

21 November 2023

**Tern Plc  
("Tern" or the "Company")**

**Company and Portfolio Update**

Tern Plc (AIM:TERN), the company focused on value creation from Internet of Things ("IoT") technology businesses, is pleased to provide an update on the Company and its portfolio companies.

**Portfolio Company Update**

*Device Authority Limited* ("Device Authority")

Current holding: 53.8%

Convertible loan notes of £0.7 million and short-term loan of £0.1 million

Device Authority is a global leader in Identity and Access Management (IAM) for connected device ecosystems, enabling organisations to achieve 'Zero Trust' security at scale. Zero Trust is a security framework requiring all users, whether in or outside the organisation's network, to be authenticated, authorised, and continuously validated for security configuration and posture before being granted or keeping access to applications and data. Device Authority's KeyScaler® platform is specifically designed to automate and manage IoT machine identities throughout their entire lifecycle, providing end-to-end device, data, and operational trust.

In an important evolution of the KeyScaler solution, Device Authority launched KeyScaler-as-a-Service ("KSaaS") in 2023. Now KeyScaler's primary delivery model, KSaaS' infrastructure-free approach to automated supply chain security brings the full power of KeyScaler delivered as a cloud service. This frees up internal resources for critical tasks and speeding up incident response. Aside from the enhanced security benefits, reducing the need for hard to find IoT security expertise and eliminating manual processes, Device Authority believes that KSaaS is already delivering significant returns on investment for its customers. KSaaS has quickly established a strong and growing customer base, including several large companies in the energy, automotive, medical device, and government sectors. Earlier this year, Device Authority was awarded the Microsoft 2023 Rising Azure Technology Partner of the Year Award, a significant recognition of Device Authority's impact in cloud-based security.

More recently, Device Authority has also launched a preview of KeyScaler AI, a new solution responding to market requirements for artificial intelligence ("AI") security and evolving customer needs. KeyScaler AI leverages internal platform data and external threat intelligence to enable new levels of automated security response, made possible by AI and machine learning. It also creates an end-to-end trust chain that establishes explicit trust between devices and the data they generate, thus aligning to the US National Institute of Standards and Technology (NIST) Zero Trust Architecture guidance.

Device Authority continues to receive recognition and endorsements from key analysts including ABI Research and Quadrant Knowledge Solutions and has also recently been recognized by Microsoft as a Global award winner for its SaaS based service KSaaS in Azure, and in November 2023 as a key partner in Microsoft's Mobility and Manufacturing Industry Go To Market Strategy.

The business continues to scale, having appointed several new key personnel in the US this year. Device Authority is winning new customers including recently, FujiFilm, GE Healthcare and Baker Hughes, whilst other existing customers are now scaling their use of Device Authority's products.

For more information visit: <https://www.deviceauthority.com>

*FVRVS Limited* ("FundamentalVR")

Current holding: 12.1%

FundamentalVR, is a global leader in immersive surgical training, founded with the mission to accelerate human capability in surgery and medicine through virtual technologies to improve patient outcomes. The company's innovative approach helps accelerate the industry shift towards digital surgery, addressing the competency gap at scale in training for intelligent operating rooms. Its purpose-built Fundamental Surgery platform allows for full rehearsal of medical and surgical procedures, and its patented HapticVR™ technology mimics the physical touch, weight, resistance, and feedback of surgical actions and accurately simulates the sensations of soft tissue, bone textures and muscle.

Over 15,000 competency-building sessions have been conducted by FundamentalVR globally, which is accredited by and affiliated with institutions such as the American Academy of Ophthalmology (AAO), American Academy of Orthopaedic Surgeons (AAOS), and the Royal College of Surgeons of England. FundamentalVR remains committed to elevating performance and training skilled surgeons and operating

room teams at scale.

In September 2023, FundamentalVR was featured in Meta's global campaign on the real impact of virtual reality today. In collaboration with their partner, Orbis International, FundamentalVR is contributing to the metaverse by harnessing immersive technologies to train surgeons on cataract procedures worldwide. For more information visit: <https://about.meta.com/metaverse/impact/>.

FundamentalVR has continued to build its annual recurring revenues (ARR) during 2023. With important contract wins from both existing and new customers across a variety of procedural areas, including ophthalmology, endovascular and urology. The company also continues to build awareness in the medical device marketplace and receive recognition for its leading platform. It is building a healthy pipeline of customers and new customer opportunities for the remainder of the year and beyond.

For more information visit: <https://fundamentalsurgery.com>

*Wyld Networks AB (publ)* ("Wyld Networks" or "Wyld")  
Current holding: 25.1%\*

Wyld Networks, quoted on the NASDAQ First North Growth Market in Stockholm, enables affordable connectivity across the globe in areas where wireless coverage is unavailable. The company specialises in providing wireless connectivity between IoT sensors and Low-Earth-Orbit satellites via its Wyld Connect solution. Wyld's IoT network management platform, Wyld Fusion, can be used in a diverse range of sectors and use cases including energy, utilities, agriculture, logistics, maritime and environmental monitoring.

