

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document and/or the action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, another appropriately authorised independent financial adviser.

If you have sold or otherwise transferred all of your Tern Shares please forward this document and the accompanying Form of Proxy at once to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee. If you have sold or otherwise transferred only some of your Tern Shares you should retain this document and consult with the stockbroker, bank or other agent through whom the sale or transfer was effected.

Application will be made for the New Tern Shares to be admitted to trading on AIM, subject, amongst other things, to the Resolution being passed at the General Meeting. It is expected that admission to trading on AIM of the New Tern Shares will become effective, and that dealings in the New Tern Shares will commence, on the Business Day following the Effective Date which, subject to the satisfaction of certain conditions, including the sanction of the Scheme by the Court, is currently expected to occur on or around 29 July 2022.

TERN PLC

(Incorporated under the Companies Act 2006 and registered in England and Wales with registered number 05131386)

RECOMMENDED ALL-SHARE OFFER FOR PIRES INVESTMENTS PLC AND NOTICE OF GENERAL MEETING

Your attention is drawn to the letter from the Chairman of the Company set out in this document, which contains the unanimous recommendation of the Directors that Shareholders vote in favour of the Resolution referred to below.

Allenby Capital Limited, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and financial adviser to the Company in relation to the transaction referred to in this document. The responsibilities of Allenby Capital Limited as the Company's nominated adviser under the AIM Rules for Nominated Advisers are owed solely to the London Stock Exchange and are not owed to the Company or to any Director or to any person. Persons receiving this document should note that Allenby Capital Limited will not be responsible to anyone other than the Company for providing the protections afforded to its clients or for advising any other person on the arrangements described in this document. Allenby Capital Limited has not authorised the contents of, or any part of, this document and no liability whatsoever is accepted by it for the accuracy of any information or opinions contained in this document or for the omission of any information.

This document does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 12 to 28 of this document and in which the Board recommends that Shareholders vote in favour of the Resolutions. Notice of the General Meeting to be held at the offices of Reed Smith LLP at The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS at 11.00 a.m. on 21 July 2022 is set out on pages 29 to 30 of this document. The Form of Proxy for use at the General Meeting forms part of this document and should be returned, together with the power of attorney or other authority (if any) under which the Form of Proxy is signed or a certified copy of such power or authority, to the Company's registrars, Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey, GU9 7XX by hand or by post so as to be received not less than 48 hours before the time fixed for the holding of the meeting or any adjournment thereof (as the case may be). Proxies can also be registered through the online portal by logging on to www.shareregistrars.uk.com, clicking on the "Proxy Vote" button and then following the on-screen instructions, no later than 11.00 a.m. on 19 July 2022, or if the meeting is adjourned, not later than 48 hours before the time fixed for the adjourned meeting. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting in person at the General Meeting should they wish to do so. To be eligible to vote at the General Meeting, a Shareholder must be entered into the register of members of Tern at 11.00 a.m. on 19 July 2022 or, if the General Meeting is adjourned, at 11.00 a.m. on the Business Day which is two days before the day of such adjourned meeting.

Copies of this document will be available, free of charge, for a period of one month from the date of this document, at the Company's registered office during normal business hours (Saturdays, Sundays and public holidays excepted) and in accordance with the AIM Rules, will be available free of charge on the Company's website at www.ternplc.com.

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document and/or the accompanying Form of Proxy comes should inform themselves about and observe such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities law of any such jurisdiction.

The information contained in this document does not purport to be complete and should be read in conjunction with the full text of the Scheme Document which will be available at www.piresinvestments.com and www.ternplc.com and in hard copy at the registered offices of Pires Investments plc and Tern plc until the time of the General Meeting. Shareholders should read the whole of the Scheme Document, in particular the Letter of Recommendation from a Non-Executive Director of Pires Investments plc in Part One and the Explanatory Statement in Part Two.

The Directors accept responsibility, both individually and collectively, for the information contained in this document (other than the information in section 5 on pages 20 to 24 of this document '*Information on Pires*' relating to Pires and the Pires Directors for which the Pires Directors take responsibility). To the best of the knowledge of the Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document for which they are responsible (except in respect of the information in section 5 on pages 20 and 24 of this document '*Information on Pires*' for which responsibility is taken on the basis stated below) is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Pires Directors accept responsibility, both individually and collectively, for the correctness and fairness of the reproduction and presentation of the information in section 5 on pages 20 and 24 of this document '*Information on Pires*' which has been extracted without material amendment from the Scheme Document, Pires' RNS announcements, Pires' website and Pires' audited results for the 12 months ended 31 December 2021. To the best of the knowledge of the Pires Directors, who have taken all reasonable care to ensure that such is the case, the information contained in this document for which they are responsible is in accordance with the facts and does not omit anything likely to affect the import of such information.

FORWARD-LOOKING STATEMENTS

This document (including information incorporated by reference in this document), oral statements made regarding the Acquisition, and other information published by Pires and Tern contain certain forward-looking statements, beliefs or opinions with respect to the financial condition, results of operations and business of the Pires and its subsidiaries and subsidiary undertakings from time to time and the Tern Group. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts.

Forward-looking statements may often, but not always, be identified by the use of forward-looking terms such as "may", "will", "expects", "believes", "hopes", "anticipates", "aims", "plans", "estimates", "projects", "targets", "intends", "forecasts", "outlook", "impact", "potential", "confidence", "improve", "continue", "optimistic", "deliver", "comfortable", "trend", "seeks" or variations of such words and phrases or statements that certain actions, events or results "could", "should", "would" or "might" be taken, occur or be achieved or the negative of such terms or other variations on such terms or comparable terminology.

Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. These statements are based on assumptions and assessments made by Tern and/or Pires, as the case may be, in light of their experience and their perception of historical trends, current conditions, future developments and other factors that they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors that could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements are unknown.

Although it is believed that the expectations reflected in such forward-looking statements were reasonable at the time the statements were made, no assurance is given by Tern and/or Pires that such expectations or the assumptions and assessments underlying them will prove to have been correct and the circumstances may change. Shareholders are, therefore, cautioned not to place undue reliance on these forward-looking statements. Neither Tern nor Pires assumes any obligation, and Tern and Pires disclaim any intention or obligation, to update or correct the information contained in this document (whether as a result of new information, future events or otherwise), except as required by applicable law or regulation.

Save as specifically stated in this document, any such forward-looking statements have not been reviewed by the auditors of Tern or Pires or their respective financial advisers. Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. There are many factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements is the satisfaction of any conditions to the Acquisition, as well as additional factors such as changes in global, political, economic, business, competitive, market and regulatory forces (including as a result of governmental, business or individual responses to the COVID-19 pandemic and any variant thereof), future exchange and interest rates, changes in tax rates and future business combinations or dispositions. Such forward-looking statements should, therefore, be construed in the light of such factors. Neither Tern nor Pires, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur.

CONTENTS

	<i>Page</i>
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	4
KEY STATISTICS	5
DIRECTORS, COMPANY SECRETARY AND ADVISERS TO TERN	6
DEFINITIONS	7
PART I	12
1. Introduction	12
2. Summary of the terms and conditions of the Acquisition	13
3. Background to and reasons for the Acquisition	14
4. Information on Tern	14
5. Information on Pires	20
6. Pires Warrants	24
7. Intentions regarding management and locations	24
8. Scheme structure	25
9. Conditions of the Scheme	26
10. Irrevocable undertaking and lock-in agreement in relation to the Scheme	26
11. Admission of the New Tern Shares	27
12. General Meeting	27
13. Action to be taken	27
14. Recommendation and irrevocable undertakings	28
Notice of General Meeting	29

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

	<i>2022⁽⁴⁾</i>
Despatch of this Document	28 June
Despatch of the Scheme Document	28 June
Latest time and date for lodging of Forms of Proxy for the General Meeting	11.00 a.m. on 19 July ⁽¹⁾
General Meeting Voting Record Time	11.00 a.m. on 19 July
General Meeting	11.00 a.m. on 21 July
Pires Court Meeting	11.00 a.m. on 21 July
Pires General Meeting	11.10 a.m. on 21 July ⁽²⁾
Last day of dealings in, and time for registration of transfers of, and disablement in CREST of, Pires Shares	5.00 p.m. on 28 July ⁽³⁾
Scheme Record Time	6.00 p.m. on 28 July ⁽³⁾
Scheme Court Hearing to sanction the Scheme	28 July ⁽³⁾
Expected Effective Date of the Scheme	29 July ⁽³⁾
Suspension of trading, and dealings, in Pires Shares	7.30 a.m. on 29 July ⁽³⁾
Cancellation of admission to trading of Pires Shares on AIM	7.00 a.m. on 1 August ⁽³⁾
New Tern Shares issued to Pires Shareholders	By 8.00 a.m. on 1 August ⁽³⁾
Admission and commencement of dealing on AIM in New Tern Shares	8.00 a.m. on 1 August ⁽³⁾
Crediting of New Tern Shares to CREST accounts	As soon as possible after 8.00 a.m. on 1 August ⁽³⁾
Despatch of definitive certificates for the New Tern Shares	Within 14 days from the Effective Date ⁽³⁾
Long Stop Date	11.59 p.m. on 30 September

Notes

- (1) Forms of Proxy for the General Meeting must be lodged not later than 48 hours (excluding weekends and public holidays) prior to the time appointed for the General Meeting.
- (2) The Pires General Meeting will commence at 11.10 a.m. or, if later, immediately after the conclusion of the Pires Court Meeting.
- (3) These dates are indicative only and will depend, among other things, on the date upon which the Court sanctions the Scheme and the dates on which the Scheme Court Order is delivered to the Registrar of Companies. If any of the times and/or dates above change, the revised times and/or dates will be notified by Tern to Shareholders through a Regulatory Information Service.
- (4) References to the time of day are to London time.

