**TALi Digital Limited**
**Appendix 4E**
**Preliminary final report**

## 1. Company details

| | |
|---|---|
| Name of entity: | TALi Digital Limited |
| ABN: | 53 108 150 750 |
| Reporting period: | For the year ended 30 June 2026 |
| Previous period: | For the year ended 30 June 2025 |

## 2. Results for announcement to the market

| | | | | $ |
|---|---|---|---|---|
| Revenues from ordinary activities and other income | up | 415.8% | to | 286,744 |
| Loss from ordinary activities after tax attributable to the owners of TALi Digital Limited | up | 234.8% | to | (2,211,659) |
| Loss for the year attributable to the owners of TALi Digital Limited | up | 234.8% | to | (2,211,659) |

*Dividends*
There were no dividends paid, recommended or declared during the current financial period.

*Comments*
The loss for the Group after providing for income tax amounted to $2,211,659 (30 June 2025: $660,624). The loss in 2026 includes an impairment loss of 1,335,237 in relation to the YCDI! intangible assets acquired in June 2025.

Deferred income increased $185,967 to $189,499 at 30 June 2026, reflecting customer receipts received in advance of service delivery. These revenues will be recognised in future periods as contractual obligations of the subscription are fulfilled.

## 3. Net tangible assets

| | Reporting period Cents | Previous period Cents |
|---|---|---|
| Net tangible assets per ordinary security | 1.38 | 1.89 |

## 4. Control gained over entities

Not applicable.

## 5. Dividends

*Current period*
There were no dividends paid, recommended or declared during the current financial period.

*Previous period*
There were no dividends paid, recommended or declared during the previous financial period.

## 6. Dividend reinvestment plans

Not applicable.

## 7. Details of associates and joint venture entities

Not applicable.

## 8. Foreign entities

*Details of origin of accounting standards used in compiling the report:*

Not applicable.

## 9. Audit qualification or review

*Details of audit/review dispute or qualification (if any):*

The financial statements have been audited and an unmodified opinion has been issued.

## 10. Attachments

*Details of attachments (if any):*

The Annual Report of TALi Digital Limited for the year ended 30 June 2026 is attached.

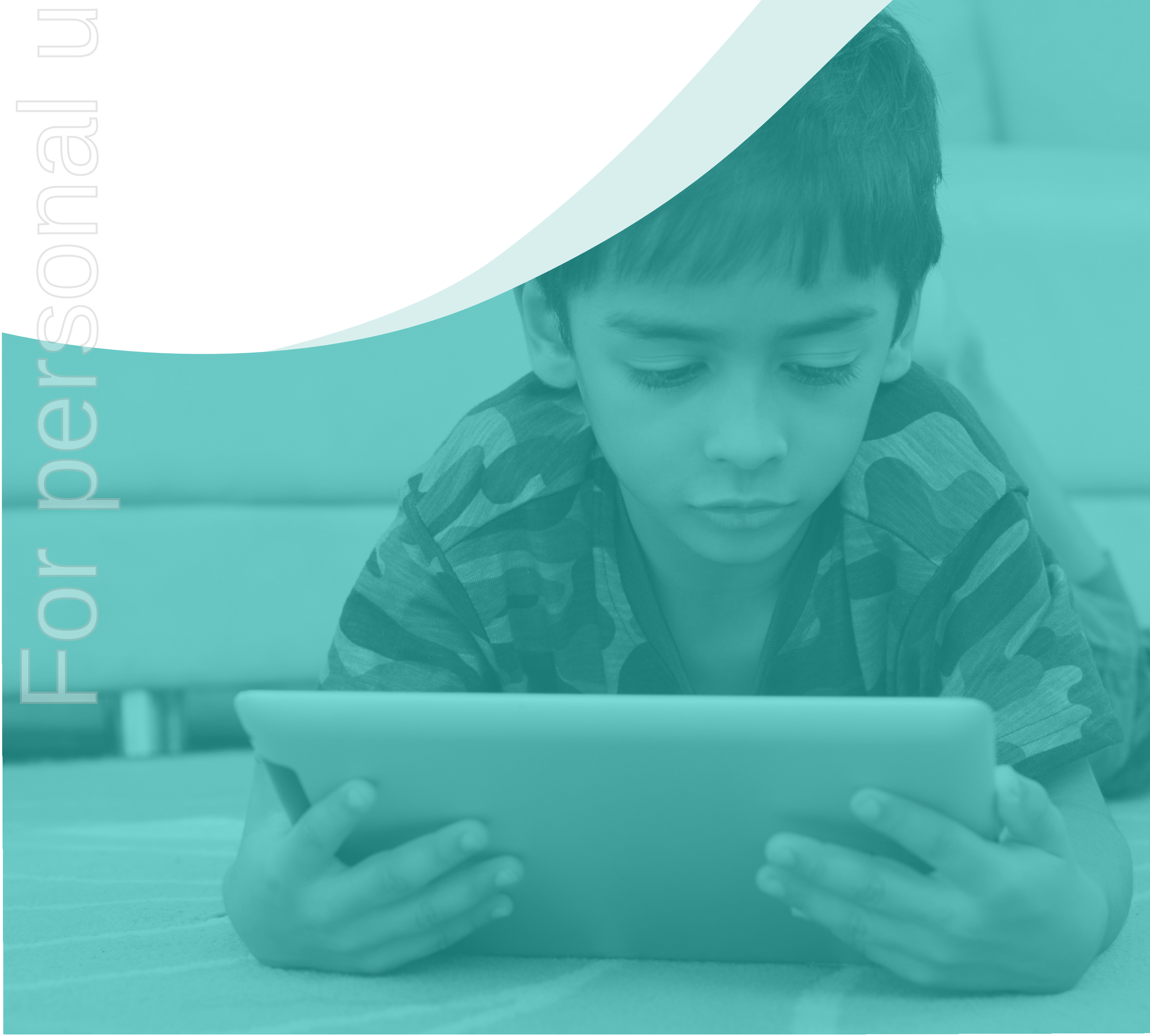
## 11. Signed

Signed ______________________ Date: 26 August 2026

David Brookes
Chair

TALi
DIGITAL LIMITED

# Annual Report
2026



| | |
|---|---|
| Directors | Dr David Brookes (appointed 29 June 2020)<br>Mr Will Hamilton (appointed 24 March 2026)<br>Mr George Rolleston (appointed 16 June 2026)<br>Mr Mark Simari (resigned 24 March 2026)<br>Mr Stephen Munday (resigned 16 June 2026) |
| Company secretary | Mr Tim Luscombe (appointed 5 December 2022) |
| Registered office | Suite 1.01<br>117 Camberwell Road<br>Hawthorn East, Victoria 3123 |
| Principal place of business | Suite 1.01<br>117 Camberwell Road<br>Hawthorn East, Victoria 3123 |
| Share register | Automic Registry Services<br>Level 5, 126 Phillip Street<br>Sydney, New South Wales 2000 Australia<br>Telephone: 1300 288 64<br>Website: automic.com.au<br>Email: hello@automic.com.au |
| Auditor | RSM Australia Partners<br>Level 27, 120 Collins Street<br>Melbourne VIC 3000 |
| Stock exchange listing | TALi Digital Limited shares are listed on the Australian Securities Exchange. |
| ASX code | TD1 |
| Website | www.talidigital.com |

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of TALi Digital Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the period ended 30 June 2026.

## Directors

The following persons were directors of TALi Digital Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

| Name and independence status | Period of office and special responsibilities |
|---|---|
| Dr David Brookes<br>Independent Executive Director & Chair | Appointed on June 29, 2020. Simultaneously Dr Brookes was appointed the Chair of the Audit Committee which he subsequently resigned from on 18 October 2022. Remains a Member of the Audit Committee and is a member of the Remuneration and Nomination Committee. Dr Brookes was appointed Executive Chair on 24 March 2026. |
| Mr Will Hamilton<br>Independent Non-Executive Director | Appointed on 24 March 2026. Simultaneously Mr Hamilton was appointed the Chair of the Remuneration and Nomination Committee. |
| Mr George Rolleston<br>Independent Non-Executive Director | Appointed on 16 June 2026. Simultaneously Mr Rolleston was appointed the Chair of the Audit Committee and is also a member of the Remuneration and Nomination Committee. |
| Mr Mark Simari<br>Independent Executive Director & Chair | Appointed as Non-Executive Director & Chair on October 6, 2022. Appointed Executive Chair on 16 August 2023. Previously Director from 2016 to 2020. Member of the Audit Committee and the Remuneration and Nomination Committee. Resigned on 24 March 2026. |
| Stephen Munday<br>Independent Non-Executive Director | Appointed October 18, 2022. Simultaneously Mr Munday was appointed the Chair of the Audit Committee and is also a member of the Remuneration and Nomination Committee. Resigned on 16 June 2026. |

## Directors' qualifications, experience and responsibilities

The directors of the Company at any time during the year or since the end of the financial year are as follows. Directors were in office for the entire period unless stated otherwise:

| | |
|---|---|
| Name | **David Brookes** |
| Title: | Executive Chair (appointed on 24 March 2026) previously Non-Executive Director |
| Experience and expertise: | Dr D Brookes was appointed on 29 June 2020. Simultaneously Dr Brookes was appointed the Chair of the Audit Committee until Stephen Munday assumed the position on 18 October 2022. Dr Brookes has extensive experience in the health and biotechnology industries and held Board positions in a number of ASX listed biotechnology companies, including as Chairman of genomics solutions company, RHS Ltd, which was acquired by PerkinElmer Inc (NYSE:PKI) in June 2018. |
| Other current directorships: | Executive Chairman of Anatara Therapeutics Ltd (ASX: ANR). |
| Former directorships (last 3 years:) | Non-Executive Chair of Invert Graphite Limited (ASX:IVG) formerly Dominion Minerals and Non-Executive Director of Island Pharmaceuticals Limited (ASX: ILA) |
| Qualifications | MBBS, FACRRM, FAICD |

| | |
|---|---|
| **Name:** | **Will Hamilton** |
| Title: | Non-Executive Director, Chair of Remuneration and Nomination Committee (appointed 24 March 2026) |
| Experience and expertise: | 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 currently serves as Chief Commercial Officer and General Manager at DigitalX Limited. 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. |
| Other current directorships: | N/A |
| Former directorships (last 3 years): | N/A |
| Qualifications: | Masters of Business (Finance), Bachelor of Science |

| | |
|---|---|
| **Name:** | **George Rolleston** |
| Title: | Non-Executive Director, Chair of Audit & Risk Committee (appointed 16 June 2026) |
| Experience and expertise: | Mr Rolleston is the founder and Managing Director of Asset Growth Fund Pty Ltd and the Suubee Group Pty Ltd. He has two decades of experience in the global financial markets, working in mergers and acquisitions and in the financial advisory sector. Mr Rolleston is a director of a number of private businesses operating globally in the automation, tourism, software, finance and security industries. |
| Other current directorships: | Non-Executive Director of Felix Group Holdings Ltd (ASX: FLX). |
| Former directorships (last 3 years): | MHM Automation Limited (NZX: MHM) between Feb 2019 – 6 Mar 2024 |
| Qualifications: | MAPPF, B.Bus (Law) |

| | |
|---|---|
| **Name:** | **Mark Simari** |
| Title: | Executive Chair (resigned 24 March 2026) |

| | |
|---|---|
| **Name:** | **Stephen Munday** |
| Title: | Non-Executive Director (resigned 16 June 2026) |

## Directors' interests

The relevant interest of each director in the share capital of the Company, as notified by the Company to the ASX in accordance with S205G (1) of the Corporations Act 2001, as of 30 June 2026 was as follows:

| Director | Number of ordinary shares | Number of options to acquire ordinary shares |
|---|---|---|
| Dr D Brookes | 290,003 | 180,000 |
| Mr W Hamilton | - | - |
| Mr G Rolleston | 2,392,245 | - |

## Company secretary

**Mr Tim Luscombe BCom, CA, GIA(Cert)**

Tim is a Director of Bio101 who provide outsourced CFO, company secretarial and corporate advisory services to the healthcare sector. A Qualified Chartered Accountant, Tim has extensive experience in providing financial advice, company secretarial and CFO services to Healthcare businesses ranging from ASX listed entities to Not-for-Profit organisations. Tim is CFO and Company Secretary for a number of ASX listed, public unlisted and private companies in the medical technologies, medical devices, biotechnologies and pharmaceuticals sectors. Tim holds a Bachelor of Commerce from the University of Melbourne and a Certificate in Governance Practice from the Governance Institute of Australia.

