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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATIONS (EU) NO. 596/2014 WHICH FORMS PART OF DOMESTIC UK LAW PURSUANT TO THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("UK MAR").

5 September 2024

## **Tern Plc**

("Tern" or the "Company")

**Open Offer at 1.25p per Open Offer Share to raise up to £600,972**

### **Notice of General Meeting**

Tern Plc (AIM:TERN) the company focused on value creation from Internet of Things ("IoT") technology businesses, announces an Open Offer to raise up to £600,972 (before expenses) through the issue of up to 48,077,813 Open Offer Shares at an Issue Price of 1.25p per Open Offer Share.

Under the Open Offer, all Qualifying Shareholders are entitled to subscribe for Open Offer Shares at the Issue Price on the basis of:

**1 Open Offer Share for every 9 Ordinary Shares held on the Record Date.**

The Issue Price of 1.25p per Open Offer Share represents a discount of approximately 13.8 per cent. to the closing middle market price of 1.45p for each Ordinary Share on 4 September 2024 (the latest practicable date prior to this announcement).

The Open Offer is only conditional upon the admission of the Open Offer Shares to trading on AIM. It is expected that Admission will become effective and dealings in the Open Offer Shares will commence on 24 September 2024.

The Open Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission. The Open Offer Shares will be issued pursuant to the authority granted to the directors at the Annual General Meeting of the Company held on 27 June 2024.

The Open Offer is open for acceptance from now until 20 September 2024. Details of the Open Offer will be set out in a Circular to be sent to shareholders later today. The Circular sets out the reasons for and further details of the Open Offer, including its terms and conditions and risk factors.

Extracts from the Circular, including the Open Offer's Expected Timetable of principal events, are set out below in Appendix 1.

The above summary should be read in conjunction with the full text of this announcement and the Circular. Unless defined otherwise, capitalised terms used throughout this announcement shall have the meanings given to such terms in the Definitions section below. References to paragraphs below refer to the relevant paragraphs of the Circular and references to 'this Document' refer to the Circular. References to numbered 'Parts' below refer to the relevant parts of the Circular.

Your attention is drawn to the risk factors set out in Part II of the Circular. Details of the action to be taken if you wish to subscribe for Open Offer Shares are provided in Part III of the Circular.

The Circular will be posted to shareholders today and a copy of the Circular will be shortly available on the Company's website: <https://www.ternplc.com/investors>

### **Notice of General Meeting**

Additionally, as a separate matter, the Company is today posting to its shareholders a further circular (the "General Meeting Circular") convening a general meeting of the Company which is to be held at 9.30 a.m. BST on 23 September 2024 at the offices of Allenby Capital, 5 St Helen's Place, London, EC3A 6AB (the "General Meeting").

The resolutions ("Resolutions") to be proposed at the General Meeting are to grant authority to the directors of the Company to issue new ordinary shares and to disapply pre-emption rights in relation to the issue of a proportion of these ordinary shares. The following resolutions will be proposed at the General Meeting:

1. Resolution 1, which will be proposed as an ordinary resolution, is to authorise the Directors to allot and grant rights to subscribe for, or convert any security into, Ordinary Shares up to a total nominal value of £30,000 (representing a total of up to 150,000,000 new Ordinary Shares); and
2. Resolution 2, which will be proposed as a special resolution and which is subject to the passing of resolution 1, is to disapply statutory pre-emption rights, provided that such authority shall be limited to an aggregate nominal value of £20,000 (representing a total of up to 100,000,000 new Ordinary Shares).

**Extracts from the General Meeting Circular regarding the Background and reasons for the Resolutions are set out below in Appendix 2. Shareholders should read the whole of the General Meeting Circular and not rely solely on the summary information presented in this announcement.**

The General Meeting Circular will be posted to shareholders today and a copy of the General Meeting Circular will shortly be available from the Company's website: <https://www.ternplc.com/investors>

#### **Enquiries:**

**Tern Plc**

via IFC Advisory

Ian Ritchie (Chairman)

**Allenby Capital Limited**

Tel: 0203 328 5656

(Nominated Adviser and Broker)

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Kelly Gardiner / Guy McDougall (Sales and Corporate Broking)

**IFC Advisory**

Tel: 0203 934 6630

(Financial PR and IR)

