

## TALLY LTD

("TALLY" or the "Company")

### Activities & Objectives 2020 - end of Q2 Update

30 June 2020

TALLY LTD, the money innovator and digital Non-Bank Financial Institution ("NBF") that developed the full reserve banking platform and physical asset currency, Tally®, is pleased to update shareholders about the Company's activities and objectives.

Tally® is an independent full-reserve banking system and physical-asset currency that sits outside of the traditional global banking network, while seamlessly operating with it. Tally® is money that's protected from inflation, removed from bank risks and insulated from economic effects associated with the fiat currency fractional reserve banking system. Tally® is not a cryptocurrency, but rather a new category of money with the convenience and familiarity of a banking account and debit card.

**Cameron Parry, Chief Executive Officer, commented:** "The second quarter of 2020 has been challenging for people around the world as measures to slow the spread of Covid-19 were put into effect and our thoughts are with those who have been the worst affected.

"For TALLY, the past three months have been both a challenging and transformational period. Following the release of our Tally App 2.0 at the end of January 2020 and a rapid intake of new customers in February, it became increasingly apparent that our initial platform technology which supported our earlier proof-of-concept app, wasn't suitable for commercial scaling with the increased levels of security, processing speed and functionality capacity, that we required to match TALLY's commercialisation ambitions.

"We restructured our tech development team in March and redesigned and built from scratch Tally's next generation banking platform in April and May. After rigorous testing over a period of weeks we switched over to the live environment on the 1<sup>st</sup> of June only to find one of our tech provider's test environments didn't replicate their live environment. This resulted in a very bumpy migration and customers experiencing a lot of bugs in June that we had to hot fix (i.e. fix in live environment).

"With our focus having been on improving our technology foundations, we end the quarter with similar customers numbers to that which we started this quarter (over 5,000 account holders). The extended tech development period has delayed the start of our pre-IPO capital raising, but this has now commenced and should be completed by the end of Q3. During the second quarter we also developed a creative campaign around the theme "Up yours!" – being a cheeky protest against the incumbent banking situation as well as a 'call to action', i.e. up(grade) your money, up(grade) your bank account - which we plan to release more material around during next quarter as part of attracting more customers."

Tally® priced in GBP at time of this announcement:

- 1 Tally® = 4.63 pence (i.e. t1 = £0.0463)
- Approx. 22 Tally® = 1 GBP (i.e. t22 = £1.00)

- As at 31 March 2020 announcement, 1 Tally® = 4.21 pence (approx. 24 Tally® = £1)
- As at 02 January 2020 announcement, 1 Tally® = 3.71 pence (approx. 27 Tally® = £1)
- As at 25 November 2019 announcement, 1 Tally® = 3.67 pence (approx. 27 Tally® = £1)
- As at 02 September 2019 announcement, 1 Tally® = 4 pence (approx. 25 Tally® = £1)
- As at 10 June 2019, the initial release date, 1 Tally® = 3.33 pence (approx. 30 Tally® =£1)

### **Product and Operational Development**

- Tally® App 2.0 was released on 27<sup>th</sup> January 2020, in the UK only (which followed the release of its proof-of-concept (POC”) app on 10<sup>th</sup> June 2019).
- Following release of App 2.0, the Company initiated multiple pre-planned marketing initiatives and in mid-February a rapid intake of thousands of customers occurred. Whilst the frontend (the App) performed well, it highlighted some limitations in other areas of our technology stack and it became apparent that in order for Tally to scale and be able to add functionality and products planned, Tally’s backend technology architecture needed to be redesigned and the platform rebuilt.
- Following Tally’s tech development team being restructured in March, Tally’s next generation banking platform was built in April and May.
- After rigorous testing the new platform was switched over to the live environment on the 1<sup>st</sup> of June, but it turned out one of the tech provider’s test environments didn’t replicate their live environment, creating bugs in the App and disruption to customers’ user experience.
- By the end of June the bulk of the additional work required was complete and most bugs resolved, and the team is finishing off the migration of legacy transactions with merchant data and the implementation of a data layer.

### **Ongoing Business Activities**

- Completing work to increase the speed of transactions rendering in app during July.
- Creating and distributing new marketing creative around the “Up yours!” campaign theme.
- Growing awareness through social media channels and attracting new customers.
- Progressing the design of Tally’s first savings product.
- Advancing preparations for releasing Tally in a second jurisdiction.

### **Capital Raising & Asset Sales:**

- TALLY plans to inject new capital for marketing and ongoing technology development of up to £3.0m through a pre-IPO equity funding round that has just commenced, incorporating a crowdfunding campaign to increase brand and product awareness, and add new customers.

- TALLY continues to assess opportunities to sell its investments, in part or in whole, to inject additional capital.

#### **Steps to IPO:**

- As part of its belief in the democratisation of money, TALLY intends to give the public access to owning part of the Company that is the central issuing authority of Tally®.
- The extra time required in completing Tally's next generation platform has pushed back the start of TALLY's recently commenced pre-IPO funding round – this should be completed by the end of Q3 2020.
- Following implementation of the interim funding, TALLY will likely need a full six months of customer acquisition and activity metrics with the new platform to demonstrate suitable business growth and build the investment proposition for its IPO.
- TALLY will then be able to assess the investment appetite and stock market climate at that time to determine when best to commence work to raise funds as part of an Initial Public Offering (IPO).
- The time needed for the Tally banking platform to be rebuilt invariably has a knock on effect, however if by the end of 2020, it is not yet deemed appropriate for TALLY to commence IPO preparations then the Company shall endeavour to provide current shareholders with some form of a secondary private market for buying or selling TALLY shares, to satisfy the appetite for existing shareholders wishing to divest or increase their shareholding.

For further information or if shareholders have any queries, please contact our office via [corporate@tallymoney.com](mailto:corporate@tallymoney.com)

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#### **About TALLY**

- TALLY is the innovator of Tally® - a 100%-reserve banking platform and physical asset currency designed by the private sector, that operates seamlessly with the government fiat currency and fractional-reserve banking system.
- Each unit of Tally® is one milligram of LBMA-accredited gold held by the customer and utilised via their individually issued banking account and contactless debit card.
- Tally® is not a fiat currency and Tally® is not a cryptocurrency.
- The Tally® banking platform connects physical asset ownership to the global banking system and enables instant liquidity.

- TALLY's wholly owned UK subsidiary company, TallyMoney Ltd, is a recognised E-Money Directive Agent (FCA Ref. No. 902059) under Financial Conduct Authority-licensed E-Money Institution, PayrNet Limited (FCA Ref No. 900594).
- The Tally® banking App is available on iPhone and Android by searching TallyMoney on the Apple App Store or Google Play Store.
- TALLY also has significant investment ownership in financial technology company Railsbank Technology Ltd, leading India gold exploration company Geomysore Services India Pte Ltd (22%) and Finland gold exploration joint venture company Kalevala Gold Oy (32%).