

TD1 Q1-FY27 ACTIVITIES REPORT & APPENDIX 4C

HIGHLIGHTS

- The Company announced 24 August 2026 the acquisition of Datasphere and a \$3.3 million capital raising. The Company entered into a binding share sale agreement dated 21 August 2026 to acquire 100% of the issued capital of Datasphere, an Australian private company holding an option and prospective licensing arrangement over in-memory computing intellectual property developed at the Technion – Israel Institute of Technology (Technion).
- The capital raise was successfully completed and included an SPP capped at \$0.5 million that was four-times over-subscribed.
- The Company held an Extraordinary General Meeting on 25 September 2026 at which all Resolutions were passed by poll. The Resolutions related to the Datasphere acquisition and the capital raise share and option issues, including director participation.
- Financial performance remains stable, with low operating cash burn and a cash balance of \$3.9 million at the end of the September Quarter.
 - **Subsequent to the Quarter**, the Company confirmed on 7 October that it had exercised its option to negotiate an exclusive licence to intellectual property developed at the Technion – Israel Institute of Technology and held by The Technion Research & Development Foundation Ltd (TRDF).
 - Announced the appointment of Mr. William Hamilton as CEO and Managing Director of TALi Digital Limited commencing on 1 of November 2026.
- The Company continues to consolidate YCDI! with a view to expanding and enhancing its products and programmes. On 23rd July 2026, the Company announced that YCDI! had launched the Resilient Educator Partnership (**REPlenish**) in Victoria with the first intake for the programme anticipated to be in October 2026. This programme diversifies revenue streams and confirms SEL (Social & Emotional Learning) and well-being as a core YCDI! focus. The Company aims to develop YCDI! into a comprehensive, universal platform that enhances SEL, educational and workplace outcomes, and personal development.
 - **Subsequent to the Quarter**, on 22 October 2026, YCDI! launched **REPlenish** with an initial cohort of educators from a Victorian based membership network.

COMPANY UPDATE

As announced on 24 August 2026, TALi Digital Limited (ASX: TD1) (TALi or the Company) entered into a binding share sale agreement to acquire 100% of the issued capital of Datasphere Analytics Pty Ltd (ACN 689 577 419) (Datasphere) (the Acquisition), together with a proposed capital raising of approximately \$3.3 million (before costs) (the Capital Raising).

HIGHLIGHTS

- **Binding agreement executed** – TALi entered into a binding share sale agreement dated 21 August 2026 to acquire 100% of the issued capital of Datasphere, an Australian private company holding an option and prospective licensing arrangement over in-memory computing intellectual property developed at the Technion – Israel Institute of Technology (Technion). A consideration of 22,000,000 fully paid ordinary shares in TALi (Shares) at a deemed issue price of \$0.05 per share, to be issued on completion of the Acquisition and subject to shareholder approval.
- **Pathway to a worldwide, exclusive licence** – Datasphere held an exclusive option, granted by The Technion Research & Development Foundation Ltd (TRDF) to negotiate an exclusive, irrevocable, worldwide and sublicensable licence of intellectual property developed at Technion relating to memristive in memory computing and the memristive Memory Processing Unit (mMPU).
- **Processing-in-memory technology** – The technology is designed to perform analytics inside the memory in which data is stored, rather than repeatedly moving data between memory and a processor. This provides the potential benefit of faster analysis of very large datasets and for sensitive data to be analysed without leaving a controlled environment.
- **Strategic fit with the Company's data strategy** – The technology is directed at supporting TALi's strategy to develop the You Can Do It! (YCDI!) learning programmes into a comprehensive, AI-assisted, secure education platform, with data processing including sovereign control of sensitive student and staff data and "blind" analysis of confidential datasets.
- **\$3.3 million Capital Raising** – Firm commitments were received for a two-tranche placement to raise \$2.8 million (before costs), together with a share purchase plan to raise up to a further \$500,000 (Capital Raising). Shares pursuant to the Capital Raising issued at \$0.05 per Share and participants entitled to one (1) free attaching option for every three (3) Shares subscribed for and issued (Options).
- **Director participation** – Directors subscribed for 7,200,000 Shares and 2,400,000 options to acquire Shares (\$360,000) under Tranche 2 of the Placement and the SPP, on

the same terms as unrelated participants and received the required shareholder approval under Listing Rule 10.11.

