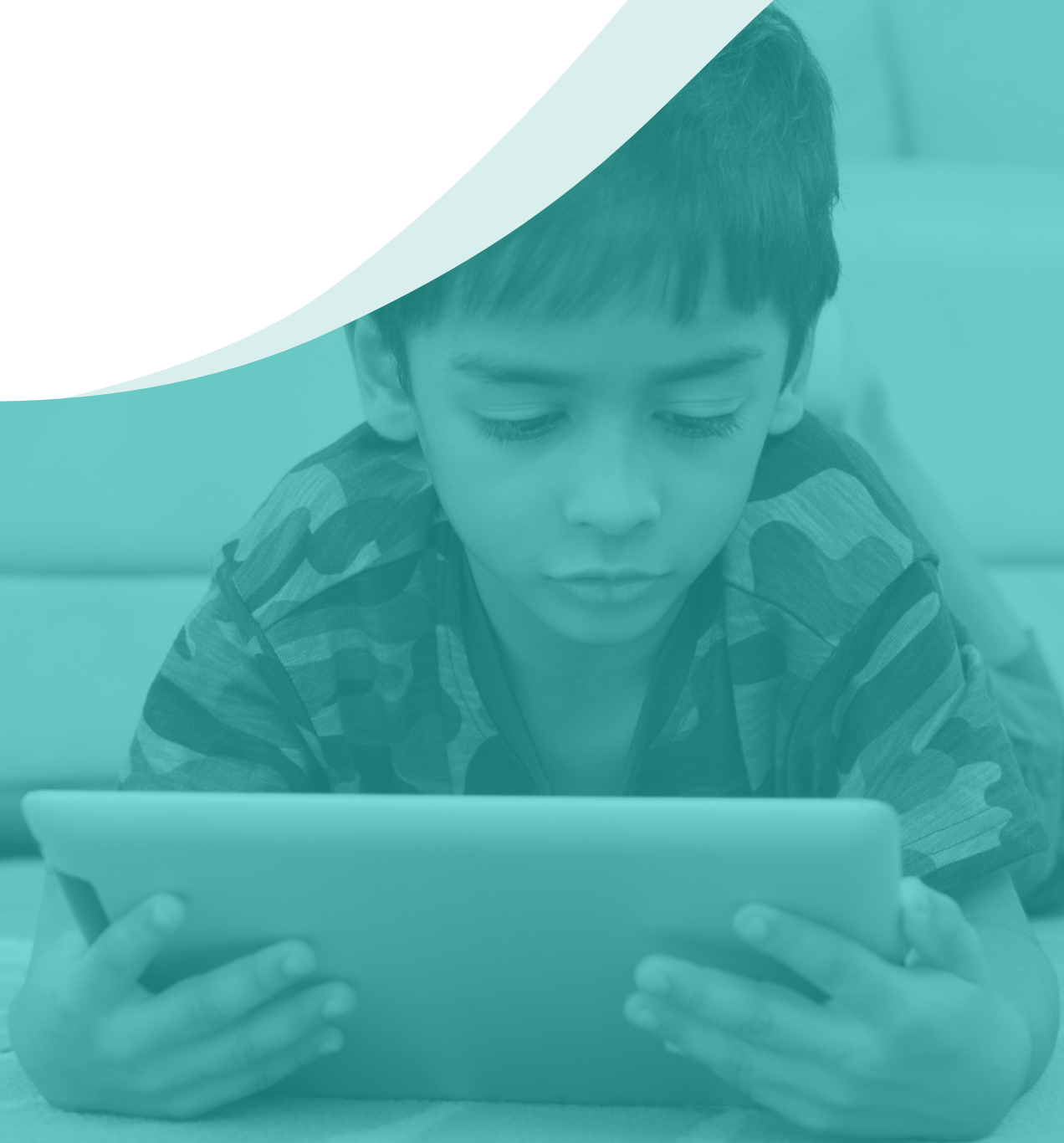




Annual Report

2025



Corporate directory	2
Directors' report	3
Auditor's independence declaration	14
Consolidated statement of profit or loss and other comprehensive income	15
Consolidated statement of financial position	16
Consolidated statement of changes in equity	17
Consolidated statement of cash flows	18
Notes to the consolidated financial statements	19
Consolidated entity disclosure statement	42
Directors' declaration	43
Independent auditor's review report to the members of TALi Digital Limited	44
Shareholder information	48

Directors	Mr Mark Simari (appointed 6 October 2022) Mr Stephen Munday (appointed 18 October 2022) Dr David Brookes (appointed 29 June 2020)
Company secretary	Mr Tim Luscombe (appointed 5 December 2022)
Registered office	Suite 201 697 Burke Road Camberwell, Victoria 3124
Principal place of business	Suite 201 697 Burke Road Camberwell, Victoria 3124
Share register	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
Auditor	RSM Australia Partners Level 27, 120 Collins Street Melbourne VIC 3000
Solicitor	Bakers McKenzie Level 19 181 William St Melbourne VIC 3000 Australia
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 2025.

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

Mr Mark Simari
Independent Executive Director & Chair

Period of office and special responsibilities

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 reformed Remuneration and Nomination Committee.

Stephen Munday
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 reformed Remuneration and Nomination Committee.

David Brookes
Independent Non-Executive Director

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 reformed Remuneration and Nomination Committee.

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: **Mark Simari**

Title:	Executive Chair (appointed on 16 August 2023) previously Non-Executive Chair (appointed on 6 October 2022)
Experience and expertise:	Mark is an experienced and accomplished professional in the health industry and has over 15 years' Board experience in a diverse range of organisations. Mark was the former Managing Director and Co-Founder of Paragon Care (ASX: PGC) (between 2008 and 2018). He was instrumental in Paragon Care becoming one of the largest independent healthcare suppliers in the Australian and New Zealand Markets, creating a healthcare platform spanning across capital equipment, consumables, devices and service and maintenance.
Other current directorships:	Careteq Limited (ASX: CTQ), IDT Australia Limited (ASX: IDT), Opyl Limited (ASX: OPL), Xpon Technologies Group Limited (ASX: XPN)
Former directorships (last 3 years):	Paragon Care Limited (ASX: PGC) between 27 Nov 2019 – 30 Nov 2022
Qualifications:	B.Bus (Accounting), Diploma of Financial Services, Member of the Institute of Company Directors