Tim Metcalfe

Graham Herring

Florence Chandler

#### **Open Offer - Expected Timetable of principal events**

Record Date for the Open Offer	6:00 p.m. on 4 September 2024
Announcement of the Open Offer	7:00 a.m. on 5 September 2024
Existing Ordinary Shares marked "ex" by the London Stock Exchange	5 September 2024
Posting of Circular and Application Form	5 September 2024
Posting of Notice of the Open Offer in the London Gazette	6 September 2024
Basic and Excess Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	6 September 2024
Recommended latest time for requesting withdrawal of Basic Entitlements and Excess Entitlements from CREST	4:30 p.m. on 16 September 2024
Latest time for depositing Basic Entitlements and/or Excess Entitlements into CREST	3:00 p.m. 17 September 2024
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3:00 p.m. on 18 September 2024
<b>Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)</b>	<b>11:00 a.m. on 20 September 2024</b>
Expected date of announcement of results of the Open Offer	23 September 2024
Expected date for Admission and commencement of dealings of the Open Offer Shares	8:00 a.m. on 24 September 2024
Expected date for the Open Offer Shares to be credited to CREST stock accounts	24 September 2024
Expected date for dispatch of definitive share certificates for Open Offer Shares	10 October 2024

#### *Notes:*

- (i) References to times in this Document are to London time (unless otherwise stated).
- (ii) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement to an RIS.

#### **Open Offer statistics**

Issue Price	1.25 pence
Number of Existing Ordinary Shares in issue as at the date of this Document	432,700,318
Basis of the Open Offer	<b>1 Open Offer Share for every 9 Existing Ordinary Shares held</b>
Maximum number of Open Offer Shares expected to be issued pursuant to the Open Offer	48,077,813
Enlarged Share Capital immediately upon Admission of the Open Offer Shares*	480,778,131*
Percentage of the Enlarged Share Capital represented by the Open Offer Shares	10.0 per cent.
The maximum gross proceeds from the Open Offer (approximately)*	£600,972
ISIN for Existing Ordinary Shares	GB00BFPMV798
ISIN for Basic Entitlements	GB00BNKT5H96
ISIN for Excess Entitlements	GB00BNLXX216

*Notes:*

\* assumes full take up of the 48,077,813 Open Offer Shares

**Please refer to Appendix 1 below for further information**

### **Appendix 1**

The following is an extract from the letter from the Chairman set out in the Circular, substantially in the same form.

#### **1. Introduction**

The Company is proposing to raise up to approximately £600,972 pursuant to the Open Offer. The Open Offer is being made on a pre-emptive basis, allowing all Qualifying Shareholders the opportunity to participate by subscribing for Open Offer Shares at the Issue Price of 1.25 pence per Ordinary Share *pro rata* to their holdings of Existing Ordinary Shares.

#### **Background to and reasons for the Open Offer**

At the Company's 2024 Annual General Meeting held on 27 June 2024 (the "2024 AGM") the resolution to grant the Directors the authority to issue new Ordinary Shares for cash on a non-preemptive basis did not achieve the requisite number of votes to be passed. Following the failure to pass this resolution at the 2024 AGM, the Directors do not have the authority to issue new Ordinary Shares for cash on a non-preemptive basis, nor the ability for the Company to potentially access the remaining £2.5 million of the £3.0 million loan facility (the "Facility"), details of which were announced by the Company on 12 June 2023, which, among other things, requires warrants over Ordinary Shares to be issued in relation to any Facility drawdown. Without the Directors having the authority to disapply pre-emption rights on an issue of Ordinary Shares, the Company is unable to make any further drawdowns from the Facility.

During 2023 the Company reduced its operating costs by approximately 40 per cent., halving its senior executive leadership team from four to two and moving to a lower cost office, amongst other measures. However, the Company still faces the ongoing costs of being an AIM quoted company and maintaining access to sufficient skilled resource in order to manage its portfolio of early-stage IoT businesses. The Company is also presented, often at relatively short notice, with fundraisings planned by its portfolio companies. If it is not possible for Tern to participate in these fundraisings, the Company could find that either, or both, its shareholdings in the relevant portfolio company is diluted and their valuation reduces, which is likely to then adversely impact upon the Company and the potential returns available for Shareholders.

Post the 2024 AGM, the Board has therefore been investigating ways to appropriately raise funds to protect Tern's position in, and progress Tern's portfolio companies, whilst also providing Tern with funding as an

tern's position in, and progress, tern's portfolio companies, whilst also providing tern with funding as an AIM quoted company. As at 30 June 2024, the Company had unaudited cash of £0.1 million and an outstanding liability under the Facility of £0.2 million. On 5 September 2024, the Company announced its unaudited interim results for the six months to 30 June 2024, which contained a portfolio update and an update regarding the Board's strategy to focus on realisations.