## Directors' meetings and committee membership

The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2026, and the number of meetings attended by each director were:

Due to the small number of non-executive directors on the Board, all the incumbent non-executive directors are members of the Audit Committee. The Audit Committee considers quality and reliability of financial information prepared for use by the Board in determining policies or for inclusion in the financial report. The Company's Remuneration and Nomination Committee was disbanded on 1 July 2016 and the responsibility for the composition of the Board and nomination of new directors and reviewing and monitoring the performance of for directors, executive and staff remuneration is now assumed by the full Board. The Committee was reformed in May 2026.

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

| | Full Board | | Nomination and Remuneration Committee | | Audit and Risk Committee | |
|---|---|---|---|---|---|---|
| | **Attended** | **Held** | **Attended** | **Held** | **Attended** | **Held** |
| Dr D Brookes | 13 | 13 | 2 | 2 | 2 | 2 |
| Mr W Hamilton[1] | 3 | 3 | 2 | 2 | - | - |
| Mr G Rolleston[2] | 1 | 1 | 1 | 1 | - | - |
| Mr M Simari[3] | 10 | 10 | - | - | 2 | 2 |
| M S Munday[4] | 12 | 12 | 1 | 1 | 2 | 2 |

[1] Appointed 24 March 2026
[2] Appointed 16 June 2026
[3] Resigned 24 March 2026
[4] Resigned 16 June 2026

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

## Principal activities

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.

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.

TALi is incorporated and domiciled in Australia, and with a registered office and principal place of business located at Suite 1.01, 117 Camberwell Road, Hawthorn East VIC 3123. Except as disclosed elsewhere in this Report, there have been no significant changes in the nature of these activities during the year.

## Operating review

In FY26 the Company added a focus of actively seeking and assessing strategic M&A opportunities in the high-growth AI sector. Target acquisitions to complement the existing YCDI! platform and / or having alternative applications were reviewed. The Company's overarching objective for YCDI! is to build a comprehensive, AI-assisted universal platform that enhances Social-Emotional Learning (SEL), educational outcomes, and personal development. The quality and scope of the YCDI! programmes continue to be enhanced, and the Company recognises the opportunity to accelerate the vision to broaden its offerings to a wider audience through strategic acquisitions, including AI technologies.

The Company oversaw significant redevelopment of the YCDI! Platform and programmes with in-house redevelopment of existing material and new initiatives launched. Migration to the CANVAS LMS was completed with further engagement tools and features for school partners. The new platform delivers video-based learning, embedded pre- and post-course surveys, and improved reporting tools. Flexible subscription tiers have been introduced, along with dedicated technical support and onboarding of resources for schools. A bundle pathway quiz is now embedded on the website to personalise product recommendations, and a YCDI! 'I am THRIVING' podcast with a wide range of guests has been integrated into CANVAS to support ongoing professional learning. A new weekly "YCDI Tuesday Thrive" campaign was launched to drive regular re-engagement growing in engagement metrics. The Term 3 sales launch commenced and social media engagement was prioritised through targeted campaigns, video content, and lead magnets. New puppet designs for the "early years" continued to be very well received and a Puppet Activity Book and Take-Home Travel Bag expanded the at-home and classroom product suite.

Insights from school engagement have driven a targeted new program pipeline. Key program initiatives for development include:

- Neurodivergent Learning Strategies for All: Supporting social and emotional learning for neurodivergent students.
- YCDI Coaching Program: Live sessions to complement digital offerings.
- AI for Educators: Equipping teachers with future-ready skills for the ethical use of AI in learning environments.
- 21-Day Reset for Educators: A wellbeing and resilience program supporting sustainable professional practice.
- The roll-out of Mental Health First Aid instructor certification to enable whole-school staff accreditation across Australian schools, with certified instructor rollout planned for Q4CY26
- International interest is being explored across Estonia, Romania, Saudi Arabia, New Zealand, and Japan.
- Subsequent to the end of the financial year, a significant contract with an independent schools network for the 'Resilient Educator Partnership' programme was announced and YCDI! Is looking to replicate the initiative in other States.

Overall, the YCDI! business is well-positioned for sustainable growth, supported by a trusted brand, loyal customer base, innovative program development, and a robust digital and partnership strategy.

Financially, the Company remains in a stable position. Trading income for YCDI! remained consistent with forecasts 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. 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.

## Material Business risks

The material business risks faced by the company that are likely to have an effect on the financial prospects of the company, disclosed above, and how the company manages these risks include:

- **Technological obsolescence and market competition -** YCDI operates in the education technology and social-emotional learning sectors, which are characterised by evolving customer expectations, competing platforms and rapid product innovation. Existing or new competitors may reduce YCDI's market share or require further product development and investment. TALi manages this risk through ongoing competitor analysis, market monitoring and continued product development, including considering complementary opportunities where appropriate.
- **Cybersecurity, IT systems and data privacy -** YCDI relies on digital systems, online platforms and customer databases. Cyber incidents, ransomware, system outages, data loss or privacy non-compliance could disrupt customer-facing services, increase remediation costs, result in regulatory consequences and damage trust with schools, educators and customers. TALi manages this risk through secure backups, disaster recovery processes, cybersecurity monitoring, staff training, regular review of data handling practices and compliance with relevant privacy and school technology requirements.
- **Regulatory and legal compliance -** YCDI is exposed to changing regulatory requirements affecting digital education products, privacy, corporate compliance and operations in relevant jurisdictions. Non-compliance may lead to penalties, legal claims, regulatory investigations, increased compliance costs or reputational damage. TALi manages this risk through access to appropriate company secretarial, finance and legal expertise, compliance calendars, external advice and regular monitoring of the regulatory environment.
- **Reputation, subject matter expertise and key personnel** - YCDI's value is linked to the credibility of its educational content, its relationships with schools and partners, the availability of subject matter expertise and the retention of key personnel. Loss of key knowledge, inappropriate activity, poor transition of expertise or negative commentary could adversely affect revenue, customer trust and stakeholder confidence. TALi manages this risk through consulting and transition arrangements with relevant subject matter experts, process documentation, succession planning, stakeholder communication and regular governance oversight.
- **Intellectual property, know-how and contractual protection** - YCDI's competitive position depends on protecting its intellectual property, confidential information, educational know-how and contractual rights. Risks include third parties or previous owners leveraging relationships or confidential information in a way that may divert revenue, damage reputation or result in legal costs. TALi manages this risk through confidentiality obligations, enforceable contracts, legal review of agreements, monitoring of market activity and engagement of legal counsel where appropriate.

## Financial review

The statement of profit or loss and other comprehensive income shows a loss of $2,211,659 (2025: loss of $660,624) for the year. As at 30 June 2026 the Group had a cash position of $973,791 (2025: $1,291,599). Operating, financing and investing activities incurred a net cash outflow for the year of $317,715 (2025: $830,806).

*Additional information*
The earnings of the consolidated entity for the five years to 30 June 2026 are summarised below:

| | 2026 | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Loss after income tax | (2,211,659) | (660,624) | (3,117,041) | (2,258,623) | (6,936,129) |

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

| | 2026 | 2025 | 2024 | 2023 | 2022 |
|---|---|---|---|---|---|
| Share price at financial year end ($) | 0.063 | 0.001 | 0.002 | 0.002 | 0.006 |
| Total dividends declared (cents per share) | - | - | - | - | - |
| Basic loss per share (cents per share) | 4.83 | 2.00 | 0.09 | 0.11 | 0.69 |

## Unissued shares
Details of unissued Ordinary Shares, interests under options as at the date of this report are as follows:

| | Number of options on issue at 30 June 2026 | Exercise price | Expiry date |
|---|---|---|---|
| Director options: | | | |
| | 120,000 | $0.400 | 15 March 2028 |
| | 120,000 | $0.800 | 15 March 2028 |
| | 120,000 | $1.200 | 15 March 2028 |
| Vendor, broker & consultant options: | | | |
| | 850,516 | $0.400 | 15 March 2027 |
| | 1,250,000 | $0.100 | 27 November 2028 |
| Other options: | 60,000 | $0.400 | 15 March 2028 |
| | 60,000 | $0.800 | 15 March 2028 |
| | 60,000 | $1.200 | 15 March 2028 |
| Total | 2,640,516 | | |

## Dividends
The directors do not recommend a dividend be paid or declared by the Company for the year. No dividend has been paid by the Company since its incorporation on 7 April 2004.

## Significant changes in the state of affairs
There were no significant changes in the state of affairs of the Group during the financial year.

## Environmental regulation
The Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. The directors believe that the Group has adequate systems in place for the management of its environmental requirements and are not aware of any breach of those environmental requirements as they apply to the Group.

## Events subsequent to reporting date
On 16 July 2026, 180,000 options expiring at various dates with various exercise prices were lapsed.

On 24 August 2026, the Company announced that it had entered into a binding Share Sale Agreement to acquire 100% of the issued capital of Datasphere Analytics Pty Ltd, an Australian company holding an exclusive option and prospective licensing arrangement relating to processing-in-memory technology developed at the Technion – Israel Institute of Technology. As consideration for the acquisition, the Company has agreed to issue 22,000,000 fully paid ordinary shares, subject to shareholder approval and satisfaction of various condition precedents. The Company also announced a capital raising of approximately $3.3 million (before costs), comprising a two-tranche placement to raise $2.8 million and a Share Purchase Plan seeking to raise up to a further $0.5 million. New shares under the capital raising are proposed to be issued at $0.05 per share, together with one free attaching option for every three shares subscribed, subject to relevant shareholder approvals. Completion of the acquisition remains subject to a number of conditions, including completion of due diligence, successful completion of the capital raising, receipt of shareholder approval and other regulatory and third-party approvals. Completion is currently expected to occur on or around 29 September 2026.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

## Indemnification and insurance of officers
*Indemnification*
The Company has agreed to indemnify the directors of the Company against liability arising as a result of a director acting as a director or other officer of the Company. The indemnity includes a right to require the Company to maintain Directors' and Officers' Liability insurance that extends to former directors. The indemnity provided by the Company is an unlimited and continuing indemnity irrespective of whether a director ceases to hold any position in the Company.

*Insurance Premiums*
Since the end of the financial year, the Company has paid a premium for Directors' and Officers' Liability insurance for current and former directors and officers, including executive officers of the Company. The directors have not contributed to the payment of the policy premium.

The Directors' and Officers' Liability insurance policy covers the directors and officers of the Company against loss arising from any claims made against them during the period of insurance (including company reimbursement) by reason of any wrongful act committed or alleged to have been committed by them in their capacity as directors or officers of the Company and reported to the insurers during the policy period or if exercised, the extended reporting period.

## Risk management
The Group takes a proactive approach to risk management. The Board is responsible for ensuring that risks, and also opportunities, are identified on a timely basis and that the Group's objectives and activities are aligned with the risks and opportunities identified by the Board. The Group believes that it is crucial for all Board members to be a part of this process, and as such the Board has not established a separate risk management committee. Instead sub-committees are convened as appropriate in response to issues and risks identified by the Board as a whole, and each respective subcommittee further examines the issue and reports back to the Board.

The Board has a number of mechanisms in place to ensure that management's objectives and activities are aligned with the risks identified by the Board. These include the following:

- Implementation of Board approved strategic and operating plans and budgets and Board monitoring of progress against these plans, budgets, including the establishment and monitoring of KPIs of both a financial and non-financial nature.
- The establishment of committees to report on specific business risks.

The Audit Committee assists in discharging the Board's responsibility to manage the organisation's risks, and monitors Management's actions to ensure they are in line with Group policy.

