

TALLY LTD

(“Tally”, or the “Company”)

Half Year Report for the six months ended 31 December 2020

Tally Ltd, the money innovator and Non-Bank Financial Institution (“NBFI”) developer of the full-reserve banking platform and physical gold digital currency, tally®, announces its unaudited results for the six months ended 31 December 2020.

Highlights for the period:

- New equity capital issue raised gross proceeds of £311,300 at 2p during the period increasing shares on issue to 648,122,781 and representing a company valuation of £13m at the end of period (up 37% from £9.5m in 2019).
- Tally sold 41,538 Railsbank shares (30 June 2020 holding: 98,782 shares) for a total gross cash consideration of \$2.5 million (£1,923,927). The price per share achieved on the November 2020 disposal of \$60.18 was 376% higher than the original cost (\$12.63) in early 2018.
- Product development included adding interactive charts in app so customers can see the devaluing of their fiat currency (i.e. GBP) by more than 80% over the last 20 years when compared to gold, and conversely the over 600% rise in the value of tally (gold) when measured in GBP since 2000.
- Easy Access Safes were added to help customers budget and set up multiple-focused savings tools.

Key financials

The loss after tax for the period was £697,794 compared to £693,615 for the 6-month period to 31 December 2019.

Cash at bank increased from £55,936 to £555,969. Financial assets (tally held representing physical gold owned by the Company) held at fair value increased from £60,587 to £316,039.

Chief Executive Officer of Tally Ltd, Cameron Parry, commented:

“During the period Tally Ltd completed its commercial-grade technology platform and smartphone app, with increased levels of security, greater processing speed, new product functionality capacity and data management tools, that the global vision for tally requires. Following completion of this stage of tech development we raised in excess of £300,000 in equity funding and injected circa £1.9m from the part-sale of an investment asset. The Company also focused on increasing organisational capabilities and the team approximately doubled in size from 7 full-time employees and 4 part-time personnel to 14 full-time and 6 part-time team members. Tally Ltd ended the period with a commercially robust banking technology platform and a growing organisational structure to progress the next phase of business development and strategy implementation.”

For further information or if shareholders have any queries, please contact our office via corporate@tallymoney.com

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TALLY LTD and its controlled entities
Condensed consolidated Statement of Comprehensive Income (Unaudited)
for the six months ended 31 December 2020

	Six months ended 31 December 2020 Unaudited £	Six months ended 31 December 2019 Unaudited £	Year ended 30 June 2020 Audited £
Revenue	4,830	10,002	20,431
Administrative expenses	(586,371)	(621,486)	(1,242,652)
Profit/(loss) from operating activities	(581,541)	(611,484)	(1,222,221)
Finance income	-	-	-
Finance costs	(59,416)	(53,102)	(57,203)
Net finance income/(costs)	(59,416)	(53,102)	(57,203)
Share of loss of associates	(18,214)	(30,715)	(64,362)
Fair value adjustment on assets held for sale	(4,183)	-	-
Gain on disposal of investments	-	-	3,017,523
Gain/(loss) on financial assets at fair value	(5,581)	1,686	10,115
Exceptional costs	(28,859)	-	-
Profit/(loss) before tax	(697,794)	(693,615)	1,683,852
Tax	-	-	116,151
Profit/(loss) after tax	(697,794)	(693,615)	1,800,003
Other comprehensive loss			
Foreign exchange translation	(635)	(888)	(5,512)
Total comprehensive profit/(loss)	(698,429)	(694,503)	1,794,491
Basic earnings/(loss) per share (p)	(0.11)	(0.12)	0.29

TALLY LTD and its controlled entities
Condensed consolidated Statement of Comprehensive Income (Unaudited)
for the six months ended 31 December 2020

