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ASX Release

TALi CAPITAL RAISING UPDATE

TALi Digital Ltd (ASX:TD1, "TALi" or "the Company"), an emerging digital health business, refers to the Company's announcement on Thursday, 10 March 2022 and is pleased to advise that it has finalised details of the proposed rights issue. TALi has entered into an Underwriting Agreement with Taylor Collison Limited to fully underwrite a pro-rata non-renounceable entitlement offer, securing an additional \$1.68 million (before costs) in funding ("Entitlement Offer"). A summary of the key terms of the Underwriting Agreement is set out in the Annexure.

The Entitlement Offer will provide TALi shareholders with registered addresses in Australia, New Zealand or who would otherwise qualify as an exempt investor in their local jurisdiction without the requirement for any registration, lodgement or other formality or filing ("Eligible Shareholders") with the opportunity to subscribe for one (1) New Share for every seven (7) TALi shares held as at 7.00 pm (Melbourne time) on Thursday, 24 March 2022 ("Record Date"), at an offer price of \$0.011 per New Share (being the same price offered to investors that participated in the placement announced on Thursday, 10 March 2022).

Further details regarding the Entitlement Offer will be set out in the Entitlement Offer Booklet to be released on or about Monday, 28 March 2022.

Entitlements cannot be traded on the ASX or transferred. Eligible Shareholders who do not take up their entitlement under the Entitlement Offer in full or in part, will not receive any value in respect of those entitlements not taken up.

Proceeds raised under 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.

Revised key dates in relation to the Entitlement Offer are outlined below. All dates and times are references to Melbourne, Australia.

Event	Indicative Date
Record Date	7.00 pm on Thursday, 24 March 2022
Entitlement Offer Opening Date and Entitlement Offer Booklet made available	Monday, 28 March 2022
Entitlement Offer Closing Date	5.00 pm on Friday, 8 April 2022

Event	Indicative Date
Announcement of results of Entitlement Offer and issue of New Shares	Tuesday, 19 April 2022

The above timetable 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.

The Company also advises that its Chief Executive Officer, Mr Glenn Smith, is currently on leave. During this period, in addition to her existing obligations as Chair of the board of directors, Ms Sue MacLeman has agreed to step in and manage the day-to-day operations of the Company. The Company will keep the market informed of any material updates in accordance with its continuous disclosure obligations.

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-based screening (DETECT®) and training (TRAIN®) modules. This program is complementary to existing diagnosis and therapy, placing TALi at the forefront of improving early intervention for childhood attention and concentration performance. We believe in healthy, happier minds – our vision is to deliver a personalised digital experience to enhance cognitive care.

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). 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.

No representation, warranty or assurance (express or implied) is given or made by the Company that the forward-looking statements contained in this announcement are accurate, complete, reliable or adequate or that they will be achieved or prove to be correct. Except for any statutory liability which cannot be excluded, the Company and its respective officers, employees and advisers expressly disclaim any responsibility for the accuracy or completeness of the forward-looking statements and exclude all liability whatsoever (including negligence) for any direct or indirect loss or damage which may be suffered by any person as a consequence of any information in this announcement or any error or omission therefrom.

Subject to any continuing obligation under applicable law or relevant listing rules of the ASX, the Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements in these materials to reflect any change in expectations in relation to any forward-looking statements or any change in events, conditions or circumstances on which any statement is based. Nothing in these materials shall under any circumstances create an implication that there has been no change in the affairs of the Company since the date of the announcement.

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This announcement may not be distributed or released in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer would be illegal. The securities referred to in this announcement have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the Securities Act), or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold, directly or indirectly, in the United States or to any person acting for the account or benefit of any person in the United States unless the securities have been registered under the Securities Act (which TALi has no obligation to do or procure) or are offered or sold pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable securities laws of any state or other jurisdiction of the United States.

Annexure - Summary of Underwriting Arrangements

Taylor Collison Limited is acting as sole lead manager and underwriter of the Entitlement Offer ("Lead Manager"). The Company has entered into an underwriting agreement with the Lead Manager in respect of the Entitlement Offer ("Underwriting Agreement").