## Rounding off
The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2026/183 issued by the Australian Securities and Investments Commission (ASIC), relating to the rounding off of amounts in the consolidated financial statements. Amounts in the consolidated financial statements have been rounded off in accordance with that legislative instrument to the nearest dollar, unless specifically stated to be otherwise.

## Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001
The lead auditor's independence declaration forms part of the Directors' Report for the year ended 30 June 2026 and is set out after the Directors' report.

## Non-audit services
The non-audit services provided by the auditors was nil for the year ended 30 June 2026 (2025: nil)

## Remuneration report (audited)

This report outlines the compensation arrangements in place for Non-Executive Directors (NEDs) and senior executives of the Group being the Key Management Personnel (KMP) of the Group – being those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any director and includes all the executives in the Group.

For the purposes of this report, the term "executive" includes the senior executives but does not include the NEDs or the secretary of the Company. All sections contained herein have been subject to audit as required by section 308(3C) of the Corporations Act. Remuneration is referred to as compensation in this report. Details of KMP including remunerated executives of the Group are set out in the Directors' and Executive Officers' compensation tables below. Unless otherwise indicated, the individuals were KMP for the entire financial year. There have been no changes to KMP after the reporting date and before the date of this report.

### Principles of compensation and strategy

The full Board assesses the appropriateness of the nature and amount of remuneration of NEDs and senior executives on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high performing director and executive team and aligning the interests of the executives with those of the shareholders.

TALi Digital Limited's remuneration strategy is designed to attract, motivate and retain employees and NEDs by identifying and rewarding high performers and recognising the contribution of each employee to the continued growth and success of the Group. To this end, key objectives of the Group's reward framework are to ensure that remuneration practices are aligned to the Group's business strategy, offer competitive remuneration benchmarked against the external market, provide strong linkage between individual and Group performance and rewards and align the interests of executives with shareholders.

Where relevant, the remuneration framework incorporates at risk components through Short-term Incentives (STI) and Long-term Incentives (LTI) arrangements tailored to the particular executive by reference to both financial and other metrics which generate value for shareholders. The Board also sets the aggregate fee pool for NEDs (which is subject to shareholder approval) and NED fee levels. In accordance with best practice corporate governance, the structure of NED and executive remuneration is separate and distinct.

The Board assumes full responsibility for compensation policies and packages applicable to directors and senior executives of the Group. The broad compensation policy is to ensure the compensation package appropriately reflects the person's duties and responsibilities, and that compensation levels are competitive in attracting, retaining and motivating people who possess the requisite level of skill and experience. Employees may receive at-risk incentive payments remunerated as cash and/or securities (performance rights or options) based on the achievement of specific goals related to the performance of the individual and the Group as a whole as determined by the directors. Incentives are provided to senior executives and employees for the achievement of individual and strategic objectives with the broader view of creating value for shareholders.

### Fixed compensation

Fixed compensation consists of a base salary package, which includes Fringe Benefits Tax calculated on any salary packaging arrangements and employer superannuation contributions. Fixed compensation levels for KMPs and senior members of staff are reviewed by the Board and comprising the Group's KMP, through a process that considers the employee's personal development, achievement of key performance objectives for the year, industry benchmarks wherever possible and CPI data. The Board's policy is to ensure that fixed remuneration is market competitive having regard to industry peers and companies of similar financial size. Given the Group's size it is not considered necessary to engage remuneration consultants for this purpose and accordingly the Group undertakes its own informal review, which it does on an ongoing basis.

Key Performance Indicators (KPIs) are individually tailored by the Board in advance for each employee each year, and reflect an assessment of how that employee can fulfil his or her particular responsibilities in a way that best contributes to Group performance and shareholder wealth in that year with close alignment to the role and responsibility within the organisation and in conjunction with the strategic objectives of the Group.

### Performance linked compensation

All employees are potentially eligible to receive at-risk incentive payments and/or securities (shares or options) based on the achievement of specific goals related to (i) performance against individual key performance indicators and/or (ii) the performance of the Group as a whole as determined by the Board based on a range of factors. These factors include traditional financial considerations such as operating performance, cash consumption and deals concluded and also industry specific factors. The purpose of these payments is to reward employees for their contribution to the Group.

Employment contracts for staff other than the KMPs do not generally provide for at-risk or short-term incentive compensation arrangements having regard to the above factors although the Board always retains the right to agree or otherwise provide payments on a discretionary basis in special circumstances or where individual performance merits a payment being made.

The Board is responsible for the determination of incentive compensation for employees and executives and for any decisions to award performance incentives. The Board at its sole discretion determines the total amount of performance-linked compensation payable as a percentage of the total annualised salaries for all employees employed as at the end of the financial year (with pro rata reductions to the annualised salary made for any employee not employed for the entire financial year).

The Directors have the discretion to recommend the offer of performance rights to acquire ordinary shares, options or the direct issue of shares to any member of staff in recognition of exemplary performance.

Such securities may be fully vested upon issue given that they are issued as a reward for past performance rather than as an LTI. Any issue of such securities proposed as incentive compensation requires approval by the Board and is subject to any limitations imposed by the Corporations Act and the ASX Listing Rules. As at the date of this report, no such securities have been issued.

At, or as soon as practicable after, the beginning of the financial year, individual and team performance for the previous year is assessed for every employee by their manager and new objectives set for the forthcoming year. These objectives include department and project specific objectives together with individual stretch objectives, challenging, realistic and personal development objectives tailored to the employee's role within the organisation. Measurement, management support, target dates and training course requirements are all set. Progress against the objectives is reviewed during the year and percentage achievement concluded at the end of the year, whereupon the cycle recommences. The outputs of this process form the basis of the assessment of the individual's personal incentive compensation.

The Board has discretion to reduce, cancel or clawback any unvested performance-based remuneration in the event of serious misconduct or a material misstatement in the Group's financial statements. All Performance Rights are also subject to an overriding condition that the financial performance of the Group, in the absolute discretion of the Board, has been satisfactory.

### Long Term Incentive (LTI)

From time to time Board approval may be sought for the issue of securities (performance rights or options) to staff and executives as a means of providing a medium to long term incentive for performance and loyalty. Any such performance rights are issued under the TALi Digital Performance Rights Plan.

An amount of $89,628 (2025: $31,136) has been recognised in the 2026 financial year by way of shared based payment expense. In order to give the incentive medium to long term impact, the options have an approximate three-year life and a vesting profile.

### Director compensation

The Constitution and the ASX Listing Rules specify that the aggregate compensation of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount approved by shareholders is then divided between the directors as agreed by the Board. An amount of $350,000 was approved at the Company's inaugural Annual General Meeting held on 4 October 2005. The Board does not intend to seek any increase for the Non-Executive Director (NED) maximum aggregate fee pool at the 2026 AGM.

The Board seeks to set NED fees at a level which provides the Group with the ability to attract and retain NEDs of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

The maximum aggregate fee pool and the fee structure is reviewed annually against fees paid to NEDs of comparable companies in similar industries.

Non-executive directors do not receive performance related compensation and the structure of non-executive director and senior management compensation is separate and distinct. Non-executive directors do not have contracts of employment but are required to evidence their understanding and compliance with the Board policies of TALi Digital Limited. These Board policies do not prescribe how compensation levels for non-executive directors are modified from year to year. Compensation levels are to be reviewed by the Board each year taking into account cost of living, changes to the scope of the roles of the directors, and any changes required to meet the principles of the overall Board policies.

Details of arrangements with Directors are found below:

| Position | Annual salary (inclusive of superannuation) |
|---|---|
| Non-Executive Chair | N/A |
| Non-Executive Directors | $52,500 |
| Executive Chair | $90,000 |

NEDs may be reimbursed for expenses reasonably incurred in attending to the Group's affairs. NEDs do not receive retirement benefits, nor do they participate in any incentive programs.

## Directors' and Executive Officers' compensation tables

Details of the nature and amount of each major element of the compensation of each director of the Group and each of the 2 named officers of the Group receiving the highest compensation for the period that the director or officer held that position during the current and prior financial years are disclosed in accordance with Accounting Standard AASB 124 Related Party Disclosures and with the Corporations Act 2001 in the following tables.

Details of the Group's policy in relation to the proportion of compensation that is performance related are provided earlier in this report. All non-executive directors are engaged under letters of appointment with no fixed term. Either the director or the Company may terminate the appointment by written notice with no minimum notice period. No termination payments are payable other than statutory entitlements and accrued directors' fees.

| 2026: | Base compensation (salary and fees) $ | Bonuses / incentives $ | Post Employment: Superannuation contributions $ | Share-based payments: Shares and options issued $ | Total compensation $ |
|---|---|---|---|---|---|
| **Directors** | | | | | |
| *Non-executive* | | | | | |
| Dr D Brookes | 56,141 | - | 6,737 | 2,726 | 65,604 |
| Mr W Hamilton[1] | 14,095 | - | - | - | 14,095 |
| Mr G Rolleston[2] | 1,953 | - | 234 | - | 2,187 |
| Mr M Simari[3] | 67,500 | - | - | 5,177 | 72,677 |
| Mr S Munday[4] | 50,313 | - | - | 2,726 | 53,039 |
| **Total non-executive compensation** | 190,002 | - | 6,971 | 10,629 | 207,602 |

[1] Appointed 24 March 2026
[2] Appointed 16 June 2026
[3] Resigned 24 March 2026
[4] Resigned 16 June 2026

| 2025: | Base compensation (salary and fees) $ | Bonuses / incentives $ | Post Employment: Superannuation contributions $ | Share-based payments: Shares and options issued $ | Total compensation $ |
|---|---|---|---|---|---|
| **Directors** | | | | | |
| *Non-executive* | | | | | |
| Mr M Simari | 90,000 | - | - | 15,568 | 105,568 |
| Mr S Munday | 52,500 | - | - | 7,784 | 60,284 |
| Dr D Brookes | 47,085 | - | 5,415 | 7,784 | 60,284 |
| | - | - | - | - | - |
| **Total non-executive compensation** | 189,585 | - | 5,415 | 31,136 | 226,136 |

## Grants, modifications and exercise of options and rights over equity instruments granted as compensation

During the year the following options to acquire ordinary shares were issued to Advisors approved by Shareholders at the Annual General Meeting (AGM) held on 11 November 2025.

| Number of options | Grant date | Expiry date | Exercise price | Grantee |
|---|---|---|---|---|
| 1,250,000 | 11/11/2025 | 11/11/2028 | $0.100 | FinCap |

On 25 May 2026, 360,000 options previously issued to the Executive Director were lapsed.

## Shares issued on exercise of options and performance rights

During the financial year the Company issued nil (2025: nil) ordinary shares upon the exercise of options or performance rights to Directors for total proceeds of nil (2025: nil). Since the end of the financial year up to the date of this report the Company has issued nil (2025: nil) shares upon exercise of options or performance rights to Directors for total proceeds of nil (2025: nil).

## Alteration to option terms

There have been no alterations to option terms and conditions to directors as at 30 June 2026 or since the end of the financial year up to the date of this report.

## Equity holdings and transactions

The movements during the reporting period and prior reporting period in the number of ordinary shares in TALi Digital Limited (formerly Novita Healthcare Limited) held, directly or indirectly or beneficially, by each specified director and specified executive, including their personally-related entities are shown in the following tables. For persons who commenced or ceased as a Director during a period, figures reported are for the period of appointment only.

