

Tern PLC (TERN)

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16 May 2018

Tern Plc (AIM: TERN) Portfolio Update

Tern Plc (AIM:TERN), the investment company specialising in the Internet of Things ("IoT"), is pleased to provide an update on the activities of its seven portfolio companies as it progresses its objective of having twelve active portfolio investments. This includes Tern's latest investment, FundamentalVR.

The valuations of all portfolio company, save for FundamentalVR, were last assessed as at Tern's last reported balance sheet date of 31 December 2017. They will next be reviewed at Tern's interim date, being 30 June 2018.

Device Authority Limited ("DA") - 56.8% holding and latest balance sheet valuation £9.7m

DA continues to make progress in 2018 and to generate revenues with new partners and customers. Since the last portfolio update on 24 January 2018 it has:

- Confirmed that Larsen & Toubro Infotech Limited ("LTI") is the party which it entered into a strategic partnership, announced in the portfolio update;
- Entered into a technology partnership with Gemalto N.V. ("Gemalto"), a world leader in digital security;
- Launched the Enterprise IoT Security Blueprint - a framework for organisations implementing strong IoT identity and data security operations in any environment, detailing key requirements, components and guidelines to be considered;
- Supported Microsoft Azure IoT Hub following the recent release of KeyScaler 5.8, a global leader in Identity and Access Management for IoT; and
- In tandem with InVMA, DA announced the availability of InVMA's AssetMinder secured by KeyScaler and in use with GCE Healthcare.

FVRVS Limited ("FundamentalVR") - acquired an 18.3% holding for £798,309 as announced on 14 May 2018.

- FundamentalVR is focused on the emerging approach called mixed reality (MR) combining virtual and augmented reality technologies with data collected from the internet of things (IoT) devices to create new environments in which both digital and physical objects -- and their data -- integrate with each other (as discussed in Deloitte's *Tech Trends 2017: The Kinetic Enterprise*);
- Fundamental Surgery is a VR and haptic surgical simulation platform, providing a revolutionary and affordable way for surgeons to safely practice and refine skills;
- FundamentalVR are working with hospitals and leading surgical specialists of the development of its platform and working with a number of industry pharmaceutical and equipment manufacturing brands; and
- FundamentalVT is also a global development partner to Microsoft for HoloLens Mixed Reality.

InVMA Limited ("InVMA") - 50% holding and latest balance sheet valuation of £375,000

InVMA has had a positive start to the year:

- Committed sales orders of £1m taken in 2017 as announced on 24 January 2018;
- The Clarity™ platform, developed by InVMA on behalf of GCE Healthcare, has been launched to the market;
- InVMA built the initial release for Howden following a PTC and Microsoft partnership announcement to provide an industry leading AR and IoT solution to Colfax and its subsidiaries, Howden and ESAB. InVMA are also supporting Howden with the continued development and architecture;
- AssetMinder(R) has been successfully implemented by customers and a reseller channel has been secured to increase their reach;
- Other wins have included paid proof of values for a UK based lift manufacturer and a UK energy management company; and
- Tern has invested a further £250,000 since 1 January 2018 to maintain its current holding.

flexiOPS Limited ("flexiOPS") - 100% holding and latest balance sheet valuation of £78,000,

- Revenue generative flexiOPS continues to work across a portfolio of research and development projects;
- flexiOPS' majority owned subsidiary, Wyld Technologies Limited ("Wyld") has been actively developing business traction and a product roadmap in line with current market trends and positive market feedback; and
- Wyld has designed and is prototyping a new emergency and mass communication platform that promises to deliver a new level of automation and intelligence while respecting and protecting users' privacy.

Seal Software Group Limited ("Seal Software") - <1% holding and latest balance sheet valuation of £62,714

- Seal Software was named a 2018 Cool Vendor in Content Services by Gartner;
- 8.6m preference shares were issued in March 2018 at \$1.7/share, up from \$0.8/share at the previous issue in October 2017; and
- New revenue generating contracts announced in 2018.

Push Technology Limited ("Push") - <1% holding and latest balance sheet valuation of £11,326

Al Sisto, CEO of Tern, said:

"Our portfolio companies continue to win contracts and secure partnerships with major companies, which is testament to the strength of their offering. They are gaining market share and a positive reputation in a range of rapidly growing market and I look forward to reporting in the interim results for the six months ending 30 June 2018 on how this progress has impacted their valuations."

Enquiries

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