

TERN PLC

SOFTWARE AND COMPUTER SERVICES

20 December 2021

TERN.L

11p

Market Cap: £38.7m

SHARE PRICE (p)



12m high/low 30.3p/6.2p

Source: LSE Data

KEY DATA

Net (Debt)/Cash	£0.4m (at 30/06/21)
Enterprise value	£38.3m
Index/market	AIM
Next news	Full Year, March '22
Shares in Issue (m)	351.6
Chairman	Ian Ritchie
Chief Executive	Albert E Sisto
Finance Director	Sarah Payne

COMPANY DESCRIPTION

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

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TERN PLC IS A RESEARCH CLIENT OF PROGRESSIVE

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£2.1m InVMA raise and 44% up-round for Tern

Tern's portfolio company InVMA, the market leader in Industrial Internet of Things (IoT) software, has announced a successful £2.1m fundraise at a significant uplift to Tern's book valuation. InVMA is also being renamed Konektio. The announcement demonstrates the success of the group's investment strategy, delivering value from the portfolio and reducing dependence on Tern for future funding. Equally positively, Konektio's capital structure has been simplified with the conversion of loan notes into equity. As a result, Tern's holding in Konektio's equity has decreased from 50% to 36.8%, with a book value of £2.2m, up 44% on the amount invested by Tern to date.

- **Significant institutional investor secured** to fund the next phase of Konektio's growth. The £2.1m raise was led by funds managed by Mercia and Foresight. Tern also invested a further £200k. Konektio has also simplified its capital structure, involving the conversion of loan notes into equity at a 20% discount to the fundraise pre money valuation. As a result, Konektio is valued at £5.9m with Tern's holding at 36.8%, 30.7% owned by the incoming investors, and 32.5% held by management and other shareholders.
- **Significant uplift to the book valuation of Tern's holding in Konektio.** Tern's investment in Konektio will be valued at £2.2m at the current offering price, up from £1.2m as at 30 June 2021. Adjusting for the new investment, convertible loan notes issued and interest costs during this period, today's deal represents a very significant 44% uplift.
- **Reduced dependence on Tern for future funding.** Tern has invested approximately £1.5m in Konektio to date. The fundraise suggests strong third-party shareholder support for Konektio moving forward.
- **Significant increase in sales in FY21 of Assetminder,** Konektio's value-driven SaaS product. The growth in revenue has enabled investment in staff, product development, new branding and the opening of its first US office. The fundraise will provide the company with sufficient working capital to further scale its business in 2022.

This fundraise forms part of Tern's strong focus on maximising shareholder value and, in our view, is a positive signal of success. We expect significant developments for Konektio in 2021 as it enters the scale-up period and builds upon the success of Assetminder. We also look forward to news flow from Tern more broadly on the progress of the other portfolio companies during 2021, as it continues to build on its position as a leading investment company in the highly attractive IoT sector.

INVESTEE COMPANIES



DEVICE
AUTHORITY

FUNDAMENTALVR

Wyld Networks

KONEKTIO

Talking Medicines

Disclaimers and Disclosures

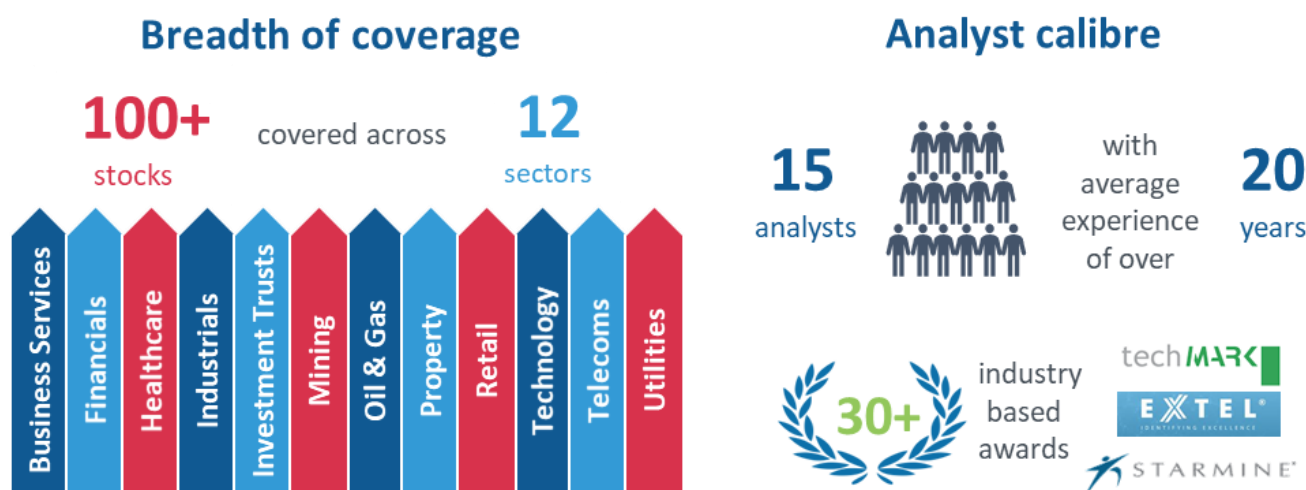
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