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21 February 2025

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

Placing to raise £221,154

Tern Plc (AIM:TERN), the investment company specialising in supporting high growth, early-stage, disruptive Internet of Things ("IoT") technology businesses, announces that it has raised £221,154, before expenses, through a placing of 19,230,769 new ordinary shares ("Ordinary Shares") of 0.02p each in the Company (the "Placing Shares") at a price of 1.15 pence per new Ordinary Share (the "Issue Price") (the "Placing"). The Placing is conditional upon the Placing Shares being admitted to trading on AIM ("Admission").

The Placing Shares will represent approximately 3.53 per cent. of the Company's enlarged issued share capital following the Placing. The Issue Price represents a discount of approximately 9.80 per cent. to the mid-market closing price of 1.275 pence per Ordinary Share on 20 February 2025, being the latest practicable business day prior to the publication of this announcement.

The net proceeds of the Placing are currently intended to be used to provide the Company with funds to:

- contribute towards Tern's commitment to invest in Sure Valley Ventures Enterprise Capital Fund ("SVV2" or the "Fund");
- provide additional support to Tern's portfolio as appropriate; and
- be applied towards general corporate purposes, including operating and legal expenses.

SVV2 is a venture capital fund that invests in a diverse portfolio of private UK software companies, with a particular emphasis on those in the immersive technology and metaverse sectors. This includes companies specialising in augmented and virtual reality, artificial intelligence and security.

As announced on 2 March 2022, Tern has previously committed to invest up to £5 million in SVV2 over the 10-year life of the Fund. Tern has a 6.1% holding in SVV2 which, as at 21 February 2025, had an unaudited valuation of approximately £750,000.

Shard Capital Partners LLP ("Shard Capital") acted as the Company's sole placing agent in respect of the Placing.

Update on SVV2

In conjunction with Tern's proposed funding of part of its commitment to SVV2, the Company is pleased to share the Fund's latest quarterly update, covering the period from 1 October 2024 to 31 December 2024.

SVV2 portfolio update

As of 31 December 2024, SVV2 has drawn down £16.56m, with £65.27m of undrawn commitments remaining.

During the quarter, the Fund made follow-on investments in RETiníZE Limited (£500k), which is a creative tech company, and Jaid (t/a Opsmatix Limited) (£800k), an AI-powered human communication solutions company.

Other key SVV2 portfolio holdings include Captur, Vortex IQ, and Ittybit, a Manchester-based investment made in June 2024.

New investments made in H2 2024

SVV2 expanded its portfolio with four new investments in H2 2024:

- in July 2024, the Fund invested £1m in Phinx Robotics, an AI robotics startup;
- in August 2024, the Fund committed £1.5m to Purple Transform, an Oxford-based monitoring firm;
- also in August 2024, Stylus Education received £500k from the Fund for its AI-powered marking solution; and
- the Fund's final investment of the year, made in December 2024, was a £1m commitment to Vizgard, a drone security company, which received an initial £500k, with the option for a further £500k within six months.

Pipeline and deal flow

Looking ahead to 2025, SVV2 expects its most active year yet, targeting 6-8 new investments, alongside follow-on rounds, with anticipated drawdowns of 15-20% of the Fund.

At the time of the quarterly update the Fund was progressing five additional companies toward investment term sheets.

In addition, SVV2 has developed a strong investment pipeline. These opportunities have been sourced through a combination of inbound and outbound origination strategies, ensuring a steady flow of high-quality potential investments.

Admission and Total Voting Rights

The Placing has been conducted utilising the Directors' existing authorities to issue new Ordinary Shares. The Placing Shares will rank *pari passu* in all respects with the existing issued Ordinary Shares. The Placing is conditional, *inter alia*, on: i) there being no breach of the obligations under the Placing Agreement entered into between Shard Capital and the Company prior to Admission; and ii) Admission. Application has been made to the London Stock Exchange for the Placing Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Placing Shares on AIM will commence on or around 26 February 2025.

In accordance with the Financial Conduct Authority's Disclosure, Guidance and Transparency Rules, the Company confirms that following Admission, the Company's enlarged issued ordinary share capital will comprise 544,223,831 Ordinary Shares. The Company does not hold any shares in Treasury. Therefore, from Admission, the total number of voting rights in the Company will be 544,223,831 and from Admission this 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.

Enquiries

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