

## TALLY LTD

("Tally" or the "Company")

### Activities Summary 2020, Q4 Update & AGM Results

31 December 2020

Tally Ltd, the money innovator and digital Non-Bank Financial Institution ("NBFI") behind the full-reserve banking platform that provides individual bank accounts denominated in a physical asset money, tally®, is pleased to update shareholders about the Company's activities and objectives.

tally® sits alongside the traditional global banking network, while seamlessly operating with its global infrastructure. tally® is protected from inflation and bank risk and insulated from the economic effects associated with the fiat currency fractional-reserve banking system. tally® is a new category of money (not government fiat currency, nor a cryptocurrency) that customers can save, spend and send instantly using their bank account via the tally® smartphone app and tally® debit Mastercard®.

**Cameron Parry, Chief Executive Officer and Founder, commented:** "2020 has been a unique year for everyone the world over. For Tally, being able to stay agile and adaptive to shifting circumstances has been highly important and although it has been challenging, it has been a transformational twelve months for the Company.

In Q1 we released Tally's banking App 2.0 at the end of January, added 3,500 new customers in 30 hours in February, which was positive for customer acquisition but highlighted that the initial platform used for the proof-of-concept product needed significant development to be commercially robust and scalable, and in March we decided to restructure our internal and external tech development resources and redesign the banking platform.

In Q2 we built Tally's next generation banking architecture with our new dev team. After rigorous testing we went live in June, however due to a tech stack partner's test environment not mimicking their live environment, it was a very disruptive migration for our customers and there were a lot of bugs experienced that required hot fixes (fixing in a live environment) over the ensuing several weeks.

At the start of Q3 we focused on managing the user experience for existing customers whilst continuing to investigate and resolve bugs, and by August, Tally had delivered its commercially robust technology foundations, capable of scaling with increased levels of security and far greater processing speed, new product and functionality capacity and data management tools, that the global vision for tally® requires. Following completion of this stage of tech development we raised in September circa £300,000 in equity funding, at 2p per share, for additional working capital.

In Q4, Tally completed the part sale of one of its investment assets for approximately £1.9m and this additional cash injection sees Tally end 2020 with a robust commercial grade technology platform and a budget for business growth in the new year. We have focused this quarter on increasing organisational capabilities and at the start of Q4 Tally had 7 full-time employees and 4 part-time personnel and by the start of Q1 2021 we will have 14 full-time staff and 6 part-time team members, as the organisation readies for the next phase of business development and strategy implementation. Concurrently customer numbers have grown to nearly 8,000 tally® bank accounts and we've broken through 1,000 followers on facebook® and 2,000 on twitter®, exceeding other digital bank offerings

at a similar stage. With increased resources, we look forward to releasing our next banking product, increasing our marketing activities and progressing with a crowdfunding campaign next quarter.

At Tally we believe people deserve to use money in a bank account that beats inflation and remains protected and in their control, and this is fundamental to individual financial wellbeing and promotes savings and productivity in society. Whilst Tally has had to persevere through significant challenges this year, we realise we are lucky that we're in a growth industry with a product that protects customers from current fiscal and monetary policies, such as uncapped quantitative easing and near zero bank interest rates. However, our thoughts and sympathies remain with those that have lost loved ones or lost livelihoods during 2020 due to the pandemic. Whilst permanent loss can never be regained, with multiple vaccines now approved in the UK and the uncertainty around Brexit drawing to a conclusion, there is reason to be hopeful as the new year progresses.

For Tally, 2021 is full of expectation, from product development and crowdfunding, to increasing customers and business growth, to making tally<sup>®</sup> available in other jurisdiction(s) and completing an IPO as part of our mission for the democratisation of money. I would like to thank all of our team at Tally for their commitment and efforts throughout 2020, and others involved in helping Tally reach this stage. I'd also like to thank shareholders for their ongoing patience during a difficult year to hold shares that are not readily tradeable, and I wish everyone a healthy and happy and prosperous new year."

tally<sup>®</sup> priced in GBP at time of this announcement:

- 1 tally<sup>®</sup> = 4.47 pence (i.e. t1 = £0.0447)
- Approx. 22 tally<sup>®</sup> = 1 GBP (i.e. t22 = £1.00)
- As at 30 September 2020, 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)

### **Annual General Meeting**

At the AGM of the Company held 31 December 2020, all resolutions set out in the AGM notice dated 16 December 2020 were duly passed.