KEY STATISTICS

Number of Existing Tern Shares in issue prior to the Acquisition	352,014,701 ⁽¹⁾
Expected number of New Tern Shares issued pursuant to the Acquisition	98,865,712 ⁽²⁾
Expected number of Tern Shares in issue immediately following Admission	450,880,413 ⁽¹⁾⁽²⁾
Expected number of New Tern Shares as a percentage of the Estimated Enlarged Share Capital	21.93 per cent. ⁽¹⁾⁽²⁾
Expected market capitalisation of the Enlarged Group on Admission	£57.5 million ⁽³⁾
ISIN number	GB00BFPMV798
TIDM of the Enlarged Group	TERN

Notes

- (1) Being the number of Tern Shares in issue as at the Last Practicable Date.
- (2) Based on the number of Tern Shares and Pires Shares in issue as at the Last Practicable Date, and on the assumptions that:
(i) all of the Pires Warrants are exercised and the Pires Shares issued to satisfy the exercise of the Pires Warrants are acquired by Tern pursuant to the Acquisition; and (ii) 2,419,361 New Tern Shares are issued to Cairn and RiverFort Global Capital Limited in satisfaction of certain fees payable by Pires in connection with the Acquisition, resulting in a total of 98,865,712 New Tern Shares being issued pursuant to the Acquisition.
- (3) Based on the Closing Price of Tern Shares of 12.75 pence on the Last Practicable Date.

DIRECTORS, COMPANY SECRETARY AND ADVISERS TO TERN

Directors:	Ian Ritchie Albert Sisto Sarah Payne Bruce Leith Matthew Scherba Alan Howarth	<i>(Non-executive Chairman)</i> <i>(Chief Executive Officer)</i> <i>(Chief Financial Officer)</i> <i>(Business Development Director)</i> <i>(Investment Director)</i> <i>(Non-executive Director)</i>
Company secretary:	Sarah Payne	
Registered office:	27/28 Eastcastle Street London, W1W 8DH	
Nominated and Financial Adviser and Broker:	Allenby Capital Limited 5 St Helen's Place London, EC3V 6AB	
Solicitors to the Company:	Reed Smith LLP The Broadgate Tower 20 Primrose Street London, EC2A 2RS	
Registrars:	Share Registrars Limited 3 The Millennium Centre Crosby Way Farnham Surrey, GU9 7XX	

DEFINITIONS

2D	two dimensional;
3D	three dimensional;
Acquisition	the proposed recommended acquisition by Tern of the entire issued and to be issued ordinary share capital of Pires, to be effected by means of the Scheme on the terms and subject to the satisfaction (or, if applicable, waiver) of the Conditions or, should Tern so elect and subject to the consent of the Panel and Pires, by means of an Offer and, where the context admits, any subsequent revision, variation, extension or renewal thereof;
Act	the Companies Act 2006, as amended, modified, consolidated, re-enacted or replaced from time to time;
Admission	the admission of the New Tern Shares to trading on AIM;
AI	artificial intelligence;
AIM	the market of that name operated by the London Stock Exchange;
AIM Rules	the AIM Rules for Companies published by the London Stock Exchange (as amended from time to time);
AIM Rules for Nominated Advisers	the AIM Rules for Nominated Advisers published by the London Stock Exchange (as amended from time to time);
Allenby Capital	Allenby Capital Limited, financial adviser, nominated adviser and broker to Tern in connection with the Acquisition;
Announcement	the announcement of Tern's firm intention to make an offer for the entire issued and to be issued share capital of Pires pursuant to Rule 2.7 of the Code on 1 June 2022;
AR	augmented reality;
B2B	business to business;
Board	the board of directors of Tern;
Business Day	any day (other than a Saturday, Sunday or public holiday) on which clearing banks in London are generally open for normal business;
certificated or in certificated form	a share or other security which is not in uncertificated form (that is, not in CREST);
close of business	6.00 p.m. on the Business Day in question;
Closing Price	unless otherwise stated, the closing middle market quotation derived from the AIM Appendix to the Daily Official List;
Code	the City Code on Takeovers and Mergers issued from time to time by the Panel;
Conditions	the conditions to the implementation of the Scheme or, if applicable, the conditions to the Offer, as set out in Part Three (<i>Conditions to the implementation of the Scheme and to the Acquisition</i>) of the Scheme Document and Condition means any of them;
Court	the High Court of Justice in England and Wales;

Court Hearing	the hearing by the Court to sanction the Scheme and, if such hearing is adjourned, references to the commencement of any such hearing shall mean the commencement of the final adjournment thereof;
Court Meeting	the meeting (or any adjournment, postponement or reconvention thereof) of the Scheme Shareholders (or the relevant class or classes thereof) to be convened by order of the Court pursuant to section 896 of the Act to consider and, if thought fit, approve the Scheme (with or without modification);
Court Order	the order of the Court sanctioning the Scheme under Part 26 of the Act;
CREST	the relevant system (as defined in the Regulations) in respect of which Euroclear is the Operator (as defined in the Regulations) for the paperless settlement of trades in securities and the holding of uncertificated securities;
CREST Manual	the CREST Manual published by Euroclear, as amended from time to time;
Directors	the persons whose names are set out on page 6 of this document or, where the context so requires, the directors of Tern from time to time;
Effective	in the context of the Acquisition: (i) the Scheme having become effective pursuant to its terms, upon the delivery of the Court Order to the Registrar of Companies; or (ii) if the Acquisition is implemented by way of an Offer, such Offer having been declared and become unconditional in all respects in accordance with the requirements of the Code;
Effective Date	the date upon which: (i) the Scheme becomes Effective; or (ii) if Tern elects and the Takeover Panel consents to implement the Acquisition by way of an Offer, the Offer becomes or is declared unconditional in all respects;
Enlarged Group	the Tern Group as enlarged by the Acquisition following the Scheme becoming Effective;
Estimated Enlarged Share Capital	450,880,413 Tern Shares, being the issued share capital of Tern upon the Scheme becoming Effective in respect of all the issued and to be issued Pires Shares, assuming that: (i) all of the Pires Warrants are exercised and the Pires Shares issued to satisfy the exercise of the Pires Warrants are acquired by Tern pursuant to the Acquisition; and (ii) 2,419,361 New Tern Shares are issued to Cairn and RiverFort Global Capital Limited in satisfaction of certain fees payable by Pires in connection with the Acquisition, resulting in a total of 98,865,712 New Tern Shares being issued pursuant to the Acquisition;
Euroclear	Euroclear UK & International Limited, a company incorporated in England and Wales with company number 02878738, being the operator of CREST;
Exchange Ratio	0.51613 New Tern Shares in exchange for one Pires Share;
Explanatory Statement	the explanatory statement (in compliance with section 897 of the Act) relating to the Scheme, as set out in Part Two (<i>Explanatory Statement</i>) of the Scheme Document;

Form(s) of Proxy	the form of proxy for use in connection with the General Meeting which accompanies this document;
General Meeting	the meeting of Shareholders to be convened for the purposes of considering and, if thought fit, passing the Resolutions and any adjournment thereof;
holder	a registered holder and includes any person entitled by transmission;
IoT	the Internet of Things;
ISIN	International Securities Identification Number;
Last Practicable Date	27 June 2022 (being the last practicable date prior to the date of this document);
London Stock Exchange	London Stock Exchange plc;
Long Stop Date	11.59 p.m. on 30 September 2022, or such other date (if any) as Tern may, with the consent of Pires or with the consent of the Panel, specify;
New SVV Fund	Sure Valley Ventures UK Software Technology Fund;
New Tern Shares	the new Tern Shares to be issued fully paid to the Scheme Shareholders pursuant to the Scheme (and any other Pires Shares which are issued after the Scheme becomes Effective) with each of the New Tern Shares being a New Tern Share ;
Offer	should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Act, the recommended offer to be made by or on behalf of Tern to acquire the entire issued and to be issued ordinary share capital of Pires and, where the context admits, any subsequent revision, variation, extension or renewal of such offer;
Offer Period	the offer period (as defined by the Code) relating to Pires, which commenced on 1 June 2022 (being the date of the Announcement) and will end on: (i) the earlier of the Effective Date or the date on which the Scheme lapses or is withdrawn (or such other date that the Panel shall decide); or (ii) if the Acquisition is implemented by way of an Offer, the date on which such Offer is declared and becomes unconditional in all respects;
Panel	the UK Panel on Takeovers and Mergers;
Pires	Pires Investments plc, a company incorporated in England and Wales with company number 02929801 and having its registered office at 9th Floor, 107 Cheapside, London EC2V 6DN, United Kingdom;
Pires Directors	the directors of Pires from time to time;
Pires General Meeting	the general meeting of Pires Shareholder (or any adjournment, postponement or reconvention thereof) to be convened by the notice set out in Part Eleven (<i>Notice of General Meeting</i>) of the Scheme Document;
Pires Share(s)	ordinary shares with a nominal value of 0.25 pence each in the capital of Pires;
Pires Shareholder(s)	the registered holder(s) of Pires Shares from time to time

