

# TERN PLC

## SOFTWARE AND COMPUTER SERVICES

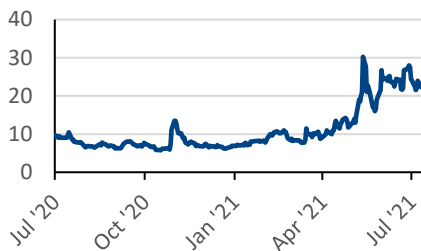
14 July 2021

### TERN.L

22.3p

Market Cap: £73.5m

#### SHARE PRICE (p)



12m high/low 30.3p/5.8p

Source: LSE Data

#### KEY DATA

Net (Debt)/Cash	£2.1m (at 31/12/20)
Enterprise value	£71.4m
Index/market	AIM
Next news	Interims, Sept 2021
Shares in Issue (m)	330.3
Chairman	Ian Ritchie
Chief Executive	Albert E Sisto
Finance Director	Sarah Payne

#### COMPANY DESCRIPTION

Tern predominantly invests in software companies, with proven technology, based in the UK but with global ambition.

[www.ternplc.com](http://www.ternplc.com)

TERN PLC IS A RESEARCH CLIENT OF PROGRESSIVE

#### ANALYSTS

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## Fundraise for flexibility

Tern has successfully raised £4m gross proceeds through an issue of 21.2m shares at 18.8p per share, a 15.5% discount to the last closing price. Retail and other investors were able to participate via PrimaryBid, reducing the dilutive impact for investors. The retail offer was oversubscribed and raised gross proceeds of £1.99m. The net proceeds are intended to bolster Tern's commercial position by supporting further investment in its current portfolio companies and accommodate new value-enhancing investments. Although at a slight discount to the recent price, the new monies are being raised at a significant premium to where the share price has been trading, based on a 6 month average of around 16p.

- Flexibility for further investment in its existing portfolio** Some of the proceeds will support capital expenditure; and provide general working capital support for the investee companies. This will allow Tern to comfortably invest further into its existing portfolio and thereby benefit from greater flexibility when it comes to the timing of follow-on rounds, additional raises and M&A. The recent IPO of portfolio company Wyld Networks has also reduced reliance on Tern for funding, despite the business remaining a core part of the group portfolio.
- Strengthened negotiating position on new investments** Proceeds will also be used to fund new investment opportunities over the medium term; again, having additional strength in the balance sheet should make Tern a more attractive and credible bidder in competitive situations.
- Retail investors have been given the opportunity to participate** through the Primary Bid structure, fulfilling Tern's assurance that existing and new retail shareholders would be able to participate in a future fundraise. For those able to take part in this element of the offer, the retail initiative will have reduced the dilutive impact on an investor's overall position.

We view this fundraising as a positive development and underpinning Tern's strong focus on maximising shareholder value. The deal has allowed both new and existing, retail and institutional investors to participate. It has significantly strengthened Tern's negotiating position, to enable management to maximise the value across the existing portfolio and also to take advantage of further value enhancing opportunities. We look forward to news flow from Tern on the progress of the other portfolio companies during 2021, as it continues to build its position as a leading investment company in the IoT sector.

#### INVESTEE COMPANIES



FUNDAMENTAL VR



## Disclaimers and Disclosures

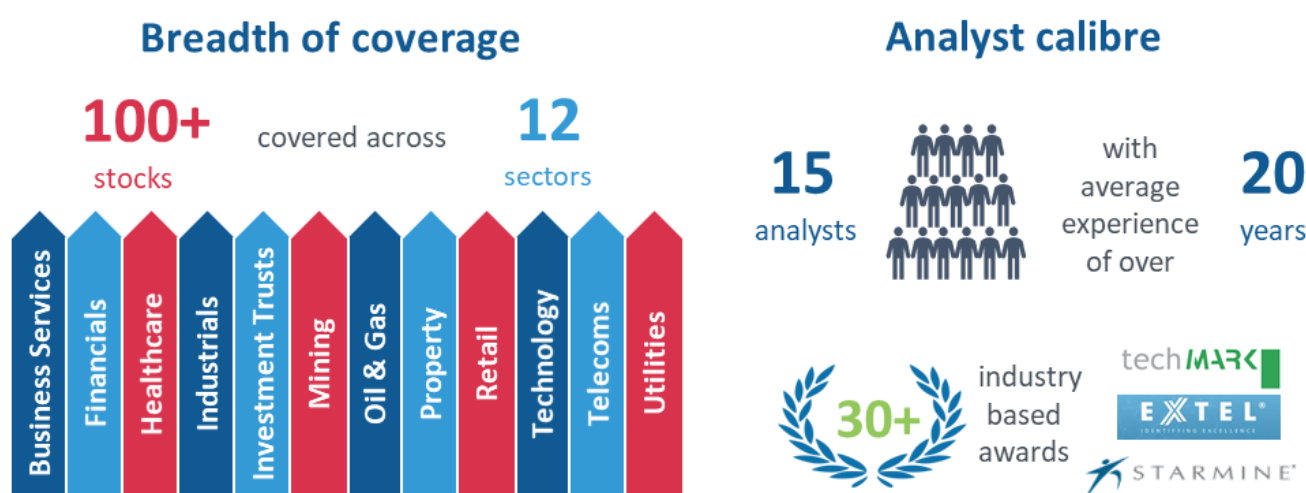
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