Name: **Stephen Munday**

Title:	Non-Executive Director, Chair of the Audit & Risk Committee (appointed on 18 October 2022)
Experience and expertise:	Stephen is an experienced financial and governance professional and has more than 25 years' experience on or working directly with Boards in a diverse range of organisations. Stephen has over 40 years business experience in Australia and North America including chief financial officer & company secretary positions in several listed companies over that time. Stephen's experience includes a wide range of responsibilities in a variety of management functions including marketing, business development, supply management, commercial management, financial management and change management. Stephen has been working in the health care sector since 2015. He is currently involved in businesses which supply products, services and technologies to the health care and aged care markets.
Other current directorships:	Careteq Limited (ASX:CTQ)
Former directorships (last 3 years):	N/A
Qualifications:	CA, FGIA, FCG (CS CGP), GAICD, MBA, B.Bus (Accounting)

Name: **David Brookes**

Title:	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. Dr Brookes, MBBS (Adelaide), is a Fellow of the Australian College of Rural and Remote Medicine and a Fellow of the Australian Institute of Company Directors.
Other current directorships:	Executive Chairman of Anantara Therapeutics Ltd (ASX: ANR).
Former directorships (last 3 years):	Non-Executive Chair of Invert Graphite Limited (ASX:IVG formerly Dominion Minerals Limited) and Non-Executive Director of Island Pharmaceuticals Limited (ASX:ILA)
Qualifications:	MBBS, FACRRM, FAICD

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 2025 was as follows:

Director	Number of ordinary shares	Number of options to acquire ordinary shares
Mr M Simari	85,227,274	36,000,000
Mr S Munday	10,000,000	18,000,000
Dr D Brookes	21,642,860	18,000,000

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

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 March 2023, no meetings were held during the year.

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:

Director	Board meetings		Audit committee meetings	
	Attended	Held	Attended	Held
Mr M Simari	12	12	2	2
Mr S Munday	12	12	2	2
Dr D Brookes	12	12	2	2

Held: represents the number of meetings held during the time the director held office.

Principal activities

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

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.

TALi is incorporated and domiciled in Australia, and with a registered office and principal place of business located at Suite 201, 697 Burke Road, Camberwell Vic 3121. Except as disclosed elsewhere in this Report, there have been no significant changes in the nature of these activities during the year.

Operating review

Strategic Developments and Partnerships

FY25 was marked by significant strategic activity aimed at repositioning TALi Digital for sustainable growth and shareholder value restoration. A major highlight was the acquisition of the "You Can Do It!" (YCDI!) business by TALi's wholly owned subsidiary, YCDI Education Australia Pty Ltd. This acquisition, completed in June 2025, brought in a suite of social-emotional learning programs targeting youth aged 3 to 18+, including digital and non-digital resources and a proprietary LMS platform. The Board viewed this as a complementary fit with TALi's existing cognitive attention technologies and a strategic move to integrate its offerings into mainstream education

In parallel, TALi continued to navigate its partnership with Genius Learning Pty Ltd (later Vertical 4 Pty Ltd), which entered voluntary administration in March 2025. TALi remained engaged with the administrator to ensure continuity of services under the Strategic Alliance Agreement and anticipated regaining full access and rights to its products in the upcoming quarter.

Capital Management and Financial Position

TALi maintained a disciplined financial approach throughout FY25, with consistently low operating cash burn across all quarters. The company reported net operating cash outflows of approximately \$0.1 million per quarter.

To support strategic initiatives, TALi undertook capital raising activities in June 2025, securing \$800,000 through a private placement and \$138,000 via an Entitlement Offer (July 2025). The Board retained the right to place the \$530,000 shortfall within three months.

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** - The digital health and EdTech sectors are characterised by rapid innovation and evolving customer expectations. TALi's core offerings including cognitive attention programs and the newly acquired YCDI social-emotional learning suite face competitive pressure from emerging technologies and platforms.
- **Changes in government policy** - Government funding plays a significant role in early childhood education and digital health initiatives. TALi's strategic positioning particularly through Genius and YCDI relies on continued support for education programs. While no immediate funding reductions are anticipated, TALi is exploring alternative sales models that reduce reliance on government funding and expand into emerging markets.
- **Distributor viability** - TALi's operational model was heavily dependent on Genius Learning Pty Ltd, which managed product development, sales, and marketing. Genius entered voluntary administration in early 2025, creating uncertainty around continuity of services under the agreement. TALi is actively engaging with the administrator to secure access and rights to its products and has contingency plans in place to mitigate disruption.
- **Capital availability** - TALi's ability to execute its strategic initiatives including the YCDI acquisition and platform relaunch is contingent on access to capital. While recent placements and entitlement offers have strengthened cash reserves, future funding may be impacted by market conditions and investor sentiment. The Board continues to evaluate funding options and retains discretion over shortfall placements.
- **YCDI integration** - The acquisition of YCDI introduces integration risks, including alignment of systems, branding, and operational workflows. TALi must ensure that YCDI's LMS platform and educational content are effectively incorporated into its strategic roadmap. The Board is overseeing integration planning and stakeholder engagement to manage this risk.

Financial review

The statement of profit or loss and other comprehensive income shows a loss of \$656,885 (2024: \$3,117,041) for the year. As at 30 June 2025 the Group had a cash position of \$1,291,599 (2024: \$2,122,383). Operating, financing and investing activities incurred a net cash outflow for the year of \$830,806 (2024: \$867,093).

Additional information

The earnings of the consolidated entity for the five years to 30 June 2025 are summarised below:

	2025	2024	2023	2022	2021
Loss after income tax	(656,885)	(3,117,041)	(2,258,623)	(6,936,129)	(4,858,273)

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

	2025	2024	2023	2022	2021
Share price at financial year end (\$)	0.001	0.002	0.002	0.006	0.032
Total dividends declared (cents per share)	-	-	-	-	-
Basic loss per share (cents per share)	0.02	0.09	0.11	0.69	0.59

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 the date of this report	Exercise price when granted	Expiry date
Director options:			
	24,000,000	\$0.004	15 March 2028
	24,000,000	\$0.008	15 March 2028
	24,000,000	\$0.012	15 March 2028
Vendor, broker & consultant options:			
	15,000,000	\$0.030	3 August 2025
	5,000,000	\$0.030	25 November 2025
	85,051,506	\$0.004	15 March 2027
Other options:			
	6,000,000	\$0.004	15 March 2028
	6,000,000	\$0.008	15 March 2028
	6,000,000	\$0.012	15 March 2028
Total	195,051,506		

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

On 18 June 2025, YCDI Education Australia Pty Ltd, a wholly owned subsidiary of TALi Digital Ltd, has acquired assets of the Bernard Group Pty Ltd. The consideration payable is \$1.34 million cash paid and no employees are included in the transaction.