Pires Special Resolution	the special resolution set out in the notice of the Pires General Meeting at Part Eleven (<i>Notice of General Meeting</i>) of the Scheme Document;
Pires VRT	the close of business on the day which is two days before the date of the Court Meeting or, if the Court Meeting is adjourned, close of business on the day which is two days before the date of such adjourned meeting, in each case excluding any day that is not a Business Day;
Pires Warrants	the warrants over 20,529,221 Pires Shares which are outstanding at the Last Practicable Date;
Registrar	Share Registrars Limited (incorporated in England and Wales with company number 04715037 with its registered office at 3 The Millennium Centre, Crosby Way, Farnham GU9 7XX);
Registrar of Companies	the registrar of companies in England and Wales;
Regulations	the Uncertificated Securities Regulations 2001 (<i>SI 2001/3755</i>);
Regulatory Information Service	a primary information provider which has been approved by the UK Financial Conduct Authority, or its successor from time to time, to disseminate regulated information;
Resolution	the ordinary resolution to be proposed by Tern at the General Meeting;
RGO	RiverFort Global Opportunities plc, a company incorporated in England and Wales with company number 00269566 and having its registered office at Suite 39, 18 High Street, High Wycombe, Buckinghamshire, United Kingdom, HP11 2BE;
SaaS	Software as a Service;
Scheme	the proposed scheme of arrangement under Part 26 of the Act between Pires and the Scheme Shareholders (the full terms of which are set out in the Scheme Document), with or subject to any modification, addition or condition which Tern and Pires may agree, and if required, the Court may approve or impose;
Scheme Document	the document dated 28 June 2022 sent by Pires to Pires Shareholders containing and setting out, among other things, the full terms and conditions of the Scheme and containing the notices convening the Court Meeting and the Pires General Meeting;
Scheme Record Time	close of business on the date of the Court Hearing, or such later time as Tern and Pires may agree;
Scheme Shareholders	holder(s) of Scheme Shares at any relevant date or time;
Scheme Shares	means the Pires Shares: <ul style="list-style-type: none"> (i) in issue at the date of the Scheme Document; (ii) (if any) issued after the date of the Scheme Document and before the Pires VRT; and (iii) (if any) issued at or after the Pires VRT and before the Scheme Record Time, in respect of which the original or any subsequent holders thereof will be bound by the Scheme or in respect of which their holders are, or shall have agreed in writing to be, bound by the Scheme,

	in each case, remaining in issue at the Scheme Record Time but excluding any Pires Shares held in treasury at any relevant date or time and any Pires Shares registered in the name of or beneficially owned by any member of the Wider Tern Group, its nominees or any person acting in concert with Tern for purposes of the Code at any relevant date or time;
Shareholders	holders of Tern Shares from time to time;
significant interest	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Act) or the relevant partnership interest in such undertaking;
SV	Sure Ventures PLC, a listed vehicle that aims to achieve a diversified exposure to early stage technology companies, in which Pires holds a direct 24.9 per cent. shareholding;
SVV1	Sure Valley Ventures Fund 1, a venture capital fund focused on investing in the software technology sector, specifically focused on the high growth AI, AR/VR and IoT sectors, in which Pires holds a direct interest of 13 per cent.;
Tern or the Company	Tern plc, a company incorporated in England and Wales with company number 05131386 and having its registered office at 27/28 Eastcastle Street, London W1W 8DH, United Kingdom;
Tern Group	Tern and its subsidiaries and subsidiary undertakings (as defined in the Act);
Tern Shares	ordinary share(s) with a nominal value of 0.02 pence each in the capital of Tern;
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland;
uncertificated or in uncertificated form	recorded on the relevant register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST;
VR	virtual reality; and
Wider Tern Group	Tern and its subsidiaries, subsidiary undertakings, associated undertakings and any other body corporate, partnership, joint venture or person in which Pires and/or all such undertakings (aggregating their interests) have a significant interest.

PART I

LETTER FROM THE NON-EXECUTIVE CHAIRMAN

TERN PLC

(Registered in England and Wales with company number 05131386)

Ian Ritchie	<i>(Non-executive Chairman)</i>	27/28 Eastcastle Street
Albert Sisto	<i>(Chief Executive Officer)</i>	London
Sarah Payne	<i>(Chief Financial Officer)</i>	W1W 8DH
Bruce Leith	<i>(Business Development Director)</i>	
Matthew Scherba	<i>(Investment Director)</i>	
Alan Howarth	<i>(Non-executive Director)</i>	

28 June 2022

To all holders of Tern Shares and, for information purposes only, the holders of options over Tern Shares.

Dear Shareholder,

Recommended all-share offer for Pires Investments plc

and

Notice of General Meeting

1. Introduction

On 1 June 2022, the boards of directors of Pires and Tern announced that they had reached agreement on the terms of a recommended all-share offer whereby Tern will acquire the entire issued and to be issued share capital of Pires in exchange for the issue of New Tern Shares. The Acquisition is to be implemented by means of a court-sanctioned scheme of arrangement under Part 26 of the Act.

The implementation of the Acquisition is, among other things, subject to Shareholders approving the Resolution to grant authority to the Directors to issue the New Tern Shares as consideration under the Acquisition.

The full text of the Resolution is set out within the Notice of General Meeting at the end of this document.

The purpose of this document is to provide you with information about the Acquisition and also to explain why the Directors consider that the Acquisition is in the best interests of the Company and Shareholders as a whole, and why the Directors recommend that you vote in favour of the Resolution to be proposed at the General Meeting, notice of which is set out at the end of this document, as the Directors have irrevocably undertaken to do in respect of their own beneficial holdings of Tern Shares.

The Acquisition has also been unanimously recommended to Pires Shareholders by the Pires Board.

Shareholders are advised to read this document in its entirety.

The information contained in this document does not purport to be complete and should be read in conjunction with the full text of the Scheme Document which will be available at www.piresinvestments.com and www.ternplc.com and in hard copy at the registered offices of Pires and Tern until the time of the General Meeting. Shareholders should read the whole of the Scheme Document, in particular the Letter of Recommendation from a Non-Executive Director of Pires in Part One and the Explanatory Statement in Part Two.

2. Summary of the terms and conditions of the Acquisition

2.1 Terms of the Acquisition

Under the terms of the Acquisition, which is subject to the Conditions and the other terms set out in Part Three (*Conditions to the implementation of the Scheme and to the Acquisition*) of the Scheme Document, Scheme Shareholders on the register of members of Pires at the Scheme Record Time will receive:

For each Pires Share held, 0.51613 New Tern Shares

Based on the Closing Price of 15.5 pence per Tern Share on 31 May 2022 (being the last Business Day before the date of the Announcement), the Acquisition valued:

- each Pires Share at 8.0 pence, a premium of 53.8 per cent. to Pires' closing share price of 5.2 pence on 31 May 2022 (being the last Business Day prior to the commencement of the Offer Period) and a 31.1 per cent. premium to the average closing share price of 6.1 pence per Pires Share for the six months ended 31 May 2022;
- the entire issued and to be issued share capital of Pires at approximately £14.9 million; and
- the Enlarged Group at a combined market capitalisation of approximately £69.5 million (assuming completion of the Acquisition).

Based on the Closing Price of 12.75 pence per Tern Share on the Last Practicable Date, the Acquisition values each Pires Share at 6.58 pence and Pires' issued ordinary share capital on a fully diluted basis at approximately £12.30 million, representing a premium of:

- 26.6 per cent. to the Closing Price of 5.2 pence per Pires Share on 31 May 2022 (being the last Business Day prior to the commencement of the Offer Period); and
- 32.9 per cent. to the Closing Price of 4.95 pence per Pires Share on the Last Practicable Date.

The New Tern Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Tern Shares already in issue, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling after completion of the Acquisition. Application will be made to the London Stock Exchange for the New Tern Shares to be admitted to trading on AIM.

Upon completion of the Acquisition, Pires Shareholders will own approximately 21.39 per cent. of the Estimated Enlarged Share Capital.

If any dividend or other distribution or return of value is proposed, declared, made, paid or becomes payable in respect of Pires Shares on or after the date of the Scheme Document and prior to the Acquisition becoming effective, Tern will have the right to reduce the value of the consideration payable for each Pires Share by up to the amount per Pires Share of such dividend, distribution or return of value.

The New Tern Shares to be issued and allotted to Scheme Shareholders in accordance with the Exchange Ratio will be rounded up to the nearest whole number. Under the terms of the Acquisition, Scheme Shareholders will receive 0.51613 New Tern Shares for every Pires Share held. If a Scheme Shareholder holds only one Pires Share, then one New Tern Share will be allotted and issued to such Scheme Shareholder. If a Scheme Shareholder holds more than one Pires Share, then the Scheme Shareholder will receive such number of New Tern Shares as is equal to such number of Pires Shares the Scheme Shareholder holds multiplied by 0.51613 and rounded up to the nearest whole number. By way of illustration, if a Scheme Shareholder holds 2,500 Pires Shares, they will receive 1,291 New Tern Shares calculated as follows: 2,500 Pires Shares multiplied by 0.51613 equates to 1,290.325 New Tern Shares and 1,291 New Tern Shares when rounded up to the nearest whole number.

2.2 Conditions of the Acquisition

Further details of the Conditions and further terms of the Acquisition are set out in Part Three (*Conditions to the implementation of the Scheme and to the Acquisition*) of the Scheme Document.

3. Background to and reasons for the Acquisition

The Board believes that combining the two businesses by way of the Acquisition has compelling strategic and financial rationale, will be value accretive to Shareholders and will provide the opportunity for the Enlarged Group to:

- (a) establish a company of greater scale and potential interest to institutional investors;
- (b) provide investors with increased diversity of exposure to specialist technology businesses at different stages of development;
- (c) aid the development of the companies within each businesses' portfolio given their synergistic nature;
- (d) further enhance the existing Sure Valley Ventures relationship through the businesses' combined investment;
- (e) create a leadership position as the 'go to' investor in the IoT sector and other deep technology sectors that include AI, Machine Learning (ML) and Natural Language Processing (NLP);
- (f) provide clear corporate synergistic benefits and cost savings, most notably Pires' public company costs, benefiting from the efficiencies created by the Enlarged Group;
- (g) provide Pires and its portfolio companies with a greater ability to expand outside of the UK, particularly given Tern's North American presence, connections and history; and
- (h) facilitate increased access to capital from a variety of sources as part of a larger group, in addition to the proceeds from potential exits of investments held by each business.