	Note	31 December 2020 Unaudited £	30 June 2020 Audited £
Non-current assets			
Intangible assets	5	1,123,340	956,859
Tangible assets		16,968	11,186
Right of use asset		79,049	98,812
Investment in associates	3	3,309,420	3,327,634
Investments at fair value through profit or loss	3	2,651,387	4,575,314
Total non-current assets		<u>7,180,164</u>	<u>8,969,805</u>
Current assets			
Assets held for sale	3	563,773	563,334
Financial assets at fair value through profit or loss	4	316,069	60,587
Trade and other receivables		114,285	72,816
Cash and cash equivalents		555,969	55,936
Total current assets		<u>1,550,096</u>	<u>752,673</u>
Total assets		8,730,260	9,722,478
Current liabilities			
Trade and other payables		374,249	951,113
Lease liabilities		39,412	38,506
Total current liabilities		<u>413,661</u>	<u>989,619</u>
Non-current liabilities			
Lease liabilities		41,283	61,214
Total non-current liabilities		<u>41,283</u>	<u>61,214</u>
Total net assets		<u>8,275,316</u>	<u>8,671,645</u>
Equity			
Share capital		-	-
Share premium	9	30,319,376	30,017,276
Reserves		22,870	23,505
Accumulated losses		(22,066,930)	(21,369,136)
Total equity		<u>8,275,316</u>	<u>8,671,645</u>

These financial statements were approved by the Board of Directors on the 28 April 2021 and were signed on its behalf by:

Cameron Parry
Director

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Condensed consolidated Statement of Comprehensive Income (Unaudited)
for the six months ended 31 December 2020

	Share capital £	Share premium £	Share based payment reserve £	Foreign exchange translation reserve £	Shares to be issued to reserve £	Accumulated losses £	Total equity £
Balance at 1 July 2019	-	29,394,063	13	29,017	235,000	(23,169,139)	6,488,954
Loss for the period	-	-	-	-	-	(693,615)	(693,615)
Other comprehensive loss - foreign exchange translation	-	-	-	(888)	-	-	(888)
Total comprehensive loss	-	-	-	(888)	-	(693,615)	(694,503)
Issue of ordinary shares	-	655,000	-	-	-	-	655,000
Cost of issue	-	(31,800)	-	-	-	-	(31,800)
Issue of shares paid in prior periods	-	-	-	-	(235,000)	-	(235,000)
Exercise/expiration of warrants	-	13	(13)	-	-	-	-
Total contributions by and distributions to owners	-	623,213	(13)	-	(235,000)	-	388,200
Balance at 31 December 2019	-	30,017,276	-	28,129	-	(23,862,754)	6,182,651

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	Share capital £	Share premium £	Share based payment reserve £	Foreign exchange translation reserve £	Accumulated losses £	Total equity £
Balance at 1 July 2020	-	30,017,276	-	23,505	(21,369,136)	8,671,645
Loss for the period	-	-	-	-	(697,794)	(697,794)
Other comprehensive loss - foreign exchange translation variances	-	-	-	(635)	-	(635)
Total comprehensive loss	-	-	-	(635)	(697,794)	(698,429)
Issue of ordinary shares (note 9b)	-	315,300	-	-	-	315,300
Cost of issue	-	(13,200)	-	-	-	(13,200)
Total contributions by and distributions to owners	-	292,005	-	-	-	302,100
Balance at 31 December 2020	-	30,319,376	-	22,870	(22,066,930)	8,275,316

TALLY LTD and its controlled entities
Condensed consolidated Statement of Comprehensive Income (Unaudited)
for the six months ended 31 December 2020

