

Tern PLC (TERN)

09-March-2020 / 07:00 GMT/BST

Dissemination of a Regulatory Announcement that contains inside information according to REGULATION (EU) No 596/2014 (MAR), transmitted by EQS Group.

The issuer is solely responsible for the content of this announcement.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATIONS (EU) NO. 596/2014 ("MAR"). IN ADDITION, MARKET SOUNDINGS WERE TAKEN IN RESPECT OF THE MATTERS CONTAINED IN THIS ANNOUNCEMENT, WITH THE RESULT THAT CERTAIN PERSONS BECAME AWARE OF SUCH INSIDE INFORMATION. UPON THE PUBLICATION OF THIS ANNOUNCEMENT, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN AND SUCH PERSONS SHALL THEREFORE CEASE TO BE IN POSSESSION OF INSIDE INFORMATION.

9 March 2020

**Tern Plc ("Tern" or the "Company")**  
**Equity Fundraise of £0.8 million**

Tern Plc (AIM:TERN), the investment company specialising in the Internet of Things ("IoT"), announces that it has raised approximately £0.8 million before expenses through a subscription of 13,333,331 new ordinary shares of 0.02p each (the "Subscription Shares") at a price of 6 pence per new ordinary share (the "Issue Price") (the "Subscription"), conditional upon admission to AIM.

The Directors intend to use the net proceeds of the Subscription to facilitate a new investment, strengthen the Company's balance sheet to enable the Company to hold strong negotiating positions for any follow-on investment opportunities in the Company's principal portfolio companies and for working capital generally.

**PDMR Dealings**

In support of the Subscription, certain of the Company's directors, senior executives and some of their family members have agreed to invest a total of approximately £113,000 in the Subscription.

Ian Ritchie, Non-Executive Chairman, has subscribed for 333,333 Subscription Shares, which represents an amount of approximately £20,000 at the Issue Price. Al Sisto, Chief Executive Officer, has subscribed for 733,333 Subscription Shares, which represents an amount of approximately £44,000 at the Issue Price. Sarah Payne, Finance Director, has subscribed for 100,000 Subscription Shares, which represents an amount of £6,000 at the Issue Price. Matthew Scherba, non-Main Board Investment Director, and certain of his family members have subscribed for a total of 716,666 Subscription Shares, which represents an amount of approximately £43,000 at the Issue Price.

The FCA notifications, made in accordance with the requirements of the EU Market Abuse Regulation, are appended below.

**Change to maturity date for Device Authority loan notes**

It has been agreed in principle by all noteholders that all convertible loan notes provided to Tern's portfolio company, Device Authority Limited ("Device Authority"), by Tern and others, shall have their maturity date extended to 30 September 2020. The outstanding loan from Tern to Device Authority currently stands at \$3.6 million.

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

*"With the worldwide number of IoT-connected devices projected in July 2019 by McKinsey & Company to increase almost threefold from 2018 to 43 billion by 2023, these funds will enable us to continue to provide funding to pioneers in this exciting and growing sector. The recent Seal transaction announced earlier this month, and the successful 2019 Series A funding round by FundamentalVR in October 2019, demonstrate the significant value that can be delivered by investing early in IoT companies, as well as our ability to identify commercial businesses in this high growth industry."*

Application will be made for the 13,333,331 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 23 March 2020.

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 283,352,376 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 283,352,376. 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.

#### Enquiries

##### Tern plc

Al Sisto, CEO

Sarah Payne, Finance Director

Via Newgate Communications

##### Allenby Capital Limited

(Nomad and Joint broker)

David Worlidge/Alex Brearley/Guy McDougall

Tel: 0203 328 5656

##### Whitman Howard

(Joint broker)

Nick Lovering/Christopher Furness

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##### Newgate Communications

PR

Elisabeth Cowell/Megan Kovach

Tel: 020 3757 6880

#### Notification and public disclosure of transactions by persons discharging managerial responsibilities and persons closely associated with them

1.	Details of the person discharging managerial responsibilities / person closely associated		
a)	Name	Ian Ritchie	
2.	Reason for the Notification		
a)	Position/status	Director, Non-Executive Chairman	
b)	Initial notification/Amendment	Initial notification	
3.	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor		
a)	Name	Tern plc	
b)	LEI	2138005F87SODHL9CQ36	
4.	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted		
a)	Description of the Financial instrument, type of instrument	Ordinary Shares of 0.02p each	
	Identification code	ISIN: GB00BFPMV798	
b)	Nature of the transaction	Subscription of new ordinary shares	
c)	Price(s) and volume(s)	Price(s)	Volume(s)
		£0.06 per share	333,333
d)	Aggregated information: ·Aggregated volume ·Price	333,333 £0.06 per share	
e)	Date of the transaction	6 March 2020	
f)	Place of the transaction	Outside a trading venue - conditional issue of new ordinary shares	

<b>1.</b>	<b>Details of the person discharging managerial responsibilities / person closely associated</b>		
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a)	Name	Al Sisto	
2.	Reason for the Notification		
a)	Position/status	Director, Chief Executive Officer	
b)	Initial notification/Amendment	Initial notification	
3.	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor		
a)	Name	Tern plc	
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	Identification code	ISIN: GB00BFPMV798	
b)	Nature of the transaction	Subscription of new ordinary shares	
c)	Price(s) and volume(s)	Price(s)	Volume(s)
		£0.06 per share	733,333
d)	Aggregated information: ·Aggregated volume ·Price	733,333 £0.06 per share	
e)	Date of the transaction	6 March 2020	
f)	Place of the transaction	Outside a trading venue - conditional issue of new ordinary shares	