## Number of shares held in TALi Digital Limited:

**2026:**

| | Holding of Ordinary Shares at 1 July 2025 Number | Acquired Number | Received on exercise of options/ performance shares Number | Balance on appointment Number | Net other change[5] Number | Balance on Resignation Number | Holding of Ordinary Shares at 30 June 2026 Number |
|---|---|---|---|---|---|---|---|
| **Directors** | | | | | | | |
| Dr D Brookes | 21,642,860 | 73,572 | - | - | (21,426,429) | - | 290,003 |
| Mr W Hamilton[1] | - | - | - | - | - | - | - |
| Mr G Rolleston[2] | - | - | - | 2,392,245 | - | - | 2,392,245 |
| Mr M Simari[3] | 85,227,274 | - | - | - | (84,842,587) | (384,687) | - |
| Mr S Munday[4] | 10,000,000 | 16,667 | - | - | (9,900,000) | (116,667) | - |
| **Total** | 116,870,134 | 90,239 | - | 2,392,245 | (116,169,016) | (501,354) | 2,682,248 |

[1] Appointed 24 March 2026
[2] Appointed 16 June 2026
[3] Resigned 24 March 2026
[4] Resigned 16 June 2026
[5] On 11 November 2025 at the Annual General Meeting, the shareholders approved a 100:1 share consolidation

**2025:**

| | Holding of Ordinary Shares at 1 July 2024 Number | Granted as compensation Number | Received on exercise of options/ performance shares Number | Balance on appointment Number | Net other change Number | Balance on Resignation Number | Holding of Ordinary Shares at 30 June 2025 Number |
|---|---|---|---|---|---|---|---|
| **Directors** | | | | | | | |
| Mr M Simari | 85,227,274 | - | - | - | - | - | 85,227,274 |
| Mr S Munday | 10,000,000 | - | - | - | - | - | 10,000,000 |
| Dr D Brookes | 21,642,860 | - | - | - | - | - | 21,642,860 |
| **Total** | 116,870,134 | - | - | - | - | - | 116,870,134 |

## Number of options held in TALi Digital Limited:

**2026:**

| | Balance at 1 July 2025 Number | Balance on appointment Number | Granted as compensation Number | Net other change[5] Number | Balance on Resignation Number | Balance at 30 June 2026 Number |
|---|---|---|---|---|---|---|
| **Directors** | | | | | | |
| Dr D Brookes | 18,000,000 | - | - | (17,820,000) | - | 180,000 |
| Mr W Hamilton[1] | - | - | - | - | - | - |
| Mr G Rolleston[2] | - | - | - | - | - | - |
| Mr M Simari[3] | 36,000,000 | - | - | (35,640,000) | (360,000) | - |
| Mr S Munday[4] | 18,000,000 | - | - | (17,820,000) | (180,000) | - |
| **Total** | 72,000,000 | - | - | (71,280,000) | (540,000) | 180,000 |

[1] Appointed 24 March 2026
[2] Appointed 16 June 2026
[3] Resigned 24 March 2026
[4] Resigned 16 June 2026
[5] On 11 November 2025 at the Annual General Meeting, the shareholders approved a 100:1 equity consolidation

**2025:**

| | Balance at 1 July 2024 Number | Balance on appointment Number | Granted as compensation Number | Net other change Number | Balance on Resignation Number | Balance at 30 June 2025 Number |
|---|---|---|---|---|---|---|
| **Directors** | | | | | | |
| Mr M Simari | 36,000,000 | - | - | - | - | 36,000,000 |
| Mr S Munday | 18,000,000 | - | - | - | - | 18,000,000 |
| Dr D Brookes | 18,000,000 | - | - | - | - | 18,000,000 |
| **Total** | 72,000,000 | - | - | - | - | 72,000,000 |

### Consequences of performance on shareholder wealth

In considering the Group's performance and how best to generate shareholder value, the Board has regard to a broad range of factors, some of which are financial and others of which relate to the technical and commercial progress on the Group's projects and, where applicable, relationship building with health clinics and institutions and internal innovation etc. The Board has some but not absolute regard to the Group's result and cash consumption for the year. It does not utilise earnings per share as a performance measure and does not contemplate consideration of any dividends in the short to medium term given that all efforts are currently being devoted to obtaining value for the Group's assets and where possible building the business and partnerships to establish self-sustaining revenue streams and total shareholder value. The Group is of the view that any short term, adverse movements in the Company's share price should not necessarily be taken into account in assessing the performance of KMP's.

This concludes the remuneration report, which has been audited.

This report is made with a resolution of the directors.

David Brookes
Chair

26 August 2026

RSM Australia Partners

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# AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of TALi Digital Limited and its controlled entities for the year ended 30 June 2026, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

RSM

**RSM AUSTRALIA PARTNERS**

A L Whittingham

**A L WHITTINGHAM**
Partner

Dated: 26 August 2026
Melbourne, Victoria

## TALi Digital Limited
## Consolidated statement of profit or loss and other comprehensive income
## For the year ended 30 June 2026

| | Note | 2026<br>$ | 2025<br>$ |
|---|---|---|---|
| **Revenue** | | | |
| Revenue | 4 | 274,898 | 1,186 |
| Cost of sales | | (46,738) | - |
| Gross profit | | 228,160 | 1,186 |
| | | | |
| **Non-operating income / loss** | | | |
| Other income | 5 | (428) | (338) |
| Interest income | | 12,274 | 54,743 |
| | | 11,846 | 54,405 |
| | | | |
| **Expenses** | | | |
| Employee benefits and personnel expenses | | (452,465) | (197,268) |
| Share based payments | 16 | (89,628) | (31,136) |
| Depreciation and amortisation | | (156,802) | (5,155) |
| Net impairment of assets and liabilities | 12 | (1,335,237) | - |
| Professional and consulting | | (346,317) | (329,723) |
| Insurances | | (84,483) | (101,215) |
| Corporate administration | | (69,507) | (40,260) |
| Intellectual property | | (945) | 643 |
| Advertising and promotion | | (16,686) | - |
| Other expenses | | (113,663) | (13,517) |
| Total expenses | | (2,665,733) | (717,631) |
| | | | |
| **Loss before income tax benefit** | | (2,425,727) | (662,040) |
| | | | |
| Income tax benefit | 6 | 214,068 | 1,416 |
| | | | |
| **Loss after income tax benefit for the year attributable to the owners of TALi Digital Limited** | | (2,211,659) | (660,624) |
| | | | |
| Other comprehensive loss for the year, net of tax | | - | - |
| | | | |
| **Total comprehensive loss for the year attributable to the owners of TALi Digital Limited** | | (2,211,659) | (660,624) |
| | | | |
| | | **Cents** | **Cents** |
| | | | |
| Basic loss per share | 7 | (4.83) | (2.00) |
| Diluted loss per share | 7 | (4.83) | (2.00) |

## TALi Digital Limited
## Consolidated statement of financial position
## As at 30 June 2026

| | Note | 2026 $ | 2025 $ |
|---|---|---|---|
| **Assets** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 8 | 973,791 | 1,291,599 |
| Trade and other receivables | 9 | 44,869 | 28,943 |
| Inventories | 10 | 38,375 | 51,713 |
| Investments | 11 | 4,028 | 4,455 |
| Other current assets | | 20,234 | - |
| Total current assets | | 1,081,297 | 1,376,710 |
| **Non-current assets** | | | |
| Intangible assets | 12 | - | 1,492,039 |
| Total non-current assets | | - | 1,492,039 |
| **Total assets** | | 1,081,297 | 2,868,749 |
| **Liabilities** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 13 | 246,435 | 269,937 |
| Deferred income | 14 | 189,499 | 3,532 |
| Total current liabilities | | 435,934 | 273,469 |
| **Non-current liabilities** | | | |
| Trade and other payables | 13 | - | 113,424 |
| Deferred tax | 25 | - | 214,068 |
| Total non-current liabilities | | - | 327,492 |
| **Total liabilities** | | 435,934 | 600,961 |
| **Net assets** | | 645,363 | 2,267,788 |
| **Equity** | | | |
| Issued capital | 15 | 216,081,773 | 215,582,167 |
| Reserves | 16 | 340,926 | 564,692 |
| Accumulated losses | | (215,777,336) | (213,879,071) |
| **Total equity** | | 645,363 | 2,267,788 |



*The above consolidated statement of financial position should be read in conjunction with the accompanying notes*

| | Issued capital $ | Share based payments reserve $ | Accumulated losses $ | Total equity $ |
|---|---|---|---|---|
| Balance at 1 July 2024 | 214,835,167 | 533,556 | (213,218,447) | 2,150,276 |
| Loss after income tax benefit for the year | - | - | (660,624) | (660,624) |
| Other comprehensive loss for the year, net of tax | - | - | - | - |
| Total comprehensive loss for the year | - | - | (660,624) | (660,624) |
| Issue of ordinary shares | 800,000 | - | - | 800,000 |
| Transaction costs relating to issue of ordinary shares | (53,000) | - | - | (53,000) |
| Share-based payment transactions to directors | - | 31,136 | - | 31,136 |
| Balance at 30 June 2025 | 215,582,167 | 564,692 | (213,879,071) | 2,267,788 |

| | Issued capital $ | Share based payments reserve $ | Accumulated losses $ | Total equity $ |
|---|---|---|---|---|
| Balance at 1 July 2025 | 215,582,167 | 564,692 | (213,879,071) | 2,267,788 |
| Loss after income tax benefit for the year | - | - | (2,211,659) | (2,211,659) |
| Other comprehensive loss for the year, net of tax | - | - | - | - |
| Total comprehensive loss for the year | - | - | (2,211,659) | (2,211,659) |
| Issue of ordinary shares | 577,525 | - | - | 577,525 |
| Transaction costs relating to issue of ordinary shares | (77,919) | - | - | (77,919) |
| Share-based payments | - | 89,628 | - | 89,628 |
| Reversal of share-based payment transactions to employees from prior periods | - | (313,394) | 313,394 | - |
| Balance at 30 June 2026 | 216,081,773 | 340,926 | (215,777,336) | 645,363 |

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes*

| | Note | 2026 $ | 2025 $ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Receipts from customers from continuing operations | | 437,556 | - |
| Payments to suppliers and employees | | (1,187,151) | (548,929) |
| Interest received | | 12,274 | 76,123 |
| Net cash used in operating activities | 17 | (737,321) | (472,806) |
| **Cash flows from investing activities** | | | |
| Payment for purchase of business | 26 | (80,000) | (1,140,000) |
| Proceeds from disposal of investments | | - | 35,000 |
| Net cash used in investing activities | | (80,000) | (1,105,000) |
| **Cash flows from financing activities** | | | |
| Proceeds from issue of shares | 15 | 577,525 | 800,000 |
| Share issue costs | 15 | (77,919) | (53,000) |
| Net cash from financing activities | | 499,606 | 747,000 |
| Net decrease in cash and cash equivalents | | (317,715) | (830,806) |
| Cash and cash equivalents at the beginning of the financial year | | 1,291,599 | 2,122,383 |
| Effects of exchange rate changes on cash and cash equivalents | | (93) | 22 |
| Cash and cash equivalents at the end of the financial year | 8 | 973,791 | 1,291,599 |

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes*

## 1. Reporting entity

TALi Digital Limited (the “Company”) is a company domiciled in Australia. The consolidated financial statements of the Company as at 2026 comprise the Company and its subsidiary entities (together referred to as the “Group” and individually as “Group entities”). The Group primarily is involved in the commercialisation of medical technology projects. The Company is a public company listed on the ASX, incorporated and domiciled in Australia, and with a registered office and principal place of business located at Suite 1.01, 117 Camberwell Road, Hawthorn East VIC 3123. Except as disclosed elsewhere in this Report, there have been no significant changes in the nature of these activities during the year.

## 2. Basis of preparation

### (a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with the International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board.

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2026/183 issued by the Australian Securities and Investments Commission (ASIC), relating to the rounding off of amounts in the consolidated financial statements. Amounts in the consolidated financial statements have been rounded off in accordance with that legislative instrument to the nearest dollar, unless specifically stated to be otherwise.

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

*Historical cost convention*

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

*Critical accounting estimates*

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below.

**Parent entity information**

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 24.

**Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2026 and the results of all subsidiaries for the year then ended. TALi Digital Limited and its subsidiaries together are referred to in these financial statements as the 'Group entities'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

## 2. Basis of preparation (continued)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

**(b) Going concern**
The 30 June 2026 consolidated financial report has been prepared on the going concern basis that contemplates the continuity of normal business activities and the realisation of assets and extinguishment of liabilities in the ordinary course of business.