	Note	Six months ended 31 December 2020 Unaudited £	Six months ended 31 December 2019 Unaudited £	Year ended 30 June 2020 Audited £
Cash flows from operating activities				
Profit/(loss) for the year		(697,794)	(693,615)	1,800,003
<i>Adjustments for:</i>				
Depreciation		21,421	1,382	22,567
Amortisation	5	119,121	77,450	148,409
Share of loss of associate	3	18,214	30,715	64,362
Fair value adjustment	3	(439)	-	-
Fair value movement on financial assets	4	5,581	(1,686)	(3,027,525)
Exceptional costs	3	28,859	-	-
Share-based payments to consultants	9	4,000	-	-
Net financing charge		59,416	53,102	57,203
Foreign exchange variances		(635)	(888)	(5,512)
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<i>Operating loss before changes in working capital and provisions</i>		(442,256)	(533,540)	(940,493)
Change in trade and other receivables		(41,469)	(14,741)	5,238
Change in trade and other payables		(576,864)	274,893	462,936
Net cash used in operating activities		(1,060,589)	(273,388)	(472,319)
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Cash flows from investing activities				
Net financing charge		(59,416)	(53,102)	(57,203)
Acquisition of intangible assets	5	(285,603)	(134,463)	(364,053)
Acquisition of tangible assets		(7,440)	(300)	(1,047)
Acquisition of financial assets at fair value	4	(261,063)	(51,809)	(22,941)
Exceptional costs	3	(28,859)	-	-
Disposal of investments at fair value	3	1,923,927	-	504,924
Net cash from/(used in) investing activities		1,281,546	(239,674)	59,680
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Cash flows from financing activities				
Proceeds from the issue of shares	9	311,300	420,000	420,000
Cost of issue	9	(13,200)	(31,800)	(31,800)
Repayment of lease liabilities		(19,024)	-	(18,855)
Net cash from financing activities		279,076	388,200	369,345
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Net increase / decrease in cash and cash equivalents		500,033	(124,862)	(43,294)
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Cash and cash equivalents at 1 July		55,936	99,230	99,230
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Cash and cash equivalents at period end		555,969	(25,632)	55,936
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TALLY LTD and its controlled entities
Notes to the condensed consolidated half year report (unaudited)
For the six months ended 31 December 2020

1. Basis of preparation and changes to the Group's accounting policies

Basis of Preparation:

As permitted, the Group has chosen not to adopt IAS 34 "Interim Financial Statements" in preparing this interim financial information. The half-yearly financial statements have been prepared on the historical cost basis except for the following items in the statement of financial position and statement of comprehensive income:

- Share-based payments are measured at fair value;
- Financial assets and investments at fair value through profit or loss;
- Assets held for sale, held at the lower of the carrying value or fair value less costs to sell
- Investment in associates measured using the equity accounting method.

The financial statements are presented in pounds sterling ("GBP" or "£"), which is the currency of the primary economic environment in which the Group operates. All amounts have been rounded to the nearest pound, unless otherwise stated. The unaudited condensed consolidated half yearly financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements for the year ended 30 June 2020, which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. As required by accounting standards, the Company has disclosed comparative data for the statement of comprehensive income for the trading company for the six months ended 31 December 2019.

The unaudited condensed consolidated half yearly financial statements do not constitute statutory financial statements within the meaning of the Guernsey (Companies) Law, 2008, and have been prepared on a going concern basis in accordance with the recognition and measurement criteria of IFRSs. Statutory financial statements for the year ended 30 June 2020 were approved by the Board of Directors on 25 February 2021 and delivered to the Registrar of Companies. The report of the auditor on those financial statements was unqualified but included a material uncertainty paragraph in relation to going concern.

The same accounting policies, presentation and methods of computation are followed in these unaudited condensed consolidated half yearly financial statements as were applied in the preparation of the Group's annual audited financial statements for the year ended 30 June 2020.

These interim condensed consolidated financial statements were approved by the Board of Directors on the 28 April 2021 and will be available from the Company's website, <https://www.tallymoney.com/investors/reports>.

New standards, interpretations and amendments adopted by the Group:

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2020. There have been no new standards which have materially impacted the interim financial statements.

TALLY LTD and its controlled entities
Notes to the condensed consolidated half year report (unaudited)
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2. Judgements and key sources of estimation uncertainty

In the application of the Group’s accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There have been no material changes in the estimates and assumptions as outlined in the audited financial statements for the year ended 30 June 2020.

3 Investments

Investments in Associates

Geomysore Services India Private Limited (“Geomysore”):

Tally Ltd has an equity interest in Geomysore equal to 21.35% (year ended 30 June 2020: 21.35%). Geomysore is an Indian gold exploration company based in Bangalore with an extensive portfolio of gold exploration projects including their most developed project being a planned mine development at Jonnagiri in Southern India. Geomysore is accounted for as an associate because, while Tally Ltd has significant influence over Geomysore, it does not have control, and it is accounted for on an equity accounting basis.

The share subscriptions by Tally Ltd and the other shareholders throughout the duration of the equity holding, subscribed initially by Tally Ltd in August 2013, has resulted in the Group’s interest in Geomysore fluctuating on a regular basis.

