

16 June 2023

ASX Release

Strategic Review and Update on CEO Arrangements

TALi Digital Ltd (ASX:TD1, TALi or the Company), a health technology business pioneering solutions in the attention training and cognition enhancement space, announces today that it has commenced a strategic review of its operations to examine the potential pathways for the commercialisation of TALi's current products and to identify complementary opportunities in order to maximise value for its shareholders.

A key driver for the strategic review has been the unexpected delays for TALi to be potentially included on the School Readiness Funding Menu in Victoria in collaboration with Genius Childcare as part of the strategic partnership announced in December 2022. Given that this initiative was seen as a potential source of revenue for the second half of 2023, and at this time it is not known when the Victorian Government will consider new submissions, the Board has decided to undertake the strategic review to better position the company for the future in the best interest of shareholders.

The strategic review aims to assess the Company's operations, costs, partnerships, and growth strategies in order to refine the Company's strategic and competitive positioning for future success. The Board also plans to undertake a cost reduction program to streamline and preserve its balance sheet and to align the Company's operating costs more effectively with current level of activities.

The Board intends to implement any changes identified as part of the review through a planned, deliberate, and progressive approach to better position the Company, while having regard to the current market environment.

In conjunction with the strategic review, the Company also announces an update to the current CEO arrangements. Dr Mary-Beth Brinson, the current CEO of the Company, will transition from her position as CEO and cease permanent employment with effect from 12 July 2023. Dr Brinson will then continue providing support to the Company and the Board through a consultancy arrangement. Details of the revised arrangements agreed with Dr Brinson are set out below.

TALi's Chair, Mark Simari, said: "The Board appreciates Mary-Beth's commitment to continue her support, and leadership to our staff, and to the families with young children served through our products during this interim period of review."

In accordance with ASX Listing Rule 3.16.4, the material terms of Dr Brinson's consultancy agreement are set out below:

- Dr Brinson will be paid a consultancy fee of \$10,000 (excluding GST) per month.
- Dr Brinson may also receive an incentive payment should the strategic review result in the immediate commercial realisation of TALi's current products. If a realisation does occur, then an incentive would be payable to Dr Brinson equal to 2.5% of any up-front cash payment received by the Company.
- The consultancy agreement is otherwise on standard terms and can be terminated by either party by giving one months' notice.

The Company will keep the market informed with any material developments arising from the strategic review in accordance with its continuous disclosure obligations.

Release authorised by:

The Board of TALi Digital Limited

CONTACT

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About TALi Digital

TALi Digital Limited (ASX: TD1) is a digital health company delivering diagnostic and therapeutic solutions to enhance attention cognitive function. The Company has built a patented platform technology with our first solution targeting cognitive attention skills during early childhood via an evidence and game-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 in ADHD (Attention Deficit Hyperactivity Disorder) and ASD (Autism Spectrum Disorder). Learn more at talidigital.com.