On 19 June 2025, the TALi Digital Limited issued 800,000,000 fully paid ordinary shares at \$0.001 per share raising \$800,000 before costs.

There were no other 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 8 July 2025, TALi completed a 1-for-6 non-renounceable entitlement offer of new shares at an issue price of \$0.001 per share. Eligible shareholders were also given the opportunity to apply for additional shares under a Top-Up facility. The offer raised approximately \$131,388 before costs and on 11 July 2025 131,388,380 share were issued. A total of 677,525,937 shares were available under the offer, resulting in a shortfall of 546,137,557 shares which the Directors have reserved the right to place within three months of the offer closing.

On 3 August 2025, 15,000,000 options with an exercise price of \$0.03 expired and as a result, were lapsed.

No other matter or circumstance has arisen since 30 June 2025 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 2016/191 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 2025 and is set out after the Directors' report.

Non-audit services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 23 to the financial statements. In the event non-audit services are provided by the auditor, the Board has established procedures to ensure that the provision of non-audit services is compatible with the general standard of independence for auditors. These include:

- All non-audit services are reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- Non-audit services do not undermine the general principles relating to auditor independence as set out in APES 110 'Code of Ethics for Professional Accountants' issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as advocate for the Group or jointly sharing economic risks and rewards.

The non-audit services provided by the auditors was nil for the year ended 30 June 2025 (2024: 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 \$31,136 (2024: \$98,771) has been recognised in the 2025 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 2025 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. For the individuals named in the Directors' and Executive Officers' compensation tables, details of their service contracts are provided under the heading of "Service contracts" earlier in this report. Figures in brackets represent the value of bonuses/incentives and options respectively as a percentage of total compensation.

	Base compensation (salary and fees) \$	Bonuses / incentives \$	Post Employment: Superannuation contributions \$	Share-based payments: Shares and options issued \$	Total compensation \$
2025:					
Directors					
<i>Non-executive</i>					
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
2024:					
Directors					
<i>Non-executive</i>					
Mr M Simari	90,000	-	-	35,332	125,332
Mr S Munday	52,500	-	-	17,666	70,166
Dr D Brookes	47,297	-	5,203	17,666	70,166
Mr D Williams ¹	31,532	-	3,468	28,107	63,107
Total non-executive compensation	221,329	-	8,671	98,771	328,771
Key Management Personnel					
Dr MB Brinson ²	62,478	-	1,421	-	63,899
	283,807	-	10,092	98,771	392,670

¹ Mr David Williams resigned as Non-Executive Director on 29 February 2024.

² Dr MB Brinson's consulting arrangements finished on 11 September 2023.

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

During the year no options to acquire ordinary shares were issued to Directors (2024: nil).

Shares issued on exercise of options and performance rights

During the financial year the Company issued nil (2024: nil) ordinary shares upon the exercise of options or performance rights to Directors for total proceeds of nil (2024: nil). Since the end of the financial year up to the date of this report the Company has issued nil (2024: nil) shares upon exercise of options or performance rights to Directors for total proceeds of nil (2024: nil).

Alteration to option terms

There have been no alterations to option terms and conditions to directors as at 30 June 2025 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:

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	<u>116,870,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,870,134</u>

2024:

	Holding of Ordinary Shares at 1 July 2023 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 2024 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
Mr D Williams ¹	17,727,273	-	-	-	-	(17,727,273)	-
Total	<u>134,597,407</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,727,273)</u>	<u>116,870,134</u>

¹ Mr David Williams resigned as Non-Executive Director on 29 February 2024.

Number of options held in TALi Digital Limited:

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

2024:

	Balance at 1 July 2023 Number	Balance on appointment Number	Granted as compensation Number	Net other change Number	Balance on Resignation Number	Balance at 30 June 2024 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
Mr D Williams ¹	18,000,000	-	-	-	(18,000,000)	-
Total	90,000,000	-	-	-	(18,000,000)	72,000,000

¹ Mr David Williams resigned as Non-Executive Director on 29 February 2024.

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.



Mark Simari
Chair

14 August 2025

RSM Australia Partners

Level 27, 120 Collins Street Melbourne VIC 3000

PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000

F +61 (0) 3 9286 8199

www.rsm.com.au

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 2025, 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.

A handwritten signature in black ink that reads 'RSM'.**RSM AUSTRALIA PARTNERS**A handwritten signature in black ink that reads 'A L Whittingham'.**A L WHITTINGHAM**

Partner

Melbourne, VIC

Dated: 14 August 2025

	Note	2025 \$	(Note 2) 2024 \$
Revenue			
Net (refund) / revenue from continuing operations	5	1,186	(28,347)
Other income	6	(338)	174,575
Interest income		54,743	85,493
Total revenue and other income		<u>55,591</u>	<u>231,721</u>
Expenses			
Employee benefits and personnel expenses		(197,268)	(344,994)
Share based payments	18	(31,136)	(98,771)
Depreciation and amortisation		-	(178,198)
Net impairment of assets and liabilities	7	-	(2,144,102)
Professional and consulting		(329,723)	(305,922)
Insurances		(101,215)	(116,104)
Corporate administration		(40,260)	(39,594)
Intellectual property		643	(7,486)
Advertising and promotion		-	(4,345)
Other expenses		(13,517)	(109,246)
Total expenses		<u>(712,476)</u>	<u>(3,348,762)</u>
Loss before income tax expense		(656,885)	(3,117,041)
Income tax expense	8	-	-
Loss after income tax expense for the year attributable to the owners of TALi Digital Limited		(656,885)	(3,117,041)
Other comprehensive loss for the year, net of tax		-	-
Total comprehensive loss for the year attributable to the owners of TALi Digital Limited		<u>(656,885)</u>	<u>(3,117,041)</u>
		Cents	Cents
Basic loss per share	9	(0.02)	(0.09)
Diluted loss per share	9	(0.02)	(0.09)