The carrying value of the investment in associate is determined as follows:

	31 December 2020 £	30 June 2020 £	31 December 2019 £
Investment in associate			
Opening balance	3,327,634	3,341,970	3,367,103
Investment additions	-	-	-
Share of loss in associate	(18,214)	(14,336)	(25,133)
Total	3,309,420	3,327,634	3,341,970

The Board has considered the valuation of its investment in Geomysore and determined that its fair value is at least equal to the carrying value of £3,309,420 (June 2020: £3,327,634) and no impairment loss is warranted. The areas of judgement for this have not changed from those stated in the audited financial statements for year ended 30 June 2020.

Kalevala Gold Oy:

As at the balance sheet date, Tally Ltd held 32% (30 June 2020: 32%) of a Finnish operating company Kalevala Gold Oy (“Kalevala”). Kalevala was established to develop the various licences subject to the joint venture with Mineral Exploration Network (Finland) Limited (“MENF” or the “JV”).

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Kalevala has historically been accounted for as an associate due to the percentage holding and due to the fact that Tally Ltd, whilst having influence over Kalevala, does not have control and was accounted for on an equity accounting basis.

As at 31 December 2020, the Company was seeking a buyer for their investment in Kalevala, following interest from third parties during the prior year. The sale of the asset is expected to occur within 12 months of the reporting date and as a result, the investment value has been kept as held for sale. The amount stated as held for sale is considered to be the fair value of the asset as at the period end.

In reviewing the fair value of the asset the indicators of impairment under IAS 36 have been considered by the Board with respect to the carrying value of Kalevala. From their review, the Board consider there are no indicators of impairment.

The carrying value of the investment in Kalevala is determined as follows:

	31 December 2020 £	30 June 2020 £
Assets held for sale		
Opening balance	563,334	-
Reclassification from investment in associate	-	563,334
Investment additions	4,622	-
Fair value adjustment	(4,183)	-
Total	563,773	563,334

Investments at fair value through profit and loss

Railsbank Technology Limited:

At the balance sheet date Tally Ltd held 57,244 (June 2020: 98,782) shares of Railsbank Technology Limited (“Railsbank”), the provider of a global banking and compliance platform API, that Tally’s full-reserve banking platform operates on.

Management has assessed the level of influence that the Group has on Railsbank and determined that the Group has not exercised significant influence during the year. The assessment also took into consideration board representation, the contractual terms and the substance of the arrangement. Consequently, Railsbank has been classified as an investment. The Company’s investment in Railsbank is held at fair value through profit and loss.

In November 2020, Railsbank completed a funding round of c\$37 million in connection with which Tally sold 41,538 Railsbank shares for a total gross cash consideration of \$2.5 million (£1,923,927). The price per share achieved on the November 2020 disposal of \$60.18 was 376% higher than the original cost (\$12.63).

The carrying value of the 57,244 Railsbank shares held as at 31 December 2020 of £2,651,387 (June 2020: £4,575,314) reflects the price per share of £46.32 (\$60.18 @ GBP/USD: 1.30) achieved on the November 2020 disposal. This remains unchanged from the price per share applied to the year end 30 June 2020 value and thus there has been no profit or loss recognised during the period to 31 December 2021.

The investment is entirely categorised as level 3 under the fair value hierarchy.

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	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Fair Value Total
	£	£	£	£
As at 1 July 2020	-	-	4,575,314	4,575,314
Disposals during the period	-	-	(1,923,927)	(1,923,927)
Gains and losses recognised in profit or loss	-	-	-	-
Fair value at 31 December 2020	-	-	2,651,387	2,651,387

	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Fair Value Total
	£	£	£	£
As at 1 January 2020	-	-	2,062,715	2,062,715
Disposals during the period	-	-	(504,924)	(504,924)
Gains and losses recognised in profit or loss	-	-	3,017,523	3,017,523
Fair value at 30 June 2020	-	-	4,575,314	4,575,314

Exceptional costs

Total costs incurred in the sale of the Railsbank shares in November 2020 were:

	31 December 2020 £
Brokerage fees	19,239
Stamp duty	9,620
Total	28,859

4. Financial assets at fair value

The following table analyses the fair value of the Group's financial assets by category as defined in IFRS 13.