On 9 August 2024, the Company announced the disposal of part of its shareholding in Device Authority Limited ("Device Authority") for a total cash consideration of £233,000. As a consequence, Tern's holding in Device Authority reduced from 31.7% to 30.0% (before any dilution on the exercise of share options and the expected closing of tranche two of the Device Authority fundraising announced on 27 December 2023). This sale of equity in Device Authority equated to approximately 5.3% of Tern's holding in Device Authority and was appropriate to meet the Company's immediate funding requirements, but additional medium-term funding is required.

The Company's additional funding requirements could potentially be satisfied from further disposals of holdings in the Company's portfolio. However, the Directors believe that any further short-term disposals would potentially be in a manner that may not be in the best long-term interests of the Company and Shareholders. The Company is therefore proposing the Open Offer, utilising substantially all of the Director's current authority to allot Ordinary Shares without disapplying pre-emption rights, to generate funds to invest further in one or more of Tern's portfolio companies and investments, and for general corporate purposes.

In addition, the Company announced on 5 September 2024 that it is convening a general meeting to be held on 23 September 2024 to seek Shareholder approval for the Directors to have the general authority to allot up to 150,000,000 new Ordinary Shares and an authority to disapply statutory pre-emption rights in relation to an issue of up to 100,000,000 new Ordinary Shares. These authorities would allow the Company, among other things, the flexibility to raise further funds to support its portfolio companies as required.

### **3. The Open Offer**

The Company is proposing to raise up to approximately £600,972 million pursuant to the Open Offer. The Issue Price of 1.25 pence per Open Offer Share represents a discount of 13.8 per cent. to the closing price of 1.45 pence per Ordinary Share on 4 September 2024, the last Business Day prior to announcing the Open Offer. The Open Offer is being made on a pre-emptive basis, allowing all Qualifying Shareholders the opportunity to participate.

The Open Offer provides Qualifying Shareholders with the opportunity to apply to acquire Open Offer Shares at the Issue Price *pro rata* to their holdings of Existing Ordinary Shares as at the Record Date on the following basis:

#### **1 Open Offer Share for every 9 Existing Ordinary Shares held**

and so on in proportion to any other number of Existing Ordinary Shares then held.

Entitlements to apply to acquire Open Offer Shares will be rounded down to the nearest whole number and any fractional entitlement to Open Offer Shares will be aggregated under the Excess Application Facility.

Valid applications by Qualifying Shareholders will be satisfied in full up to their Basic Entitlements as shown on the Application Form. Applicants can apply for less or more than their entitlements under the Open Offer but the Company cannot guarantee that any application for Excess Shares under the Excess Application Facility will be satisfied as this will depend in part on the extent to which other Qualifying Shareholders apply for less than or more than their own Basic Entitlements. The Company may satisfy valid applications for Excess Shares of applicants in whole or in part but reserves the right not to satisfy any excess above any Basic Entitlement. Applications made under the Excess Application Facility will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility if applications are received from Qualifying Shareholders for more than the available number of Excess Shares.

Qualifying Shareholders who do not take up their Basic Entitlements in full will experience a dilution to their interests of approximately 10 per cent. following Admission (assuming full subscription under the Open Offer).

Qualifying Shareholders should note that the Open Offer Shares have neither been placed with or subscribed for by investors subject to clawback under the Open Offer, nor have they been underwritten.

Qualifying Shareholders with fewer than 9 Existing Ordinary Shares will not be able to apply for Open Offer Shares.

The Open Offer Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission.

#### **Conditions**

The Open Offer is conditional, *inter alia*, upon the Admission of the Open Offer Shares becoming effective by not later than 8:00 a.m. on 24 September 2024 (or such later time and/or date as the Company may determine, being not later than the Long Stop Date).

If conditions are not satisfied and Admission does not occur by 8:00 a.m. on 24 September 2024 (or by 8:00 a.m. on the Long Stop Date), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter. Revocation of applications for Open Offer Shares cannot occur after dealings have begun.

#### **Excess applications**

The Open Offer is structured to allow Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price *pro rata* to their existing holdings of Ordinary Shares on the Record Date.