For the year ended 30 June 2026, the Group incurred a net loss of $2,211,659 (2025: $660,624), and recorded net cash outflows from operating activities of $737,321 (2025: $472,806).

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- the consolidated entity held cash and cash equivalents of $973,791 as at 30 June 2026;
- cash flow forecasts prepared by management indicate that the consolidated entity is expected to have sufficient funds to meet its operational requirements for at least 12 months from the date of this report;

- as disclosed in Note 29, on 24 August 2026 the Company announced a proposed capital raising of up to approximately $3.3 million (before costs). Whilst $350,000 of the raising has been supported by firm commitments, completion of the capital raising remains subject to shareholder approval and other condition precedents as required by the agreement. The proceeds are intended to be used to support the Group's ongoing working capital requirements, including those associated with the contemplated acquisition;
- the consolidated entity has demonstrated an ability to access equity capital markets in the past and, if required, has the capacity to raise additional funds pursuant to its available placement capacity under ASX Listing Rules 7.1 and 7.1A; and
- management continues to focus on growing revenues from the YCDI! business and other strategic initiatives.

**(c) Use of estimates and judgements**
The preparation of consolidated financial statements conforms with Australian Accounting Standards which requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period or in the period of the revision and future periods if the revision affects both current and future periods.

The key estimates and judgments made in preparing the financial statements are:
• Assessing the carrying amount and estimated useful life of identifiable intangible assets (refer to note 12); and
• Assessing the carrying amount of investments (refer to note 11).

## 3. Material accounting policy information

**New or amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Boards ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not mandatory have not yet been adopted.

The adoption of AASB 18 from January 2027 is expected to significantly impact the presentation and disclosure of the Group's financial statements, particularly the statement of profit or loss, through mandatory categorisation of income and expenses, enhanced disclosure of management-defined performance measures, and revised subtotals aimed at improving transparency and comparability.

The following Accounting Standards and Interpretations are most relevant to the Group:

## 3. Material accounting policy information (continued)

### *(a) Revenue and other income*

The Group recognises revenue as follows:

*Revenue from contracts with customers*
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

*Subscription revenue*
Revenue from annual digital subscriptions is recognised over time on a straight-line basis over the subscription term, as customers simultaneously receive and consume the benefits of ongoing access to the Company's digital content and learning resources.

*Sale of goods*
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

*Rendering of services*
Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

*Interest*
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

*Other revenue*
Other revenue is recognised when it is received or when the right to receive payment is established.

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it’s carrying value is written off.

*Financial assets at fair value through profit or loss*
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

## 3. Material accounting policy information (continued)

*Financial assets at fair value through other comprehensive income*
Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

For financial assets measured at fair value through other comprehensive income, the loss is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit and loss.

Cash and cash equivalents comprise cash balances and call or term deposits. Accounting for finance income and costs are discussed in (c).

### (b) Financial Instruments

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it’s carrying value is written off.

*Financial assets at fair value through profit or loss*
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

*Financial assets at fair value through other comprehensive income*
Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

*Impairment of financial assets*
The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

### (c) Finance income and costs

Finance income comprises interest income on funds invested, dividend income, and changes in the fair value of financial assets at fair value through profit or loss, gains on hedging instruments that are recognised in profit or loss and reclassifications of amounts previously recognised in other comprehensive income. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

## 3. Material accounting policy information (continued)

Finance costs comprise interest expense on borrowings, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, and losses on hedging instruments that are recognised in profit or loss and reclassifications of amounts previously recognised in other comprehensive income.

### (d) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST excluded. The net amount of GST recoverable from, or payable to, the Australian Taxation Office (ATO) is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

### (e) Foreign currency

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Australian dollars at the foreign exchange rate at that date. Foreign exchange differences arising on translation are recognised in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are retranslated to Australian dollars using the foreign exchange rate at the date of the transaction. Nonmonetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to Australian dollars at the exchange rate at the date that the fair value was determined.

### (f) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### (g) Intangible assets

Intangible assets acquired by the Group which satisfy the asset recognition criteria set out in AASB 138 Intangible Assets, are measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets which are considered to have a finite life are amortised over their estimated useful life. In respect of acquired licences / marketing rights, amortisation commences upon the asset becoming available for use, based on commercialisation of the licensed or marketed product. The estimated useful life of acquired intellectual property is 5-20 years (2025: 5-20 years).

## 3. Material accounting policy information (continued)

*Research and development*
Research costs are expensed in the period in which they are incurred; development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit being their finite life. Management assessed the finite life in 2021 to be 14.5 years (previously 7 years) in line with the Group's major patent expiry dates.

*Goodwill*
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

*Customer contracts*
Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

*Software*
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

### (h) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with an original maturity of three months or less.

### (i) Impairment

A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

The carrying amounts of the Group's assets are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated.

An impairment loss in respect of an asset measured at amortised cost is calculated as the difference between the carrying amount and the present value of the estimated future cash flows discounted at the effective original interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Aside from impairment of goodwill, an impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

The carrying amounts for non-financial assets are reviewed each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated and an impairment loss recognised in profit or loss if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is determined as the greater of its value in use and its fair value less costs to sell. Value in use is assessed using discounted cash flow analysis. When determining fair value less costs to sell, the Group takes into account information from recent market transactions and other available market-based information.

### (j) Segment reporting

A segment is a distinguishable component of a Group engaged in providing products or services within a particular business sector or geographical environment. The Group determines and presents operating segments based on information that internally is provided to and used by the Executive Director, who is the Group's chief operating decision maker.

## 3. Material accounting policy information (continued)

### (k) Earnings per share

The Group presents basic and diluted earnings per share for its ordinary shares. Basic earnings per share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding for the period. Diluted EPS is calculated by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, including share options granted to employees and to third parties.

### (l) Share capital

Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any associated tax benefit.

### (m) Foreign currency Translation

The financial statements are presented in Australian Dollars, which is TALi Digital Limited's functional and presentation currency.

### (n) Borrowings

All loans and borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the year of the loans and borrowings using the effective interest method.

Borrowings are derecognised from the statement of financial position when the obligation specified in the contract has been discharged, cancelled or expires. The difference between the carrying amount of the borrowing derecognised and the consideration paid is recognised in profit or loss as other income or finance costs.

All borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

### (o) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

### (p) Inventories

Raw materials, work in progress and finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

## 3. Material accounting policy information (continued)

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### (q) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

*Share-based payment transactions*
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black- Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to note 16 for further information.

*Revenue from contracts with customers*
When recognising subscription revenue in relation to the provision of subscriptions to customers, the key performance obligation of the consolidated entity is considered to be the stand-ready obligation to provide continuous access to digital materials over the subscription period to the customer, as this is deemed to be the time that the customer obtains the benefits of unimpeded access.

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

*Impairment of goodwill*
The impairment of goodwill requires a degree of estimation and judgement. The level of impairment is assessed by taking into account internal and external impairment indicators which informs the assessment of the recoverable amount.

*Business combinations*
Business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

### (r) Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued, or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

## 3. Material accounting policy information (continued)

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

*Customer contracts*
Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

*Software*
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

## 4. Revenue

| | 2026 $ | 2025 $ |
|---|---|---|
| Service revenue recognised over time[1] | 194,094 | - |
| Sale of goods transferred at a point in time[2] | 38,986 | 1,186 |
| Royalties | 41,818 | - |
| | 274,898 | 1,186 |

[1] Revenue from annual digital subscriptions is deferred to the balance sheet and released over the annual period where access to the resource is provided.
[2] Sale of goods refers to the sale of YCDI non-digital materials.

*Disaggregation of revenue*
The disaggregation of revenue from contracts with customers is as follows:

| 2026 | Service revenue recognised over time | Sales of goods transferred at a point in time | Royalties | Total |
|---|---|---|---|---|
| *Geographical regions* | | | | |
| Australia | 172,454 | 20,167 | 37,181 | 229,802 |
| New Zealand | 17,398 | 160 | - | 17,558 |
| Europe | - | 16,604 | 4,637 | 21,241 |
| Rest of the World | 4,242 | 2,055 | - | 6,297 |
| | 194,094 | 38,986 | 41,818 | 274,898 |

## 5. Other income

| | 2026 $ | 2025 $ |
|---|---|---|
| Other income | (428) | (338) |

## 6. Income tax benefit

| | 2026 $ | 2025 $ |
|---|---|---|
| **Numerical reconciliation between tax expense and pre-tax net loss:** | | |
| Loss before tax – continuing operations | (2,425,727) | (662,040) |

| | 2026 $ | 2025 $ |
|---|---|---|
| **Numerical reconciliation between tax expense and pre-tax net loss:** | | |
| Loss before income tax benefit | (2,425,727) | (662,040) |
| Tax at the statutory tax rate of 25% (2025: 30%) | (606,432) | (198,612) |
| Change in unrecognised temporary differences | 1,671 | 2,270 |
| Add: Non-deductible expenses | 227,882 | 15,850 |
| Add: Use of tax losses not recognised | 198,282 | 231,416 |
| Less: Items deductible for tax purposes | (35,471) | (52,340) |
| Income tax benefit | (214,068) | (1,416) |

The deductible temporary differences and any tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available from which the Group can utilise the benefits. There was no deferred tax recognised directly in equity. As at 30 June 2026 the Group has unused tax losses of approximately $168 million (2025: $167 million).

The deferred tax liability of $214,068 in 2025 is related to the deferred tax liability on customer relationships and software acquired as part of the YCDI acquisition. The full deferred tax liability balance was reversed in 2026 as a result of the full impairment of the YCDI CGU, resulting in the intangible assets being held at $nil.

The final income tax benefit is related to the deferred tax liability reversal which resulted from the impairment of the YCDI CGU. Refer to Note 25 for more information.

## 7. Loss per share

| | 2026 $ | 2025 $ |
|---|---|---|
| Loss after income tax attributable to the owners of TALi Digital Limited | (2,211,659) | (660,624) |

| | Number | Number |
|---|---|---|
| Weighted average number of ordinary shares used in calculating basic loss per share | 45,780,532 | 33,102,374 |
| Weighted average number of ordinary shares used in calculating diluted loss per share | 45,780,532 | 33,102,374 |

| | Cents | Cents |
|---|---|---|
| Basic loss per share | (4.83) | (2.00) |
| Diluted loss per share | (4.83) | (2.00) |

## 7. Loss per share (continued)

1,210,516 options could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share because they are antidilutive for the period(s) presented.

The comparative figures shown has been updated for the 100:1 equity consolidation approved on 11 November 2025 at the Annual General Meeting.

## 8. Cash and cash equivalents

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| *Current assets* | | |
| Cash at bank | 973,791 | 1,291,599 |

## 9. Trade and other receivables

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| *Current assets* | | |
| Trade and other receivables | 52,679 | 28,943 |
| Less: Allowance for expected credit losses | (7,810) | - |
| | 44,869 | 28,943 |

*Allowance for expected credit losses*
The Group has recognised a loss of $7,810 (2025: nil) in profit and loss in respect of the expected credit losses for the year ended 30 June 2026.

## 10. Inventories

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| *Current assets* | | |
| YCDI Inventories | 38,375 | 51,713 |

## 11. Investments

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| *Current assets* | | |
| Financial assets classified at fair value through the profit & loss | 4,028 | 4,455 |

*Reconciliation*
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:

| | | |
|---|---|---|
| Opening fair value | 4,455 | 4,793 |
| Revaluation increments/(decrements) | (427) | (338) |
| Closing fair value | 4,028 | 4,455 |

## 11. Investments (continued)

Investments in equity instruments are categorised as Level 1 within the fair value hierarchy and are valued using market observable rates, being quoted ASX stock prices.