	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Fair Value Total
	£	£	£	£
As at 1 July 2020	60,587	-	-	60,587
Net additions/(disposals) during the period	261,063	-	-	261,063
Gains and losses recognised in profit or loss	(5,581)	-	-	(5,581)
Fair value at 31 December 2020	316,069	-	-	316,069

	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Fair Value Total
	£	£	£	£
As at 1 January 2020	81,139	-	-	81,139
Net additions/(disposals) during the period	(28,981)	-	-	(28,981)
Gains and losses recognised in profit or loss	8,429	-	-	8,429
Fair value at 30 June 2020	60,587	-	-	60,587

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	Fair Value Level 1 £	Fair Value Level 2 £	Fair Value Level 3 £	Fair Value Total £
As at 1 July 2019	27,644	-	-	27,644
Net additions/(disposals) during the period	51,809	-	-	51,809
Gains and losses recognised in profit or loss	1,686	-	-	1,686
Fair value at 31 December 2019	<u>81,139</u>	-	-	<u>81,139</u>

The Level 1 financial assets are holdings in gold. The fair value at the period-end is the quoted market value.

5. Intangible Assets

Non-current assets	Goodwill £	Internally Generated Software £	Trademarks £	Total £
Balance at 1 July 2020	178,719	911,230	15,578	1,105,527
Additions - internal development	-	285,603	-	285,603
Balance at 31 December 2020	<u>178,719</u>	<u>1,196,833</u>	<u>15,578</u>	<u>1,391,130</u>
Amortisation				
Balance at 1 July 2020	-	146,850	1,818	148,668
Charge for the year	-	118,343	778	119,121
Balance at 31 December 2020	<u>-</u>	<u>265,193</u>	<u>2,596</u>	<u>267,789</u>
Net book value at 31 December 2020	<u>178,719</u>	<u>931,640</u>	<u>12,982</u>	<u>1,123,340</u>
Net book value at 30 June 2020	<u>178,719</u>	<u>764,380</u>	<u>13,760</u>	<u>956,859</u>

Tally Ltd, designed and developed, through its 100% owned operating subsidiary TallyMoney Ltd, a full-reserve banking and monetary system and mobile phone banking app that allows customers to hold an individual bank account denominated in tally® (1 tally® = 1 milligram of physical gold), sourced and vaulted on behalf of the customer. The app delivers the utility and convenience of everyday banking, for the customer's directly owned physical asset. Costs directly attributable to the continued development and enhancement of this platform have been capitalised under IAS 38.

The group estimates the useful life of the software to be at least 5 years based on the expected technical obsolescence of such assets. The software is amortised from the date that it was ready for use, being June 2019.

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6. Earnings/loss per share

The calculation of basic loss per share at 31 December 2020 was based on the loss of £697,794 and a weighted average number of ordinary shares outstanding of 640,923,107

	31 December 2020 £	30 June 2020 £
Profit/(loss) attributable to ordinary shareholders	(697,794)	1,800,003
Weighted average number of ordinary shares	Number '000	Number '000
Issued ordinary shares at 1 July	632,308	588,641
Effect of shares issued during the year	8,615	25,482
Weighted average number of shares at period end	640,923	614,123

7. Related Parties

Key management personnel

As at the 31 December 2020 period end, there were no key management personnel employed by the Group who were not a Director.

Directors' remuneration and interests

**Six months
to 31 Dec 2020**

Director	Remuneration			Interests	
	Cash-based payments £	Share-based payments £	Totals £	Shares No.	Options No.
	Cameron Parry* (CEO)	64,000	-	64,000	35,295,988
Ralph Hazell	16,002	-	16,002	30,941,455	-
Michael Joseph**	-	-	-	53,525,000	-
	80,002	-	80,002	119,762,443	10,000,000

* Cameron Parry invested cash of £30,000 during the period for 1,500,000 new ordinary shares and 1,500,000 IPO warrants .

No new options were issued or exercised during the period.

