TALi Digital to Acquire Datasphere Analytics, Securing a Pathway to In-Memory Computing Technology, and Launches $3.3 Million Capital Raising

Strategic acquisition provides TALi with a pathway to an exclusive, worldwide licence over memristive processing-in-memory intellectual property developed at the Technion – Israel Institute of Technology. The acquisition supports the Company's strategy to develop the "You Can Do It!" learning programmes into a comprehensive AI-assisted, secure education platform with data- processing capabilities.

TALi Digital Limited (**ASX: TD1**) (**TALi** or the **Company**) is pleased to announce that it has 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 has 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**).
- **Consideration –** 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 holds 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 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 will be issued at $0.05 per Share and participants will be entitled to one (1) free attaching option for every three (3) Shares subscribed for and issued (**Options**).
- **Director participation –** Directors intend to subscribe for up to 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 subject to 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.

COMMENT FROM THE EXECUTIVE CHAIR

TALi's Executive Chair, David Brookes, said: *"The Acquisition is a considered extension of the work the Company has been doing since acquiring YCDI!. Our platform potentially will hold highly sensitive information about children, students and school staff, and the ability to analyse that data securely, quickly and within our own environment is becoming a core requirement. In particular, the Company foresees an increasing requirement for sovereign data control with the ability to hold, protect, and analyse sensitive data within a controlled environment, thereby reducing reliance on third-party infrastructure for analysis. The Technion intellectual property gives us a pathway to build that capability, and the funds raised under the Capital Raising funds will assist with both the continued development of our existing programs and the first phase of work on the technology."*

THE DATASPHERE ACQUISITION

Parties and structure

On 21 August 2026, the Company entered into a binding share sale agreement (**Share Sale Agreement**) with Datasphere and each of the shareholders of Datasphere (**Datasphere Shareholders**), pursuant to which the Company agreed to acquire 100% of the issued capital of Datasphere. On completion of the Acquisition, Datasphere will become a wholly owned subsidiary of the Company.

Consideration

In consideration for the Acquisition, the Company will issue the Datasphere Shareholders (or their nominees) 22,000,000 Shares (**Consideration Shares**), in proportion to their respective shareholdings in Datasphere.

Conditions precedent

Completion of the Acquisition is conditional on the satisfaction (or waiver) of the following conditions precedent:

- **Due diligence:** completion of financial, legal and technical due diligence by the Company on Datasphere, the Technion MOU and the underlying technology;
- **Capital Raising:** the Company receiving valid applications for at least $3,300,000 worth of shares and free attaching options under the Capital Raising;
- **Shareholder approval:** shareholders approving in general meeting each resolution necessary to implement the transactions contemplated by the Share Sale Agreement, including the Consideration Shares, securities under the Capital Raising and participation of the directors of the Company in the Placement;
- **Regulatory approvals:** the parties obtaining all necessary regulatory approvals or waivers under the Listing Rules, the Corporations Act or any other law;

- **Third party approvals:** the parties obtaining all third-party approvals and consents necessary to lawfully complete the Acquisition; and
- **No material adverse change:** no material adverse change occurring in the business, assets, liabilities or financial position of Datasphere, or in the Technion MOU, between the date of the Share Sale Agreement and completion.

The Share Sale Agreement otherwise contains warranties, indemnities and other terms and conditions considered standard for an agreement of its kind.

DATASPHERE AND THE TECHNION MOU

Datasphere is a private Australian company which is a party to an exclusive option and prospective licensing arrangement with the TRDF (**Technion MOU**).

Option to procure a licence

- **Option and option period.** Pursuant to the MOU, TRDF has granted Datasphere an option until 3 October 2026 to negotiate a future exclusive licence to the intellectual property.
- **Qualifying Financing.** The option can be exercised if Datasphere receives US$650,000 of qualifying financing before the option period expires
- **Negotiation period.** On exercise of the Option, the parties have 45 days (extendable by written agreement) to agree the licensing agreement, and the MOU terminates outright if no licence agreement is signed within 180 days of exercise.