## 12. Intangible assets

| | 2026 $ | 2025 $ |
|---|---|---|
| *Non-current assets* | | |
| Goodwill - at cost | 635,260 | 635,260 |
| Less: Impairment | (635,260) | - |
| | - | 635,260 |
| Development - at cost | 4,823,002 | 4,823,002 |
| Less: Accumulated amortisation | (1,179,331) | (1,179,331) |
| Less: Impairment | (3,643,671) | (3,643,671) |
| | - | - |
| Intellectual property - at cost | 1,149,074 | 1,149,074 |
| Less: Accumulated amortisation | (796,389) | (796,389) |
| Less: Impairment | (352,685) | (352,685) |
| | - | - |
| Acquired licences - at cost | 375,000 | 375,000 |
| Less: Accumulated amortisation | (185,868) | (185,868) |
| Less: Impairment | (189,132) | (189,132) |
| | - | - |
| Customer relationships - at cost | 706,090 | 706,090 |
| Less: Accumulated amortisation | (145,860) | (4,643) |
| Less: Impairment | (560,230) | - |
| | - | 701,447 |
| Software - at cost | 155,844 | 155,844 |
| Less: Accumulated amortisation | (16,097) | (512) |
| Less: Impairment | (139,747) | - |
| | - | 155,332 |
| | - | 1,492,039 |

## 12. Intangible assets (continued)

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

| 2026 | Goodwill $ | Customer relationships $ | Internally developed software $ | Total |
|---|---|---|---|---|
| Carrying amount | | | | |
| Carrying amount at the beginning of period | 635,260 | 701,447 | 155,332 | 1,492,039 |
| Amortisation and impairment | | | | |
| Amortisation | - | (141,217) | (15,585) | (156,802) |
| Impairment of assets | (635,260) | (560,230) | (139,747) | (1,335,237) |
| | (635,260) | (701,447) | (155,332) | (1,492,039) |
| Carrying amount at end of period | - | - | - | - |

| 2025 | Goodwill $ | Customer relationships $ | Internally developed software $ | Total $ |
|---|---|---|---|---|
| Carrying amount | | | | |
| Acquisition | 635,260 | 706,090 | 155,844 | 1,497,194 |
| Amortisation and impairment | | | | |
| Amortisation | - | (4,643) | (512) | (5,155) |
| Carrying amount at end of period | 635,260 | 701,447 | 155,332 | 1,492,039 |

On 18 June 2025, YCDI Education Australia Pty Ltd, a wholly owned subsidiary of TALi Digital Ltd, acquired the business and assets of The Bernard Group Pty Ltd (see note 26).

During the year ended 30 June 2026, the Company fully impaired all intangible assets relating to the YCDI acquisition.

*Impairment testing*
Goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised and is tested for impairment annually, or more frequently where indicators of impairment exist.

For the purposes of impairment testing, goodwill and the related acquired intangible assets have been allocated to the YCDI cash-generating unit ('CGU'), being the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

During the year ended 30 June 2026, management performed an impairment assessment of the YCDI CGU following a reassessment of forecast cash flows and the future economic benefits expected to be generated from the acquired business. The recoverable amount of the YCDI CGU was determined using a value-in-use methodology based on discounted cash flow projections approved by management. The carrying amount of the YCDI CGU immediately prior to the impairment assessment was $1,100,954. Based on the value-in-use assessment performed, the recoverable amount of the CGU was determined to be lower than its carrying amount. Accordingly, an impairment loss of $1,335,237 was recognised during the year ended 30 June 2026.

The impairment loss was allocated as follows:
- Goodwill: $635,260
- Customer relationships: $560,230
- Software: $139,747

## 12. Intangible assets (continued)

Total impairment loss recognised: $1,335,237.

The value-in-use calculation was based on a one-year cash flow forecast approved by management and extrapolated over a further four-year period using estimated growth rates and a terminal value.

Key assumptions used in the value-in-use model were as follows:
- Revenue growth rate: 15.0%
- Pre-tax discount rate: 15.6%
- Terminal growth rate: 1.0%

Management believes that these assumptions represent its best estimate of the future performance of the YCDI CGU based on currently available information and prevailing market conditions.

## 13. Trade and other payables

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| *Current liabilities* | | |
| Trade payables | 56,979 | 122,678 |
| Accruals and other payables | 69,456 | 67,259 |
| Consideration payable (YCDI acquisition) | 120,000 | 80,000 |
| | 246,435 | 269,937 |
| *Non-current liabilities* | | |
| Consideration payable (YCDI acquisition) | - | 113,424 |
| | 246,435 | 383,361 |

The Group's exposure to currency and liquidity risk related to trade creditors and accruals is disclosed in note 18.

## 14. Deferred income

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| *Current liabilities* | | |
| Deferred income | 189,499 | 3,532 |

*Reconciliation*
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| Opening balance | 3,532 | - |
| Current year additions | 380,061 | 3,532 |
| Release of deferred revenues to revenue (note 4) | (194,094) | - |
| Closing balance | 189,499 | 3,532 |

## 15. Issued capital

**Terms and conditions of ordinary shares**

## 15. Issued capital (continued)

Holders of ordinary shares are entitled to one vote per share at shareholders' meetings and to receive any dividends as may be declared. In the event of winding up of the Company, ordinary shareholders rank after all creditors and are fully entitled to any proceeds of liquidation. Ordinary shares have no par value.

| | 2026 Shares | 2025 Shares | 2026 $ | 2025 $ |
|---|---|---|---|---|
| Ordinary shares - fully paid | 46,727,478 | 4,095,155,625 | 216,081,773 | 215,582,167 |

**Movements in issued capital during the year were as follows:**

| | 2026 Number | 2025 Number | 2026 $ | 2025 $ |
|---|---|---|---|---|
| Balance at the beginning of the financial year | 4,095,155,625 | 3,295,155,625 | 215,582,167 | 214,835,167 |
| Issue of shares through rights issue and placements | 577,525,940 | 800,000,000 | 577,525 | 800,000 |
| Transaction costs relating to rights issue and placements[1] | - | - | (77,919) | (53,000) |
| Equity consolidation[2] | (4,625,954,087) | - | - | - |
| Issued capital at the end of the financial year | 46,727,478 | 4,095,155,625 | 216,081,773 | 215,582,167 |

[1] Directly attributable costs incurred in raising capital are presented as a reduction in equity.
[2] On 11 November 2025 at the Annual General Meeting, the shareholders approved a 100:1 share consolidation.

## 16. Share-based payments

A performance right and share option plan has been established by the Group and approved by shareholders at the 2017 Annual General Meeting, whereby the consolidated entity may, at the discretion of the Board, issue performance rights and grant options over ordinary shares in the Company to certain key management personnel of the consolidated entity. The performance rights and/or options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

Set out below are summaries of Performance Rights and options granted under the plan:

**2026**

| Grant date | Expiry date | Exercise price[7] | Balance at the start of the year | Granted during the year | Forfeited during the year | Equity consolidation[7] | Balance at the end of the year |
|---|---|---|---|---|---|---|---|
| 24/11/2020 | 24/11/2025 | $3.000 | 5,000,000 | - | (50,000) | (4,950,000) | - |
| 15/03/2023[1] | 15/03/2027 | $0.400 | 85,051,506 | - | - | (84,200,990) | 850,516 |
| 15/03/2023[2] | 15/03/2028 | $0.400 | 30,000,000 | - | (120,000) | (29,700,000) | 180,000 |
| 15/03/2023[3] | 15/03/2028 | $0.800 | 30,000,000 | - | (120,000) | (29,700,000) | 180,000 |
| 15/03/2023[4] | 15/03/2028 | $1.200 | 30,000,000 | - | (120,000) | (29,700,000) | 180,000 |
| 04/08/2022[5] | 03/08/2025 | $0.030 | 15,000,000 | - | (15,000,000) | - | - |
| 27/11/2025[6] | 27/11/2028 | $0.100 | - | 1,250,000 | - | - | 1,250,000 |
| | | | 195,051,506 | 1,250,000 | (15,410,000) | (178,250,990) | 2,640,516 |
| Weighted average exercise price | | $0.85 | $0.62 | $0.10 | $0.06 | $0.67 | $0.34 |

## 16. Share-based payments (continued)

[1] Options issued to Broker in relation to capital raise in March 2023, vested upon issue.
[2] Options issued to Directors with vesting date of 15 March 2024.
[3] Options issued to Directors with vesting date of 15 March 2025.
[4] Options issued to Directors with vesting date of 15 March 2026.
[5,6] Options issued to Advisors, vested upon issue.
[7] On 11 November 2025 at the Annual General Meeting, the shareholders approved a 100:1 share consolidation.

**2025**

| Grant date | Expiry date | Exercise price | Balance at the start of the year | Granted during the year | Forfeited during the year | Balance at the end of the year |
|---|---|---|---|---|---|---|
| 24/11/2020 | 24/11/2025 | $0.030 | 5,000,000 | - | - | 5,000,000 |
| 15/03/2023[1] | 15/03/2027 | $0.004 | 85,051,506 | - | - | 85,051,506 |
| 15/03/2023[2] | 15/03/2028 | $0.004 | 30,000,000 | - | - | 30,000,000 |
| 15/03/2023[3] | 15/03/2028 | $0.008 | 30,000,000 | - | - | 30,000,000 |
| 15/03/2023[4] | 15/03/2028 | $0.012 | 30,000,000 | - | - | 30,000,000 |
| 04/08/2022[5] | 03/08/2025 | $0.030 | 15,000,000 | - | - | 15,000,000 |
| | | | 195,051,506 | - | - | 195,051,506 |
| Weighted average exercise price | | $0.01 | $0.01 | $0.00 | $0.00 | $0.01 |

[1] Options issued to Broker in relation to capital raise in March 2023, vested upon issue.
[2] Options issued to Directors with vesting date of 15 March 2024.
[3] Options issued to Directors with vesting date of 15 March 2025.
[4] Options issued to Directors with vesting date of 15 March 2026.
[5] Options issued to Advisors, vested upon issue.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 1.72 years (2025: 2.01 years).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

| Grant date | Expiry date | Share price at grant date | Exercise price | Expected volatility | Risk-free interest rate | Fair value at grant date |
|---|---|---|---|---|---|---|
| 11/11/2025 | 11/11/2028 | $0.100 | $0.10 | 99.51% | 3.60% | $0.063 |

### TALi Digital Long-Term Incentive Plan

The purpose of the TALi Digital Long-Term Incentive Plan (LTIP) is to provide long term rewards that are linked to shareholder returns. Under the LTIP, selected executives may be offered several performance rights (Right) and share options. Each Right provides the entitlement to acquire one TALi share at nil cost to the satisfaction of performance hurdles.

The fair value of performance rights granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured by an independent third party at grant date and recognised over the three-year vesting period during which the employees become unconditionally entitled to the performance rights.

### Share-based payment reserve

| | 2026 $ | 2025 $ |
|---|---|---|
| Share-based payments reserve | 340,926 | 564,692 |

## 16. Share-based payments (continued)

*Share-based payments reserve*
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| Opening balance | 564,692 | 533,556 |
| Share-based payment transactions | 89,628 | 31,136 |
| Reversal of share-based payment transactions to employees from prior periods | (313,394) | - |
| Closing balance | 340,926 | 564,692 |

## 17. Notes to the statement of cash flows

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| Loss after income tax | (2,211,659) | (660,624) |
| Add: depreciation, amortisation and loss on disposal of plant and equipment and intangibles | 156,802 | 5,155 |
| Share based payment expense | 89,628 | 31,136 |
| Net investment gain on revaluation and unrealised foreign exchange gain | 428 | 338 |
| Net impairment | 1,335,237 | - |
| Movement in deferred taxes | (214,068) | (1,416) |
| Revenue not yet received | - | (1,186) |
| Total non-cash & non-operating items | 1,368,027 | 34,027 |
| (Increase)/decrease in receivables | (15,926) | 35,598 |
| (Increase)/decrease in inventories | 13,338 | (25,460) |
| (Increase)/decrease in other assets | (20,234) | 165 |
| (Decrease)/increase in deferred income | 185,967 | 3,532 |
| (Decrease)/increase in payables | (56,834) | 139,956 |
| Change in operating assets and other receivables | 106,311 | 153,791 |
| Net cash used in operating activities | (737,321) | (472,806) |

There have been no non-cash investing transactions during the 2026 financial year (2025: nil) which have had a material effect on assets and liabilities of the Group.

