

2 September 2024

Tern Plc
("Tern")

Statement re Wyld Networks Rights Issue

Tern Plc (AIM:TERN), the company focused on value creation from Internet of Things (IoT) technology businesses, announces that, Wyld Networks AB ("**Wyld Networks**") has today announced that the board of directors of Wyld Networks has, subject to approval from a subsequent extraordinary general meeting, resolved to carry out a new issue of units, containing shares and warrants of series TO6, with preferential rights for existing shareholders of approximately SEK 74.2 million (the "**Wyld Networks Rights Issue**") (the "**Wyld Networks Announcement**").

Tern currently holds a total of 4,106,666 shares in Wyld Networks, which represents approximately 19.9% of Wyld Networks' current issued share capital.

Tern is considering its position in relation to the Wyld Networks Rights Issue. Further announcements will be made as appropriate.

The full Wyld Networks Announcement may be accessed: [Here](#)

Extracted from the Wyld Networks Announcement:

The board of directors of Wyld Networks AB ("Wyld Networks" or the "Company") has today, subject to approval from the subsequent extraordinary general meeting, resolved to carry out a new issue of units, containing shares and warrants of series TO6, with preferential rights for existing shareholders of approximately SEK 74.2 million (the "Rights Issue"). The subscription period runs during the period from and including October 9, 2024, to and including October 23, 2024. If fully subscribed, the Rights Issue will provide the Company with approximately SEK 74.2 million before transaction costs. The Rights Issue is covered to approximately 57.7 percent by subscription commitments, bottom underwriting commitments and middle underwriting commitments. Bottom underwriting commitments may be invoked to the extent that the Rights Issue is not subscribed to 32.0 percent. Middle underwriting commitments may be invoked to the extent that the Rights Issue is not subscribed to 57.7 percent. In addition, Wyld Networks intends to secure a bridge loan of approximately SEK 5.0 million in order to finance the Company in the short term until the Rights Issue has been completed. Notice to the extraordinary general meeting will be announced through a separate press release. The Rights Issue is conditional upon an amendment to the articles of association, which is also proposed to be resolved upon at the extraordinary general meeting.

Summary

- Anyone who is recorded in the share register as a shareholder in Wyld Networks on the record date October 7, 2024, receives one (1) unit right for each share in the Company. One (1) unit right entitles the holder to subscribe for one (1) unit. One (1) unit contains forty (40) shares and twenty (20) warrants of series TO6.
- The Rights Issue entails an issue of maximum 20,621,183 units, corresponding to 824,847,320 shares and 412,423,660 warrants of series TO6.
- The subscription price in the Rights Issue amounts to SEK 3.6 per unit, corresponding to SEK 0.09 per share since the warrants of series TO6 are issued free of charge.
- Upon full subscription in the Rights Issue, Wyld Networks will receive approximately SEK 74.2 million before transaction costs. Upon full exercise of all warrants of series TO6, the Company will receive at most an additional approximately SEK 49.5 million before transaction costs.
- The subscription period for the Rights Issue will run from and including October 9, 2024, to and including October 23, 2024.
- The Rights Issue is covered to approximately 1.0 percent by subscription commitments, approximately 31.0 percent by bottom underwriting commitments and approximately 25.7 percent by middle underwriting commitments. Therefore, the Rights Issue is covered to approximately 57.7 percent by subscription commitments and underwriting commitments.
- To ensure the Company's capital needs until the Rights Issue has been completed, the Company intends to take out a bridge loan of approximately SEK 5.0 million.
- The Rights Issue is subject to approval by the extraordinary general meeting. Further, the Rights Issue is conditional upon the extraordinary general meeting approving amendments to the articles of association.
- Complete terms and conditions for the Rights Issue as well as other information about the Company will be set out in the EU Growth Prospectus which is expected to be published on or about October 4, 2024 (the "Prospectus").

Comment from the Chairman of the board

"Wyld Networks is in an incredibly exciting commercial position where we have finally overcome the initial challenges with deliveries, which are so common in tech companies. This has enabled us to now clear all old debts and strengthen the company's finances ahead of the next phase, which is to deliver the large customer orders we have received as efficiently as possible. Due to a weak market and financial uncertainty, Wyld Networks' value has not been correctly reflected over the past

possible. Due to a weak market and financial uncertainty, Wyld Networks' value has not been correctly reflected over the past year, so addressing this issue now feels necessary. Unfortunately, the company's debt relative to market value was significant enough to create pressured conditions in the share issue, but it is thanks to the strong substance of our business that the share issue was possible at all.

An investment now is an investment in a debt-free Wyld Networks, and I hope as many of our shareholders as possible will join us on this journey."

- Mats L. Andersson, Chairman of the board of Wyld Networks AB.