### **Product and Operational Development**

- Following completion of the migration of all customers and legacy transaction data onto Tally's next generation banking platform, the Company has focused on recruiting and bolstering its backend development resource, which is now complete for the next stage.
- Product development has seen charts added in the tally<sup>®</sup> app so customers can see the uplift in the price of tally<sup>®</sup>/gold relative to British Pounds or conversely, the devaluation of GBP relative to tally<sup>®</sup>/gold over the last 20 years.

- Easy access savings “safes” have been developed as a budgeting tool for tally® savers, and the framework around the fixed-rate fixed-term savings product has been progressed.
- Operational capacity has been increased significantly this quarter in the areas of engineering, product, analytics and marketing.

#### **Ongoing Business Activities**

- Expanding the organisational structure and key hires.
- Increasing awareness of tally® through digital channels and gaining insights through direct communications with existing customers.
- Adding a fixed-rate fixed-term savings product.
- Progressing investment documentation and marketing for Tally’s crowdfunding campaign.
- Research and assessment of other jurisdiction(s) for future partnerships.
- Completing work on the Company’s audited accounts for financial year ending 30 June 2020.

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

- Tally completed an equity investment round at 2p per share (referred to in the Q3 update dated 30 September 2020), which raised in total £311,300.
- As part of completion of the funding round, the Company issued a total of 15,565,000 new ordinary shares (of which 11,000,000 had been issued as at the date of, and referred to in, the Q3 update) that rank pari-passu with all existing ordinary shares.
- As part of completion of the funding round, the Company has issued a total of 16,865,000 warrants (including 1,300,000 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”).
- Directors participating in the round were Tally’s CEO, Mr Cameron Parry, who invested £30,000 in the name of Yarramen Corp Ltd which is the trustee of his family trust.
- Tally employees and contractors invested a total of £21,300 resulting in all employees now being shareholders in Tally Ltd.
- Tally issued 200,000 new ordinary shares to consultants at an implied price of 1.5p per share for work undertaken earlier in the year and 4,800,000 warrants for new ordinary shares exercisable at 1.5p each with an expiry date of 31 December 2022 (“Consultant Warrants”).
- Tally issued 50,000 new ordinary shares to an advisor at an implied price of 2p per share for work commencing September 2020 and 1,450,000 warrants for new ordinary shares exercisable at 2p each with an expiry date of 31 December 2022 (“Advisor 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 648,122,781 Ordinary Shares with voting rights attached (one vote per share). There are no shares held in treasury.

### **Investment Assets and Divestment**

- Tally continues to assess opportunities to sell its investments, in part or in whole, to inject additional capital to apply to core business development. Progress is being made on all three of Tally's investment assets, being its interests in gold exploration in India and Finland and its shares in a 'Banking as a Service' ("BaaS") technology company.
- During Q4 Tally was able to sell down part of its shareholding in BaaS provider, Railsbank Technology Ltd for net proceeds of £1,895,069. In addition to the £500,000 cash realised approximately 12 months ago, this sees Tally Ltd generate a cash return of nearly double its original £1.27m cash investment, within three years, and Tally still holds circa 45% of its original shareholding. Monetising part of this asset at this juncture strengthens the Company's current assets and enables the expansion of organisational capabilities, whilst minimising shareholder dilution.
- During 2020 the Company has been providing a modest amount of funding to its Finland Joint Venture ("JV") company, Kalevala Gold Oy, and the intention of the JV partners is to make application in 2021 for a mining licence on Kalevala's Kuikka Gold Deposit ("Kuikka") which is located within the Syrjälä Project area on the prospective Suomussalmi Greenstone Belt, to increase the value of the asset concurrently with what the Board anticipates will be an increasing global gold price next year.
- Tally owns over 20% of India's leading gold exploration private company, Geomysore Services (India) Pvt Ltd ("Geomysore"). At the start of Q4 2020, Geomysore received USD\$1m from a cornerstone shareholder, to pay for costs including landowner leases and work at site. Geomysore is in preliminary negotiations with two potential investors about providing equity and debt funding to build the Jonnagiri gold mine, although there can be no certainty that a deal will result from these discussions.

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

### **Enquiries:**

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### **About TALLY**

- Tally Ltd is the innovator behind tally® - the full-reserve banking platform and physical asset money designed by the private sector, that operates seamlessly with government fiat currency and the fractional-reserve banking system.
- Each unit of tally® is one milligram of LBMA-accredited gold vaulted in Switzerland on behalf of the customer and utilised by the customer via their individually issued bank 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 to save, spend and send 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 also currently has significant investment ownership in financial technology company Railsbank Technology Ltd, leading India gold exploration company Geomysore Services India Pvt Ltd and Finland gold exploration joint venture company Kalevala Gold Oy.