

# TERN PLC

## SOFTWARE AND COMPUTER SERVICES

6 October 2022

### TERN.L

8.25p

Market Cap: £29m

#### SHARE PRICE (p)



12m high/low

23.3p/8.3p

Source: LSE Data (priced as at prior close)

#### KEY DATA

Net (Debt)/Cash	£0.3m (at 30/06/22)
Enterprise value	£28.7m
Index/market	AIM
Next news	Trading Update Jan 23
Shares in Issue (m)	352.1
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

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## Fundraise to strengthen negotiating position

Tern has successfully raised £1.6m gross proceeds through an issue of 17.3m subscription shares and 4m retail shares at 7.5p per share, a 14.3% discount to the closing price on 4 October. In line with management's commitment to its overall shareholder base, retail and other investors were able to participate via PrimaryBid. The net proceeds are intended to bolster Tern's commercial position by supporting further growth and strategic investment in its current portfolio companies. In the most recent funding rounds, Tern's investment proportion has been relatively small as the businesses becomes attractive to third-party investors. In order to protect shareholder value already created, it is imperative that Tern has the ability to negotiate from a position of strength when competing with private equity providers that often have far greater resources. We see this fundraise as a logical step as the group continues to mature its position and offering.

- **Flexibility for further investment in its existing portfolio.** The fundraise will allow Tern to comfortably invest further into its existing portfolio and strengthen its negotiating position with follow-on funding rounds.
- **Quality of third-party investors increasing.** Tern has co-invested with leading private equity and VC investors, providing third-party validation of value and financing. For example, Device Authority benefitted from a strategic investment from Venafi, owned by Thoma Bravo, in 2021.
- **Reduced reliance on Tern for funding.** The recent IPO of portfolio company Wyld Networks has also reduced reliance on Tern for funding and achieved a public market valuation. FundamentalVR has also recently closed a 'Round B' funding that included significant additional third-party capital with minimal participation from Tern.

We view this fundraising as a positive development, underpinning Tern's strong focus on creating shareholder value. The deal has allowed both new and existing retail and institutional investors to participate. The additional funding will significantly strengthen Tern's negotiating position against often much larger private equity providers, helping management to maximise value across the existing network of IoT technology businesses.

#### TERN'S NETWORK OF COMPANIES



DEVICE  
AUTHORITY

FUNDAMENTALVR



Wyld Networks

KONEKTIO



Talking Medicines

Source: Company Information.

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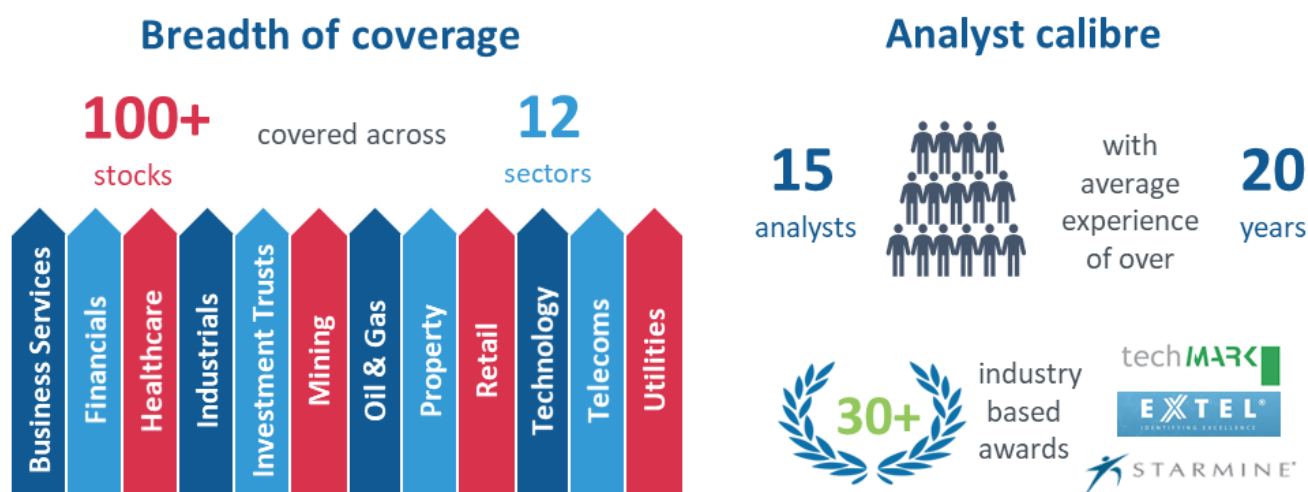
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