The Board believes that the terms of the Acquisition fairly reflect both Tern's and Pires' respective standalone businesses and their prospects as well as an appropriate sharing of the anticipated synergies resulting from the Acquisition.

In addition, the Board believes that the issue of the New Tern Shares will be value enhancing for Shareholders as there is considerable unlocked potential within the Pires investment portfolio (including unrealised value in the SVV1 investment portfolio which is entering its mature stage having substantially completed its investment stage) and that by using its hands-on approach and wide network of connections the Tern management team will quickly have an impact to realise such potential.

4. Information on Tern

Tern is a public limited company incorporated in England and Wales whose shares are admitted to trading on AIM.

Tern is focused on value creation from IoT technology businesses and its network of companies comprises Device Authority Limited, Wyld Networks AB, InVMA Limited (trading as Konektio), FVRVS Limited (trading as FundamentalVR) and Talking Medicines Limited.

In March 2022, Tern announced that it had agreed to participate in a new venture capital fund, the New SVV Fund alongside the British Business Bank and other investors.

4.1 Tern's investment strategy

Tern's investment strategy is to invest in high-potential, private, UK software companies that solve significant real-world problems using new methods in large global markets.

Specifically, Tern targets investments in companies that have developed disruptive innovations to healthcare and industrial markets, employing the following technologies: AI, Machine Learning, Next Generation IoT Networking, Security (e.g., Information Security (InfoSec)) and Immersive Technologies such as AR and VR for the IoT.

Tern seeks to participate at the late seed stage or 'A' round, where there is often an equity gap, typically leading the investment round, bringing in other syndicate partners in later rounds, to capitalise the investee company initially and provide funding for future growth. When Tern invests in a company, it seeks to secure a position of influence, typically a board seat as chairperson. Subsequently, Tern provides substantial "hands on" support and value add through the Tern team's operating expertise

and network, to accelerate the company's growth from the initial investment to a position when it can hold a series 'B' investment round. At the appropriate time, Tern will work to help the company secure a new lead series 'B' investor, using the Tern team's extensive network and working with the investee company's syndicate of third-party investors.

Ultimately Tern will seek to exit its investments at the appropriate time in order to crystallise value for Shareholders.

4.2 **Details of the Tern Network of Companies**

Tern's network of companies predominantly comprises:

(a) *Device Authority Limited ('Device Authority')*

Tern has a 53.8 per cent. holding in Device Authority. Device Authority is a global leader in Identity and Access Management (IAM) for the IoT; focused on securing and automating zero trust for IoT industries in the automotive, medical device (IoMT), industrial (IIoT) sectors and evolving government and defence sectors.

Device Authority's KeyScaler™ platform provides zero-touch provisioning and complete automated lifecycle management for securing IoT devices and data at scale, with frictionless deployment across device provisioning, authentication, credential management, policy based end-to-end data security/encryption and secure OTA (Over the Air) and HSM (Hardware Security Module) updates.

KeyScaler™ is system agnostic and protects Device Authority's customers' global IoT deployments at the edge, in the cloud and integrating into complex policy-driven requirements, independent of the customers' proprietary hardware and software environments. KeyScaler™ is deployed both direct, and through key cloud platform and system integrator partners such as Microsoft, Wipro, Venafi and EnTrust.

In December 2021, as part of a US\$2.9 million funding package, Device Authority received a US\$1.25 million strategic investment from Venafi Inc ("**Venafi**"). Venafi is a privately held cybersecurity company that develops software to secure and protect cryptographic keys and digital certificates. In December 2020, Thoma Bravo, a leading private equity investment firm focused on the software and technology-enabled services sectors, with over US\$114 billion of assets under management as of 31 March 2022, acquired a majority stake in Venafi in a deal valuing Venafi at US\$1.15 billion.

The transaction with Venafi, fulfilled Tern's goal of obtaining an active strategic partner for Device Authority with solid cybersecurity credentials and a large presence in the United States. Following the Venafi investment Tern continues to hold a majority equity stake in Device Authority.

Device Authority has continued its reported positive business momentum following the strategic investment from Venafi, with the business being particularly focused on growing its monthly recurring revenues through its subscription base and its modularised licence platform, KeyScaler™. Particularly strong demand has come from the automotive sector, with the retail sector and the US Government, both as a customer and as a result of the effects of its policy, also being strong contributors to growth. The executive order from US President Biden in May 2021 that tasked the National Telecommunications and Information Administration (NTIA) and the Commerce Department with defining the minimum elements of a SBOM (software bill of materials), considered critical to improving transparency and security in the software supply chain and securing critical infrastructure, continue to provide sales opportunities and leads for Device Authority.

With the target of growing monthly recurring revenues, Device Authority started selling KeyScaler™ as a SaaS (KSaaS) product in late 2021, with initial customers on this model coming from the automotive, healthcare and retail sectors, enabling these customers to more rapidly onboard and scale in a secure, hosted cloud environment.

Other enhancements to Device Authority's product range include the launch of KeyScaler™ Edge in October 2021, which Device Authority believes is the first device identity centric IAM designed to address the complex end-to-end challenges of IoT security lifecycle management at the network edge. It is a lightweight version of KeyScaler™ that has been created specifically for network edge nodes, with the ability to register, authenticate, and provision security certificates and tokens to devices in the local network, independent of an available internet connection. This allows organisations the ability to automate edge deployments to drive efficiency at IoT scale and meet their compliance and regulatory obligations for private local network deployments, with safety, confidentiality, data theft/privacy, brand reputation, revenue protection being important factors.

In addition to new customer wins, Device Authority also continues to enter into further distribution partnerships. Device Authority has partnerships with leading IoT ecosystem providers, including Avnet, AWS, DigiCert, Entrust, Ericsson, HID Global, Microsoft, PTC, Thales, Titan Automotive Solutions, Trusted Objects, Venafi and Wipro, amongst others.

ABI Research reported in February 2022 that they consider Device Authority as the current industry leader in their IoT device identity lifecycle management competitive assessment.

Device Authority's website can be found at: <https://www.deviceauthority.com>

(b) *Wyld Networks AB ('Wyld Networks')*

Tern has a 49.2 per cent. holding in Wyld Networks. Wyld Networks' shares are quoted on the NASDAQ First North Growth Market in Stockholm following an initial public offering in July 2021; the first for one of Tern's portfolio companies.

Wyld Networks is a virtual satellite network operator that develops and delivers innovative wireless technology solutions that enable affordable connectivity for IoT devices and sensors, potentially anywhere in the world – especially for the 85 per cent. of the world's surface where there are no traditional cellular networks. Wyld Networks' technology also enables mesh networks that utilise location aware technology and wirelessly mesh devices in areas where 4G or wifi are congested or not available.

Wyld's sensor-to-satellite module suite with LoRaWAN® allows IoT sensors to communicate directly from sensor to Low Earth Orbit satellites or in conjunction with terrestrial LoRa networks. Wyld's modems, devices, and embedded technology are designed to enable communication with the cloud, no matter the location, providing global IoT coverage.

Wyld Networks is a member of the LoRa Alliance®, the global association of companies backing the open LoRaWAN® standard for the IoT. In December 2021, LoRaWAN® was officially approved as a standard by the International Telecommunication Union, the United Nations specialised agency for information and communication technologies. The LoRa Alliance® also provides a platform for Wyld to showcase its technology to over 500 member companies. The LoRaWAN® standard specification, developed and maintained by the LoRa Alliance®, is a Low Power, Wide Area networking protocol designed to wirelessly connect battery operated 'things' to the internet in regional, national or global networks, and targets key IoT requirements such as bi-directional communication, end-to-end security, mobility and localisation services.

Wyld Networks, together with Eutelsat Communications, Senet Inc and TrakAssure, is also a founder member of the Multimodal IoT Infrastructure Consortium™ ("MMIIC"). The consortium was set up to bring integrated and interoperable terrestrial and satellite LoRaWAN® IoT connectivity to customers across the globe, as announced by Wyld Networks and Tern on 11 January 2022. The MMIIC consortium is focused on integrating the parties' platforms, and innovative sensor and hardware designs, coupled with providing collaborative service delivery and compelling pricing, to target the global supply chain, with container logistics and related asset tracking, as the first and anchor applications. Eutelsat will provide LoRaWAN® coverage via low earth orbiting satellites, while Senet, which owns and operates the largest publicly available LoRaWAN® network in the United States, is providing terrestrial LoRaWAN® network connectivity.

Wyld Networks continues its focus on the development of Wyld Connect (a satellite IoT terminal and module) and Wyld Fusion (a provisioning and payment platform). In particular, Wyld has completed the hardware development of Wyld Connect, the world's first Long Range-Frequency Hopping Spread Spectrum (LR-FHSS) sensor-to-satellite modem, to enable satellites to connect to devices/sectors across remote areas around the globe. Wyld is also continuing with the development of Wyld Fusion in preparation for the commercial launch of Wyld's end-to-end satellite IoT solution, planned for later in 2022.

Wyld Networks has signed agreements with customers in a number of market areas, including energy and agriculture with customers such as Chevron, Bayer, AgriSound, Treevia, as well as with system integrators such as Fujitsu and Wezen. These include revenue generating contracts, for example, the 23 March 2022 announced purchase order for its Wyld Connect IoT module from a Brazilian company for deployment in the forestry sector. This purchase order had a total value of SEK 11.3 million (approximately £900,000) over a three-year period, starting in 2022. On 10 March 2022 Wyld Networks announced purchase orders for its Wyld Connect IoT modules with a total value of US\$1.7 million over a four-year period, starting in April 2022. The Wyld Connect solution being supplied in this instance will allow the customer, a South African company, to deploy IoT sensors in the agricultural sector to collect data directly from satellites.

