

## TALLY LTD

("Tally" or the "Company")

### Activities & Objectives 2021 – end of Q3 Update

30 September 2021

Tally Ltd, the money innovator and non-fiat NBFI (Non-Bank Financial Institution) that developed the Tally full-reserve banking platform and physical-gold digital money, tally<sup>®</sup>, is pleased to provide shareholders this quarterly update.

tally<sup>®</sup> is asset-based money (not government issued debt-based fiat currency, nor a cryptocurrency), designed to protect and benefit the customer, not the bank. tally<sup>®</sup> is independent of the traditional banking system, but seamlessly works with its global infrastructure. 1 tally<sup>®</sup> = 1 milligram of physical gold vaulted on the customer's behalf. The value of tally<sup>®</sup> is protected from inflation and bank risk and insulated from the economic consequences of the fiat currency fractional-reserve banking system. Tally customers save, send and spend tally<sup>®</sup> using their Tally account (and linked debit Mastercard<sup>®</sup>) like any other foreign currency in a bank account but with no FX mark ups and no transaction fees.

**Cameron Parry, Chief Executive Officer and Founder, commented:** "Tally has had another strong quarter increasing its operational capabilities and financial resources. The Company's core business was strengthened with the appointment of our Head of Treasury, formerly of TSX-listed GoldMoney Inc., which followed the recent addition of our CFO, formerly of WorldPay Group Plc.

Following a capital raising conducted by one of our investees, Railsbank Technology Ltd which they announced in July (reference: <https://techcrunch.com/2021/07/14/railsbank-raises-70m-to-build-out-its-fintech-as-a-service-platform/>), Tally completed the sale of part of its shareholding, injecting £2.73m in net proceeds and taking the total cash realised from our £1.27m investment in 2018 to over £5m, with approximately one quarter of our original shareholding remaining, revalued at over £3m.

During the quarter Tally Ltd entered into an agreement to sell its shareholding in Geomysore Services (India) Pvt Ltd ("Geomysore") to Bombay Stock Exchange-listed Deccan Gold Mines Limited ("Deccan") (reference: <https://www.bseindia.com/xml-data/corpfiling/AttachHis/6464127e-a2e4-4d4a-b045-465fd8fad707.pdf>). At the share swap ratio negotiated, upon completion at the current Deccan share price our Indian gold interests will be transformed from a fixed asset valued at £3.3m to a liquid asset valued at approximately £6.6m and able to be valued mark-to-market. Completion is expected to take six months and is subject to regulatory permissions in India and Deccan shareholder approval.

Development continued this quarter on Tally's new internal ledger architecture "Teco" to fulfil the vision of Tally's banking platform technology and with the additional capital received from the investment sale, Tally has also been able to build out its in-house marketing team and direct resources towards building brand and product awareness in the UK - our inaugural B2C market.

This quarter the FCA launched a consultation period around several proposed reforms for new listings on the London Stock Exchange ("LSE"), one being to increase "*the minimum market capitalisation (MMC) threshold for both premium and standard listing segments for shares in ordinary commercial companies from £700,000 to £50 million*" (reference: <https://www.fca.org.uk/news/press-releases/fca-consults-reforms-improve-effectiveness-uk-primary-markets>). The consultation period

ended mid-September and the FCA has given guidance that it will seek to determine relevant rule changes by the end of Q4.

As stated in last quarter's update, it is the Company's IPO strategy to Standard List on the LSE Main Market. The board believes there are advantages to listing on the London Stock Exchange for Tally's industry presence and positioning as well as for shareholder value and trading liquidity. In light of the FCA's intention to use Q4 to formalise a new minimum market cap for main market IPOs, which final figure may have implications for the market Tally Ltd decides to list on, the Company shall adjust its Q4 IPO plans by a quarter, continue to focus on building shareholder value this coming quarter, then decide the market to list on and conduct corporate activities around completing its IPO in March 2022.

Q4 2021 shall be utilised to keep building the core business, complete Teco, demonstrate growth in the UK market with the Company's B2C product, release to UK customers our market leading fixed-rate savings product and progress the B2B model of the Tally banking platform. This coming quarter the Company shall also be holding its AGM and we look forward to being in contact with shareholders with the Notice of Meeting and resolutions to be considered, including receiving the Company's audited accounts for the financial year ending 30 June 2021."

tally<sup>®</sup> priced in GBP at time of this announcement (and previous announcements):

- 1 tally<sup>®</sup> = 4.17 pence (i.e. t1 = £0.0417)
- Approx. 24 tally<sup>®</sup> = 1 GBP (i.e. t24 = £1.00)
  