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	10	1,291,599	2,122,383
Trade and other receivables	11	28,943	64,541
Inventories	12	25,460	-
Investments	13	4,455	4,793
Other current assets		-	165
Total current assets		<u>1,350,457</u>	<u>2,191,882</u>
Non-current assets			
Intangible assets	14	<u>1,307,964</u>	<u>-</u>
Total non-current assets		<u>1,307,964</u>	<u>-</u>
Total assets		<u>2,658,421</u>	<u>2,191,882</u>
Liabilities			
Current liabilities			
Trade and other payables	15	269,938	41,606
Deferred income	16	<u>3,532</u>	<u>-</u>
Total current liabilities		<u>273,470</u>	<u>41,606</u>
Non-current liabilities			
Trade and other payables	15	<u>113,424</u>	<u>-</u>
Total non-current liabilities		<u>113,424</u>	<u>-</u>
Total liabilities		<u>386,894</u>	<u>41,606</u>
Net assets		<u><u>2,271,527</u></u>	<u><u>2,150,276</u></u>
Equity			
Issued capital	17	215,582,167	214,835,167
Reserves	18	564,692	533,556
Accumulated losses		<u>(213,875,332)</u>	<u>(213,218,447)</u>
Total equity		<u><u>2,271,527</u></u>	<u><u>2,150,276</u></u>

	Issued capital \$	Share based payments reserve \$	Revaluation reserve \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	214,835,167	466,741	-	(210,133,362)	5,168,546
Loss after income tax expense for the year	-	-	-	(3,117,041)	(3,117,041)
Other comprehensive loss for the year, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(3,117,041)	(3,117,041)
Share-based payment transactions to employees	-	98,771	-	-	98,771
Reversal of share-based payment transactions to employees from prior periods	-	(31,956)	-	31,956	-
Balance at 30 June 2024	<u>214,835,167</u>	<u>533,556</u>	<u>-</u>	<u>(213,218,447)</u>	<u>2,150,276</u>
	Issued capital \$	Share based payments reserve \$	Revaluation 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 expense for the year	-	-	-	(656,885)	(656,885)
Other comprehensive loss for the year, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	(656,885)	(656,885)
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	<u>215,582,167</u>	<u>564,692</u>	<u>-</u>	<u>(213,875,332)</u>	<u>2,271,527</u>

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts from customers from continuing operations		-	(31,181)
Payments to suppliers and employees		(548,929)	(1,123,885)
Grants received		-	51,420
Interest received		76,123	73,484
R&D tax incentive		-	666,813
Net cash used in operating activities	19	(472,806)	(363,349)
Cash flows from investing activities			
Payment for purchase of business	27	(1,140,000)	-
Proceeds from disposal of investments		35,000	-
Net cash used in investing activities		(1,105,000)	-
Cash flows from financing activities			
Proceeds from issue of shares	17	800,000	-
Share issue costs	17	(53,000)	-
Repayment of borrowings		-	(503,744)
Net cash from/(used in) financing activities		747,000	(503,744)
Net decrease in cash and cash equivalents		(830,806)	(867,093)
Cash and cash equivalents at the beginning of the financial year		2,122,383	2,986,733
Effects of exchange rate changes on cash and cash equivalents		22	2,743
Cash and cash equivalents at the end of the financial year	10	<u>1,291,599</u>	<u>2,122,383</u>

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

1. Reporting entity	20
2. Comparative figures in the profit or loss and other comprehensive income	20
3. Basis of preparation	20
4. Material accounting policy information	21
5. Net (refund) / revenue from continuing operations	27
6. Other income	28
7. Net impairment of assets and liabilities	28
8. Income tax expense	28
9. Loss per share	29
10. Cash and cash equivalents	29
11. Trade and other receivables	29
12. Inventories	30
13. Investments	30
14. Intangible assets	30
15. Trade and other payables	32
16. Deferred income	32
17. Issued capital	33
18. Share-based payments	33
19. Notes to the statement of cash flows	35
20. Financial instruments disclosure and financial risk management	35
21. Dividends	37
22. Dividend franking account	38
23. Auditor's remuneration	38
24. Related party transactions	38
25. Group entities	39
26. Parent entity disclosure	39
27. Business combinations	40
28. Commitments	40
29. Contingent liabilities	41
30. Events after the reporting period	41

1. Reporting entity

TALi Digital Limited (the “Company”) is a company domiciled in Australia. The consolidated financial statements of the Company as at 2025 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 201, 697 Burke Road, Camberwell Vic 3124. Except as disclosed elsewhere in this Report, there have been no significant changes in the nature of these activities during the year.

2. Comparative figures in the profit or loss and other comprehensive income

Comparative figures in the profit or loss and other comprehensive income have been reclassified in order to be consistent with the presentation shown in the current period. The updates are as follows:

	Reported in the year ended 30 June 2024	Reclassification	Reported as comparative figures in the year ended 30 June 2025
	\$	\$	\$
Interest income	-	85,493	85,493
Research and development	(298)	298	-
Other expenses	(102,067)	(7,179)	(109,246)
Net finance income	75,869	(75,869)	-
Foreign exchange gains	2,743	(2,743)	-

3. 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 2016/191 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.

3. Basis of preparation (continued)

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 26.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 30 June 2025 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.

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) 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 14); and
- Assessing the carrying amount of investments (refer to note 13).

4. 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:

(a) Revenue and other income

The Group recognises revenue as follows:

4. Material accounting policy information (continued)

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.

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.

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

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, its 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.

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.

4. Material accounting policy information (continued)

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, its 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.

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.

4. Material accounting policy information (continued)

(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 (2024: 5-20 years).

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.

4. Material accounting policy information (continued)

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.

(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 Managing Director, who is the Group's chief operating decision maker. From 1 July 2020 the Group deems to only operate within one business segment.

(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) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of financial assets with changes in their fair value recognised in the Statement of Profit or Loss and Other Comprehensive Income.

4. Material accounting policy information (continued)

(n) Foreign currency Translation

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

(o) 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.

(p) 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.

(q) 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.

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.

(r) 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.

4. Material accounting policy information (continued)

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 18 for further information.

(s) 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.

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.