Qualifying Shareholders may also make applications in excess of their Basic Entitlements. To the extent that Basic Entitlements are not subscribed by Qualifying Shareholders, such Open Offer Shares will be available to satisfy such excess applications, subject always to a maximum of 48,077,813 Open Offer Shares in aggregate and provided that no Qualifying Shareholder shall be entitled to subscribe for Open Offer Shares if it would bring their aggregate interest in the share capital of the Company to more than the Aggregate Limit. To the extent that applications are received in respect of an aggregate of more than 48,077,813 Open Offer Shares and/or would result in a Qualifying Shareholder having an aggregate interest in the share capital of the Company which would exceed the Aggregate Limit, excess applications will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility.

The Open Offer will be made to Shareholders outside of the United Kingdom and EEA by means of a notice in the London Gazette.

Qualifying Shareholders should note that the Open Offer is not a rights issue.

Qualifying non-CREST Shareholders should be aware that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should also be aware that, in the Open Offer, unlike in a rights issue, any entitlements to Open Offer Shares not applied for or not taken up will not be sold in the market or placed for the benefit of Qualifying Shareholders who do not apply under the Open Offer.

#### **Settlement and dealings**

Application will be made to the London Stock Exchange, via the AIM Application, for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Open Offer Shares will commence at 8:00 a.m. on 24 September 2024.

#### **Overseas Shareholders**

Certain Overseas Shareholders may not be permitted to subscribe for Open Offer Shares pursuant to the Open Offer and should refer to paragraphs 6 and 7 of Part III of this Document. Persons who have a registered address in or who are located and/or resident in or are citizens of, in each case, a country other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to acquire or subscribe for any Open Offer Shares. The notice in the London Gazette referred to in paragraph 7 of Part III of this Document will state where an Application Form may be inspected or obtained. Any person with a registered address in or who are located in and/or resident in or are citizens of, in each case, a Restricted Jurisdiction who obtains a copy of this document or an Application Form is required to disregard them, except with the consent of the Company.

#### **CREST instructions**

Application has been made for the Basic Entitlements and the Excess Entitlements for Qualifying CREST Shareholders to be admitted to CREST. It is expected that the Basic Entitlements and the Excess Entitlements will be enabled for settlement through the CREST system as soon as practicable on 6 September 2024. Applications through the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Qualifying non-CREST Shareholders will receive a personalised Application Form which gives details of their Basic Entitlement under the Open Offer (as shown by the number of the Open Offer Shares allocated to them) with this Document. If they wish to apply for Open Offer Shares under the Open Offer, they should complete the accompanying Application Form in accordance with the procedure for application set out in the Circular and on the Application Form itself. The completed Application Form, accompanied by full payment, should be returned by post or by hand (during normal business hours only) to Share Registrars Limited so as to arrive as soon as possible and in any event no later than 11:00 a.m. on 20 September 2024.

Qualifying CREST Shareholders, will receive no Application Form with the Circular but will receive a credit to their appropriate stock account in CREST in respect of their Basic Entitlement and if appropriate their Excess Entitlement. They should refer to the procedure for application set out in Part III of this Document. The relevant CREST instruction must have settled by no later than 11:00 a.m. on 20 September 2024.

The latest time for applications under the Open Offer to be received is 11:00 a.m. on 20 September 2024. The procedure for application and payment depends on whether, at the time at which application and payment is made, a Qualifying Shareholder has an Application Form in respect of their Basic Entitlement or have their Basic Entitlement credited to their stock account in CREST.

If you are in any doubt as to what action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

#### 4. Directors' interests

The Directors intend to take their full entitlement under the Open Offer. The interests of the Directors in the Ordinary Shares (i) as at the date of this Document and (ii) immediately following the issue of the Open Offer Shares (assuming full subscription under the Open Offer), are as shown below.

Directors	No. of Ordinary Shares currently held	% of Existing Ordinary Shares	No. of Ordinary Shares held on Admission*	% of the Enlarged Share Capital*
Ian Ritchie	1,636,999	0.38	1,818,887	0.38
Alan Howarth	-	-	-	-
Sarah Payne	166,666	0.04	185,184	0.04

#### Notes:

\*assumes full take up of the 48,077,813 Open Offer Shares and that the Directors take their full entitlement in the Open Offer, but do not receive any Excess Entitlement.

#### 5. Additional information

**Your attention is drawn to the risk factors set out in Part II of the Circular. Shareholders are advised to read the whole of the Circular and not rely solely on the summary information presented in this announcement.**

**Details of the action to be taken if you wish to subscribe for Open Offer Shares are provided in Part III of the Circular.**

#### Appendix 2 - General Meeting

The following is extracted from the General Meeting Circular, substantially in the same form.

