

TD1 Q2-FY26 ACTIVITIES REPORT & APPENDIX 4C

HIGHLIGHTS

- **Successful completion of YCDI! post-acquisition integration and digital transformation, establishing a strong operational and commercial foundation for growth in 2026.**
- **Re-engagement campaign reached over 16,000 existing contacts, reactivating lapsed subscriptions and generating new sales leads.**
- **YCDI! migration to the CANVAS Learning Management System (LMS) completed, enhancing digital delivery, impact measurement, and customer experience.**
- **Strategic YCDI! partnerships formalised with School of Play and Destination Happiness, expanding YCDI!'s school network to engage in face-to-face workshops and digital program wellbeing and professional learning portfolio.**
- **Development of targeted new YCDI! course offerings underway, including programs for neurodivergent learners, "AI for Teachers," and a "21-Day Reset for Teachers."**
- **Financial performance remains stable, with low operating cash burn and strong positioning for Term 1 2026 sales and the 2026 program suite launch.**

YCDI! EDUCATION UPDATE

Digital Transformation and Platform Migration

The migration of YCDI!'s digital courses to the CANVAS LMS has been completed, with user migration underway in preparation for the Term 1, 2026 school start. The new platform provides enhanced video-based learning, embedded pre- and post-course surveys, and improved navigation and reporting tools. Dedicated technical support and video tutorials have been implemented to support teachers and school leaders during onboarding.

The modernised YCDI! website now offers multiple purchasing pathways to align with school budgeting cycles. These include flexible monthly, one-year, and two-year subscription options across the full program suite, streamlining payments and improving accessibility for schools.

Customer Engagement and Sales Readiness

Customer engagement activity remained strong throughout the quarter. Three electronic direct mail (EDM) campaigns were issued, with the most recent achieving an open rate of 69%. YCDI! conducted 35 direct meetings with school leaders, leading to increased engagement, new customer enquiries, and reactivated subscriptions. The Company's first live webinar generated additional leads and positive market feedback.

The sales team is fully equipped with structured sales scripts, objection-handling resources, and a refined sales strategy aligned to the new digital platform and bundled program model. Five free

webinars for active subscribers have been scheduled between 22 January and 6 February to support implementation, strengthen relationships, and reinforce customer value.

Team Alignment and Process Optimisation

Core team roles were clarified to improve accountability and operational efficiency. Sales processes were streamlined through enhancements to the Company's CRM system, including automation of subscription renewals and improved lead tracking. A new trainer contract and handbook were introduced to support consistent, scalable delivery of face-to-face and hybrid workshops across the national trainer network.

Product Fulfilment and Early Years Expansion

New puppet designs for early childhood and junior primary programs have been launched and are currently being dispatched to fulfil customer orders. These resources support practical, age-appropriate implementation of YCDI!'s social and emotional learning framework in early learning settings, strengthening early intervention outcomes.



Strategic Progress and Opportunities

YCDI!'s strategic focus is centred on driving sustainable growth through four interconnected pillars: sales growth, customer retention, strategic partnerships, and cross-selling opportunities. These pillars guide both domestic and international expansion efforts.

Product Development and Innovation

Insights gathered from more than 50 online and face-to-face school meetings in 2025 have informed the development of targeted new courses.

Key initiatives include:

- Neurodivergent Learner Support Program: Designed to support social and emotional learning for neurodivergent students by recognising individual strengths and building practical classroom strategies.
- Incorporating Ready Attention Go as an additional module onto the YCDI! platform focusing on assisting children with attention difficulties.

- **AI for Teachers:** A professional learning course focused on building confidence and capability in the ethical and effective use of artificial intelligence within teaching and learning environments.
- **21-Day Reset for Teachers:** A wellbeing and resilience program supporting sustainable professional practice and teacher engagement.

In the early years segment, refreshed programs and new puppet designs have been introduced for early childhood centres and junior primary classrooms. These resources align with modern pedagogy and YCDI!’s “Five Keys” framework, supporting emotional literacy, inclusion, and positive behaviour development in younger learners.

Strategic Partnerships

Strategic partnerships continue to expand YCDI!’s market reach and value proposition. Agreements with School of Play and Destination Happiness provide access to complementary wellbeing and professional learning programs for schools, staff, and parents. Under the School of Play partnership, programs are offered via YCDI!’s digital platform under a shared commercial model, while Destination Happiness is developing a suite of online wellbeing programs scheduled for inclusion in the 2026 program suite.

These partnerships support the Company’s bundled, whole-school solution model, integrating classroom programs, staff professional learning, and parent engagement into a single framework with common language and shared wellbeing goals.

Market Expansion

International engagement is being explored with schools and education providers across Estonia, Romania, Saudi Arabia, New Zealand, and Japan, reflecting growing global demand for structured social and emotional learning frameworks. Domestically, market analysis has identified growth opportunities in New South Wales and Victoria, where market penetration remains below potential.

Impact Measurement and Reporting

YCDI! is enhancing its ability to demonstrate program effectiveness through the integration of video-based learning modules and embedded surveys within its digital courses. These tools enable the generation of outcome and impact reports for schools, supporting evidence-based decision-making and strengthening long-term customer relationships.