Principal terms of the proposed licence

The Technion MOU sets out the principal commercial terms on which TRDF has agreed to grant Datasphere the licence, which are to be documented in a definitive licence agreement. In summary:

- **Grant.** An exclusive, irrevocable, worldwide, sublicensable licence of intellectual property developed at the Technion relating to memristive in-memory computing and the memristive Memory Processing Unit. Exclusivity is subject to the non-exclusive, irrevocable right of the State of Israel to use the licensed information under section 104 of the Israeli Patent Law 1967 and Civil Service Regulation 7.10.4, and to reserved rights of TRDF and the Technion to use the licensed information for internal research and educational purposes and to seek non-commercial research grants.
- **Conditions subsequent.** The License is subject to the following two conditions subsequent:
  - Datasphere must raise a further US$1,000,000 within 18 months of the formal licensing agreement being executed; and
  - Datasphere must raise a further US$1,350,000 within 36 months of the licence agreement's effective date.
- **Equity in TALi.** It is intended that Technion will receive 30% of the total consideration paid to Datasphere's shareholders, as a nominee of the Datasphere shareholders.
- **Royalties and sublicensing fees.** A royalty of 2% of net sales of products sold by Datasphere, its affiliates or sublicensees, and 20% of any sublicence fees received (excluding sublicensee royalties already captured by the royalty), in each case plus VAT where applicable.

- **Patent costs.** Datasphere must reimburse TRDF for all documented past patent prosecution and maintenance expenses, recorded in the Technion MOU as NIS 579,177 (inclusive of VAT) as at the effective date, payable 15% on the effective date of the licence agreement, 40% within 12 months and 45% within 24 months. Additional patent expenses may accrue during the option period or until the execution of the license agreement.
- **TRDF governance rights.** It is intended that for as long as TRDF holds 3.5% or more of the issued share capital of TALi, TRDF shall have the option to appoint one member to the Board of Directors of TALi, subject to compliance with all relevant Corporations Act and ASX Listing Rule requirements. If TRDF holds less than 3.5% of the issued capital in TALi and the licence agreement is in place and active, then TRDF will have the right to appoint one observer to the Board of TALi.
- **ERC grant.** Part of the licensed information was developed using a European Research Council grant. TRDF's entry into the licence agreement is conditional on Datasphere consenting to procure the licence subject to the terms of that grant, and Datasphere must not act in a way that would cause TRDF or the Technion to breach it.
- **Other terms.** The agreement is otherwise on standard terms and conditions for an agreement of its nature.

THE TECHNOLOGY

The intellectual property that is the subject of the Technion MOU comprises a group of inventions collectively titled "In-memory Computing in Emerging Memory Technologies", together with associated TRDF know-how. It was developed at the Technion by a team led by Professor Shahar Kvatinsky, whose research group works on memristive circuits, in-memory computing architectures and emerging non-volatile memory technologies.

In conventional computer architecture, data is stored in one location and processed in another, so information must be moved back and forth between memory and a processor. For very large datasets, that movement consumes time and energy and requires data to leave the environment in which it is stored.

Processing-in-memory (**PIM**) is an alternative approach in which computation is performed within the memory array itself. The Technion intellectual property is directed at implementing logic operations using memristive devices, non-volatile memory elements that can both store data and perform logic, and at the architecture of a memristive Memory Processing Unit (mMPU), being a device that performs analytics inside the memory rather than continuously transferring data to and from a separate processor.

If successfully developed, the Company considers the approach may offer two characteristics of particular relevance to its businesses:

- **Speed at scale –** the architecture is suited to workloads that can be divided into many parts and processed in parallel, such as genomics, image processing and large-scale database operations; and
- **Data that does not need to move –** because analysis is performed where the data is held, the technology is intended to support sovereign control of data (the ability of an organisation or jurisdiction to keep and analyse sensitive data within its own environment) and "blind" analysis (analysing sensitive datasets while preserving their confidentiality). This is anticipated to be associated with a reduction in energy requirements.

The Company's strategy is to develop the YCDI! platform into a comprehensive, AI-assisted platform that enhances social-emotional learning, educational outcomes and personal development across the wholeschool community, and which the Company considers may in time provide a framework applicable to other products and sectors.

The platform has the potential to hold and process highly sensitive and often time-critical information about children, students and staff, including attention and cognitive-performance data, learning ability, educational progress and mental health and wellbeing screening, the Company considers secure custody, protection and ethical analysis of that data to be essential features of its platform, particularly as sovereign control of data becomes an increasing regulatory expectation. If successfully developed, the technology has the potential to enable faster and more secure analysis of those datasets within the Company's own controlled environment and with reduced reliance on third-party infrastructure, with potential application beyond the education and social-emotional learning sector.