- **No change to existing business** – TALi will continue to operate the YCDI! platform with the current focus on Social Emotional Learning (SEL) being enhanced and a more comprehensive education platform under consideration. Datasphere will be held as a wholly owned subsidiary.
- **Early-stage technology** – The technology is at an early stage of development, has not been proven at commercial scale, and no licence over the underlying intellectual property has yet been granted.

The **Extraordinary General Meeting** held on 25 September 2026 passed all Resolutions by poll in support of the acquisition and capital raise, including Director participation.

Subsequent to the Quarter:

On 7 October 2026, the Company confirmed that it had exercised its option to negotiate the exclusive licence to intellectual property developed at the Technion – Israel Institute of Technology and held by The Technion Research & Development Foundation Ltd (TRDF).

Under the memorandum of understanding between Datasphere and TRDF, exercise of the option entitles the parties to negotiate the grant of an exclusive, worldwide and sublicensable licence to intellectual property relating to memristive in-memory computing technology and the memristive Memory Processing Unit (mMPU).

On 27 October 2026, announced that Mr. William Hamilton would commence as CEO and Managing Director from 1 November 2026, transitioning from Non-Executive Director.

Mr Hamilton is an experienced investment and corporate strategy executive with over 14 years of experience spanning technology investing, private equity, and corporate restructuring. He previously served as Chief Commercial Officer and General Manager at DigitalX Limited. Prior to DigitalX, Mr Hamilton held senior leadership roles at Animoca Brands and Trovio Group, where he established and managed institutional-grade digital asset investment strategies. He brings significant M&A and advisory experience gained at Washington H. Soul Pattinson & Co. (ASX: SOL) and Ernst & Young. Mr Hamilton holds a Master of Business and a Bachelor of Science from Flinders University.

OPERATIONAL UPDATE

The Company has been actively seeking and assessing strategic M&A opportunities in the high-growth AI sector. Target acquisitions may serve to complement the existing YCDI! platform or have alternative applications, or both. The Company's overarching objective for YCDI! is to build a comprehensive, AI-assisted universal platform that enhances Social-Emotional Learning (SEL), educational and workplace outcomes, and personal development. The quality and scope of the YCDI! programmes continue to be enhanced and refined. The Company continues to broaden the vision recognising the opportunities in wider audiences for both the SEL/well-being programmes and data analysis with processing-in-memory and sovereign control.

Financially, the Company remains in a stable position. Trading income for YCDI! was below forecast following the extensive internal redevelopment work, while cost management remained prudent and operating cash burn stayed low and in line with guidance. The flexible subscription terms and new partnership-driven offerings, aligned with the launch of the refreshed 2026 programme suite, are expected to support revenue growth for YCDI! in H2 CY2026 which will also include the initial activity in the Resilient Educator Partnership. In addition, the Company is actively assessing other assets and opportunities to bolster the quality and range of the YCDI! platform to further drive revenue.

YCDI! EDUCATION UPDATE

YCDI! strengthened its leadership team with the commencement of a Head of Education on 19 August 2026 to meet the activity demands and to further the review of the YCDI! program suite and the Company's education strategy.

Building on the migration to the Canvas LMS, YCDI! has begun scoping a next-generation teaching and learning platform with an improved user experience for schools. The design focuses on easier navigation, flexible access to resources, and compliance with the Safer Technologies 4 Schools (ST4S) security and privacy standards.

During the quarter, YCDI! sent 16 email campaigns (more than 53,000 sends) at an average open rate of 37.7%, including the weekly "YCDI Tuesday Thrive" newsletter. Maintaining current and re-engaging former subscribers remains a priority, supported by school webinars, targeted campaigns and a revised subscription model under development. New leads and engagement with schools is the focus of a Term 4 email and social media campaign that promotes YCDI! workshops and the digital bundled packages.

Cash inflows from revenues for Q1 FY27 were \$66k. Revenue in the quarter reflects a dip in subscription renewals and the ongoing programme renewal. Active measures are in place for customer retention and recruitment. The review of YCDI! and its programs is ongoing and is guided by feedback to refresh content and identify new areas of need.

New resource types are being developed, including refreshed lesson plans, animations, videos and songs. The YCDI! Spark Resource Hub was launched on 15 September 2026 which gives subscribing teachers quick access to lesson plans, videos, activities and wellbeing resources organised around the five YCDI! keys. The Hub is also being developed as an entry point for new subscribers. The professional learning suite now includes The Reset: 21 Days to Calm and Clarity, The Resilient Educator, AI Essentials for Educators, and the Coaching and Leadership Certification Program. Mental Health First Aid training is also now offered to schools and workplaces.

