

Tern PLC (TERN)

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30 October 2019

**Tern Plc ("Tern" or the "Company")
Equity Fundraise of c. £1.75m**

Tern Plc (AIM:TERN), the investment company specialising in the Internet of Things ("IoT"), announces that it has raised approximately £1.75 million before expenses through a subscription of 15,695,100 new ordinary shares of 0.02p each (the "Subscription Shares") at a price of 11.15 pence per new ordinary share (the "Subscription"), conditional upon admission to AIM.

The funds raised will provide Tern with additional finance to continue implementing its strategy to acquire and maintain long-term, influential interests in high growth IoT innovators and will also provide working capital.

Al Sisto, CEO of Tern, commented on the Subscription:

"We are pleased to secure this new capital against a challenging equity capital markets backdrop. This, together with the announcement earlier today regarding FundamentalVR having secured additional funds which demonstrates a significant increase in the fair value of our holding, endorses our strategy to capitalise on the rapid growth of the IoT by investing in UK businesses which have the potential to change the future and become market leaders.

"This fundraise will enable us to fund further new investments and continue to support our current portfolio, via our investment thesis to provide hands-on support and to create collaborative environments for talented well-motivated management teams. It will also enable us to maintain our positions of influence in our investee companies when there is follow-on funding with syndicates of investors. We have six companies in our portfolio at various stages of our value creation model and this new capital will help us meet our goal of providing our shareholders with continued NAV growth and an investment balance in our portfolio to mitigate risk. We look forward to further announcements regarding our portfolio companies' continued progress."

Application will be made for the 15,695,100 Subscription Shares to be admitted to AIM ("Admission") and it is expected that Admission will take place and trading in the Subscription Shares will commence on 5 November 2019.

In accordance with the Financial Conduct Authority's Disclosure, Guidance and Transparency Rules, the Company confirms that on completion of the Subscription and following Admission, the Company's enlarged issued ordinary share capital will comprise 270,019,045 ordinary shares of 0.02p each. The Company does not hold any shares in Treasury. Therefore, from Admission, the total number of voting rights in the Company will be 270,019,045. Following the completion of the Subscription and Admission, the above figure may be used by shareholders in the Company as the denominator for the calculations to determine if they are required to notify their interest in, or a change to their interest in the Company, under the Disclosure Guidance and Transparency Rules.

Information for Distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("MiFID II"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the Product Governance Requirements) may otherwise have with respect thereto, the Subscription Shares have been subject to a product approval process by Allenby Capital Limited, which has determined that the Subscription Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the "Target Market Assessment"). Notwithstanding the Target Market Assessment, investors should note that: the price of the Subscription Shares may decline and investors could lose all or part of their investment; Subscription Shares offer no guaranteed income and no capital protection; and an investment in Subscription Shares is compatible only with investors who do not need a guaranteed income or capital protection,

who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Subscription. Furthermore, it is noted that, notwithstanding the Target Market Assessment, only investors who have met the criteria of professional clients and eligible counterparties have been procured. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to Subscription Shares.

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