Background and rationale in summary

Wyld Networks AB is currently in an expansive commercial phase since the Company's product offering is considered competitive, and the main challenge is the speed of customer order deliveries. By the end of the first quarter of 2024, the Company had established more than 60 partnerships and received significant orders for Wyld Connect® modules, Wyld Connect® terminals, and the data service. Given the substantial interest in its products, the Company's board of directors has decided to raise capital through a Rights Issue to ensure that the Company can meet the growing demand for its products and expand its market share.

The injected capital through the Rights Issue also aims to support forthcoming development efforts to implement 5G NB-IoT capability into the Company's existing LoRaWAN solutions, a move projected to potentially double its addressable market.

The motive for the Rights Issue aligns with the Company's strategic goal of offering competitive solutions within satellite IoT networks across various market segments. In light of this, the Company has assessed that the timing is appropriate to raise capital through the Rights Issue to address the increasing demand and accelerate growth.

Due to a temporary production issue that arose shortly after the products began being delivered in October 2023, the Company's first revenues were delayed by a quarter from what was previously communicated. As of now, these production issues have been resolved, but the delay was received negatively by the market, which reduced the capital inflow from the warrants of series TO4 issued in connection with the Company's financing in the third quarter of 2023 and exercised in April 2024.

To compensate for the reduced capital inflow, the Company implemented a comprehensive cost-saving program in June 2024, which is gradually taking effect during Q2/Q3 and is expected to reduce operating expenses by approximately 30 percent at full impact.

Through the Rights Issue, the Company ensures that future capital needs can be met without causing concerns about additional issuances. This step enhances Wyld Networks' financial stability and positions the Company well for continued growth and development.

The proceeds from the Rights Issue are primarily intended for:

- Financing of the Company's ongoing operations, approximately SEK 40 million.
- Repayment of loans, approximately SEK 23 million.

Terms for the Rights Issue

- The Company's board of directors has decided, subject to subsequent approval at the extraordinary general meeting of the Company on October 2, 2024, to carry out the Rights Issue.
- The Rights Issue entails an issue of a maximum of 20,621,183 units, corresponding to 824,847,320 shares and 412,423,660 warrants of series TO6.
- The subscription period will run from and including October 9, 2024, up to and including October 23, 2024.
- The Rights Issue can initially provide the Company with up to approximately SEK 74.2 million before transaction costs, which are estimated to amount to approximately SEK 8.5 million, of which SEK 3.5 million refers to underwriting compensation.
- Anyone who is recorded in the share register as a shareholder in Wyld Networks on the record date October 7, 2024, receives one (1) unit right for each share in the Company. One (1) unit right entitles the holder to subscribe for one (1) unit. One (1) unit contains forty (40) shares and twenty (20) warrants of series TO6.
- The subscription price is SEK 3.6 per unit, corresponding to SEK 0.09 per share since the warrants of series TO6 are issued free of charge.

Terms for the warrants of series TO6

- Each warrant of series TO6 entitles the holder to subscribe for one (1) new share in the Company.
- The subscription price for subscription of shares by virtue of the warrants of series TO6 amounts to seventy (70) percent of the volume-weighted average price of the Company's share during the period from and including February 17, 2025, up to and including February 28, 2025, however, not less than the quota value of the share and not more than SEK 0.12.
- The warrants of series TO6 can be exercised for subscription of new shares during the period from March 4, 2025, up to and including March 18, 2024.
- Upon full subscription in the Rights Issue and full exercise of all warrants of series TO6, the Company may receive up to an additional approximately SEK 49.5 million.
- The warrants of series TO6 are intended to be admitted to trading on Nasdaq First North Growth Market as soon as possible after final registration with the Swedish Companies Registration Office.

Change in number of shares and share capital and dilution

Upon full subscription in the Rights Issue, the number of shares in the Company will increase by a maximum of 824,847,320 shares, from 20,621,183 shares to a maximum of 824,468,503 shares and the share capital by a maximum of SEK 68,825,510.97164 from SEK 1,720,637.774291 to SEK 70,546,148.745931. For existing shareholders who do not participate in the Rights Issue, this will result in a dilution of 97.6 percent of the votes and capital in the Company, assuming full subscription.

The board of directors intends to propose to the extraordinary general meeting on October 2, 2024, that the share capital be reduced by a total of SEK 39,000,000, from SEK 70,546,148.745931 to SEK 31,546,148.745931 (assuming full subscription of the Rights Issue). The reduction in share capital is being carried out to provide the Company with a more

appropriate quota value.

If all warrants of series TO6 offered in the Rights Issue are fully exercised for the subscription of new shares in the Company, the number of shares will increase by an additional 412,423,660 shares, from 845,468,503 shares to a total of 1,257,892,163 shares, and the share capital will increase by an additional SEK 15,388,365.241918, from SEK 31,546,148.745931 to SEK 46,934,513.987849 (based on the share's quota value after the proposed share capital reduction and assuming full subscription of the Rights Issue). This corresponds to a dilution from the warrants of series TO6 of up to an additional approximately 32.8 percent. The total dilution, in the event that both the Rights Issue and the warrants of series TO6 are fully subscribed and exercised, amounts to approximately 98.4 percent.