5. Net (refund) / revenue from continuing operations

	2025 \$	2024 \$
Service revenue recognised over time ¹	-	1,996
Refunds ¹	-	(30,343)
Sale of goods transferred at a point in time ²	1,186	-
	<u>1,186</u>	<u>(28,347)</u>

¹In August 2023 the Company announced it was expanding its existing strategic partnership with Genius Childcare (Genius) by outsourcing product development, sales and product support to Genius. Given the transition those customers who held unused licenses were offered full refunds.

²Sale of goods refers to the sale of the digital YCDI subscriptions and non-digital materials.

6. Other income

	2025 \$	2024 \$
Grant income ¹	-	71,830
Other income	(338)	1,283
R&D tax incentive ²	-	66,462
Proceeds from sale of investment ³	-	35,000
	<u>(338)</u>	<u>174,575</u>

¹ \$51,420 relates to funds received from Austrade's Export Market Development Grant. The balance of \$20,410 relates to the release of prior period deferred revenue (see footnote 2).

² Relates to the release of prior period deferred revenue in relation to the research and development tax incentive.

³ On 29 June 2024 the Company sold its 1,000 share in Healthcarelink Group Pty Ltd for \$35,000. The shares were written down to a value of \$0 in the accounts in 2020.

7. Net impairment of assets and liabilities

	2025 \$	2024 \$
Intangibles impairment	-	4,185,487
Deferred income impairment	-	(2,049,380)
PPE impairment	-	7,995
	<u>-</u>	<u>2,144,102</u>

There were no revenues generated under the strategic partnership in 2025 and in March 2025 TALi announced that Genius had entered voluntary administration. At 30 June 2025, TALi was actively engaging with Genius's administrator and anticipates regaining full access and rights to the TALi products early in FY26.

8. Income tax expense

Numerical reconciliation between tax expense and pre-tax net loss:

Loss before tax – continuing operations	<u>(656,885)</u>	<u>(3,117,041)</u>
---	------------------	--------------------

	2025 \$	2024 \$
Loss before income tax expense	<u>(656,885)</u>	<u>(3,117,041)</u>
Tax at the statutory tax rate of 30% (2024: 25%)	(197,066)	(779,260)
Change in unrecognised temporary differences	2,270	542,696
Add: Non-deductible expenses	16,841	24,693
Add: Use of tax losses not recognised	230,295	330,088
Less: Items deductible for tax purposes	(52,340)	(92,852)
Less: Items not assessable for tax purposes	-	(25,365)
Income tax expense	<u>-</u>	<u>-</u>

8. Income tax expense (continued)

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 2025 the Group has unused tax losses of approximately \$167 million (2024: \$167 million).

9. Loss per share

	2025 \$	2024 \$
Loss after income tax attributable to the owners of TALi Digital Limited	(656,885)	(3,117,041)
	Number	Number
Weighted average number of ordinary shares used in calculating basic loss per share	3,328,032,337	3,295,155,625
Weighted average number of ordinary shares used in calculating diluted loss per share	3,328,032,337	3,295,155,625
	Cents	Cents
Basic loss per share	(0.02)	(0.09)
Diluted loss per share	(0.02)	(0.09)

195,051,506 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.

10. Cash and cash equivalents

	2025 \$	2024 \$
<i>Current assets</i>		
Cash at bank	1,291,599	2,122,383

11. Trade and other receivables

	2025 \$	2024 \$
<i>Current assets</i>		
Trade and other receivables	28,943	29,541
Other receivables	-	35,000
	28,943	64,541

Allowance for expected credit losses

The Group has recognised a loss of nil (2024: nil) in profit and loss in respect of the expected credit losses for the year ended 30 June 2025.

12. Inventories

	2025 \$	2024 \$
<i>Current assets</i>		
YCDI Inventories	25,460	-

13. Investments

	2025 \$	2024 \$
<i>Current assets</i>		
Financial assets classified at fair value through the profit & loss	4,455	4,793

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	4,793	3,510
Revaluation increments	(338)	36,283
Disposals	-	(35,000)
Closing fair value	4,455	4,793

On 29 June 2024 the Company sold its 1,000 share in Healthcarelink Group Pty Ltd for \$35,000. The shares were written down to a value of \$0 in the accounts in 2020.

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.

14. Intangible assets

	2025 \$	2024 \$
<i>Non-current assets</i>		
Goodwill - at cost	1,307,964	-
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)
	-	-
	1,307,964	-

14. 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:

	Goodwill \$	Acquired licences \$	Acquired intellectual property \$	Internally developed assets \$	Total \$
2025					
Carrying amount at beginning of period	-	-	-	-	-
Acquired	1,307,964	-	-	-	1,307,964
Carrying amount at end of period	1,307,964	-	-	-	1,307,964
		Acquired licences \$	Acquired intellectual property \$	Internally developed assets \$	Total \$
2024					
Gross carrying amount					
Carrying amount at beginning of period		198,506	363,384	3,796,499	4,358,389
Amortisation and impairment					
Amortisation		(9,374)	(10,700)	(152,828)	(172,902)
Impairment of assets		(189,132)	(352,684)	(3,643,671)	(4,185,487)
		(198,506)	(363,384)	(3,796,499)	(4,358,389)
Carrying amount at end of period		-	-	-	-

In 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 Business Combinations note).

During the year ended 30 June 2024, the Company fully impaired all intangible assets relating to the TALi products, the assets remained fully impaired at 30 June 2025.

Impairment testing

Goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised but is subject to impairment testing on an annual basis or whenever there is an indication of impairment.

Under AASB136, paragraph 68, an asset's cash-generating unit is the smallest group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets (or groups of assets).

In testing whether goodwill is impaired it is to be allocated to each cash generating unit ('CGU'). In identifying the groups of assets that constitute a CGU it is the smallest group that generates largely independent cash inflows and cannot be larger than the Group's reportable operating segments before aggregation.

Acquisitions during the year

Goodwill arising on the business combinations amounting to 1.3 million during the year is provisional and has been allocated to the YCDI CGU for impairment testing at 30 June 2025. Testing was performed to determine if there were any indicators of impairment for YCDI provisional goodwill based on the scope of AASB136. Based on the work done by management there are no indicators of impairment for the YCDI provisional goodwill.