The technology is at an early stage of development. It has not been proven to work at commercial scale, and significant further research, testing and investment will be required before it can be incorporated into products and sold. There is no guarantee that it will be successfully developed or commercialised, and no revenue is currently generated from it.

CAPITAL RAISING

The Company has received firm commitments from professional, sophisticated and institutional investors to raise $2,800,000 (before costs) through a two-tranche placement of 56,000,000 Shares at an issue price of $0.05 per Share (**Placement**). The Company will also offer eligible shareholders the opportunity to participate in a share purchase plan to raise up to a further $500,000 (before costs) through the issue of up to 10,000,000 Shares at the same issue price as the Placement (**SPP**).

Placement structure

- **Tranche 1:** 7,009,121 shares to raise $350,456 (before costs), using the Company's existing placement capacity under Listing Rule 7.1, with issue of the Shares expected to occur on 26 August 2026; and
- **Tranche 2:** 42,990,879 Shares to raise $2,449,544 (before costs), subject to shareholder approval under Listing Rule 7.1 and Listing Rule 10.11 (in respect of Director participation in the placement) at the general meeting.

62 Capital Pty Ltd acted as lead manager and bookrunner to the Placement. The Company has agreed to pay the lead manager a capital raising fee of 6% of the amount raised under the Placement.

Attaching Options

Subject to shareholder approval, participants in the Capital Raising will receive one free attaching Option for every three new Shares issued and allotted to them. The Options will be exercisable at $0.15 each and expiring five years from the date of issue.

Share purchase plan

The SPP will be offered to shareholders registered at 7.00pm (AEST) on 21 August 2026 with a registered address in Australia or New Zealand (**Eligible Shareholders**). Eligible Shareholders will be able to subscribe for up to $30,000 worth of Shares at $0.05 per Share, together with attaching Options on the same one-for-three basis as the Placement. Participants in the Placement are not eligible to participate in the SPP. The securities offered under the SPP will be made under a transaction-specific prospectus and are conditional on shareholder approval under Listing Rule 7.1. The Company reserves the right to scale back applications under the SPP at its discretion.

Director participation

Directors of the Company (or their nominees) intend to subscribe for up to 7,200,000 Shares and 2,400,000 Options under Tranche 2 of the Placement and the SPP on the same terms as unrelated participants, to raise up to $360,000. Director participation in the Capital Raising is subject to shareholder approval under Listing Rule 10.11 at the general meeting.

Use of funds

The Company intends to apply the funds raised under the Capital Raising in the manner set out below (assuming the maximum amount of funds is raised):

USE OF FUNDS	AMOUNT (A$)	%
Payment of the Qualifying Financing to Datasphere (US$650,000)	$920,000	27.9%
Due diligence, integration scoping and commercialisation of the Datasphere technology and intellectual property	$580,000	17.6%
Product development and other expenses (existing business)	$650,000	19.7%
Product-related personnel expenses (existing business)	$350,000	10.6%
Sales and marketing (existing business)	$200,000	6.1%
Working capital	$402,000	12.2%
Costs of the Capital Raising	$198,000	6.0%
Total	**$3,300,000**	**100%**

The above table is a statement of current intentions as at the date of this announcement. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

Indicative timetable

An indicative timetable for the Acquisition and the Capital Raising is set out below:

Event	Date
Announcement of the Acquisition and Capital Raising	Monday, 24 August 2026
Issue and quotation of Tranche 1 Placement Shares	Wednesday, 26 August 2026
Dispatch of notice of meeting to shareholders	Thursday, 27 August 2026
Lodgement of SPP Prospectus with ASIC and ASX	Friday, 28 August 2026
SPP offer opens	Monday, 7 September 2026
SPP offer closes	5.00pm (AEST) Wednesday, 23 September 2026
SPP results announced	Friday, 25 September 2026
General meeting	Friday, 25 September 2026

Event	Date
Completion of the Acquisition and; settlement of Tranche 2 Placement; issue of Consideration Shares, SPP Shares and attaching Options	Tuesday, 29 September 2026
New Shares commence trading	Wednesday, 30 September 2026
Holding statements dispatched	Monday, 5 October 2026

The above timetable is indicative only and subject to change. The Company reserves the right to vary the dates, subject to the Corporations Act, the Listing Rules and other applicable laws.

This announcement has been authorised for release 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 www.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 www.youcandoiteducation.com.au.

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.