EU Growth Prospectus

Complete terms and conditions for the Rights Issue as well as other information about the Company will be set out in the Prospectus which is expected to be published by the Company on or about October 4, 2024.

Bridge loan

To ensure the Company's short-term working capital requirements until the Rights Issue has been completed, the Company intends to secure a bridge loan of approximately SEK 5.0 million.

Subscription commitments and underwriting commitments

The Company has received subscription commitments of approximately SEK 0.8 million, equivalent to approximately 1.0 percent of the Rights Issue, from the board and management, bottom underwriting commitments of a total of approximately SEK 23.0 million, equivalent to approximately 31.0 percent of the Rights Issue, and middle underwriting commitments of approximately SEK 19.1 million, equivalent to approximately 25.7 percent of the Rights Issue. Therefore, the Rights Issue is covered to approximately 57.7 percent by subscription commitments and underwriting commitments. Bottom underwriting commitments can be invoked if the Rights Issue is not subscribed to 32.0 percent. Middle underwriting commitments can be invoked if the Rights Issue is not subscribed to 57.7 percent.

Compensation for bottom underwriting is fifteen (15) percent of the underwritten amount either by cash compensation, which amounts to a maximum of approximately SEK 3.5 million, or by compensation in newly issued units, which corresponds to a maximum of 958,329 units. Compensation for the middle underwriting commitments is twenty (20) percent of the underwritten amount and is only provided in newly issued units, which corresponds to a maximum of 1,061,110 units. Underwriting compensation in newly issued shares will be resolved upon by the board of directors based on the issue authorization granted by the extraordinary general meeting to be held on October 2, 2024. The subscription price for any units issued to the underwriters will correspond to the subscription price in the Rights Issue, which is SEK 3.60 per unit or SEK 0.09 per share.

No compensation is paid for the subscription commitments. Neither the subscription or underwriting commitments are secured by bank guarantees, blocked funds, pledges or similar arrangements.

Exemption from the mandatory bid obligation

In connection with the Rights Issue, Buntel AB ("Buntel") has entered into an underwriting commitment with the Company. Buntel will receive a compensation for the underwriting commitment of twenty (20) percent of the underwritten amount through newly issued units. The subscription price for units that are issued to the underwriters shall correspond to the subscription price in the Rights Issue, i.e. SEK 3.60 per unit or SEK 0.09 per share, and is intended to be resolved upon by the board of directors based on an issue authorization in a separate share issue by way of set-off (the "Compensation Issue").

Buntel intends to apply for an exemption from the mandatory bid obligation from the Swedish Securities Council (Sw. *Aktiemarknadsnämnden*) with regard to subscription of units made in accordance with the above-mentioned underwriting commitment, the subscription of units in the Compensation Issue and the exercise of the warrants of series TO6 included in the units subscribed in accordance with the fulfillment of the underwriting commitment (including warrants in the Compensation Issue). Such exemption will be conditional upon the shareholders being informed prior to the extraordinary general meeting of maximum percentage of the votes and shares that Buntel may obtain as a result of its underwriting commitments and the exercise of warrants of series TO6, and that the Rights Issue is approved by the extraordinary general meeting with at least two thirds of both the votes cast and the shares represented at the general meeting, disregarding any shares held and represented by Buntel at the general meeting.

If the entire underwriting commitment is utilized and Buntel exercises all warrants of series TO6 obtained in the Rights Issue and Compensation Issue, Buntel's shareholding after the Rights Issue will amount to a maximum of approximately 51.4 percent of the shares and votes in the Company. The calculation is based on that no one else will exercise warrants of series TO6 for subscription of shares.

Preliminary timetable for the Rights Issue

Extraordinary general meeting	October 2, 2024
Last day of trading in the Company's shares including the right to receive unit rights	October 3, 2024
First day of trading in the Company's shares excluding the right to receive unit rights	October 4, 2024
Estimated date for publication of the Prospectus	October 4, 2024
Record date for participation in the Rights Issue	October 7, 2024
Subscription period in the Rights Issue	October 9, 2024 - October 23, 2024
Trading with unit rights (UR)	October 9, 2024 - October 18, 2024
Trading in paid subscribed units (BTU)	October 9, 2024 - November 11, 2024
Preliminary date for publication of the outcome of the Rights Issue	October 25, 2024

Advisors

Mangold Fondkommission AB is financial advisor and Advokatfirman Schjødt is legal advisor to the Company in connection with the Rights Issue.

Enquiries

Tern Plc
Ian Ritchie (Chairman)

via IFC Advisory

Allenby Capital Limited
(Nominated Adviser and Broker)

Tel: 0203 328 5656

Alex Brearley / Dan Dearden-Williams (Corporate Finance)
Kelly Gardiner / Guy McDougall (Sales and Corporate Broking)

IFC Advisory

Tel: 0203 934 6630

(Financial PR and IR)

Tim Metcalfe / Florence Chandler

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

STRMZGGLLZKGDZG