There have been no non-cash financing transactions during the 2026 financial year ( 2025: nil) which have had a material effect on assets and liabilities of the Group.

## 18. Financial instruments disclosure and financial risk management

The Group has exposure to market, credit and liquidity risks from the use of financial instruments. This note presents information about the Group's exposure to each of these risks, its objectives, policies and processes for measuring and managing risk. The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

## 18. Financial instruments disclosure and financial risk management (continued)

Risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. The Group has adopted a Strategic Risk Management Framework through which it manages risks and aims to develop a disciplined and constructive control environment and action plans for risks that cannot be effectively managed through the use of controls. The Audit Committee oversees how management monitors compliance with the Group's Strategic Risk Management Framework in relation to the changing risks faced by the Group.

### *(a) Market risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or value of its holdings in financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the financial return.

### (i) Foreign currency risk

The Group has contracts denominated in foreign currencies, predominantly in US dollars, and may enter into forward exchange contracts where appropriate in light of anticipated future purchases and sales, conditions in foreign markets, commitments from customers and past experience and in accordance with Board-approved limits. Note 3(e) sets out the accounting treatments for such contracts. There were no hedged amounts payable or receivable in foreign currencies at reporting date (2025: nil).

At reporting date, the Group had the following exposures to foreign currency, converted to AUD:

| | 2026 | | | | 2025 | | | |
|---|---|---|---|---|---|---|---|---|
| | **GBP** | **USD** | **SGD** | **EURO** | **GBP** | **USD** | **SGD** | **EURO** |
| Bank accounts | - | - | - | - | - | 1,074 | - | - |

The following significant exchange rates applied during the financial year:

| Currency | Average rate 2026 | Average rate 2025 | Reporting date spot rate 2026 | Reporting date spot rate 2025 |
|---|---|---|---|---|
| USD | 0.68 | 0.65 | 0.69 | 0.66 |

### (ii) Interest rate risk

Interest earned on cash at bank is determined in accordance with published bank interest rates. The Group's exposure to interest rate risk is confined to cash assets, the effective weighted average interest rate for which is set out below.

| | Effective interest rate % | Floating interest rate $ | Fixed interest rate $ | Non-interest bearing $ | Total $ |
|---|---|---|---|---|---|
| **Financial assets** | | | | | |
| Cash assets – at 30 June 2026 | 1.11 | 867,508 | - | 106,283 | 973,791 |
| Cash assets – at 30 June 2025 | 0.64 | 1,183,956 | - | 107,643 | 1,291,599 |

| Profit and loss | 2026 Strengthening | 2026 Weakening | 2025 Strengthening | 2025 Weakening |
|---|---|---|---|---|
| Cash at bank – variable interest rate: | | | | |
| $AUD | 4,869 | (4,869) | 6,458 | (6,458) |

## 18. Financial instruments disclosure and financial risk management (continued)

An increase or decrease of 0.50% in interest rates applied for 12 months to the cash balances at reporting date would have increased or decreased profit or loss by $4,869 (2025: $6,458), if all other variables, including foreign currency rates, remain constant. The analysis is performed on the same basis for 2025.

### (b) Credit risk

Credit risk represents the loss that would be recognised if counterparties fail to perform as contracted. For financial assets, the credit risk exposure of the Group is the carrying amount of the asset net of any provision for expected credit losses.

***(i) Receivables***

The Group undertakes due diligence prior to entering any collaboration, co-development or licensing agreement with a counterparty that exposes the Group to credit risk. The Group's exposure to credit risk from receivables is shown below. No amounts are past due and impaired at balance date.

| **Financial assets:** | **3 months or less $** | **Greater than 3 months $** | **Greater than 1 year $** | **Total $** |
|---|---|---|---|---|
| Receivables – at 30 June 2026 | 44,869 | - | - | 44,869 |
| Receivables – at 30 June 2025 | 28,943 | - | - | 28,943 |

### (c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as and when they fall due. The Group's approach to managing liquidity is to ensure that it will maintain sufficient liquidity to meet its liabilities when due having regard to forecast cash inflows and outflows, which in turn may be impacted by planned corporate transactions.

The Group manages its liquidity risk using existing cash reserves managed in accordance with a Cash Management and Treasury Policy. Under this policy, sufficient liquidity to meet day to day operating requirements is maintained in interest-bearing operating, at-call and term bank accounts. Cash balances are prepared daily and cash requirements monitored on weekly, month end reporting and annual budget/forecast cycles.

At reporting date, the Group had the following financial liability exposures:

| **Financial liabilities:** | **3 months or less $** | **Greater than 3 months $** | **Greater than 1 year $** | **Total $** |
|---|---|---|---|---|
| Trade and other payables – at 30 June 2026 | 126,435 | 120,000 | - | 246,435 |
| Trade and other payables – at 30 June 2025 | 189,937 | 80,000 | 113,424 | 383,361 |

### (d) Net fair values of financial assets and liabilities

Net fair values of financial assets and liabilities are determined by the Group on the following bases:

(i) For monetary financial assets and financial liabilities not readily traded in an organised financial market, values are determined by valuing them at the value of contractual cash flow amounts due from customers and payable to suppliers discounted as appropriate for settlements beyond 12 months;
(ii) The carrying amounts of bank balances and deposits, trade debtors and accounts payable expected to be payable within 12 months.

At reporting date there were no material differences between carrying values and fair values.

## 18. Financial instruments disclosure and financial risk management (continued)

### (e) Capital management

The Board's policy is to maintain a sufficient capital base so as to sustain investor, creditor and market confidence and to facilitate the future development of the business. As noted in note 2(b), in order to meet forecast operating cash requirements, the Group may need to raise funds from other sources which may include raising capital or securing debt facilities.

## 19. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

## 20. Dividend franking account

The Company has no franking credits at reporting date.

## 21. Auditor's remuneration

| | 2026<br>$ | 2025<br>$ |
|---|---|---|
| **Audit services:** | | |
| Auditors of the Group – RSM Australia Partners | 61,600 | 45,750 |

## 22. Related party transactions

Disclosures of compensation policies, service contracts and details of individual directors and executives' compensation are included in the Remuneration Report section of the Directors' Report.

### Directors and Key Management Personnel compensation

The Directors and Key Management Personnel compensation included in "employee expenses" are as follows:

| **Nature of compensation** | 2026<br>$ | 2025<br>$ |
|---|---|---|
| Short-term employee benefits | 190,002 | 189,585 |
| Post-employment benefits | 6,971 | 5,415 |
| Share-based payments | 10,629 | 31,136 |
| Total compensation | 207,602 | 226,136 |

### Key Management Personnel transactions

Directors of the Company control 6.81% (2025: 2.85%) of the voting shares of the Company.

Several key management personnel, or their related parties, hold positions in other companies that result in them having control or significant influence over these companies. However, during the period the Group did not transact with any of these companies.

### Other Key Management Personnel transactions with the Group

No Key Management Personnel member has entered a material contract with the Group during either the 2026 or 2025 financial years and there were no material contracts with, amounts receivable from or payable to, interests involving directors or executives at period end. The value of transactions during the year with entities related to Directors included in the financial statements was nil (2025: nil).

## 22. Related party transactions (continued)

**Other Key Management Personnel transactions with the Group**

There are no outstanding balances at the reporting date in relation to transactions with related parties other than KMPs: No provision for doubtful debts has been raised against amounts receivable from other related parties.

**Loans and other transactions with Key Management Personnel**

There were no loans made to Directors or Executives or other loan movements during the 2026 year (2025: nil).

**Other related party transactions**

Other than the transactions disclosed above, there were no transactions with other related parties during either the 2026 or 2025 financial years.

## 23. Group entities

Significant subsidiaries for the year ended:

| Name | Principal place of business / Country of incorporation | Ownership interest 2026 % | Ownership interest 2025 % |
|---|---|---|---|
| TALi Health Pty Ltd | Australia | 100.00% | 100.00% |
| YCDI Education Australia Pty Ltd | Australia | 100.00% | 100.00% |

Ownership of YCDI Education Australia Pty Ltd commenced 12 June 2025.

## 24. Parent entity disclosure

As at, and throughout, the financial year ended 30 June 2026, the parent entity of the Group was TALi Digital Limited.

**Statement of profit and loss**

| | Parent 2026 $ | Parent 2025 $ |
|---|---|---|
| Loss after income tax | (1,140,433) | (545,377) |
| Total comprehensive loss | (1,140,433) | (545,377) |

## 24. Parent entity disclosure (continued)

**Statement of financial position**

| | Parent | |
|---|---|---|
| | **2026** | **2025** |
| | **$** | **$** |
| Total current assets | 2,245,138 | 2,493,365 |
| Total assets | 2,245,138 | 2,875,669 |
| Total current liabilities | 83,515 | 162,847 |
| Total liabilities | 83,515 | 162,847 |
| Net assets | 2,161,623 | 2,712,822 |
| Equity | | |
| Issued capital | 216,081,773 | 215,582,167 |
| Share-based payments reserve | 340,926 | 564,693 |
| Accumulated losses | (214,261,076) | (213,434,038) |
| Total equity | 2,161,623 | 2,712,822 |

*Contingent liabilities*
The parent entity had no contingent liabilities as at 30 June 2026 and 30 June 2025.

*Capital commitments - Property, plant and equipment*
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2026 and 30 June 2025.

*Material accounting policy information*
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 3.

## 25. Deferred tax

| | 2026 | 2025 |
|---|---|---|
| | $ | $ |
| *Non-current liabilities* | | |
| Deferred tax liability | - | 214,068 |

## 26. Business combinations

Acquisition of YCDI Education business and assets
On 18 June 2025 TALi Digital through its wholly owned subsidiary acquired the assets and liabilities of YCDI Education for a total cash consideration of $1,340,000. The transaction has been assessed to be a business combination under AASB3 wherein YCDI Education Australia Pty Ltd is the acquirer and YCDI! is the acquiree. The effective date of acquisition is 18 June 2025.

YCDI is Australia's leading online social-emotional learning, mental health program maximises the achievement and the wellbeing of children and adolescents and is a natural fit within TALi Digital business with potential overlapping customers in education and healthcare.

The fair value of the assets acquired and liabilities assumed as part of the business acquisition accounting applied at 30 June 2025 has been finalised. As part of the finalisation, software and customer relationships have been assessed to have a useful life of 10 years and 5 years respectively.

## 26. Business combinations (continued)

| | Finalised Fair value $ | Provisional Fair value $ |
|---|---|---|
| Inventories | 51,713 | 25,460 |
| Net assets acquired | 51,713 | 25,460 |
| Goodwill | 635,260 | 1,307,964 |
| Intangible assets - Customer relationships | 706,090 | |
| Intangible assets - Software | 155,844 | |
| Deferred tax liability | (215,484) | |
| Acquisition-date fair value of the total consideration transferred | 1,333,424 | 1,333,424 |
| Representing: | | |
| Cash paid or payable to vendor | 1,140,000 | 1,140,000 |
| Deferred consideration | 193,424 | 193,424 |
| | 1,333,424 | 1,333,424 |

## 27. Commitments

The Group has no material commitments at year end (2025: nil).

## 28. Contingent liabilities

The Group is not aware of any contingent liabilities or contingent assets capable of having a material impact on the Group (2025: nil).

## 29. Events after the reporting period

On 16 July 2026, 180,000 options expiring at various dates with various exercise prices were lapsed.
On 24 August 2026, the Company announced that it had entered into a binding Share Sale Agreement to acquire 100% of the issued capital of Datasphere Analytics Pty Ltd, an Australian company holding an exclusive option and prospective licensing arrangement relating to processing-in-memory technology developed at the Technion – Israel Institute of Technology. As consideration for the acquisition, the Company has agreed to issue 22,000,000 fully paid ordinary shares, subject to shareholder approval and satisfaction of various condition precedents. The Company also announced a capital raising of approximately $3.3 million (before costs), comprising a two-tranche placement to raise $2.8 million and a Share Purchase Plan seeking to raise up to a further $0.5 million. New shares under the capital raising are proposed to be issued at $0.05 per share, together with one free attaching option for every three shares subscribed, subject to relevant shareholder approvals. Completion of the acquisition remains subject to a number of conditions, including completion of due diligence, successful completion of the capital raising, receipt of shareholder approval and other regulatory and third-party approvals. Completion is currently expected to occur on or around 29 September 2026.