LOOKING AHEAD AND 2026 PRIORITIES

YCDI! enters 2026 with a clear strategic roadmap and strong operational foundation. Priorities for the year ahead include:

- **Drive Sales Growth:** Implement targeted marketing campaigns, improved onboarding processes, and expanded use of webinars, previews, and free resources to convert leads and increase subscription uptake.

- **Strengthen Customer Retention:** Provide ongoing implementation support through free webinars, partner benefits, and regular communication, including structured mid- and end-of-subscription feedback and evaluation reports.
- **Expand Strategic Partnerships:** Scale the integration of partner programs, including School of Play and Destination Happiness, and pursue additional collaboration opportunities to broaden the Company's offering.
- **Scale Nationwide Training:** Launch a nationwide face-to-face training program, leveraging experienced trainers to deliver workshops in all Australian capital cities and strengthen local market presence.
- **Enhance Digital Capability and Impact Reporting:** Continue refining the CANVAS platform, video integration, and survey tools to improve user experience and provide measurable outcomes for schools.

Financially, the Company remains well-positioned. Subscription sales during the quarter were slightly below expectations due to new process implementation, technology upgrades, and the timing of school holidays. Trading income remained consistent, cost management remained prudent, and operating cash burn stayed low and in line with guidance. Flexible subscription terms and new partnership-driven offerings are expected to support revenue growth in 2026, alongside a planned price increase aligned with the launch of the refreshed 2026 program suite.

Overall, YCDI! is well-positioned for sustainable growth, supported by a trusted brand, loyal customer base, innovative program development, and a robust digital and partnership strategy. The Company enters its next phase with a clear focus on whole-school impact, national scale, and measurable outcomes for the education community.

FINANCE UPDATE

As at 31 December 2025, TALi held a closing cash balance of \$1.3 million. The Company reported a net operating cash outflow of \$0.2 million for Q2 FY26. Operating cashflows for the quarter included:

- \$0.2 million in administration and corporate expenses
- \$0.1 million in receipts from customers - an increase of 63% to the September quarter

The total net cash outflow for Q2 FY26 was \$0.2 million.

During the quarter, in accordance with the Business the Company paid the first of four \$40k deferred compensation amounts to the seller of YCDI! The Bernard Group, with the remaining three to be paid in six month intervals over the coming 18 months.

In accordance with Listing Rule 4.7C, TALi disclosed related party payments of approximately \$49,000 in item 6.1 of the Appendix 4C, which included fees paid to Non-Executive and Executive Directors.

- End -

Release authorised by:

The Board of TALi Digital Limited

CONTACT

Corporate

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Executive Chair

TALi Digital

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About TALi Digital

TALi Digital Limited (ASX: TD1) is a digital health company focused on delivering diagnostic and therapeutic solutions to enhance attention and overall cognitive function. The Company has built a patented platform technology with the first programs targeting cognitive attention skills during early childhood via an evidence-based screening tool (DETECT®) incorporated into training modules (TRAIN® and ReadyAttentionGo!).

These programs are designed to be play-based interactions and can be complementary to existing therapy, placing TALi at the forefront of improving early intervention for childhood attention and concentration performance, which supports our vision to deliver a personalised digital experience to enhance cognitive care.

Learn more at talidigital.com.

In June 2025, TALi Digital expanded its portfolio with the acquisition of You Can Do It! Education (YCDI!), a leading Australian social-emotional learning program. YCDI! has reached over one million students and is aligned with the ACARA national curriculum. Recognised by Beyond Blue's Be You initiative, it provides evidence-based programs for children aged 3 to 18, self-paced tertiary online courses, professional development for educators, and parent education micro courses. These programs focus on five essential social-emotional skills: confidence, persistence, organisation, getting along, and resilience. This acquisition enhances TALi's presence in the education sector and underscores its dedication to delivering innovative and accessible solutions.

Learn more at youcandoiteducation.com.au.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

TALi DIGITAL LIMITED

ABN

53 108 150 750

Quarter ended ("current quarter")

31 December 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	132	213
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(38)	(38)
(c) advertising and marketing	(5)	(21)
(d) leased assets	-	-
(e) staff costs	(56)	(95)
(f) administration and corporate costs	(196)	(505)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(160)	(440)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	(40)	(40)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from disposal of:		
	(g) entities	-	-
	(h) businesses	-	-
	(i) property, plant and equipment	-	-
	(j) investments	-	-
	(k) intellectual property	-	-
	(l) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(40)	(40)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	577
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(79)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(29)	(58)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (repayment of lease liability)	-	-
3.10	Net cash from / (used in) financing activities	(29)	440

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,481	1,292
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(160)	(440)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(40)	(40)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(29)	440
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	1,252	1,252

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	195	700
5.2	Call deposits	1,057	781
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,252	1,481

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	49
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

The amount at 6.1 includes Director fees and salary (including superannuation) for the Non-Executive and Executive Directors.

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	39	39
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	39	39
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	Loan facility of \$39,000 at 31 December 2025 with Elantis Premium Funding for insurance policies at a flat rate of 5.20%, loan is unsecured and matures 24 April 2026.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(160)
8.2	Cash and cash equivalents at quarter end (item 4.6)	1,252
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	1,252
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	7.8
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.6.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.</i>	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 January 2026

Authorised by: The Board of Directors

(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g. Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.