

## TALi & Genius Childcare Strategic Partnership Update

### Key Highlights:

- **Exclusive distribution rights throughout Genius Childcare network:** Genius will receive exclusive distribution rights which will ensure TALi products are exclusively distributed into the Australian Childcare Sector of over 300,000 children.
- **Genius Childcare:** Has over 30 centres open with a strong pipeline of new centres across Australia
- **Access to Kindergarten Funding Accreditation:** With the assistance of Genius, TALi endeavours to list its products and services on the appropriate Government Funding Menus. This will allow centres to across Victoria access to the TALi products for their children.
- **Development of childcare technology platform:** Genius will assist in developing a technology platform to allow childcare centre staff to administer sessions to children using TALi products.
- **Real in-market testing for TALi products:** Genius has committed to utilising TALi's products in its childcare centres, conducting testing and running attention-based programs for the benefit of early years sector children.

Sprint Capital Partners and its affiliate, Genius Learning Pty Ltd ("**Genius**"), a leading childcare centre operator, and TALi Digital Limited (ASX:TD1, "**TALi**"), a leading digital health business, are pleased to announce that they have entered into an exclusive strategic partnership that leverages Genius' expertise, growth, reputation and distribution in the early years sector (including childcare and kindergarten) with TALi's patented attention tools ("**Strategic Partnership**").

### Marketing Opportunities and Exclusive Distribution for TALi Products

Genius will provide TALi with marketing opportunities through existing commercial partners and by utilising Genius' vast network within the childcare space. Genius is investing heavily into staff and technology to provide a world-leading health and education service for families, utilising TALi's product offerings.

This partnership grants Genius exclusive distribution and marketing rights in Australia and New Zealand in relation to TALi's suite of products in the early years sector. Genius has committed to partner exclusively with TALi and is committed to the use of TALi's products for inattentiveness detection and attention training to the exclusion of all others.

### Mutually Beneficial Milestone Payments and Revenue Sharing Arrangement

Milestone payments will be made to Genius upon development of a 'TALi in Childcare' specific technology platform, which will be used to allow childcare centre staff to implement TALi product sessions with children attending childcare and other early years programs.

An initial milestone payment of \$1.13 million will be payable by TALi upon Genius' completion of the technology platform development. Upon acceptance of TALi's suite of products and accompanying attention related services to the Kindergarten Funding Accreditation (a Victorian Government initiative which provides funding for externally validated child support programs), a further milestone payment of \$1 million will be payable by Tali.

These milestone payments may be satisfied (fully or in part) by cash or an issue of new shares in TALi, at TALi's election and subject to compliance with applicable regulatory requirements. Any Tali shares to be issued under this arrangement will be issued at price per share equal to the volume weighted average price of TALi shares traded on ASX during the 20 trading days prior to a relevant election being made.

Tali will receive 70% of the revenue earned from the TALi products used in the curriculum under the Strategic Partnership, payable monthly.

**Significant Market Activations Expected**

The Genius childcare network is expanding to deliver over 10,000 childcare places across Australia in high demand areas. Additionally, there are over 300,000 children yearly who participate in the early years sector across Australia in a variety of childcare, kindergarten and other early learning settings. Using conservative estimates, 30% of children require support with their attention for the optimum learning outcomes.<sup>1</sup> Through Genius and its industry connections, TALi will gain access to a large number of children who require support through TALi's products and services.

Genius intends to offer all children who attend a Genius childcare service an initial assessment upon enrolment and follow on with consistent testing every 3-6 months while the child is in attendance. With the expectation that early childhood government funding will remain in place, the percentage of children in care is likely to increase over the coming years to unlock parents' productivity and allow children to be exposed to the Early Years and Learning Frameworks. Under the Strategic Partnership, scaling opportunities via Child Care Management Systems used by other childcare providers will also be explored.

**Acceptance to Kindergarten Funding**

Through the Strategic Partnership, Genius and TALi will work together in good faith to successfully list TALi's services within the Kindergarten Funding plan (and on any other similar government programs). To achieve this goal, Genius will perform attention assessment services for children using TALi's products and advocate for TALi products.

*'The partnership with Genius is in line with TALi's vision of supporting the whole child with early intervention, in the health sector and in the school sector. The early school years are a foundational time where improving cognitive abilities sets children up well for the best possible outcomes.'* **Dr Mary Beth Brinson, TALi CEO**

*'This partnership opportunity with Sprint Capital/Genius Childcare allows Tali to begin to fulfill the obligations the company has made to its investors by building quality revenue channels across Health and Education. It is exciting that the partner for this opportunity is so dedicated to providing opportunities for the children in their care.'* **Mark Simari, TALi Chair**

*'Genius Childcare is committed to providing a rich, unique and inspired learning environment to children. Leveraging Genius' previous experience rolling out successful software programs to its centres, it therefore makes perfect sense to partner with TALi - a leader in digital attention training software, offering their unique products exclusively through our centres to enhance the learning opportunities for children.'* **Michael Starke, Genius General Manager**

**Release authorised by:**

**The Board of TALi Digital Limited**

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<sup>1</sup> Mahone, E. M., & Schneider, H. E. (2012). Assessment of attention in preschoolers. *Neuropsychology review*, 22(4), 361-383.  
<https://link.springer.com/article/10.1007/s11065-012-9217-y>

**About TALi Digital**

TALi Digital Limited (ASX: TD1) is a digital health company delivering diagnostic and therapeutic solutions to enhance cognitive function and behaviour. The Company has built a patented platform technology with our first solution targeting cognitive attention skills during early childhood via the evidence-based screening (DETECT®) and training (TRAIN®) modules. This program is complementary to existing diagnosis and therapy, placing TALi at the forefront of improving early intervention for childhood attention and concentration performance. We believe in healthy, happier minds – our vision is 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](http://talidigital.com).

**About Genius Childcare**

Genius Childcare is an innovative and holistic early years education for preschool-aged children. Genius offers state-of-art, purpose-built childcare facilities, a diverse and thoughtful curriculum delivered by passionate, highly-skilled educators.

Genius Childcare is Australia's fastest growing privately owned Childcare business. Genius Childcare has expanded from VIC to WA, NSW and SA, currently with 32 Genius centres across Australia. Genius has also established a partnership with Mayfield Childcare (ASX: MFD).

Learn more at [genius.edu.au](http://genius.edu.au)

**About Sprint Capital Partners**

Sprint Capital Partners is an investor and advisory firm with a focus on the education sector. Sprint Capital has a core focuses on operational childcare businesses, property development, early-stage strategic investments. Sprint looks for opportunities that can be implemented into the wider Sprint network for mutual benefit.

Sprint is proud of the value Genius Childcare provides to its local communities in creating career opportunities and care for children.

**Forward-Looking Statements**

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

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