##### *Background and reasons for the Resolutions*

At the Company's 2024 Annual General Meeting held on 27 June 2024 (the "2024 AGM") the resolution to grant the Directors the authority to issue new Ordinary Shares for cash on a non-preemptive basis did not achieve the requisite number of votes to be passed. Following the failure to pass this resolution at the 2024 AGM, the Directors do not have the authority to issue new Ordinary Shares for cash on a non-preemptive basis.

During 2023 the Company reduced its operating costs by approximately 40 per cent., halving its senior executive leadership team from four to two and moving to a lower cost office, amongst other measures. However, the Company still faces the ongoing costs of being an AIM quoted company and maintaining access to sufficient skilled resource in order to manage its portfolio of early-stage IoT businesses. The Company is also presented, often at relatively short notice,

with fundraisings planned by its portfolio companies. If it is not possible for Tern to participate in these fundraisings, the Company could find that either, or both, its shareholdings in the relevant portfolio company is diluted and their valuation reduces, which is likely to then adversely impact upon the Company and the potential returns available for Shareholders.

Post the 2024 AGM, the Board has therefore been investigating ways to appropriately raise funds to protect Tern's position in, and progress, Tern's portfolio companies, whilst also providing Tern with funding as an AIM quoted company. As at 30 June 2024, the Company had unaudited cash of £0.1 million and an outstanding liability under the Facility (details of which were originally announced on 12 June 2023) of £0.2 million. The Company today announced its unaudited interim results for the six months to 30 June 2024, which contained a portfolio update and an update regarding the Board's strategy to focus on realisations.

On 9 August 2024, the Company announced the disposal of part of its shareholding in Device Authority Limited ("Device Authority") for a total cash consideration of £233,000. As a consequence, Tern's holding in Device Authority reduced from 31.7% to 30.0% (before any dilution on the exercise of share options and the expected closing of tranche two of the Device Authority fundraising announced on 27 December 2023). This sale of equity in Device Authority equated to approximately 5.3% of Tern's holding in Device Authority and was appropriate to meet the Company's immediate funding requirements, but additional medium-term funding is required.

The Company's additional funding requirements could potentially be satisfied from further disposals of holdings in the Company's portfolio. However, the Directors believe that any further short-term disposals would potentially be in a manner that may not be in the best long-term interests of the Company and Shareholders. The Company has therefore today announced, the Open Offer to raise gross proceeds of up to £600,972 through the issue of up to 48,077,813 new Ordinary Shares (the "Open Offer"), utilising substantially all of the Directors' current authority to allot Ordinary Shares without disapplying preemption rights, to generate funds to invest further in one or more of Tern's portfolio companies and investments, and for general corporate purposes.

However, in addition to the funds generated from the August 2024 disposal of part of its shareholding in Device Authority and the Open Offer, the Directors believe that having the authority to issue additional new Ordinary Shares is important for an investment company such as Tern as, among other things, it provides the Company with the flexibility to raise, or have access to, further funding, potentially at short notice, to support its portfolio companies as required and for general corporate purposes, where such funding:

- gives the Company negotiating leverage when dealing with potential third-party investors in discussions regarding Tern's portfolio companies; and
- enables the Company to participate, potentially at short notice, in potential fundraisings by its portfolio companies. If this is not possible, the Company could find that either, or both, its shareholdings in its portfolio companies are diluted and their valuation reduces, which may then adversely impact upon the Company.

**The above should be read in conjunction with the full text of the General Meeting Circular.**

### **Definitions**

"Admission"	admission of the Open Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules
"Affiliates"	any person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified
"Aggregate Limit"	a restriction on any Shareholder acquiring any Open Offer Shares which would, when aggregate with any interest in the Existing Ordinary Shares held by such Shareholder, result in such Shareholder holding an interest in the Ordinary Shares which (when taken together with Ordinary Shares in which persons acting in concert with him are interested) carry 30.0 per cent. or more of the voting rights of the Company
"AIM"	the market of that name operated by the London Stock Exchange
"AIM Application"	the application to the London Stock Exchange for Admission as required by Rule 29 of the AIM Rules
"AIM Rules"	the AIM Rules for Companies as published by the London Stock Exchange from time to time
"Allenby Capital"	Allenby Capital Limited, nominated adviser and broker to Tern
"Application Form"	the application form accompanying this Document to be used by Qualifying Non-CREST Shareholders in connection with the Open Offer
"Basic Entitlements"	the number of Open Offer Shares which Qualifying