Wyld Networks' website can be found at: <https://wyldnetworks.com>

(c) *FVRVS Limited (trading as 'FundamentalVR')*

Tern has a 20.0 per cent. holding in FundamentalVR. FundamentalVR is a leading virtual reality training and data analysis technology platform with its initial applications being in surgical training.

FundamentalVR is led by surgical training experts and leading technologists with a mission to revolutionise surgical training by bringing simulation into the hands of medical professionals around the world, using low cost and easily accessible technology.

FundamentalVR's software platform takes advantage of readily available virtual reality software and devices, such as the Facebook owned Oculus Quest, and combines it with cutting edge haptics (being technology based on the sense of touch) to create a simulation system that can be used on any modern computer set up. Using computer learning, the software platform works together with haptic hardware devices to simulate the physical sensation of operating on human tissue. It also has the capability to provide artificial intelligence (AI) driven real-time feedback, procedure correction data and best practice insight. The result is a simulation system that provides surgeons with a more hands-on experience and aims to better prepare them for real life situations, resulting in better patient outcomes.

As previously announced by Tern, the adoption of FundamentalVR's haptics virtual reality simulation solutions, as a credible alternative to in-person and on human learning, has accelerated as a result of the challenges of social distancing and the reduction in elective surgeries due to the Covid-19 pandemic. The business is maintaining its focus on the strategic areas of the market where they see high growth potential, in particular ophthalmology, interventional, robotics and regenerative, and where their platform is most differentiated. The sales and marketing efforts are making steady progress within all these areas.

Tern has announced a number of new contract wins for FundamentalVR over the past year, including: a £0.6 million, four year contract in the area of interventional medicine, a strategically important area for FundamentalVR, to create a simulation platform in an area that can directly benefit from the fidelity and realism of the FundamentalVR platform; a £1 million four year contract with a new client within the fast-moving Robotics Assisted Surgical Systems (RASS) sector; and a £0.3 million contract with a major US medical institution with a globally renowned virtual hospital and hands-on clinical training facility to create a virtual education facility.

On 31 May 2022 it was announced that FundamentalVR had raised a total of £7 million in a Series B fund raising from existing investors and a new institutional investor, with an additional £1.2 million of convertible loan notes being converted, including the approximately £570,000 in

loan notes held by Tern. The FundamentalVR Series B is intended to provide FundamentalVR with funding to enable to grow in line with its strategy, including expanding its US activities.

The quality of FundamentalVR's technology was recognised at a number of awards in 2021 and more recently. At the UK National Technology Awards 2021 FundamentalVR won both 'Virtual or Augmented Reality Product of the Year' and 'Healthcare Tech of the Year'. The business was also the recipient of the 'Frost & Sullivan Entrepreneurial Company of the Year' award in 2021. In May 2020, FundamentalVR's Fundamental Surgery platform won 'Best Mixed Reality Solution' at the XR Awards.

Validation work with partners is additionally being published, with New York University Langone issuing a validation study in September 2021 highlighting the improved skills transfer of FundamentalVR's HapticVR service over normal VR. This was backed up by a smaller study by the NHS.

FundamentalVR's website can be found at: <https://www.fundamentalvr.com>

(d) *InVMA Limited (trading as Konektio) ('Konektio')*

Tern has a 36.8 per cent. holding in Konektio. Konektio helps industrial and manufacturing companies prosper by converging their physical assets with new transformational digital insights.

Konektio provides an Industrial IoT SaaS platform to original equipment manufacturers (OEMs) and aftermarket customers, as well as the connected product market. The software enables remote asset monitoring and management to drive productivity improvements. Their primary product, AssetMinder®, is machine agnostic and allows manufacturers to diagnose issues and proactively prescribe services plans, ultimately reducing downtime and improving operational efficiency.

Konektio's AssetMinder® is a modular, industry 4.0, IoT SaaS platform, using a wide range of analytical tools and AI and machine learning algorithms to connect up whole factory floors and processes, as well as managing resources into and out of the factory. AssetMinder® assesses the effectiveness and efficiencies of entire operations, putting customers in control of their assets and therefore directly impacting productivity, efficiency and business outcomes.

AssetMinder® captures usage and performance data from smart sensors, providing advanced insights to unlock data-driven intelligence that optimises processes, condition monitoring, machine uptime and profitability across a range of industries including manufacturing, transportation, utilities, smart infrastructure, and food processing. AssetMinder's technology is already deployed across thousands of assets, providing valuable insights and recommendations to people maintaining and managing critical devices and infrastructure.

The business rebranded from InVMA to Konektio in December 2021. The name change reflected its ambition to be a company that creates true connected Industrial IoT communication and collaboration solutions for a wide range of businesses, taking advantage of the industrial sector's desire for digital transformation. This is being achieved by rolling out AssetMinder® with customisable features to allow customers to choose what is right for them.

Konektio enjoyed a significant increase in sales of AssetMinder® in 2021. This business growth led to the recent recruitment of additional staff in the UK and the USA, accelerated product development, an increased channel and partner sales network, a material investment in new branding and the strategic decision to open its first overseas office in North Carolina, in the USA.

Konektio completed a £2,125,000 equity fund raise in December 2021, including £1,925,000 from institutional investors Mercia and Foresight and the founders, and £200,000 from Tern, to fund their future development.

Konektio is continuing to build momentum, with AssetMinder being in demand from customers who are looking for contactless monitoring of factory and remote assets. In particular, Konektio has benefited from Covid-19 accelerating the need and demand for contactless monitoring of

factory and remote assets. Konektio has a strong sales pipeline, including opportunities in Europe and North America, and is continuing to build its recurring revenue base.

Konektio appointed Dr Ron Black as its Non-Executive Chairman in January 2022. Dr Black, who has recently taken on the role of Chief Executive Officer at Codasip, a leading supplier of processing solutions for integrated circuit designers, brings with him a wealth of technology, innovation, and global business scale-up experience, through his previous roles which have included Chief Executive Officer of Imagination Technologies and Chief Executive Officer of Rambus.

Konektio's website can be found at: <https://konektio.com>

(e) *Talking Medicines Limited ('Talking Medicines')*

Tern has a 23.8 per cent. holding in Talking Medicines, the most recent company to join the Tern portfolio in November 2020.

Talking Medicines, based in Glasgow and London, and with a recently opened US office, is a social intelligence company designed specifically for the pharmaceutical industry. Through a combination of artificial intelligence and industry expertise, Talking Medicines has developed a next generation data platform, PatientMetRx®, to deliver social listening for pharmaceutical companies. Its PatientMetRx® platform is driven by artificial intelligence models that use machine learning and natural language processing to scale real world data collection to a scale that is transformational versus traditional research. By structuring and translating the patient's voice into a Patient Confidence Score (PCS), Talking Medicines helps pharmaceutical companies understand patient confidence in their medicines, allowing marketing to be targeted and ultimately with the goal of delivering better patient outcomes.

Talking Medicines welcomed Boston based life science investor Mark Bamforth in January 2022, when his family office joined existing investors to invest in the £1.59 million funding round. This provided Talking Medicines with the funds to support its expansion, particularly in the United States. This has already enabled them to gain further US recognition for their PatientMetRx platform, launched in February 2021, and continue to build their subscription base.

The company is focusing on expanding its PatientMetRx® subscription base amongst pharma brand teams and pharma marketing agencies. Talking Medicines has established an office in New Jersey, USA, to support these plans.

The business has been awarded a number of accolades, being included in the First 100 UK Digital Health Companies by the UK Government's Department of Trade and Industry.

Talking Medicines website can be found at: <https://talkingmedicines.com>

(f) *The New SVV Fund*

In March 2022, Tern announced that it had agreed to participate in the New SVV Fund alongside the British Business Bank and other investors. The New SVV Fund will invest in a range of private UK software companies with a focus on companies in the immersive technology and metaverse sectors, including augmented and virtual reality, artificial intelligence, the IoT and security.

Tern believes its participation in the New SVV Fund is an excellent way to broaden Tern's exposure to exciting early-stage private UK technology companies with a modest capital commitment, whilst delivering a number of other potentially significant benefits in addition to the attractive financial returns it envisages from its participation. Tern believes its participation in the New SVV Fund will provide important technology insights, assist with business development and increase its network, thereby significantly enhancing the Tern ecosystem.

Tern has committed to invest up to £5.0 million in total over the 10 year life of the New SVV Fund, which would result in an interest in the New SVV Fund of approximately 5.9 per cent. The Tern Directors believe they will be able to fund investments into the New SVV Fund from Tern's ongoing available resources.

5. Information on Pires

Pires is an investment company quoted on AIM focused on investment in next generation technologies. It invests both directly and through certain investment funds.

Pires' current investment portfolio can be analysed as follows:

(a) **Sure Valley Ventures Fund 1**

Pires originally invested in SVW1 in November 2019. The fund is a venture capital fund focused on investing in the software technology sector, specifically focused on the high growth AI, AR/VR and IoT sectors. This will enable investors to gain access to potentially high growth companies through a publicly listed company.

In February 2021, Pires increased its exposure to SVW1 through the purchase of 1.5 million shares in SV, a listed specialist fund, from existing SV shareholders using new Pires Shares as consideration. As a result of this transaction, Pires achieved an aggregate (direct and indirect) interest in SVW1 of around 20 per cent., which comprises its original direct 13 per cent. interest in SVW1 and an indirect interest through its 28 per cent. shareholding in SV plc.