Shipping of Wyld Connect terminals, modules and modems began in October 2023, following extensive in-field testing, and data is flowing via satellites to Wyld Fusion. Wyld has customers on the network in North, Central and South America, Europe, the Middle East and Australia. With currently SEK92 million in orders and over 60 customer and partner agreements signed to date, Wyld anticipate significant growth in 2024 as they continue to pioneer satellite IoT and meet the significant demand for data in currently unserved areas.

Recent contracts and partnerships signed by Wyld Networks include:

- with Argentinian agricultural technology company, IOF, to implement Wyld Connect to manage assets in the field and provide 'digital identity'
- with PLF Australia to deploy Wyld Connect satellite IoT services in rural Queensland
- with Vracity and Brinja to develop infrastructure asset monitoring in the Kingdom of Saudi Arabia
- with Novocom to deliver satellite IoT services in rural Australia.

In addition, Wyld announced on 17 October 2023 that it had delivered a LoRaWAN (Long Range Wide Area Network) satellite-to-satellite connectivity solution as part of a joint European Space Agency (ESA) sponsored programme with Eutelsat and Thales for telemetry and control to support satellite IoT networks.

For more information visit [www.wyldnetworks.com](http://www.wyldnetworks.com)

*\* Pursuant to Tern's funding facility announced on 12 June 2023, under which £500,000 is currently drawn down, Tern is required to maintain in escrow shares in Wyld at a value of not less than 1.5 times the value of outstanding amounts drawn down and accrued interest, as security for the Facility.*

*Talking Medicines Limited* ("Talking Medicines")  
Current holding: 23.8%  
Convertible loan notes of £0.2 million

Talking Medicines uses Advanced Data Science and Artificial Intelligence to empower healthcare advertising agencies, enabling them to consistently win and retain their Pharma clients whilst achieving improved productivity, with swift project delivery. Talking Medicines is seeking to revolutionise the US\$30Bn spent on healthcare marketing, through unlocking strategic intelligence within conversational data. Talking Medicines empowers customers to gain strategic advantages in analysis, measurement, and enhanced brand equity through structuring conversational data.

Talking Medicines is particularly focused on scaling its presence in the US, having built out its sales operations in 2023 in New Jersey, New York City, and Philadelphia. Significant customer wins include onboarding eight new global healthcare advertising agencies who in turn have full coverage of the top 20 global pharmaceutical companies.

Talking Medicines has been recognized as the Gold Winner in the Artificial Intelligence/Data Analytics Initiative category for 'The Perfect Marriage of Curated Data + Specialized Large Language Model in Drug-GPT™' at the PM360 Trailblazer Awards 2023, run by the US pharmaceutical marketing trade publication PM360, which celebrates outstanding achievement and innovation in healthcare marketing.

For more information visit: <https://talkingmedicines.com>

*InVMA Limited* (trading as "Konektio")  
Current holding: 28.3%

Konektio™ develops and provides Industrial IoT ("IIoT") software via a Software as a Service ("SaaS") model to the industrial and manufacturing sectors. Their AssetMinder™ software enables remote asset connectivity, monitoring and management, to deliver condition-based monitoring, predictive maintenance, energy monitoring and machine optimisation, providing insights that drive productivity improvements and cost

savings.

As announced on 8 November 2023, Tern has decided not to invest further in Konektio. Tern announced on 26 May 2023 that Konektio had agreed a £2.5 million equity fundraise, to be completed in two tranches. The first tranche of £1.2 million (the "Konektio First Tranche") completed in May 2023 and the second tranche of £1.3 million (the "Konektio Second Tranche") is due for completion in Q4 2023. Tern announced on 26 May 2023 that it had committed to invest a minimum of £0.28 million in the Konektio Second Tranche, with an option, at Tern's sole discretion, to increase its investment amount up to £0.4 million. However, given the business performance of Konektio and, in particular, Konektio's monthly recurring revenue growth not having met Tern's expectations, Tern decided not to invest in the Konektio Second Tranche. As announced on 26 May 2023, should Tern not fulfil its commitment to invest a minimum of £0.28 million in the Konektio Second Tranche, 75% of Tern's holding in Konektio will be transferred to a valueless class of Konektio deferred shares, which is anticipated to take effect in due course.

Tern's percentage holding in Konektio and its unaudited book valuation will be determined when, and if, Konektio completes the Konektio Second Tranche and Tern will provide an update in relation to this at the appropriate time. In addition, Tern continues to explore routes for potentially realising value from the Company's remaining holding in Konektio.