14. Intangible assets (continued)

YCDI CGU

The recoverable amount of the YCGI CGU provisional goodwill has been determined by a value-in-use calculation using a discounted cash flow model based on a 5-year projection period approved by management, together with a terminal value. Based on the discounted cash flow projections the recoverable amount of the CGU exceeds the carrying amount as at 30 June 2025.

Key assumptions used for the discounted cash flow projections for the CGUs:

- Revenue growth rate: 20.0%
- Pre-tax discount rate: 19.3%
- Terminal growth rate: 1.0%

15. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
Trade payables	122,678	10,407
Accruals and other payables	67,260	31,199
Consideration payable (YCDI acquisition)	80,000	-
	<u>269,938</u>	<u>41,606</u>
<i>Non-current liabilities</i>		
Consideration payable (YCDI acquisition)	113,424	-
	<u>383,362</u>	<u>41,606</u>

The Group's exposure to currency and liquidity risk related to trade creditors and accruals is disclosed in note 20.

16. Deferred income

	2025 \$	2024 \$
<i>Current liabilities</i>		
Deferred income	<u>3,532</u>	<u>-</u>
<i>Reconciliation</i>		
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	-	2,136,252
Current year additions	3,532	-
Release of deferred revenues to other income (note 6)	-	(86,872)
Impairment	-	(2,049,380)
Closing balance	<u>3,532</u>	<u>-</u>

Due to the impairment of capitalised expenditure previously recognised as intangible assets, the deferred income relating to the R&D incentive and CRC-P grant received in prior periods, have also been written off.

17. Issued capital

Terms and conditions of ordinary shares

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.

	2025 Shares	2024 Shares	2025 \$	2024 \$
Ordinary shares - fully paid	4,095,155,625	3,295,155,625	215,582,167	214,835,167

Movements in issued capital during the year were as follows:

	2025 Number	2024 Number	2025 \$	2024 \$
Balance at the beginning of the financial year	3,295,155,625	3,295,155,625	214,835,167	214,835,167
Issue of shares through rights issue and placements	800,000,000	-	800,000	-
Transaction costs relating to rights issue and placements ¹	-	-	(53,000)	-
Issued capital at the end of the financial year	4,095,155,625	3,295,155,625	215,582,167	214,835,167

¹ Directly attributable costs incurred in raising capital are presented as a reduction in equity.

18. 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:

2025

Grant 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	\$0.030	5,000,000	-	-	5,000,000	
15/03/2023 ¹	\$0.004	85,051,506	-	-	85,051,506	
15/03/2023 ²	\$0.004	30,000,000	-	-	30,000,000	
15/03/2023 ³	\$0.008	30,000,000	-	-	30,000,000	
15/03/2023 ⁴	\$0.012	30,000,000	-	-	30,000,000	
04/08/2022 ⁵	\$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

18. 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.

2024

Grant 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	
15/10/2019	\$0.015	300,000	-	(300,000)	-	
24/11/2020	\$0.030	5,000,000	-	-	5,000,000	
20/07/2021	\$0.060	600,000	-	(600,000)	-	
20/07/2021	\$0.090	1,200,000	-	(1,200,000)	-	
15/03/2023 ¹	\$0.004	85,051,506	-	-	85,051,506	
15/03/2023 ²	\$0.004	30,000,000	-	-	30,000,000	
15/03/2023 ³	\$0.008	30,000,000	-	-	30,000,000	
15/03/2023 ⁴	\$0.012	30,000,000	-	-	30,000,000	
04/08/2022 ⁵	\$0.030	15,000,000	-	-	15,000,000	
		197,151,506	-	(2,100,000)	195,051,506	
Weighted average exercise price		\$0.04	\$0.01	\$0.00	\$0.09	\$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 Broker in relation to capital raise in March 2022.

No new options were granted during the current financial year.

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

	2025 \$	2024 \$
Share-based payments reserve	<u>564,692</u>	<u>533,556</u>

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.

18. Share-based payments (continued)

	2025 \$	2024 \$
Opening balance	533,556	466,741
Share-based payment transactions	31,136	98,771
Reversal of share-based payment transactions to employees from prior periods	-	(31,956)
Closing balance	<u>564,692</u>	<u>533,556</u>

19. Notes to the statement of cash flows

	2025 \$	2024 \$
Loss after income tax	(656,885)	(3,117,041)
Add: depreciation, amortisation and loss on disposal of plant and equipment and intangibles	-	178,198
Share based payment expense	31,136	98,771
Net investment gain on revaluation and unrealised foreign exchange gain	338	(1,283)
Net impairment	-	2,144,102
Revenue not yet received	(1,186)	-
Total non-cash & non-operating items	<u>30,288</u>	<u>2,419,788</u>
(Increase)/decrease in receivables	35,598	647,744
Decrease/(increase) in other assets	165	17,643
(Decrease)/increase in employee benefits	-	(116,413)
(Decrease)/increase in deferred income	3,532	(86,872)
Increase/(decrease) in payables	139,956	(128,198)
(Increase)/decrease in inventories	(25,460)	-
Change in operating assets and other receivables	<u>153,791</u>	<u>333,904</u>
Net cash used in operating activities	<u>(472,806)</u>	<u>(363,349)</u>

There have been no non-cash investing transactions during the 2025 financial year (2024: nil) which have had a material effect on assets and liabilities of the Group.

There have been no non-cash financing transactions during the 2025 financial year (2024: nil) which have had a material effect on assets and liabilities of the Group.

20. 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.

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.

20. Financial instruments disclosure and financial risk management (continued)

(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 (2024: nil).

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

	2025 GBP	USD	SGD	EURO	2024 GBP	USD	SGD	EURO
Bank accounts	-	1,074	-	-	-	1,053	-	-

The following significant exchange rates applied during the financial year:

Currency	Average rate 2025	Average rate 2024	Reporting date spot rate 2025	Reporting date spot rate 2024
USD	0.65	0.66	0.66	0.66

(i) 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 2025	0.64	1,183,957	-	107,643	1,291,599
Cash assets – at 30 June 2024	3.63	358,961	1,700,000	63,422	2,122,383
Profit and loss	2025 Strengthening	2025 Weakening	2024 Strengthening	2024 Weakening	
Cash at bank – variable interest rate:					
\$AUD	6,458	(6,458)	10,612	(10,612)	

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 \$6,458 (2024: \$10,612), if all other variables, including foreign currency rates, remain constant. The analysis is performed on the same basis for 2024.