Transactions with other related parties

On 29 July 2019, Mike Joseph made available an unsecured drawdown facility of £400,000 that had a facility fee of £50,000 (12.5%) payable on commencement for the period up to 12 months and that subsequently attracted an annual facility fee on the anniversary of the commencement calculated as 12.5% on any remaining balance including fees. The facility was fully drawn down in two tranches; £250,000 on 29 July 2019 and £150,000 on 5 December 2019. The total amount outstanding under this loan facility as at 30 June 2020 of £450,000 comprised the principal of £400,000 and facility fee of £50,000. On 30 November 2020 the unsecured loan of £400,000 together with the total facility fees applicable of £106,250 was repaid to Mike Joseph and the drawdown facility cancelled.

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First Equity Limited is an FCA-licensed London Stockbroking firm, established 1987, FCA Ref. No. 124394. Tally Ltd CEO and Founder, Cameron Parry, owns more than 25% and less than 50% of First Equity Limited and he is Joint-CEO and an FCA approved person with the firm, FCA Ref. No. CJP01234. During the period First Equity Limited was engaged to assist with the £220,000 capital raise Tally Ltd conducted in August 2020 and was paid £13,200 for those capital raising services.

Geomysore is a related party, as the Group holds a 21.35% equity investment in this entity (30 June 2020: 21.35%) as at the reporting date. During the period, the Company (Kolar Gold Resources India) provided a loan to Geomysore of 1,000,000 INR (year ended 30 June 2020: nil). This amount was outstanding as at 31 December 2020 (30 June 2020: nil). No other transactions occurred during the year.

Kalevala is a related party by way of it being an associate of the Group. During the period, the Company provided additional funding of £4,622 to Kalevala (year ended 30 June 2020: nil). No other transactions occurred during the year.

8. Warrants

a) Options

The Company has the ability to issue options to Directors to compensate them for services rendered and incentivise them to add value to the Group's longer-term share value.

As at 31 December 2020, the following unexpired options were in existence over the shares of Tally Ltd:

Name	Date of Grant	Ordinary Shares under option	Expiry Date	Exercise Price £
Cameron Parry	18.01.17	10,000,000	31.12.22*	0.022

Each option entitles the holder to subscribe for one ordinary share in Tally Ltd. Options do not confer any voting rights on the holder.

The number and weighted average exercise price of the options are as follows:

	Weighted average exercise price 31 Dec 2020 £	Number of options 31 Dec 2020 No	Weighted average exercise price 30 June 2020 £	Number of options 30 June 2020 No
<i>Options issued by Tally Ltd</i>				
Outstanding at the beginning of the period/year	0.0220	10,000,000	0.0220	13,800,000
Expired during the period/year	-	-	0.0220	(3,800,000)
	<u>0.0220</u>	<u>10,000,000</u>	<u>0.0220</u>	<u>10,000,000</u>

As at 31 Dec 2020, the weighted average remaining contractual life of the options was 2 years (30 June 2020 - 2.5 years).

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b) Warrants

As at 31 Dec 2020, the following warrants were in existence:

Date of grant	Warrants issued	Warrants exercised	Warrants expired	Warrants remaining	Expiry date	Exercise price £
08.11.2017	2,500,000	-	-	2,500,000	30.11.2022	0.011
08.11.2017	2,500,000	-	-	2,500,000	30.11.2022	0.022
29.11.2019	47,200,000	-	-	47,200,000	*	*
28.08.2020	12,100,000	-	-	12,100,000	**	**
28.08.2020	3,800,000	-	-	3,800,000	31.12.2022	0.015
04.12.2020	4,765,000	-	-	4,765,000	**	**
04.12.2020	1,000,000	-	-	1,000,000	31.12.2022	0.015
04.12.2020	1,450,000	-	-	1,450,000	31.12.2022	0.02
	<u>75,315,000</u>	<u>-</u>	<u>-</u>	<u>75,315,000</u>		

The warrants issued in 2017 were attached to the appointment of a global strategy consultant and shares issued to this individual. The fair value of these warrants is considered to be £nil as the amount paid for the share and warrant bundle is equivalent to the fair value of the share.

* the exercise price of the warrants issued on 29 November 2019 is 150% of the Company's Initial Public Offering ("IPO") price with a term of 2 years from IPO. As the IPO date and price is uncertain, these are not included in the above analysis.