As at the date of this document, SVW1 had a portfolio of 14 investee companies at different stages of development spanning a range of sectors. The portfolio provides Pires with exposure to a number of key, cutting-edge and rapidly growing technology sectors. Further details of the portfolio companies and recent developments are set out below:

Artificial intelligence

Ambisense (<i>Ambisense Limited</i>)	Provides an AI platform to deliver environmental risk assessment to allow real-time gas and environmental monitoring using both IoT and sensor solutions. The company has already been awarded a number of major contracts and has a substantial pipeline of opportunities.
---	---

Buymie (<i>Buymie Technologies</i>)	An artificial intelligence-based same day grocery delivery company operating in both the UK and Ireland working with companies such as Tesco, Lidl, Asda and the Co-op. Also recently announced a partnership with Asda in Leeds and Bristol.
--	---

Security

Nova Leah (<i>Nova Leah Limited</i>)	An artificial intelligence cyber-security assessment and protection platform for connected medical devices.
---	---

Getvisibility (<i>Visibility Blockchain Limited</i>)	An artificial intelligence security company addressing the substantial problem faced by corporations in storing, sorting, accessing and protecting data. Recently raised additional funds at a significant premium and has been voted as one of Ireland's top 18 start-ups.
---	---

PreCog (<i>Polence Limited</i>)	A security solution platform company that provides data intelligence to combat crime, terrorism and protect vulnerable people. The company completed a £1 million fundraising round in March 2021. Customers include leading law enforcement and security agencies, and transport infrastructure groups.
--------------------------------------	--

Smarttech247 (<i>Zefone Limited</i>)	A global artificial intelligence based cyber security cloud business that protects enterprises as they migrate to cloud-based IT operations. The company has recently won a major new contract with a Fortune Global 1000 company employing over 100,000 staff and already has a purchase order under this contract for €6 million. It is also currently pursuing a listing by way of a reverse takeover process.
---	---

Immersive Technologies

Engage XR (Engage XR Holdings plc)	A developer of virtual reality and immersive experiences with a specific focus on education and enterprise learning and development. The company is quoted on AIM, has over 100 commercial customers and is rapidly growing revenue and margins. It recently raised €9 million in new funds.
Admix (WAM Group Limited)	A platform enabling the monetisation of interactive programmatic brand placements in, for example, video games and other AR/VR applications. The company is rapidly growing revenues and numbers of active users.
Warducks (Warducks Limited)	A game development studio known for the production of leading games and is soon to launch an AR game that could be the next Pokémon Go.
VividQ (VividQ Limited)	A deep tech software company which has developed a framework for real – time 3D holographic displays for use in heads – up displays and AR headsets and glasses. The company recently completed an £11 million funding round at a significant premium.
Volograms (Volograms Limited)	A deep learning company that uses AI to create 3D AR from 2D photos and videos. The company has launched a consumer AR Camera app called Volu and has pro – user and enterprise versions in development.
Virtex (Virtex Limited)	A company building a platform for the next-generation of live, immersive entertainment within the VR gaming and e-sports industries. It is actively developing its new Stadium app.

Internet of Things

CameraMatics (MySafe Drive Limited)	A platform enabling transport fleet managers to reduce risk, increase driver safety and comply with growing industry governance and compliance. It recently raised €4 million at a 300 per cent. uplift in valuation. The company is growing revenues considerably and building its presence in the very significant US market where it has already won a number of new contracts.
Wia (WIA Technologies Limited)	Provides a platform solution for smart buildings. Its platform provides full device and application management, security, data capture and storage, analysis and control.

The investment in SWV1 has already proven successful for Pires with a realisation and a cash distribution being achieved soon after the investment. This was as a result of the sale of one of the portfolio companies, Artomatix, in 2019 at a valuation of nearly 500 per cent. of the price of SWV1's original investment in the company. Following the progress made by Engage XR, which is quoted on AIM, in 2020, SWV1 also realised the value of its original investment through the partial disposal of its holding. This was the second cash realisation to be made from Pires' investment in SWV.

The success of the direct SWV1 investment provided the rationale to increase Pires' exposure to this portfolio by acquiring a shareholding in SV in February 2021, particularly when it was possible to do so on attractive terms.

SWV1 has now substantially completed its deployment phase and is moving more towards a realisation phase which should lead to further returns to Pires and its shareholders.

(b) **New SVV Fund**

In March 2022, Pires agreed to participate in the New SVV Fund, alongside the British Business Bank, SV, Tern and other investors. Pires has initially invested approximately £90,000 in the New SVV Fund and expects to invest up to £5 million in total over the life of the New SVV Fund, which would provide it with an interest of around 5.9 per cent. in the New SVV Fund. The New SVV Fund will invest in a range of private UK software companies with a focus on companies in the immersive technology and metaverse sectors, including AR and VR, AI, the IoT and security and will be managed by the same SVV1 team.

The New SVV Fund will be managed by the same SVV team which, to date, has been highly successful in achieving a number of cash realisations from, and upward revaluations of, companies in the SVV1 portfolio. The profit share arrangements within the New SVV Fund are designed to encourage the involvement of the Private Investors alongside the BBB, meaning that Pires and the other Private Investors would expect to receive a significantly enhanced share of the total return generated by the fund compared to industry standards.

In March 2022, the New SVV Fund invested in RETIniZE Limited. RETIniZE is one of Europe's fastest-growing creative-tech companies. It was founded in 2019 by father and son team, Phil Morrow (Chief Executive Officer), and Jack Morrow (Chief Technology Officer). Their roots and reputations were formed in high-end global film and television. The company originally spun out of Wild Rover Productions, formerly one of Ireland's leading independent TV producers. Until now, RETIniZE has been best known for its award-winning VR, AR and immersive multi-screen experiences. However, since 2019 the company has been in stealth mode, developing Animotive, its immersive animation production tool that is harnessing the latest VR technologies to transform the 3D animation production process. RETIniZE clients include BBC, National Geographic, World Health Organisation, Save the Children, BMW, Tourism NI and Seagate.

(c) **Sure Ventures plc**

SV is a fund listed on the main market of the London Stock Exchange (ticker: SURE) whose principal investments are a 25.9 per cent. stake in SVV1 (details of which are above), a holding in VividQ, a Cambridge-based deep-tech company with world-leading expertise in 3D holography and holdings two listed companies, Immotion plc and Engage XR.

Pires acquired 1.5 million shares in SV, at a price of 130 pence per share, in February 2021. The shares held by Pires constituted a holding of 28 per cent. of the issued share capital of SV at the date of purchase. The investment into SV also increased Pires' total holding in SVV1 at the time of acquisition as SV held a 25.9 per cent. interest in SVV1. Combined with Pires' direct holding of 13 per cent. in SVV1, the purchase of the interest in SV enabled Pires to increase its overall effective interest in SVV1 to approximately 20 per cent.

(d) **Visibility Blockchain Limited ('Getvisibility')**

Getvisibility is an AI security company addressing the substantial problem faced by corporations in storing, sorting, accessing and protecting data. The company is a leader in data visibility and control, using state-of-the-art AI to classify and secure unstructured information. Getvisibility also provides risk and compliance assessments as well as enforcing protection on sensitive data.

Getvisibility has developed proprietary software that uses artificial intelligence to discover, classify and protect unstructured data typically contained in PDFs, spreadsheets, emails and text documents. In doing so Getvisibility helps organisations better visualise their data footprint to ensure more proactive management and security. Getvisibility utilises the latest in deep learning AI enterprise architecture to provide fast and accurate visibility of all the data within a client's environment.

The company operates across the US, Europe, the Middle East and North Africa with a presence in several industry sectors including banking, healthcare and the public sector. Getvisibility's clients include a number of international blue-chip companies including leading insurance, healthcare, data provision and finance firms as well as a leading global producer of energy and chemicals, a major airport group, one of the largest financial institutions in the Middle East as well as US government entities in the pharmaceutical and manufacturing sectors.

Pires made its original investment of €250,000 into Getvisibility in March 2020, with a follow-on investment of €62,000 in June 2021, as part of a €1.1 million funding round led by a new lead investor Herb Hribar, who has also become Chairman of the company. A further investment was made in March 2022 when Getvisibility raised a further €10 million from new investors including Alpha Intelligence Capital, a global venture capital firm which invests in deep artificial intelligence/machine learning technology – based companies and Fortino Capital Partners, a leading B2B software venture capital and growth equity firm.

Pires has a further interest in Getvisibility through the investments made in the company by SVV1 and SV.

(e) ***Polience Limited ('PreCog')***

PreCog is a security solution platform company that provides data intelligence to combat crime, terrorism and protect vulnerable people. With governments, organisations and the owners of assets being increasingly focused on identifying parties and individuals who may represent a security threat, security services and organisations are investing in real time solutions that can help provide them with additional intelligence to use their resources more efficiently and effectively, so they can act in a more proactive and preventative way.

PreCog provides a comprehensive security solution that, through their software platform and IoT hardware infrastructure, can monitor people flow and detect the movement of persons of interest thereby ensuring that locations are protected from those who wish to cause damage. PreCog is able to collect and analyse data to provide unique, scalable and actionable intelligence that helps its clients to combat organised crime, human trafficking and terrorism.

PreCog was incorporated in January 2020 and has participated in and been supported by the Microsoft for Startups programme and, through this programme, has established a partnership with Arrow ECS, a world-leading distributor and contract manufacturer. As part of this relationship, Arrow is manufacturing the hardware components for the PreCog system.

Pires made an investment of £250,000 into PreCog in March 2021 as part of a £1 million fundraising round.

(f) ***Low 6 Limited ('Low6')***

Low6 is a leader in sports gaming technology that powers franchises with their own branded gaming experiences to engage and monetise their digital fan bases. The company provides a white-labelled mobile platform to sports teams and franchises that enable them to offer a pooled sports betting experience to users of their fan-based apps. The company's directors believe there is a significant market opportunity for sports betting products that are designed to enhance the excitement of watching sports whilst, at the same time, being engaging and simple to use.

