

ASX Release

\$3.85m raised to accelerate the roll out of the global partnership model for TALi train digital platforms

TALi Digital Limited (ASX: TD1) (TALi or the Company), a leading digital health business is pleased to advise that it has received binding commitments from a range of high-quality institutions and sophisticated investors to subscribe for 98,717,948 shares issued at a price of \$0.039 per share to raise \$3.85m before costs (the Placement).

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:

- Accelerate TALi's expansion into global markets via licencing agreements in the USA, Japan and other healthcare markets and partnerships with direct-to-consumer channel partners such as the Times Group in India
- Drive the commercial rollout of the TALi Detect and TALi Train product suite domestically

TALi provides novel evidence based and clinically validated game-based programs supported by proprietary algorithms designed to assess and strengthen attention in early childhood. The TALi train platform is classified as a medical device by the Food and Drug Administration (FDA), Therapeutic Goods Administration (TGA) and European Union via CE mark allowing the solution to be marketed as a cleared medical device in those jurisdictions thus differentiating the TALi solution from numerous other competitors.

This differentiation is further supported by the strong intellectual property (IP) protection via issued patents and/or trademarks within the key target markets of the USA, China, Japan, Australia and the EU allowing the Company a first to market mover advantage.

TALi Digital Managing Director Mr Glenn Smith said "The strong support Tali has received from existing and new investors reflects the support for our leading TALi DETECT and TALi TRAIN cognitive performance tools. The funds raised will allow TALi to continue to engage with various channel partners to facilitate the rollout of our products globally.

"The significant opportunity for Tali to work with various channel partners to drive global adoption of our TALi TRAIN and TALi DETECT tools was highlighted by the investment of up to US\$7m from The Times Group, a business with a significant track record of making successful investments and facilitating rapid growth of partner organisations in India".

"In Japan, we recently received the granting of a patent that strengthens TALi's IP position. Japan is the developed world's third largest market for attention related treatments and is a key market for TALi, where ADHD is a major issue amongst the population of 15 million children under 15 years. The patent secures our intellectual property position and paves the way for us to enter the Japanese market via a partnership model".

"The funds received from the placement will allow TALi to continue to develop the commercialisation and partnership model in Japan and other large markets such as the USA, China and Europe. I would like to thank all of our shareholders for their continued support of the Company and welcome the new investors to our register. I look forward to updating you on the execution of our strategy in due course."

Placement Details

The Placement will result in the issue of 98,717,948 new fully paid ordinary shares at an issue price of \$0.039 per share to raise total proceeds of \$3.85m. The issue price of \$0.039 cents per share represents a 7.1% discount to the last closing price on 11 February 2021. The issuance of the 98,717,948 new shares represents 11.87% of the Company's shares on issue and will be undertaken within the Company's existing capacity under ASX listing Rule 7.1 and 7.1A. The shares to be issued will rank equally with existing TALi shares quoted on the ASX. Shareholder approval is not required for the share issue.

Subject to shareholder approval, TALi Digital will issue one free attaching option for every 2 new shares purchased. The attaching options will have an exercise price of \$0.09 per share and will expire 12 months after the date of issue. If exercised the options will deliver a further \$4.44m in proceeds to the Company.

Subject to shareholder approval, the Company also proposes to issue the following options to Taylor Collison (as Sole Lead Manager on the Placement or its nominee): (a) 5 million options with exercise price of \$0.09 per share and expiring 18 months after completion of the Placement; (b) 5 million options with exercise price of \$0.12 per share and expiring 24 months after completion of the Placement; and (c) 5 million options with exercise price of \$0.15 per share and expiring 24 months after completion of the Placement.

Settlement of the placement is expected to occur on or around 17 of February 2021, with the issue and trading of the new shares expected to commence on 22 February 2021.

Taylor Collison acted as Sole Lead Manager on the Placement.

Release authorised by:

The Board of TALi Digital Limited

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About TALi Digital

TALi Digital Limited (ASX:TD1) a leading health technology business is seeking to improve attention in early childhood through its breakthrough TALi platform. TALi combines evidence-based proprietary algorithms inside a game-based program to assess and strengthen core attention skills. Learn more at talihealth.com.