	Shareholders are entitled to subscribe for at the Issue Price <i>pro rata</i> to their holding of Existing Ordinary Shares held at the Record Date pursuant to the Open Offer as described in Part III of the Circular
"Business Day"	a day (excluding Saturdays and Sundays, or public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal business
"Circular" or "Document"	the circular issued by the Company on 5 September 2024 in connection with the Open Offer
"Company" or "Tern"	Tern plc
"CREST"	the relevant system (as defined in the Uncertificated Securities Regulations 2001) for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear
"Directors" or "Board"	the directors of the Company
"EEA"	the European Economic Area
"Enlarged Share Capital"	the issued ordinary share capital of the Company following the issue of the Open Offers (assuming full take up of the Open Offer)
"Euroclear"	Euroclear UK & International Limited, the operator of CREST
"Excess Application Facility"	the arrangement provided to Qualifying Shareholders to apply for Excess Shares in excess of their Basic Entitlements accordance with the terms and conditions of the Open Offer to be set out in Part III of this Document
"Excess Entitlements"	in respect of each Qualifying Shareholder, the entitlement (in addition to his Basic Entitlement) to apply for Excess Shares pursuant to the Excess Application Facility, which is conditional on him taking up his Basic Entitlements in accordance with the terms and conditions set out in Part III of this Document
"Excess Shares"	Open Offer Shares which are not taken up by Qualifying Shareholders pursuant to their Basic Entitlements and which are offered to Qualifying Shareholders under the Excess Application Facility
"Existing Ordinary Shares"	the 432,700,318 Ordinary Shares in issue as at the date of this Document
"FCA"	the Financial Conduct Authority in its capacity as the competent authority for the purposes of Part VI of FSMA
"FSMA"	the Financial Services and Markets Act of 2000 (as amended)
"HMRC"	HM Revenue & Customs in the UK
"Issue Price"	1.25 pence per Open Offer Share
"IoT"	the Internet of Things
"London Stock Exchange"	London Stock Exchange plc
"Long Stop Date"	30 September 2024
"Market Abuse Regulation"	the Market Abuse Regulation (2014/596/EU) as retained in UK law pursuant, <i>inter alia</i> , to the European Union (Withdrawal) Act 2018 (as amended) and the Market Abuse (Amendment) (EU Exit) Regulations 2019 (as



"Open Offer"	the conditional invitation to be made by the Company to Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price, in accordance with the terms to be set out in the Circular and/or the Application Form
"Open Offer Shares"	up to 48,077,813 Ordinary Shares to be issued pursuant to the Open Offer
"Ordinary Shares"	the ordinary shares of £0.0002 each in the capital of the Company
"Overseas Shareholders"	Shareholders who have a registered address in or who are located and/or resident in or are citizens of, in each case, a country other than the United Kingdom
"Prospectus Rules"	the prospectus rules made in accordance with the Prospectus Directive in relation to the offer of securities to the public and the admission of securities to trading on a regulated market
"Qualifying CREST Shareholders"	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Record Date are held in uncertificated form on CREST
"Qualifying Non-CREST Shareholders"	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Record Date are held in certificated form
"Qualifying Shareholders"	Shareholders whose names appear on the register of members of the Company on the Record Date as holders of Existing Ordinary Shares and who are eligible to be offered Open Offer Shares under the Open Offer in accordance with the terms and conditions to be set out in Part III of this Document
"Record Date"	6:00 p.m. on 4 September 2024
"Receiving Agent"	Share Registrars Limited
"Regulatory Information Service"	any of the services set out on the list maintained by the London Stock Exchange as set out in the AIM Rules
"Regulation S"	Regulation S under the Securities Act
"Restricted Jurisdictions"	United States, Canada, Australia, Japan, New Zealand or the Republic of South Africa
"Securities Act"	the US Securities Act of 1933 as amended
"Shareholders"	the shareholders of the Company from time to time
"Sterling"	British pound sterling, the official currency of the United Kingdom
"Tern Shares"	the Ordinary Shares of Tern plc
"UK" or "United Kingdom"	United Kingdom of Great Britain and Northern Ireland
"UK Prospectus Regulation"	the Council as it forms part of the domestic law of England and Wales by virtue of the European Union (Withdrawal) Act 2018
"United States" or "US"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia

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