** the exercise price of the warrants issued on 28th August and 4th December 2020 is 200% of the Company's Initial Public Offering ("IPO") price with a term of 3 years from IPO. As the IPO date and price is uncertain, these are not included in the above analysis.

The number and weighted average exercise price of warrants are as follows:

Warrants in issue	Weighted average exercise price 31 Dec 2020 £	Number of warrants 31 Dec 2020 No	Weighted average exercise price 30 June 2020 £	Number of warrants 30 June 2020 No
Outstanding at 1 July	0.0165	5,000,000	0.0165	5,000,000
Outstanding at 1 July	***	47,200,000	-	-
Issued during the period	****	16,865,000	***	47,200,000
Issued during the period	0.015	4,800,000	-	-
Issued during the period	0.02	1,450,000	-	-
	<u>0.0163**</u>	<u>75,315,000</u>	<u>0.0165</u>	<u>52,200,000</u>

***the warrants issued on 29 November 2019 have an exercise price of 150% of the Company's Initial Public Offering ("IPO") price and will expire two years from the date of the IPO exercise. As the exercise price and the expiry date of these warrants will be determined by the eventual pricing and timing of the future IPO of the company, they have been excluded from calculation of the weighted average exercise price and weighted average remaining contractual life of the total warrants outstanding.

****the warrants issued on 28 August and 4 December 2020 have an exercise price of 200% of the Company's Initial Public Offering ("IPO") price and will expire three years from the date of the IPO exercise. As the exercise price and the expiry date of these warrants will be determined by the eventual pricing and timing of the future IPO of the company, they have been excluded from calculation of the weighted average exercise price and weighted average remaining contractual life of the total warrants outstanding.

As at 30 June 2020, the weighted average remaining contractual life of the 11,250,000 warrants which do have a defined expiry date was 2 years (30 June 2020: 2 years and 5 months).

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9. Share capital and reserves

a) Movement in issued and fully paid share capital:

	Ordinary Shares no par value
In issue at 30 June 2020	632,307,781
Issued	15,815,000
In issue at 31 December 2020	<u>648,122,781</u>

All shares issued by the Company are 'ordinary' shares and rank equally in all respects, including for dividends, shareholder attendance and voter rights at meetings, on a return of capital and in a winding-up.

In August and December 2020, Tally Ltd completed a pre-Series A funding round raising a total of £311,300, of which the board and management contributed £30,000, via the issue of 15,565,000 new ordinary shares at 2 pence per share. An additional 250,000 shares were issued to external consultants in consideration for services provided. These new shares rank pari-passu with all existing ordinary shares.

As a result of the above events, the total shares in issue as at 30 June 2020 was 648,122,781 (30 June 2020: 632,307,781).

In accordance with the provision of the Disclosure Guidance and Transparency Rules of the FCA, the issued ordinary share capital of Tally Ltd including the issue of the new ordinary shares is 648,122,781 Ordinary Shares with voting rights attached (one vote per share). There are no shares held in treasury.

b) Reserves

Share premium reserve

The share premium reserve comprises the excess of consideration received over the par value of the shares issued, plus the nominal value of share capital at the date of re-designation at no par value.

	Share premium reserve £
In issue at 30 June 2020	30,017,276
Pre-Series A funding round	311,300
Share-based payments to consultants	4,000
Cost of issue	(13,200)
In issue at 30 June 2020	<u>30,319,376</u>

Share based payment reserve

The share-based payment reserve comprises the fair value of warrants and options granted, less the fair value of lapsed and expired warrants and options.

Foreign exchange translation reserve

The foreign exchange translation reserve contains all foreign currency differences arising from the translation of the financial statements of foreign operations. Changes arising from monetary items that are considered to be part of the net investment are also included in the foreign exchange translation reserve.

Reserves in the Consolidated Statement of Financial Position comprise the share-based payment reserve, shares to be issued reserve and the foreign exchange translation reserve.

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10. Post Balance sheet events

No material events have taken place since 31 December 2020.

11. Approval of half year report

The condensed consolidated half year report was approved by the Board of Directors on 28 April 2021.