(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.

20. Financial instruments disclosure and financial risk management (continued)

(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.

	3 months or less \$	Greater than 3 months \$	Greater than 1 year \$	Total \$
Financial assets:				
Receivables – at 30 June 2025	28,943	-	-	28,943
Receivables – at 30 June 2024	64,541	-	-	64,541

(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:

	3 months or less \$	Greater than 3 months \$	Greater than 1 year \$	Total \$
Financial liabilities:				
Trade and other payables – at 30 June 2025	189,938	80,000	113,424	383,362
Trade and other payables – at 30 June 2024	41,606	-	-	41,606

(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.

(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 3(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.

21. Dividends

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

22. Dividend franking account

The Company has no franking credits at reporting date.

23. Auditor's remuneration

	2025 \$	2024 \$
Audit services:		
Auditors of the Group – RSM Australia Partners	45,750	38,500

24. 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	2025 \$	2024 \$
Short-term employee benefits	189,585	283,807
Post-employment benefits	5,415	10,092
Share-based payments	31,136	98,771
Total compensation	<u>226,136</u>	<u>392,670</u>

Key Management Personnel transactions

Directors of the Company control 2.85% (2024: 3.55%) 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 2025 or 2024 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 (2024: nil).

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 2025 year (2024: nil).

24. Related party transactions (continued)

Other related party transactions

Other than the transactions disclosed above, there were no transactions with other related parties during either the 2025 or 2024 financial years.

25. Group entities

Significant subsidiaries for the year ended:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2025 %	2024 %
TALi Health Pty Ltd	Australia	100.00%	100.00%
YCDI Education Australia Pty Ltd	Australia	100.00%	-

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

26. Parent entity disclosure

As at, and throughout, the financial year ended 30 June 2025, the parent entity of the Group was TALi Digital Limited.

Statement of profit and loss

	Parent	
	2025 \$	2024 \$
Profit/(loss) after income tax	(545,377)	665,716
Total comprehensive (loss)/income	(545,377)	665,716

Statement of financial position

	Parent	
	2025 \$	2024 \$
Total current assets	2,493,365	2,191,574
Total assets	2,875,669	2,573,878
Total current liabilities	162,847	41,298
Total liabilities	162,847	41,298
Net assets	2,712,822	2,532,580
Equity		
Issued capital	215,582,167	214,835,167
Share-based payments reserve	564,693	533,556
Accumulated losses	(213,434,038)	(212,836,143)
Total equity	2,712,822	2,532,580

27. 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.

Given the timing of the acquisition the values identified in relation to the acquisition are provisional as at 30 June 2025. Thus, the net assets acquired may need to be subsequently adjusted with a corresponding adjustment to the provisional goodwill. The finalisation of the fair values of assets acquired and liabilities assumed will be completed within 12 months of the acquisition date, at the latest.

Provisional values of the assets acquired and liabilities assumed at the date of acquisition are as follows:

	Fair value \$
Inventories	25,460
Net assets acquired	25,460
Goodwill	1,307,964
Acquisition-date fair value of the total consideration transferred	<u>1,333,424</u>
Representing:	
Cash paid or payable to vendor	1,140,000
Deferred consideration	193,424
	<u>1,333,424</u>

Revenue and profit contribution

From the date of acquisition (18 June 2025) YCDI! contributed sales of \$1,186 and loss before tax of \$3,814 to the Group's results. As part of the acquisition the seller has the right to retain all revenues up to the acquisition date even if the service period of those revenues extends beyond the acquisition date. TALi operates in one segment of which the results of YCDI! are reported.

Transaction costs

Transaction costs of \$104,350 have been recognised as expenses and are included in administration expenses in the consolidated statement of profit or loss and comprehensive income and are part of operating cash flows in the consolidated statement of cash flows.

Provisional goodwill

The goodwill recognised is primarily attributed to the reputation of the YCDI brand which has built over years of operating in the field of youth mental health as well as expected synergies and other benefits from combining the assets and activities of YCDI and TALi. The goodwill is not deductible for income tax purposes.

28. Commitments

YCDI Education Australia Pty Ltd is required to pay The Bernard Group Pty Ltd \$200,000 over a period of 24 months.

29. Contingent liabilities

The Group is not aware of any contingent liabilities or contingent assets capable of having a material impact on the Group (2024: nil).

30. Events after the reporting period

On 8 July 2025, TALi completed a 1-for-6 non-renounceable entitlement offer of new shares at an issue price of \$0.001 per share. Eligible shareholders were also given the opportunity to apply for additional shares under a Top-Up facility. The offer raised approximately \$131,388 before costs and on 11 July 2025 131,388,380 share were issued. A total of 677,525,937 shares were available under the offer, resulting in a shortfall of 546,137,557 shares which the Directors have reserved the right to place within three months of the offer closing.

On 3 August 2025, 15,000,000 options with an exercise price of \$0.03 expired and as a result, were lapsed.

No other matter or circumstance has arisen since 30 June 2025 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 International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 4 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 2025 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



Mark Simari
Chair

14 August 2025

RSM Australia Partners

Level 27, 120 Collins Street Melbourne VIC 3000
PO Box 248 Collins Street West VIC 8007

T +61 (0) 3 9286 8000
F +61 (0) 3 9286 8199

www.rsm.com.au

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

Opinion

We have audited the financial report of TALi Digital Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit and 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 the 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 2025 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 Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including independence standards)* (the Code) that are relevant to our audit of the financial report 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 Matter

