Prospectus;
- the occurrence of a significant dealing in Options that is not consistent with this TMD;
- the Issuer identifies a substantial divergence in how the Options are being distributed and purchased from this TMD;
- an unexpectedly high number of complaints are received from customers that indicate the Options are not suitable for the target market or the product is not being distributed to the target market; and
- material changes to the regulatory environment that applies to the Options. The Issuer may also amend this TMD at any time.

6 Review

If a review trigger occurs during the Offer Period, the Issuer will undertake a review of the 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.

Periodic reviews of the TMD will occur regularly during the Offer Period, noting that the Offer Period is likely to be for approximately three weeks.

7 Reporting requirements

As the Issuer is not appointing external distributors of the Options in respect of retail clients, the Issuer will consider any of the following matters:

- complaints received by the Issuer in relation to the Options;
- significant dealings in the Options which are inconsistent with this TMD;
- any dealings outside the target market (to the extent that the Issuer is aware of such dealings); and
- the conduct of the Issuer under this TMD.

Where relevant, the Issuer will consider any of the above matters and determine appropriate steps that will be taken including, where appropriate, reporting of matters to ASIC.

This TMD has been authorised for release by the board of directors of Opthea Limited.