Under its B2B business model, Low6 will enter into a partnership with a sports team or franchise which enables the Low6 product to gain access to the partner's established fan base thereby reducing customer acquisition costs and strengthening brand and customer loyalty, which ultimately enhances customer retention. At the same, Low6's business model enables the underlying partner to share in the revenue generated from the Low6 platform, an aspect which should be particularly attractive to fans of the sports team or franchise concerned. Low6 can either embed its platform within a partner's app or build the app for its partners. The company believes that this partnership model is also highly scalable and Low6 expects to generate revenue from retaining a percentage of the stakes placed by the users of the platform.

Low6 already has several contracts with sports teams and franchises, including football clubs in the UK Championship and Scottish Premiership leagues. In addition, it also has partnerships with Sky Business and Yinzcam Inc.

Low6 has a three-year exclusive partnership with Yinzcam Inc, a US-based company which provides the apps for a number of the fan bases of leading sports teams and franchises with over 90 million installs of its mobile apps worldwide. It is currently involved with more than 190 professional teams, leagues and venues in the US, Canada, Spain and Australia. This relationship provides Low6 with

access to this extensive client base. Low6 has also been working with Sky Business to develop a digitalised pub quiz product called Pubwars.

Pires made an initial investment equity investment of £200,010 in Low6 in December 2020 as part of a £1.5 million funding round. Subsequently, in February 2021, Pires made a further investment of £35,000 into Low6 by way of a convertible loan note as part of an extended funding round which raised a total of A\$6 million (approximately £3.3 million) in convertible notes. Low6 has raised over £8 million to date. In February 2022, the company announced that is planning to achieve a listing by way of a reverse takeover of a company listed on the TSX Venture Exchange.

(g) **Pluto Digital plc ('Pluto')**

In December 2020, Pires completed its first investment in the digital assets sector through an investment of US\$200,000 in De Tech Studio Limited ('**De Tech**'), which was developing a decentralised finance technology platform ('**YOP**') and YOP tokens. Certain YOP tokens were sold to realise a cash profit and the balance of the investment was used to subscribe for shares in Pluto. At the time of the initial investment, Pires held a 15 per cent. equity interest in De Tech.

Pluto is a crypto venture capital and technology company that connects Web 3.0 decentralised technologies to the global economy. Pluto invests in, incubates and advises digital asset projects based on decentralised technologies (DeTech), decentralised finance (DeFi) and networks such as Ethereum and Polkadot. The company has a focus to bring DeFi and Metaverse (blockchain gaming and NFTs) to the global economy. Additionally, Pluto supports the operation of proof-of-stake networks by staking and operating validator nodes.

In 2021, Pluto invested in Maze Theory Limited ('**Maze Theory**'), a London-based digital entertainment studio, with a view to developing high quality games that incorporate token economics. As part of this arrangement, Pluto and Maze Theory formed a new gaming blockchain and metaverse studio joint venture, called Emergent Games. Given the experience of the team at Maze Theory and the work that they have done, Pluto is planning to extend its relationship with Maze Theory as it believes that this is a sector that provides an exciting growth opportunity.

Also, during 2021 Pluto fully acquired the YOP platform and has been actively developing this platform to help enable users to operate in and navigate the DeFi space, which has been growing rapidly.

Pires currently holds 32,518,876 shares in Pluto and warrants over 24 million new ordinary shares, subject to certain vesting conditions. Six million of the warrants have already vested.

Final results for the year ended 31 December 2021

Pires released its final results for the year ended 31 December 2021 on 15 June 2022. For the period under review, Pires reported a profit before taxation of £1,491,000 (for the 14-month period ended 31 December 2020: loss of £687,000). The profit or loss for Pires includes unrealised gains/losses in their portfolio of quoted equity investments which are marked to market, plus any return from and adjustment to the carrying value of its unlisted investments in the technology sector.

6. Pires Warrants

The Scheme will extend to any Pires Shares which are allotted, issued or transferred to satisfy the exercise of Pires Warrants prior to 30 June 2022 (being the date on which the Pires Warrants lapse in accordance with their terms), save where a holder of Pires Warrants gives notice of exercise of the Pires Warrants by 29 June 2022, conditional on the Scheme becoming Effective.

7. Intentions regarding management and locations

Following the Acquisition, Tern intends for Pires' future business to continue to be that of an investment company. On the Effective Date, the Board intends that the existing business activities of Pires will be transferred to Tern.

By way of background, Pires currently has three employees who are its three directors. Tern currently has eight employees, of which six are its directors.

On the Effective Date, it is proposed that Nicholas Lee will join the Board as a non-executive director and that John May and David Palumbo, currently the other non-executive directors of Pires will resign from the Pires Board. Mr. Lee's appointment to the Board is subject to approval from Tern's Nominated Adviser after completion of the customary director due diligence process to satisfy itself as to Board composition and independence and the suitability of a potential director for the purposes of the AIM Rules for Nominated Advisers.

Tern has no intention to redeploy any material fixed assets of Pires. Tern intends to move Pires' location of business and headquarters to those of Tern as soon as practicable following completion of the Acquisition. Owing to the nature of the business, Pires has no research and development function. Tern has no plans to change this. Additionally, Pires has no existing pension schemes for its employees. Tern has no plans to change this.

Notwithstanding the above, no proposals have been made on the terms of any incentive arrangement for Nicholas Lee and there have been no discussions in respect of the terms of these arrangements.

Following the Acquisition, Tern's business will continue to be that of an investment company with an investment strategy that is focused on technology businesses. Tern does not intend for the Acquisition to result in changes to the continued employment of its current employees and all of the current members of Tern's Board and management will remain in their positions following completion of the Acquisition, with the only change to the Board being the addition of Nicholas Lee as a non-executive director. Tern does not intend for the Acquisition to bring about any material changes in the conditions of employment or the balance of skills or functions in relation to Tern's current employees and management. Additionally, Tern does not intend for the Acquisition to bring about any material changes to Tern's places of business, the location of its headquarters or its headquarters functions.

8. Scheme structure

The Acquisition is being implemented by way of a Court-sanctioned scheme of arrangement between Pires and the Scheme Shareholders under Part 26 of the Act, although Tern reserves the right to elect to implement the Acquisition by way of an Offer (subject to the consent of the Panel and Pires). The procedure involves an application by Pires to the Court to sanction the Scheme, which will involve the Scheme Shares being transferred to Tern, in consideration for which Scheme Shareholders will receive 0.51613 New Tern Shares for every Pires Share held (on the basis described in paragraph 2 above).

To become Effective, the Scheme requires, among other things, the approval of a majority in number of the Scheme Shareholders present and voting (and entitled to vote), either virtually or by proxy at the Court Meeting, representing 75 per cent. or more in value of the Scheme Shares held by such Scheme Shareholders present and voting at the Court Meeting (or any adjournment of the Court Meeting) and the passing of the Pires Special Resolution necessary to implement the Scheme at the Pires General Meeting (or any adjournment of the Pires General Meeting). The Scheme is also conditional on the approval by Tern Shareholders of the Resolution at the General Meeting to approve the issue of New Tern Shares as the consideration for the Acquisition.

Following the Court Meeting and the Pires General Meeting and the satisfaction (or, where applicable, waiver) of the other Conditions, the Scheme must also be sanctioned by the Court. The Scheme will only become Effective upon a copy of the Court Order being delivered to the Registrar of Companies for registration.

Prior to the Scheme becoming effective, application will be made to the London Stock Exchange for the admission to trading on AIM of the Pires Shares to be cancelled.

If the Scheme becomes Effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they voted in favour of, or against, the Scheme at the Court Meeting or in favour of, or against, or abstained from voting on the Pires Special Resolution at the Pires General Meeting. On the Scheme becoming Effective, Pires will become a wholly owned subsidiary of Tern on the Effective Date and Pires Shareholders will receive the New Tern Shares referred to above. Application will be made to the London Stock Exchange for the New Tern Shares to be admitted to trading on AIM. It is expected that Admission

will become effective and that trading in the New Tern Shares will commence on AIM on the Business Day following the Effective Date. Tern would then re-register Pires as a private company under the relevant provisions of the Act as soon as practicable after cancellation of trading of the Pires Shares on AIM.

Further details of the Scheme, including an indicative timetable for its implementation together with notices of the Pires Court Meeting and Pires General Meeting, are contained in the Scheme Document which is available at www.piresinvestments.com and www.ternplc.com and in hard copy at the registered offices of Pires Investments plc and Tern plc until the time of the General Meeting.

9. Conditions of the Scheme

The Acquisition will be subject to the satisfaction (or, where applicable, waiver) of the Conditions and to the further terms set out in Part Three (*Conditions to the implementation of the Scheme and to the Acquisition*) of the Scheme Document, including, among other things:

- the Scheme being approved by a majority in number of the Scheme Shareholders representing not less than 75 per cent. in value of the Scheme Shares held by such Scheme Shareholders present and voting, either in person or by proxy, at the Court Meeting and at any separate class meeting which may be required by the Court or at any adjournment of any such meeting;
- the sanction of the Scheme by the Court with or without modification (but subject to any such modification being acceptable to Tern and Pires) and the delivery of a copy of the Court Order to the Registrar of Companies for registration;
- the Scheme becoming effective by no later than 30 September 2022 or such later date as Pires and Tern may agree with (where applicable) the consent of the Panel and the approval of the Court (if required), failing which the Scheme will lapse;
- approval by the Shareholders of the Resolution at the General Meeting, to authorise the allotment of New Tern Shares to Scheme Shareholders and otherwise pursuant to the Acquisition; and
- confirmation by the London Stock Exchange of Admission on or before the Long Stop Date.

10. Irrevocable undertaking and lock-in agreement in relation to the Scheme

Prior to the release of the Announcement, Tern received an irrevocable undertaking to vote, or procure to vote, in favour of the Scheme at the Court Meeting and the resolutions at the Pires General Meeting (or, if the Acquisition is implemented by way of an Offer to accept, or procure the acceptance, of the Offer) from RGO, in respect of an aggregate of 30,914,193 Pires Shares, representing approximately 19.15 per cent. of the issued ordinary share capital of Pires as at the last Business Day prior to the release of the Announcement.