Key Audit Matter	How our audit addressed this matter
Business combination Refer to Note 27 in the financial statements	
On 13 June 2025, TAli acquired a new business, 'You Can Do It! Education', for a total consideration of \$1.1 million paid upfront and \$0.2 million deferred, payable over a 24-month period from the completion date. The acquisition included all assets of the business, such as online digital programs, the website, domain names, and social media accounts. There is inherent complexity and judgement in determining whether this transaction constitutes a business combination or asset acquisition under AASB 3 <i>Business Combinations</i>. In addition, assessing the fair value of the consideration transferred, identifying and valuing any separately recognisable intangible assets, and determining the appropriate accounting treatment involve significant management estimates. Under AASB 3, management has 12 months from the acquisition date to finalise the accounting for the transaction. The risk is that these estimates and judgements may be incorrect, resulting in a material misstatement in the classification and valuation of the acquisition.	We performed the following procedures in relation to the acquisition accounting: • Reviewing the share purchase agreement and associated documentation to understand the nature and terms of the transaction, ensuring the accounting treatment reflects the substance of the arrangement; • Assessing whether the acquisition meets the definition of a business under AASB 3, and confirmed it is not an asset acquisition; • Evaluating the accuracy and completeness of the fair values assigned to the identifiable assets acquired and liabilities assume; and • Reviewing the financial statement disclosures for completeness and accuracy in accordance with the AASB 3.
Goodwill Impairment Refer to Note 14 in the financial statements	
As a result of the recent acquisition of 'You Can Do It! Education', the goodwill balance of \$1.3 million is required to be tested for impairment annually under AASB 136 <i>Impairment of Assets</i>. This balance has been identified as a significant audit risk due to its materiality and the inherent subjectivity involved in impairment testing. AASB 136 mandates that goodwill be assessed for impairment at least annually, or more frequently if indicators of impairment arise.	We performed the following procedures in relation to goodwill impairment: • Assessing management's determination of the CGU applied to the goodwill and other intangible assets based on the nature of the Group's business and the manner in which results are monitored and reported; • Evaluating the valuation methodology applied in the value-in-use model; • Verifying the mathematical accuracy of the discounted cash flow model and reconciling input data to supporting evidence;

Key Audit Matter (continued)

Key Audit Matter	How our audit addressed this matter
The evaluation relies heavily on management's value-in-use model, which incorporates significant assumptions and judgements regarding future cash flows, discount rates, and growth projections. Overstatement of these assumptions may result in the carrying amount exceeding the recoverable amount, leading to delayed recognition of impairment losses.	- Considering and challenging the reasonableness of key assumptions, including the cash flow projections, budgets, revenue growth rate, discount rates and sensitivities used; and - Reviewing the disclosures in the financial statements to assess whether critical estimates and assumptions relating to the valuation methodology were appropriately and accurately presented.

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.

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 2025 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:

- 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
- 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:

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

Responsibilities of the Directors for the Financial Report (continued)

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 pages 8 to 13 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of TALi Digital Limited, for the year ended 30 June 2025, 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.

**RSM AUSTRALIA PARTNERS****A L WHITTINGHAM**

Partner

Melbourne

14 August 2025

Share Capital

The shareholder information set out below was applicable as at 28 July 2025.

Number

Number of shares quoted on the Australian Securities Exchange Limited 4,226,544,005.

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	FINEXIA WEALTH PTY LTD - CLIENT NOMINEE A/C	477,304,487	11.29%
2	ASSET GROWTH FUND PTY LTD	201,644,091	4.77%
3	SAILORS OF SAMUI PTY LTD	159,817,044	3.78%
4	MR GIRISH BHOJWANI - G BHOJWANI FAMILY TRUST	150,000,000	3.55%
5	NETWEALTH INVESTMENTS LIMITED - WRAP SERVICES A/C	110,333,331	2.61%
6	MR ROBERT DARIUS FRASER - FRASER FAMILY A/C	100,000,000	2.37%
6	MR ALAN CONIGRAVE	100,000,000	2.37%
6	KEISER INVESTMENTS PTY LTD - GANN FAMILY RETIREMENT A/C	100,000,000	2.37%
7	OCTIFIL PTY LTD	98,870,192	2.34%
8	BLUEWATER ASSET MANAGEMENT PTY LTD - TEEFISH SUPER FUND A/C	83,134,580	1.97%
9	CHARKAROO PTY LTD - CHARMARBELLE A/C	77,909,092	1.84%
10	GP SECURITIES PTY LTD	72,571,430	1.72%
11	BNP PARIBAS NOMINEES PTY LTD - IB AU NOMS RETAILCLIENT	70,518,860	1.67%
12	CALAMA HOLDINGS PTY LTD - MAMBAT SUPER FUND A/C	67,500,000	1.60%
13	SCINTILLA STRATEGIC INVESTMENTS LIMITED	65,000,000	1.54%
14	PETERLYN PTY LTD - RPC SALMON SUPER FUND A/C	61,600,000	1.46%
15	MRS SUSANNA ELIZABETH ANDERSON	60,915,995	1.44%
16	EST MR SIMON CHARLES DOHERTY	59,441,832	1.41%
17	MRS TRACY FRASER	58,333,340	1.38%
18	LONGRIDGE PARTNERS PTY LTD	56,000,000	1.33%
18	MR MURRAY JOHN TURNER	56,000,000	1.33%
19	CITOS SUPER PTY LTD - CITOS PTY LTD SF A/C	55,000,000	1.30%
20	MR MICHAEL ANDREW WHITING & MRS TRACEY ANNE WHITING - WHITING FAMILY S/F A/C	53,250,634	1.26%
	Totals	2,395,144,908	56.67%
	Total Issued Capital	4,226,544,005	100.00%

Distribution of shareholders as at 28 July 2025

Holding ranges	Holders	Total units	% Issued share capital
Above 0 up to and including 1,000	319	88,808	-
Above 1,000 up to and including 5,000	177	495,066	0.01%
Above 5,000 up to and including 10,000	164	1,334,248	0.03%
Above 10,000 up to and including 100,000	811	32,926,979	0.78%
Above 100,000	813	4,191,698,904	99.18%
Totals	2,284	4,226,544,005	

The number of shareholders as at 28 July 2025 with less than a marketable parcel of \$500 worth of shares, based on the market price as at that date (\$0.001 per share), was 308, with total 77,808 amounting to 0.002% of total shareholding.

Corporate Governance Statement

In accordance with ASX Listing Rule 4.10.3 the Company's 2025 Corporate Governance Statement can be found at:

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 case none of those persons is entitled 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.

As at 28 July 2025, the Options issued over unissued Ordinary Shares totalled 195,051,506 represented by, 90,000,000 issued to Directors and 105,051,506 issued to external suppliers for services rendered. There are no voting rights attached to either the Options or the underlying unissued Ordinary Shares.

Officers

Company Secretary: Tim Luscombe

Registered Office

TALi Digital Limited
Suite 201, 697 Burke Road
Camberwell, Victoria 3124 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.