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ASX Release

TALI CAPITAL RAISING

TALi Digital Ltd (ASX:TD1, "TALi" or "the Company"), a leading digital health business is pleased to advise that it has received binding firm commitments from a range of institutional and sophisticated investors to raise \$1.54 million (before costs) ("Placement"). The Company has also been advised by its Lead Manager, Taylor Collison, that it has obtained firm sub-underwriting commitments for a total of \$1.68 million in relation to a proposed non-renounceable entitlement offer ("Entitlement Offer") the Company intends to launch shortly (refer below for further details).

The Company welcomes a range of new institutional investors to the Company's register and recognises the continued support from existing holders. The funds raised from the Placement will be used to support the commercialisation of the Company's first-generation products, already available in Australia and India, the clinical development of its second-generation offering, and continued global partnership discussions.

TALi's Chairperson, Sue MacLeman, said: "2022 is shaping up to be a transformative year for TALi. With the Akili agreement in place we have a strong and capable U.S. partner with whom to bring our products to the largest healthcare market in the world."

"This is happening at an important time. The COVID-19 pandemic has had an impact on children's development and wellbeing everywhere. In Australia the Royal Australasian College of Physicians (RACP) this month called for the creation of a taskforce to address this," she said.

"I'm pleased to say this capital received support from a number of existing TALi shareholders, evidence that they share our vision and have faith in our strategy to deliver sustainable long-term recurring revenues from key global markets," Ms MacLeman said.

Placement

The Placement will comprise 139.8 million fully paid ordinary shares in the Company ("New Shares") issued at a price of \$0.011 per New Share to institutional and sophisticated investors, raising \$1.54 million (before costs). All New Shares will rank equally with existing TALi shares on issue.

The issue price represents a 42.1% discount to the last closing price of TALi shares on 28 February 2022, a 53.3% discount to the 15-trading day VWAP of TALi shares and a 47.4% discount to the 30-trading VWAP of TALi shares. The New Shares to be issued represents 15%

of the Company's shares on issue and is being undertaken within the Company's available placement capacity under ASX Listing Rule 7.1.

The TALi directors have also demonstrated their continued support for the Company by committing to invest an additional \$83,700 in the Placement, at the same offer price of \$0.011, and an additional \$70,100 by taking up their entitlements under the proposed Entitlement Offer (see below for further details). The issue of New Shares to the TALi directors under the Placement is subject to shareholder approval, which the Company intends to promptly seek in the coming quarter.

Subject to shareholder approval, the Company also proposes to issue 15 million unlisted options, each with an exercise price of \$0.03 and expiring 3 years from their date of issue to Taylor Collison, who acted as sole lead manager and bookrunner to the Placement.

Settlement of the Placement (other than those shares to be issued to Directors) is expected to occur on Tuesday, 15 March 2022, with the issue and trading of the new shares expected to commence on Wednesday, 16 March 2022.

Entitlement Offer

It is the Company's intention to also undertake a non-renounceable entitlement offer of one (1) new fully paid ordinary share for every seven (7) shares held by eligible TALi shareholders as at the relevant record date, at the same offer price as the Placement of \$0.011 per New Share ("Entitlement Offer"), which is expected to raise up to \$1.68 million (before costs).

Taylor Collison has indicated to the Company that it has received binding sub-underwriting commitments totalling \$1.68 million, representing the intended amount to be raised under the Entitlement Offer. Subject to negotiation of commercial terms, the Company intends to enter into an Underwriting Agreement with Taylor Collison to fully underwrite the Entitlement Offer. The Company will update the market of any proposed underwriting arrangements as they are finalised.

The final details of the Entitlement Offer may vary from those disclosed above. Further details of the Entitlement Offer are expected to be announced on or around Wednesday, 16 March 2022.

The intended timetable for the Placement and the Entitlement Offer is as follows:

| Event | Indicative Date |
|--|--------------------|
| Settlement of New Shares issued under the Placement (excluding shares to be issued to directors) | Tue, 15 March 2022 |
| Issue of New Shares issued under the Placement (excluding shares to be issued to directors) | Wed, 16 March 2022 |

| Event | Indicative Date |
|--|-----------------------------|
| Record Date | Mon, 21 March 2022 |
| Entitlement Offer Opening Date and Retail Offer Booklet made available | Thur, 24 Mar 2022 |
| Entitlement Offer Closing Date | 5.00pm on Tue, 5 April 2022 |
| Announcement of results of Entitlement Offer and issue of New Shares | Tue, 12 April 2022 |

The above timetable is indicative only and is subject to change. The commencement and quotation of TALi shares is subject to confirmation from ASX. Subject to the requirements of the *Corporations Act 2001* (Cth), the ASX Listing Rules and other application rules, TALi reserves the right to amend this timetable at any time.

Release authorised by:

The Board of TALi Digital Limited

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About TALi Digital

TALi Digital Limited (ASX: TD1) is a digital health company delivering diagnostic and therapeutic solutions to enhance cognitive function and behaviour. The Company has built a patented platform technology with our first solution targeting cognitive attention skills during early childhood via the evidence and game-based screening (DETECT®) and training (TRAIN®) modules. This program is complementary to existing diagnosis and therapy and places TALi at the forefront of patient experience and early intervention for attention related conditions. We believe in healthy, happier minds – they start here with TALi.

A continuous innovation focus will see the Company deliver a series of product developments in ADHD (Attention Deficit Hyperactivity Disorder) and ASD (Autism Spectrum Disorder) along with a core research program exploring applications for adult populations afflicted with Mild Cognitive Decline (MCI has been found to often been a precursor to recognizing Alzheimer's disease and other forms of dementia). At TALi, our vision is to deliver a personalised digital experience to enhance cognitive care. Learn more at talidigital.com.

Forward-Looking Statements

Certain statements in this announcement are forward-looking statements. Forward-looking statements can generally be identified by the use of words such as “anticipate”, “future”, “contingent”, “estimate”, “expect”, “project”, “intend”, “plan”, “believe”, “target”, “may”, “assume” and words of similar import. These forward-looking statements speak only as at the date of this announcement. These statements are based on current expectations and beliefs and, by their nature, are subject to a number of known and unknown risks and uncertainties that could cause the actual results, performances and achievements to differ materially from any expected future results, performance or achievements expressed or implied by such forward-looking statements.

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