

Strategic Review Update:
TALi and Genius Strategic Partnership Update
Retention of Intellectual Property Rights in TALi Products

HIGHLIGHTS

- TALi expands its existing strategic partnership with Genius to include:
- Outsourcing of product development and maintenance function for existing TALi products;
- Outsourcing of sales and marketing function exclusively across the education sector and non-exclusively across the healthcare sector; and
- Assumption of the cost of product development, maintenance, sales and marketing functions by Genius in return for a greater share of the revenue generated by the strategic partnership.
- TALi will retain exclusive ownership of the TALi products.
- TALi is expected to achieve an annualised cost reduction of over \$1.9 million, and will retain 20% of all revenue achieved by TALi products generated through the strategic partnership.
- TALi will continue to seek opportunities aligned with its current operations to maximise value for its shareholders.

The Board of TALi Digital Limited (ASX:TD1, “**TALi**”) announced a strategic review of the business in June 2023, which is nearing completion. This strategic review has so far resulted in an expansion of the partnership between TALi and Genius Learning Pty Ltd (“**Genius**”), including an amendment to the original Strategic Alliance Agreement between the parties which was first announced on 23 December 2022 and covers activities in Australia and New Zealand.

Under the newly amended Strategic Alliance Agreement, Genius agrees to:

- act as exclusive across distributor of TALi’s products in the education sector and non-exclusively across the healthcare sector;
- develop TALi’s products in consultation with TALi;
- assume the conduct of TALi’s product development and maintenance activities as well as its sales and marketing functions; and
- assume relationships with TALi’s customers and partners (including assuming any obligations with current contracted TALi partners), subject to the terms of those existing arrangements.

TALi will continue to provide support for the products, and will work closely with Genius to achieve the goals of the strategic alliance. TALi will continue to own all intellectual property rights in the existing TALi products during the term of the revised agreement including rights in:

- TALi Train;
- TALi Detect;
- Ready Attention Go;
- AttentionTime!; and
- all technology and software subsisting in those products.

Genius will assume all costs associated with the conduct of the outsourced activities and functions, in return for a greater share of the revenue generated by the strategic partnership. Genius will also remit to TALi 20% of all TALi product revenues as part of a revenue sharing arrangement agreed between the parties.

This revised strategic partnership arrangement will be in effect for 3 years with an automatic 2 year extension (unless a party provides at least six months' notice that they do not wish to renew). If during the term of the revised agreement, TALi receive an offer to acquire all or substantially all of its assets, Genius has a right of first of refusal to acquire the relevant assets on the same terms offered by the third party, subject to any necessary regulatory or other approvals being obtained. The revised agreement contains customary termination events for an arrangement of this nature.

TALi will also receive the benefit of a significantly reduced annualised cost base, with annualised savings from commercialisation activities for existing TALi products (now to be undertaken by Genius) expected to exceed \$1.9 million.

TALi Chairman, Mark Simari said "This new arrangement with Genius will allow the TALi products including the award-winning Ready Attention Go! to continue to be appropriately supported, while receiving a more channel specific sales and marketing focus. This allows TALi to retain the ultimate benefit of the intellectual property embedded in the products now and into the future".

The TALi Board will look to complete its strategic review over coming weeks and will inform shareholders once it is completed. The TALi Board remains focused on maximising value for its shareholders and will continue to seek aligned opportunities to grow and expand the business to deliver that value.

Release authorised by:

The Board of TALi Digital Limited

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About TALi Digital

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

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

A continuous innovation focus will see the Company deliver a series of product developments relevant to ADHD (Attention Deficit Hyperactivity Disorder) and ASD (Autism Spectrum Disorder).

Learn more at talidigital.com.

Forward-Looking Statements

Certain statements in this announcement are forward-looking statements. These forward-looking statements speak only as at the date of this announcement. These statements are based on current expectations and beliefs and by their nature are subject to a number of known and unknown risks and uncertainties that could cause actual results, performances, and achievements to differ materially from any expected future results, performance or achievements expressed or implied by such forward-looking statements.

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