No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

## Consolidated entity disclosure statement

| Entity name | Entity type | Place formed/ Country of incorporation | Ownership Interest % | Tax residency |
|---|---|---|---|---|
| TALi Digital Limited | Body Corporate | Australia | 100.00% | Australia* |
| Tali Health Pty Ltd | Body Corporate | Australia | 100.00% | Australia* |
| YCDI! Education Australia Pty Ltd | Body Corporate | Australia | 100.00% | Australia* |

* TALi Digital Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

In the opinion of the directors of TALi Digital Limited ('the Company'):

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with IFRS Accounting Standards as issued by the International Accounting Standards Board as described in note 3 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

David Brookes
Chair

26 August 2026

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# INDEPENDENT AUDITOR'S REPORT
To the Members of TALi Digital Limited

## REPORT ON THE AUDIT OF THE FINANCIAL REPORT

### Opinion

We have audited the financial report of TALi Digital Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2026 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Key Audit Matters (continued)

| Key Audit Matter | How our audit addressed this matter |
|---|---|
| ***Business Combination***<br>Refer to Note 26 in the financial statements | |
| On 13 June 2025, TALi Digital Limited acquired the business of You Can Do It! Education for consideration comprising $1.1 million paid upfront and $0.2 million of deferred consideration payable over 24 months from completion. The acquisition included various identifiable assets, including online digital programs, websites, domain names, social media accounts and other intangible assets.<br><br>At 30 June 2025, the acquisition accounting was provisional while management completed its assessment of the fair values of the identifiable assets acquired and liabilities assumed. During the current year, management finalised the acquisition accounting within the measurement period permitted by AASB 3 *Business Combinations.*<br><br>We considered this to be a key audit matter due to the significant judgement involved in valuing the acquired intangible assets, deferred consideration and related deferred tax balances, and determining the resulting goodwill. Errors in these estimates could have resulted in a material misstatement of the acquired assets and liabilities, goodwill and related disclosures. | We performed the following procedures in relation to the acquisition accounting:<br>• assessing whether the acquisition accounting and measurement period adjustments complied with AASB 3;<br>• evaluating the final purchase price allocation, including the valuation methodology, key assumptions and supporting inputs;<br>• involving RSM Corporate Finance specialists to assist in evaluating the acquired intangible asset valuations;<br>• assessing the identification and valuation of acquired assets and liabilities, including related deferred tax consequences;<br>• evaluating the measurement of the deferred consideration;<br>• testing the completeness and accuracy of the acquisition accounting entries; and<br>• assessing the adequacy of the related disclosures in the financial report. |
| ***Goodwill Impairment***<br>Refer to Note 12 in the financial statements | |
| During the year, management performed an impairment assessment of the You Can Do It! Education (YCDI) cash-generating unit and concluded that the carrying amounts of goodwill and related intangible assets were not recoverable. As a result, the Group recognised a full impairment of goodwill and associated intangible assets.<br><br>We considered this to be a key audit matter due to the material impairment charge recognised and the judgement involved in determining the recoverable amount of the cash-generating unit.<br><br>Management determined the recoverable amount using a value-in-use model. The assessment was sensitive to assumptions including forecast revenue growth, operating margins, future cash flows and discount rates. Changes in these assumptions could materially impact the impairment recognised and related disclosures. | We performed the following procedures in relation to assessing goodwill impairment:<br>• assessing management's identification of the cash-generating unit and allocation of goodwill and related intangible assets;<br>• evaluating the valuation methodology used to determine the recoverable amount;<br>• testing the mathematical accuracy of the discounted cash flow model and agreeing key inputs to supporting evidence;<br>• comparing forecast cash flows to approved budgets and historical performance;<br>• challenging significant assumptions, including forecast revenue growth, operating margins and discount rates;<br>• testing the calculation and allocation of the impairment charge; and<br>• assessing the adequacy of the related disclosures. |

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### Key Audit Matters (continued)

| Key Audit Matter | How our audit addressed this matter |
|---|---|
| ***Revenue Recognition*** Refer to Note 4 in the financial statements | |
| YCDI generates revenue from digital subscriptions, educational programs, royalty arrangements and related products. Revenue may be recognised at a point in time or over-time depending on the contractual terms and satisfaction of the relevant performance obligations.<br><br>We considered revenue recognition to be a key audit matter due to the judgement involved in determining the timing and amount of revenue recognised, particularly for subscription arrangements extending beyond year end and royalty arrangements.<br><br>Our audit focused on the completeness, accuracy, cut-off and classification of revenue and deferred revenue in accordance with AASB 15 *Revenue from Contracts with Customers.* | We performed the following procedures in relation to testing revenue:<br>• assessing the Group's revenue recognition policies against the requirements of AASB 15;<br>• reviewing significant contractual terms to evaluate the timing and basis of revenue recognition;<br>• testing a sample of revenue transactions to supporting documentation and assessing whether revenue was appropriately recognised or deferred;<br>• performing substantive analytical procedures and detailed testing over material revenue streams and associated deferred revenue balances;<br>• testing transactions recorded around year end to assess revenue cut-off; and<br>• assessing the adequacy of the related disclosures in the financial report. |

### Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2026, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

a. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

b. the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

**Responsibilities of the Directors for the Financial Report (continued)**

ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf

This description forms part of our auditor's report.

**REPORT ON THE REMUNERATION REPORT**

**Opinion on the Remuneration Report**

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of TALi Digital Limited, for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

**Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

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**RSM AUSTRALIA PARTNERS**

A Whittingham

**A L WHITTINGHAM**
Partner

Dated: 26 August 2026
Melbourne, Victoria

**Share Capital**
The shareholder information set out below was applicable as at 24 July 2026.

**Number**
Number of shares quoted on the Australian Securities Exchange Limited 46,727,478.

TALi Digital Limited ordinary shares have been traded on ASX Limited since 28th December 2019 (former name Novita Healthcare Limited) and trade under the ASX code TD1. Melbourne is the Home Exchange. The Company's securities are not quoted on any other stock exchange.

| Position | Holder | Holding | % IC |
|---|---|---|---|
| 1 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2 | 3,328,770 | 7.12% |
| 2 | NETWEALTH INVESTMENTS LIMITED - WRAP SERVICES A/C | 2,520,000 | 5.39% |
| 3 | ASSET GROWTH FUND PTY LTD | 2,057,441 | 4.40% |
| 4 | SAILORS OF SAMUI PTY LTD | 1,698,171 | 3.63% |
| 5 | MR ALAN CONIGRAVE | 1,606,750 | 3.44% |
| 6 | CITICORP NOMINEES PTY LIMITED | 1,569,344 | 3.36% |
| 7 | SCINTILLA STRATEGIC INVESTMENTS LIMITED | 1,500,000 | 3.21% |
| 8 | GP SECURITIES PTY LTD | 1,425,715 | 3.05% |
| 9 | OCTIFIL PTY LTD | 1,188,702 | 2.54% |
| 10 | MR ROBERT DARIUS FRASER - FRASER FAMILY A/C | 1,000,000 | 2.14% |
| 10 | KEISER INVESTMENTS PTY LTD - GANN FAMILY RETIREMENT A/C | 1,000,000 | 2.14% |
| 11 | BLUEWATER ASSET MANAGEMENT PTY LTD - TEEFISH SUPER FUND A/C | 931,346 | 1.99% |
| 12 | BNP PARIBAS NOMINEES PTY LTD - IB AU NOMS RETAILCLIENT | 876,550 | 1.88% |
| 13 | PUNTERO PTY LTD | 824,503 | 1.76% |
| 14 | EAGLESMITH FAMILY PTY LTD - EAGLESMITH FAMILY A/C | 810,000 | 1.73% |
| 15 | CALAMA HOLDINGS PTY LTD - MAMBAT SUPER FUND A/C | 775,000 | 1.66% |
| 16 | LONGRIDGE PARTNERS PTY LTD | 754,939 | 1.62% |
| 17 | MRS SUSANNA ELIZABETH ANDERSON | 724,543 | 1.55% |
| 18 | PETERLYN PTY LTD - RPC SALMON SUPER FUND A/C | 616,000 | 1.32% |
| 19 | EST MR SIMON CHARLES DOHERTY | 594,419 | 1.27% |
| 20 | MRS TRACY FRASER | 583,334 | 1.25% |
| | Totals | 26,385,527 | 56.47% |
| | Total Issued Capital | 46,727,478 | 100.00% |

**Distribution of shareholders as at 24 July 2026**

| Holding ranges | Holders | Total units | % Issued share capital |
|---|---|---|---|
| Above 0 up to and including 1,000 | 1,413 | 325,970 | 0.70% |
| Above 1,000 up to and including 5,000 | 397 | 1,027,940 | 2.20% |
| Above 5,000 up to and including 10,000 | 92 | 696,318 | 1.49% |
| Above 10,000 up to and including 100,000 | 156 | 4,878,897 | 10.44% |
| Above 100,000 | 78 | 39,798,353 | 85.17% |
| Totals | 2,136 | 46,727,478 | |

The number of shareholders as at 24 July 2026 with less than a marketable parcel of $500 worth of shares, based on the market price as at that date ($0.0670 per share), was 344, with a total of 1,391 amounting to 0.0030% of total shareholding.

**Corporate Governance Statement**
In accordance with ASX Listing Rule 4.10.3 the Company's Corporate Governance Statement can be found at:
https://talidigital.com/people/

**Voting rights**
The voting rights attached to ordinary shares are set out in Rule 5(f) and 40 of the Company's Constitution. In broad summary, but without prejudice to the provisions of those Rules, each shareholder present at a general meeting in person or by duly appointed representative, proxy or attorney.

(a) On a show of hands, has one vote except if a shareholder has appointed more than one person as a representative, proxy or attorney, in which care none of those persons is entitle to vote or if a person is entitled to vote in more than one capacity, that person is entitled to only one vote; and

(b) On a poll, has one vote for each fully paid share held and for each other share held, has a vote in respect of the share equivalent to the proportion that the amount paid on that share is of the total amounts paid and payable on that share at the time a poll is taken but no amount paid on a share in advance of calls shall be treated as paid on that share.

***Officers***
Company Secretary: Tim Luscombe

**Registered Office**

TALi Digital Limited
Suite 1.01, 117 Camberwell Road
Hawthorn East, VIC 3123 Australia
Telephone: +61 3 9192 9937 | 1300 082 013
Website: talidigital.com
Email: info@talidigital.com.au

**Share Registry**

Automic Registry Services
Level 5, 126 Phillip Street
Sydney, New South Wales 2000 Australia
Telephone: 1300 288 64
Website: automic.com.au
Email: hello@automic.com.au

**Securityholder Information**
You can gain access to your security holding information in a number of ways. The details are managed via the Company's Registrar, Automic Registry Services, and can be accessed as outlined below. Please note your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) is required for access.

**Investor Phone Access**
Provides telephone access, call 1300 288 664 to speak to an operator.

**Internet Account Access**
Securityholders can access their details via the internet. Automic provides access via its InvestorShare online service. Go to investor.automic.com.au to view your information.

**Changing Shareholder Details**
Changes to your name or address must be advised in writing to Automic Registry Services. If you are sponsored by a broker, your notice in writing must be sent to your sponsoring broker.

**TALi Digital Limited Publications Mailing List**
The Annual Report is a major source of information about the Company. Shareholders who do not wish to receive this publication can assist the Company to reduce costs by advising Automic Registry Services in writing or doing so online using http://investor.automic.com.au/#/home. Shareholders will continue to receive all other shareholder information, including the Notice of Annual General Meeting and Proxy Form. The Annual Report. Other releases and general Company information are also available on the Company's website at www.talidigital.com.au

**Investor Relations**
If you have any questions or issues regarding your shareholding, please contact Automic Registry Services on 1300 288 664.