Customary with these types of arrangements, the Company has given certain representations, warranties, undertakings and indemnities in favour of the Lead Manager. The Lead Manager may also, in certain circumstances, terminate its obligations under the Underwriting Agreement if any of the following termination events occur by giving written notice to the Company (some of which are subject to a market standard materiality qualifier) including:

- **(offer withdrawn)** The Entitlement Offer is withdrawn by the Company.
- **(corrective disclosure)** The Lead Manager forms the view on reasonable grounds that a corrective document should be lodged with ASX to comply with the *Corporations Act 2001* (Cth) and the Company fails to lodge a corrective document in such form and content and within such time as the Lead Manager may reasonably require or the Company lodges a corrective document without the prior written agreement of the Lead Manager (which must not be unreasonably withheld).
- **(misleading documents)** The issue of the Offer Booklet or a statement contained in the Offer Booklet is or becomes misleading or deceptive (including by omission) or is likely to mislead or deceive (including by omission), in a material respect.
- **(restriction on allotment)** The Company is prevented from allotting the New Shares within the times required by the Underwriting Agreement, the ASX Listing Rules, any applicable laws or order of a court of competent jurisdiction or a government agency.
- **(market movement)** The S&P/ASX Small Ordinaries Index falls by more than 5% on after the date of execution of the Underwriting Agreement and either:
 - remains at that level at the close of two consecutive trading days; or
 - remains at that level at the close of the trading day prior to the settlement date of the Shortfall Securities.
- **(default)** The Company defaults or breaches any terms, conditions, covenants or undertakings under the Underwriting Agreement and the default or breach is either incapable of remedy or is not remedied within 5 business days after the Lead Manager notifies the Company of the default or breach.
- **(adverse change)** Any adverse change or development occurs including a prospective adverse change after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, losses, prospects, business or operations of the Company.

- **(change in Act or policy)** There is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any new law or budget, or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or a major change in, existing monetary, taxation, exchange or fiscal policy.
- **(suspension of debt payments)** The Company suspends payment of its debts generally.
- **(insolvency)** The Company suffers an insolvency event.
- **(Board composition)** Other than as disclosed to the Lead Manager or ASX before the date of the Underwriting Agreement, there is a change in the composition of the board of directors of TALi before the issue of the New Shares without the prior written consent of the Lead Manager (not to be unreasonably delayed or withheld).
- **(timetable)** There is a delay in any specified date in the timetable for the Entitlement Offer which is greater than 3 business days, without the prior written consent of the Lead Manager (such consent not to be unreasonably delayed or withheld).
- **(Force Majeure)** Any act of God, war, revolution, or any other unlawful act against public order or authority, or any other event which is not within the reasonable control of the Lead Manager or the Company occurs that affects the Company's business or any of its obligations under the Underwriting Agreement lasting in excess of seven days.
- **(investigation)** A person is appointed under any legislation in respect of companies to investigate the affairs of the Company.
- **(hostilities)** Hostilities not presently existing commence (whether or not war or a national emergency has been declared) or a major escalation in existing hostilities occurs, involving any one or more of Australia, New Zealand, the United States of America, the United Kingdom, any member state of the European Union, Indonesia, Japan, Russia or the People's Republic of China, or a terrorist act is perpetrated on any diplomatic or political establishment of any of those countries elsewhere in the world.
- **(adverse change in financial markets)** There occurs any material adverse change or material adverse disruption to the political or economic conditions of financial markets in Australia, the United Kingdom, the United States of America or the international financial markets or any change or development involving a prospective change in national or international political, financial or economic conditions.

If the Lead Manager terminates its obligations under the Underwriting Agreement, the Lead Manager will not be obliged to perform any of its obligations that remain to be performed. Termination of the Underwriting Agreement by the Lead Manager could have an adverse impact on the amount of proceeds raised under the Entitlement Offer.

For details of fees payable to the Lead Manager, refer to the Appendix 3B released to ASX on the date of this announcement.