

28 March 2022

Dear Shareholder

TALi Digital Limited - Offer to participate in Entitlement Offer

On Friday, 18 March 2022, TALi Digital Limited (ASX: TD1, "TALi" or "the Company") announced that it intended to raise up to \$1.68 million (before costs) through a 1 for 7 fully underwritten non-renounceable pro-rata entitlement offer of fully paid ordinary shares to existing eligible shareholders ("Entitlement Offer"). This is in addition to the \$1.54 million (before costs) raised from institutional and sophisticated investors, at the same price as the Entitlement Offer, under the placement announced on Thursday, 10 March 2022 ("Placement"). Our intention through launching the Entitlement Offer is to provide existing shareholders the opportunity to participate on the same terms as investors in the Placement (together the "Equity Raising").

The Entitlement Offer opens on Monday, 28 March 2022 ("Opening Date") and is expected to close at 5.00 pm (Melbourne time) on Friday, 8 April 2022 ("Closing Date").

About the Entitlement Offer

Under the Entitlement Offer, Eligible Shareholders will have the opportunity to subscribe for new fully paid ordinary shares in TALi ("New Shares") on the basis of one (1) New Share for every seven (7) existing ordinary shares in TALi ("Shares") held at an issue price of A\$0.011 (1.1 cents) per New Share ("Issue Price"). The Entitlement Offer is being made to all Eligible Shareholders with registered addresses in Australia and New Zealand who hold Shares as at 7.00 pm (Melbourne time) on Thursday, 24 March 2022 ("Record Date").

The Entitlement Offer includes a Top-Up Facility enabling Eligible Shareholders who take up their full entitlement to apply for additional New Shares that are not subscribed for by other Eligible Shareholders.

The Entitlement Offer is non-renounceable and therefore your entitlements will not be tradeable on the ASX or otherwise transferable. If you do not take up your entitlement in full, you will not receive any value in respect of that part of the entitlement that you do not take up.

The Entitlement Offer will be made pursuant to an Offer booklet ("Offer Booklet") and if you are eligible and wish to participate in the Entitlement Offer, you will need to complete your personalised Entitlement and Acceptance Form that will accompany that Offer Booklet.

Taylor Collison Limited is acting as sole lead manager to the Entitlement Offer ("Lead Manager") and has entered into an underwriting agreement with TALi to fully underwrite the Entitlement Offer ("Underwriting Agreement"), subject to certain conditions and events of termination. A summary of the key terms of the Underwriting Agreement is set out in the Offer Booklet.

A copy of the Offer Booklet is expected to be lodged with ASX on or about Monday, 28 March 2022. TALi will not be printing or despatching hard copies of the Offer Booklet or Application Forms, except in response to a specific request by a Shareholder. Instead, an electronic copy of

the Offer Booklet and your personalised application form ("Application Form") is accessible (using your Securityholder Reference Number ("SRN") or Holder Identification Number ("HIN") from your latest Holding Statement, and your postcode) at the following link:

<https://investor.automic.com.au>. Shareholders should read the Offer Booklet in full prior to making an application under the Entitlement Offer.

Your application under the Entitlement Offer must be made by making payment in accordance with the personalised payment instructions on your Application Form. Your acceptance of the Entitlement Offer should be made using this electronic service.

To download your Application Form you have the following three choices:

I already have an online account with Automic share registry	I don't have an online account with Automic – but wish to register for one	I don't have an online account with Automic – but want to use Automic for this Entitlement Offer only
https://investor.automic.com.au Select: "Existing Users Sign In" Once you have successfully signed in, click on "Documents and Statements" Download the Offer Booklet and Application Form	https://investor.automic.com.au/#/signup Select: Tali Digital Limited from the dropdown list in the ISSUER field Enter you holder number SRN / HIN (from your latest Holding Statement) Enter Postcode (Aust only) or Country of Residence (if not Australia) Tick box "I am not a robot", then Next Complete prompts Once you have successfully signed in, click on "Documents and Statements" Download the Offer Booklet and Application Form	https://investor.automic.com.au/#/loginsah Select: Tali Digital Limited from the dropdown list in the ISSUER field Enter you holder number SRN / HIN (from your latest Holding Statement) Enter Postcode (Aust only) or Country of Residence (if not Australia) Tick box "I am not a robot", then Access Once you have successfully signed in, click on "Documents and Statements" Download the Offer Booklet and Application Form

If you are unable to access <https://investor.automic.com.au> online, you can obtain a copy of the Offer Booklet and your Application Form by calling Automic Group on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) or emailing hello@automicgroup.com.au and asking them to mail a paper copy of the Offer Booklet and your Application Form to you free of charge. You will need your SRN or HIN and postcode to make this request. To accept the Entitlement Offer using these paper copy documents, you will still need to make payment via BPay® or via Electronic Funds Transfer (EFT).

The price of the Placement and Entitlement Offer represents a discount of:

- 42.1% to the price of Shares as at the close of trading on Monday, 28 February 2022, being the last day of trading of Shares before the Equity Raising was announced;
- 53.3% to the 15-trading day VWAP of Shares prior to the announcement of the Equity Raising; and
- 47.4% to the 30-trading day VWAP of Shares prior to the announcement of the Equity Raising.

All New Shares issued under the Entitlement Offer will rank equally with existing TALi ordinary shares on issue.

The proceeds raised from the Equity Raising will be used to support the commercialisation of TALi's first-generation products, already available in Australia and India, the clinical development of its second-generation offering and continued global partnership discussions.

Key Dates for Entitlement Offer

Event	Date
Record Date	7.00 pm on Thursday, 24 March 2022
Entitlement Offer Opening Date and Offer Booklet made available	Monday, 28 March 2022
Entitlement Offer Closing Date	5.00 pm on Friday, 8 April 2022
Announcement of results of Entitlement Offer and issue of New Shares	Tuesday, 19 April 2022

* The above timetable is indicative only and subject to change. The quotation of New Shares is subject to ASX approval. Subject to the ASX Listing Rules and Corporations Act and other applicable laws, the Company reserves the right to vary these dates, without notice. Any extension of the Entitlement Offer will have a consequential effect on the issue date of the New Shares.

Actions available to Eligible Shareholders prior to the Closing Date

As an Eligible Shareholder, you may:

- apply for some or all of your entitlement under the Entitlement Offer;
- apply for all of your entitlement under the Entitlement Offer and apply for additional New Shares under the Top-Up Facility; or
- if you do not wish to accept any part of your entitlement under the Entitlement Offer, you should not do anything.

Further details concerning the Entitlement Offer are contained in the Offer Booklet. If you have any questions about the Entitlement Offer, please contact Automic Group on 1300 288 664 (within Australia) or +61 2 9698 5414 (outside Australia) or by email to hello@automicgroup.com.au.



On behalf of the Board, I invite you to consider this opportunity to participate in the Entitlement Offer.

Yours faithfully

Ms Sue MacLeman
Chair
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.