On 16 June 2022, Pires announced that it had received notifications for the exercise of Pires Warrants over 4,939,200 Pires Shares, which included notification of the exercise of Pires Warrants over 4,814,200 Pires Shares held by RGO. Application was made to the London Stock Exchange to admit the Pires Shares resulting from the warrant exercises to trading on AIM, which occurred on 21 June 2022. Accordingly, the irrevocable undertaking from RGO is now in respect of 35,728,393 Pires Shares representing 21.48 per cent. of Pires's issued share capital as at the date of this document.

This undertaking will remain binding in the event of a competing offer being made unless the value of such competing offer is an improvement of more than 10 per cent. of the value of the consideration under the Acquisition and is not matched or bettered by Tern (where such competing offer has been announced as a firm intention to make an offer in accordance with Rule 2.7 of the Code) or if the Scheme Document is not published within 28 days of the Announcement or the Scheme lapses or is otherwise withdrawn.

The irrevocable undertaking ceases to be binding if:

- (a) Tern announces that it does not intend to proceed with the Acquisition and no new, revised or replacement scheme or offer is announced in accordance with Rule 2.7 of the Code at the same time;
- (b) the Acquisition lapses or is withdrawn; or
- (c) the Acquisition has not become wholly unconditional by the Long Stop Date.

In addition, this irrevocable undertaking also contains a contractual lock-in arrangement with Tern and Allenby Capital in respect of up to 18,440,496 New Tern Shares which will be issued to RGO should the Acquisition be completed, representing, in aggregate, approximately 4.09 per cent. of the Estimated Enlarged Share Capital. Pursuant to this lock-in agreement, RGO has agreed that for the period of one month from Admission it will not, and will use all its reasonable endeavours to procure that its connected persons will not, directly or indirectly effect or agree to effect a disposal of any legal or beneficial interest in any New Tern Shares issued to it following completion of the Acquisition. Thereafter, for a further two months, RGO shall only dispose of any New Tern Shares it holds in an orderly manner as Allenby Capital shall reasonably determine.

Further details of this irrevocable undertaking are set out in paragraph 9 of Part Seven (*Additional Information*) of the Scheme Document. A copy of the undertaking is available on Tern's website at www.ternplc.com and on Pires' website at www.piresinvestments.com, and will remain on display until completion of the Acquisition.

11. Admission of the New Tern Shares

The New Tern Shares will be issued in registered form and will be capable of being held in certificated and uncertificated form.

Following the completion of the Acquisition, the New Tern Shares will be issued as fully paid and will rank *pari passu* in all respects with the Tern Shares in issue at the time the New Tern Shares are issued, including in relation to the right to receive notice of, and to attend and vote at, general meetings of Tern, and the right to receive and retain any dividends and/or other distributions declared, made or paid, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, by Tern in respect of the Tern Shares with a record date falling after completion of the Acquisition and to participate in the assets of Tern upon a winding-up of Tern.

Irrespective of the date on which completion of the Acquisition falls, Pires Shareholders will not be entitled to receive any dividend declared, made or paid by Tern for the benefit of the Shareholders by reference to a record date falling on or before the date on which the Acquisition completes.

Application will be made to the London Stock Exchange for the New Tern Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings for normal settlement in respect of the New Tern Shares at 8.00 a.m. on the first Business Day following the Effective Date.

No application has been made or is currently intended to be made by Tern for the New Tern Shares to be admitted to listing or trading on any other exchange.

12. General Meeting

Set out at the end of this document is a notice convening the General Meeting to be held on 21 July 2022 at the offices of Reed Smith LLP at The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS at 11.00 a.m., at which the Resolution will be proposed. The Resolution, which will be proposed as an ordinary resolution, is to authorise the Directors to allot up to 98,865,712 New Tern Shares (£19,773.14 in nominal value) in connection with the Acquisition. This authority will expire on the date that all consideration due pursuant to the terms of the Acquisition has been satisfied.

13. Action to be taken

A Form of Proxy for use at the General Meeting accompanies this document. The Form of Proxy should be completed and signed in accordance with the instructions thereon and returned to the Company's registrars, Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX as soon as possible, but in any event so as to be received by no later than 11.00 a.m. on 19 July 2022. Proxies can also be registered through the online portal by logging on to www.shareregistrars.uk.com, clicking on the "Proxy Vote" button and then following the on-screen instructions, no later than 11.00 a.m. on 19 July 2022, or if the meeting is adjourned, not later than 48 hours before the time fixed for the adjourned meeting. The completion and return

of a Form of Proxy will not preclude Shareholders from attending the General Meeting and voting in person should they so wish.

14. Recommendation and irrevocable undertakings

The Directors consider the Acquisition to be in the best interests of Shareholders as a whole and recommend unanimously that Shareholders vote in favour of the Resolution, as those Directors who are interested in Tern Shares have irrevocably undertaken to, or to direct (and to use all reasonable endeavours to procure that) their nominees, do in respect of their own beneficial holdings (and the beneficial holdings which are under their control) of 21,100,898 Tern Shares representing, in aggregate, approximately 5.99 per cent. of Tern's issued ordinary share capital as at the Last Practicable Date.

Yours faithfully

Ian Ritchie

Non-Executive Chairman

NOTICE OF GENERAL MEETING

TERN PLC

(Incorporated under the Companies Act 2006 and registered in England and Wales with registered number 05131386)

NOTICE IS HEREBY GIVEN THAT a general meeting of Tern PLC (the '**Company**') will be held at the offices of Reed Smith LLP at The Broadgate Tower, 20 Primrose Street, London, EC2A 2RS at 11.00 a.m. on 21 July 2022 to consider and, if thought fit, to pass the following resolution which will be proposed as an ordinary resolution of the Company:

ORDINARY RESOLUTION

THAT, in addition to any existing power given to the directors of the Company pursuant to section 551 of the Companies Act 2006 prior to the passing of this resolution, the directors of the Company be and they are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 to exercise all powers of the Company to allot shares in the Company and to grant rights to subscribe for or convert any security into shares of the Company (such shares, and rights to subscribe for or to convert any security into shares of the Company, being "relevant securities"), provided that this authority shall be limited to the allotment of up to 98,865,712 new ordinary shares in the capital of the Company with an aggregate nominal value of £19,773.14 pursuant to the terms of the proposed acquisition by the Company of the entire issued and to be issued share capital of Pires Investments plc, whether by way of a scheme of arrangement pursuant to Part 26 of the Companies Act or by way of contractual takeover offer, on the terms and subject to the conditions set out in the scheme document sent to shareholders and other securities holders of Pires Investments plc dated 28 June 2022, and, unless previously renewed, revoked, varied or extended, this authority will expire on the date on which all consideration due pursuant to the terms of the proposed acquisition shall have been satisfied and any potential or actual outstanding entitlements to such consideration due pursuant to the terms of any securities (including warrants, options and loan notes) outstanding over the share capital of Pires Investments plc at the date of the proposed acquisition shall have been satisfied or expired, lapsed or waived.

Dated: 28 June 2022

By order of the Board:

Sarah Payne
Company Secretary

Registered Office:
27/28 Eastcastle Street
London
W1W 8DH

Notes to the General Meeting notice:

1. A member who is entitled to attend and vote at the meeting may appoint a proxy (or proxies) to attend and vote in their place. A proxy need not be a member of the Company. A member can only appoint a proxy using the procedures set out in these notes and the notes to the Form of Proxy.
2. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001 and by paragraph 18(c) of The Companies Act (Consequential Amendments) (Uncertificated Securities) Order 2009, only those members entered on the Company's register of members not later than 11.00 a.m. on 19 July 2022, or if the meeting is adjourned, Shareholders entered on the Company's register of members not later than 2 days before the time fixed for the adjourned meeting (excluding non-business days) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. In each case, changes to the register of members after such time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
3. To be effective, the Form of Proxy must either be:
 - (a) deposited at the office of the Company's registrars, Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX; or
 - (b) registered through the online portal by logging on to www.shareregistrars.uk.com, clicking on the "Proxy Vote" button and then following the on-screen instructions,in each case so as to be received not later than 11.00 a.m. on 19 July 2022, or if the meeting is adjourned, not later than 48 hours before the time fixed for the adjourned meeting.
4. To change proxy instructions, a member must submit a new proxy appointment using the methods set out above and in the notes to the Form of Proxy. Note that the cut-off times for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where a member has appointed a proxy and would like to change the instructions, they should contact the Company's registrars, Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX.
5. In order to revoke a proxy instruction, a member will need to inform the Company by sending a signed hard copy notice clearly stating their intention to revoke your proxy appointment to the Company's registrars, Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice. In either case, the revocation notice must be received by the Company's registrars, Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX no later than 11.00 a.m. on 19 July 2022. If a member attempts to revoke your proxy appointment but the revocation is received after the time specified above, then your proxy appointment will remain valid.
6. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by our agent Share Registrars (ID 7RA36) by the latest time(s) for receipt of proxy appointments specified in the notice of meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
7. In the case of joint holders of shares, the votes of the first named in the register of members who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders.
8. A member that is a company or other organisation not having a physical presence cannot attend in person but can appoint someone to represent it. This can be done in one of two ways; either by the appointment of a proxy (described in note above) or of a corporate representative. Members considering the appointment of a corporate representative should check their own legal position, the Company's articles of association and the relevant provision of the Companies Act 2006.
9. As at 27 June 2022, being the last Business Day prior to the date of this notice, the Company's issued share capital consisted of 352,014,701 ordinary shares of 0.02 pence each in the capital of Tern. The total voting rights in the Company as at 27 June 2022 were 352,014,701.