Partnership Opportunities & Market Expansion

YCDI! continues to work with a Victorian school network on the Resilient Educator Partnership (REPlenish), a 12-month wellbeing and professional learning program for educators. YCDI! is looking to build a pipeline of whole-school workshop and consultancy opportunities in several states.

Existing partnerships with School of Play and Destination Happiness remain active, delivering complementary wellbeing programs through the YCDI! platform under a shared commercial model. Alongside these partnerships, our Education Team is developing new products, including *AI Essentials for Educators* and *Neurodivergent Learning*, to expand our education offering and respond to emerging needs across the sector.

Subsequent to the quarter, on 22 October 2026, YCDI! launched **REPlenish** (the Resilient Educator Partnership) with educators from a Victorian based membership network. The partnership was first announced on 23 July 2026. REPlenish is a 12-month, multi-modal learning and wellbeing journey suited to assist all school staff to be thriving in their roles. It combines self-paced online courses, accredited Mental Health First Aid training, individual and group coaching including face-to-face workshops and personal feedback.

A first, small cohort of approximately 20 teachers has commenced, with a second intake scheduled for February 2027. Further growth opportunities are currently being explored with school networks in New South Wales, Queensland and Western Australia.

FINANCE UPDATE

As at 30 September 2026, TALi held a closing cash balance of \$3.9 million. The Company reported a net operating cash outflow of \$0.3 million for Q1 FY27. Operating cashflows for the quarter included:

- \$0.2 million in administration and corporate expenses
- \$0.1 million in staff and advertising and marketing costs
- \$0.1 million in receipts from customers

The total net cash inflow for Q1 FY27 was \$2.9 million.

In accordance with Listing Rule 4.7C, TALi disclosed related party payments of approximately \$50,000 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

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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 built a patented platform technology targeting cognitive attention skills incorporated into training modules (ReadyAttentionGo!). This program is designed to be a play-based interaction that can be complementary to existing therapy. The Company has at the forefront a vision to improve childhood cognitive performance through early intervention. The ReadyAttentionGo! program is being considered as a component of the neurodivergent learning strategies being developed to support SEL (Social-Emotional Learning) and education in the YCDI! programs for children aged 3 to 18. The Company's broader focus is technologies that can be a platform to enhance learning. 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 for SEL and personal development. Learn more at youcandoiteducation.com.au.

Forward-looking statements

This announcement may contain forward-looking statements, including quantitative statements of anticipated future financial performance such as projections, forecasts, calculations, forward-looking statements or estimates all of which are based on assumptions and estimates made by the Company as at the date of this document. Forward-looking statements can generally be identified by words such as “may”, “will”, “expect”, “intend”, “plan”, “estimate”, “forecast”, “anticipate”, “continue”, “guidance”, “target” and similar expressions. Forward-Looking Statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of the Company that may cause actual results, performance or achievements to differ materially from those expressed or implied in such statements.

TALi Digital undertakes no obligation to update or revise any forward-looking statements to reflect events or circumstances after the date of this document, except as required by applicable law or regulation. Forward-looking statements in this document speak only as at the date of this document. Readers should not place undue reliance on forward-looking statements. Each reader should undertake their own independent review of the Forward Looking Statements, including the assumptions on which they are based and the financial calculations from which they are derived.

This presentation and/or any information obtained from the Company, its Directors or their associates, should not be relied upon in deciding whether or not to seek to purchase the shares of the Company. This is not an offer to subscribe for securities in the Company.

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")

30 September 2026

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	66	66
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(5)	(5)
(c) advertising and marketing	(12)	(12)
(d) leased assets	-	-
(e) staff costs	(130)	(130)
(f) administration and corporate costs	(236)	(236)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
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	(314)	(314)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
	(c) property, plant and equipment	(2)	(2)
	(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	(2)	(2)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,300	3,300
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	(44)	(44)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(22)	(22)
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	3,234	3,234

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 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	974	974
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(314)	(314)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2)	(2)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,234	3,234
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	3,892	3,892

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	1,394	106
5.2	Call deposits	2,498	868
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)	3,892	974

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	50
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	51	51
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	51	51
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 \$51,000 at 30 September 2026 with Elantis Premium Funding for insurance policies at a flat rate of 7.49%, loan is unsecured and matures 24 April 2027.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(314)
8.2	Cash and cash equivalents at quarter end (item 4.6)	3,892
8.3	Unused finance facilities available at quarter end (item 7.5)	-
8.4	Total available funding (item 8.2 + item 8.3)	3,892
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	12.4
	<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 October 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.