- As at 30 June 2021 announcement, 1 tally<sup>®</sup> = 4.10 pence (approx. 24 tally<sup>®</sup> = £1)
- As at 31 March 2021 announcement, 1 tally<sup>®</sup> = 4.00 pence (approx. 25 tally<sup>®</sup> = £1)
- As at 31 December 2020 announcement, 1 tally<sup>®</sup> = 4.47 pence (approx. 22 tally<sup>®</sup> = £1)
- As at 30 September 2020 announcement, 1 tally<sup>®</sup> = 4.71 pence (approx. 21 tally<sup>®</sup> = £1)
- As at 30 June 2020 announcement, 1 tally<sup>®</sup> = 4.63 pence (approx. 22 tally<sup>®</sup> = £1)
- As at 31 March 2020 announcement, 1 tally<sup>®</sup> = 4.21 pence (approx. 24 tally<sup>®</sup> = £1)
- As at 02 January 2020 announcement, 1 tally<sup>®</sup> = 3.71 pence (approx. 27 tally<sup>®</sup> = £1)
- As at 25 November 2019 announcement, 1 tally<sup>®</sup> = 3.67 pence (approx. 27 tally<sup>®</sup> = £1)
- As at 02 September 2019 announcement, 1 tally<sup>®</sup> = 4 pence (approx. 25 tally<sup>®</sup> = £1)
- As at 10 June 2019, the initial release date, 1 tally<sup>®</sup> = 3.33 pence (approx. 30 tally<sup>®</sup> = £1)

### **Product and Operational Development**

- Expanded the team, including the appointment of a Head of Treasury and secured additional office space in line with plans for personnel to return to Tally's workplace for the majority of their working week.
- Progressed the build of Tally's internal ledger architecture "Teco" to enable B2B customer integration and increased output of products for B2C customers.
- Commenced targeted digital marketing activities and message testing and prepared the marketing campaign for the fixed rate savings account release.

### **Ongoing Business Activities**

- Plan to complete negotiations with tech partners integrating with Tally’s “Teco” platform, with a view to migrating remaining customers across around the end of the calendar year.
- Continue to create marketing assets and testing multiple social media distribution channels, partnership campaigns and micro influencers.
- Put the 12-month fixed-rate savings product into alpha test, finalise the legal structure, and release to Tally customers and market to the UK public.
- Continue to recruit for new team members to the technology engineering team to expand backend and frontend development capability.
- Work with the Company’s auditors to complete the end of financial year 30 June audited accounts.
- Progress initiatives to convert the Company’s Finland mining interests from a non-current asset to listed securities or other current asset.

### **IPO Plans**

- Following the end of the Company’s financial year, 30 June, audit work has been underway with the Company’s auditors and is on track to be completed in October 2021.
- Over the next quarter, the Company shall continue to grow the organisation, conclude ongoing discussions to expand the board, and demonstrate the growth trajectory of its core business.
- Having achieved plans with two of the Company’s three investment assets, focus will shift to its Finland gold exploration interests, and concurrently corporate work will continue, including advisor negotiations and clarifying operational verticals in the group structure.
- Concurrently with corporate activities, the Company will continue to build evidence of the growth value potential of its core business.
- Following completion of the work outlined above, the Company shall decide which exchange to apply to have its shares admitted to trading, complete the work required for its IPO prospectus and conduct investor roadshows with a view to listing at the end of Q1 2022.

### **Capital Raising Initiatives, TVR & PDMR**

- Tally has added equity investment at 2p per share, which raised £60,000 in July.
- As part of the funding round completed to date, this saw the Company issue an additional 3,000,000 new ordinary shares that rank pari-passu with all existing ordinary shares.
- As part of the total funding to date at 2p, the Company has issued a total of 21,341,611 warrants (including 1,375,000 for broker services) for new ordinary shares, each exercisable at 200% of the Company’s Initial Public Offering (“IPO”) price with a term of three years from the future IPO date (“IPO Warrants”).

- 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 671,064,392 Ordinary Shares with voting rights attached (one vote per share). There are no shares held in treasury.

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 Ltd is the non-fiat money and banking system innovator behind the full-reserve banking platform and physical-asset digital money, tally<sup>®</sup>, that operates seamlessly with government-issued fiat currency (e.g. pounds, euros, dollars) and the fractional-reserve banking system.
- Each unit of tally<sup>®</sup> = 1 milligram of LBMA-accredited gold vaulted in Switzerland with Brinks<sup>®</sup> on behalf of the customer and utilised by the customer via their individually issued bank account and contactless Tally debit card.
- tally<sup>®</sup> is not a fiat currency and tally<sup>®</sup> is not a cryptocurrency.
- The Tally banking platform connects physical asset ownership to the global banking system and enables instant liquidity to save, send and spend the physical asset value as money.
- 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 Ltd currently has a significant investment in UK-based Banking-as-a-Service fintech Railsbank Technology Ltd, leading India gold exploration company Geomysore Services India Pvt Ltd and Finland gold exploration joint venture company Kalevala Gold Oy.