1.	Details of the person discharging managerial responsibilities / person closely associated		
a)	Name	Sarah Payne	
2.	Reason for the Notification		
a)	Position/status	Director, Finance Director	
b)	Initial notification/Amendment	Initial notification	
3.	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor		
a)	Name	Tern plc	
b)	LEI	2138005F87SODHL9CQ36	
4.	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted		
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	Identification code	ISIN: GB00BFPMV798	
b)	Nature of the transaction	Subscription of new ordinary shares	
c)	Price(s) and volume(s)	Price(s)	Volume(s)
		£0.06 per share	100,000
d)	Aggregated information: ·Aggregated volume ·Price	100,000 £0.06 per share	
e)	Date of the transaction	6 March 2020	
f)	Place of the transaction	Outside a trading venue - conditional issue of new ordinary shares	

1.	Details of the person discharging managerial responsibilities / person closely associated			
a)	Name		Matthew Scherba	
2.	Reason for the Notification			
a)	Position/status		Manager, Investment Director	
b)	Initial notification/Amendment		Initial notification	
3.	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor			
a)	Name		Tern plc	
b)	LEI		2138005F87SODHL9CQ36	
4.	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted			
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	Identification code		ISIN: GB00BFPMV798	
b)	Nature of the transaction		Subscription of new ordinary shares	
c)	Price(s) and volume(s)		Price(s)	Volume(s)

		£0.06 per share	325,000
d)	Aggregated information: ·Aggregated volume ·Price	325,000 £0.06 per share	
e)	Date of the transaction	6 March 2020	
f)	Place of the transaction	Outside a trading venue - conditional issue of new ordinary shares	

1.	Details of the person discharging managerial responsibilities / person closely associated		
a)	Name	K Gennard	
2.	Reason for the Notification		
a)	Position/status	K Gennard is a person closely associated with Investment Director, Matthew Scherba, who is a person discharging managerial responsibilities	
b)	Initial notification/Amendment	Initial notification	
3.	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor		
a)	Name	Tern plc	
b)	LEI	2138005F87SODHL9CQ36	
4.	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted		
a)	Description of the Financial instrument, type of instrument	Ordinary Shares of 0.02p each	
	Identification code	ISIN: GB00BFPMV798	
b)	Nature of the transaction	Subscription of new ordinary shares	
c)	Price(s) and volume(s)	Price(s)	Volume(s)
		£0.06 per share	325,000
d)	Aggregated information: ·Aggregated volume ·Price	325,000 £0.06 per share	
e)	Date of the transaction	6 March 2020	
f)	Place of the transaction	Outside a trading venue - conditional issue of new ordinary shares	

1.	Details of the person discharging managerial responsibilities / person closely associated		
a)	Name	L Scherba	
2.	Reason for the Notification		
a)	Position/status	L Scherba is a person closely associated with Investment Director, Matthew Scherba, who is a person discharging managerial responsibilities	
b)	Initial notification/Amendment	Initial notification	
3.	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor		
a)	Name	Tern plc	
b)	LEI	2138005F87SODHL9CQ36	
4.	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted		
a)	Description of the Financial instrument, type of instrument	Ordinary Shares of 0.02p each	
	Identification code	ISIN: GB00BFPMV798	
b)	Nature of the transaction	Subscription of new ordinary shares	
c)	Price(s) and volume(s)	Price(s)	Volume(s)
		£0.06 per share	33,333
d)	Aggregated information: ·Aggregated volume ·Price	33,333 £0.06 per share	
e)	Date of the transaction	6 March 2020	
f)	Place of the transaction	Outside a trading venue - conditional issue of new ordinary shares	

1.	Details of the person discharging managerial responsibilities / person closely associated	
a)	Name	S Scherba
2.	Reason for the Notification	
a)	Position/status	S Scherba is a person closely associated with Investment Director, Matthew Scherba, who is a person discharging managerial responsibilities
b)	Initial notification/Amendment	Initial notification
3.	Details of the issuer, emission allowance market participant, auction platform, auctioneer or auction monitor	
a)	Name	Tern plc

b)	LEI	2138005F87SODHL9CQ36					
4.	Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted						
a)	Description of the Financial instrument, type of instrument	Ordinary Shares of 0.02p each					
	Identification code	ISIN: GB00BFPMV798					
b)	Nature of the transaction	Subscription of new ordinary shares					
c)	Price(s) and volume(s)	<table><tr><td>Price(s)</td><td>Volume(s)</td></tr><tr><td>£0.06 per share</td><td>33,333</td></tr></table>	Price(s)	Volume(s)	£0.06 per share	33,333	
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£0.06 per share	33,333						
d)	Aggregated information: ·Aggregated volume ·Price	33,333 £0.06 per share					
e)	Date of the transaction	6 March 2020					
f)	Place of the transaction	Outside a trading venue - conditional issue of new ordinary shares					

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