For more information visit: <https://konektio.com>

*Sure Valley Ventures UK Software Technology Fund ("SVV2")*  
Current holding: 5.9%

SVV2 is a venture capital fund investing in a range of private UK software companies with a focus on companies in the immersive technology and metaverse sectors, including augmented and virtual reality, artificial intelligence, and security. SVV2 currently has investments in two companies, RETinIZE Limited, a creative tech company based in Belfast, and Opsmatix Systems Limited which trades as Jaid, an innovative technology firm providing AI-powered human communication solutions. The SVV2 team continues to evaluate further potential investment opportunities in its target areas of immersive tech, SaaS, cyber security and IoT. Many of the opportunities being evaluated have artificial intelligence underpinning their technology, which is in line with the fund's main investment strategy.

For more information visit: <https://surevalleyventures.com>

### **Tern's Management and Governance**

At the Company's AGM held on 29 June 2023 (the "AGM") the resolutions to re-appoint Al Sisto as a Director of the Company and to allow the Directors to allot securities and disapply statutory pre-emption rights were not passed. Although the other resolutions passed, significant votes were also received against certain other resolutions.

Following the shareholder vote to not re-appoint Al Sisto as a director of the Company at the AGM, Mr Sisto immediately ceased to be a member of the Company's board (the "Board"). The Board accepted the results of the AGM's shareholder vote, but then canvassed shareholder views, including the views of several larger shareholders who were understood by the Company to have voted against the resolutions that were not passed.

Following these discussions, on 10 August 2023, Tern announced a number of proposed Board and management changes, which has resulted in the Board now comprising solely of Non-Executive Directors, led by Ian Ritchie as Chairman, with Alan Howarth, who chairs the Audit and Remuneration committees, and Sarah Payne who stepped down as an Executive Director and Chief Financial Officer and Company Secretary on 15 September 2023.

This announcement also confirmed that Mr Sisto, together with Mr. Leith, who stepped down as an Executive Director, would continue to be members of Tern's management team. Mr. Sisto has retained the title of Chief Executive Officer because the Board believes that it is important for Mr. Sisto to retain this title (while not being a member of the Board) to allow him to effectively execute his role as the primary liaison with the management and co-investors of Tern's existing portfolio companies.

Following the changes announced on 10 August 2023, Tern's Non-Executive Board now makes the Company's investment decisions and decides on Tern's strategy in relation to its portfolio companies. Mr. Sisto's and Mr. Leith's responsibilities are to implement the Board's decisions in relation to the management and oversight of Tern's holdings in its portfolio companies. Mr. Sisto and Mr. Leith work with the Company's portfolio companies and report back to the Board with information and updates (including providing recommendations and advice) which are used to inform the Board's decisions. Mr. Sisto and Mr. Leith are primarily responsible for relaying the Board's views and decisions to the portfolio companies. In this capacity, as is common in the venture capital industry, Mr. Sisto and Mr. Leith sit, as Tern's representatives, on the boards of several of Tern's portfolio companies, working with them to implement the Board's decisions, seeking to maximise value for Tern's shareholders.

All investment decisions or other material decisions are reserved for the consideration of the Board, which meets on a regular basis to consider and vote on such matters, with only the Board members having a vote in this respect. Accordingly, Mr. Sisto and Mr. Leith no longer have a role in the Board's decisions. Tern's Non-Executive Chairman, Ian Ritchie, is responsible for the running of the Board. Further details, including a summary of the key areas that are reserved for the Board, are contained in the Company's latest Corporate Governance Statement, available on the Company's website at [www.ternplc.com/aim-rule-26/](http://www.ternplc.com/aim-rule-26/).

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On 26 September 2023, following further shareholder consultations following the announcement of the Board and management changes, the Company held a General Meeting at which the Directors were authorised to allot securities and to disapply statutory pre-emption rights.

#### **Online Investor Presentation and Q&A Session**

The Company will be hosting an online presentation and Q&A session at 5.30 p.m. GMT today, Tuesday 21 November 2023.

Presenting will be members of Tern's management team and management from Tern's portfolio companies Device Authority, Wyld Networks and Talking Medicines. This session is open to all existing and prospective shareholders. Those who wish to attend should register via the following link where they will be provided with access details:

[https://us02web.zoom.us/webinar/register/WN\\_Uouqd7FASNCpmPC1JS1QAQ](https://us02web.zoom.us/webinar/register/WN_Uouqd7FASNCpmPC1JS1QAQ)

Participants will have the opportunity to submit questions during the session, but questions are welcomed in advance and may be submitted prior to 3 p.m. GMT on 21 November 2023 to: [tern@investor-focus.co.uk](mailto:tern@investor-focus.co.uk).

#### **Enquiries**

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