

18 March 2022

Dear Optionholder

**NON-RENOUNCEABLE PRO-RATA ENTITLEMENT OFFER –
NOTIFICATION TO OPTION HOLDERS**

On 18 March 2022, TALi Digital Limited (ASX:TD1, "TALi" or "the Company") announced that it was conducting a fully underwritten non-renounceable pro-rata entitlement offer ("Entitlement Offer") of new fully paid ordinary shares in TALi ("New Shares") on a 1 for 7 basis to eligible shareholders, at an offer price of A\$0.011 per New Share ("Offer Price") to raise approximately A\$1.68 million (before costs).

The proceeds of the Entitlement Offer 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. Further details are set out in the ASX announcement published on the Australian Securities Exchange ("ASX") on 18 March 2022.

The Entitlement Offer is being made without a prospectus or product disclosure document in accordance with section 708AA of the *Corporations Act 2001* (Cth) ("Corporations Act") as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84. The Entitlement Offer is fully underwritten by Taylor Collison Limited.

An offer booklet in relation to the Entitlement Offer has been lodged with the ASX and will be made available to Eligible Shareholders (as defined below) on or around Monday, 28 March 2022.

Eligibility Criteria

Shareholders who are eligible to participate in the Entitlement Offer ("Eligible Shareholders") are those persons who:

- (a) are registered as a holder of TALi shares as at 7:00 p.m. (Melbourne time) on Thursday, 24 March 2022 ("Record Date");
- (b) have a registered address on the TALi share register that is in Australia or New Zealand, or are a shareholder that TALi has otherwise determined is eligible to participate;
- (c) are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds TALi ordinary shares for the account or benefit of such person in the United States); and
- (d) are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

Shareholders who are not Eligible Shareholders ("Ineligible Shareholders") are not entitled to participate in the Entitlement Offer or to exercise their entitlement to be issued New Shares ("Entitlements").

The purpose of this letter is to advise you of the Entitlement Offer and to give you adequate opportunity to exercise some or all of your TALi options so that you may be registered as the holder of the underlying shares before the Record Date so that you may participate in the Entitlement Offer.

To the extent your TALi options are exercisable, to exercise some or all of your TALi options you will need to give notice in writing to TALi in accordance with the terms of those TALi options together with payment of the exercise price for each TALi option exercised.

If you have any questions in relation to any of the above matters, please contact the TALi share registry on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) from 9:00 a.m. to 5:00 p.m. (Melbourne time), Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

On behalf of TALi, we regret that you are not eligible to participate in the Entitlement Offer and thank you for your continued support.

Yours sincerely,



Ms Sue MacLeman
Chairperson
TALi Digital Limited

IMPORTANT INFORMATION

This letter is issued by TALi. This letter is not a prospectus or offering document under Australian law or under any other law. It is for information purposes only and does not constitute an offer, invitation or recommendation to subscribe for, retain or purchase any entitlements or securities in TALi in any jurisdiction. This letter does not constitute financial product advice and does not and will not form any part of any contract for the acquisition of TALi shares.

This letter does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or in any other jurisdiction in which such an offer would be illegal. The securities referred to in this letter have not been, nor will be, registered under the U.S. Securities Act of 1933 as amended (**U.S. Securities Act**) or under the securities laws of any state or other jurisdiction of the United States and may not be issued to, purchased or traded by, or taken up or exercised by, any person in the United States or any person acting for the account or benefit of a person in the United States.