

RiverFort Global Opportunities plc  
Suite 39  
18 High Street  
High Wycombe  
Buckinghamshire  
HP11 2BE

Tern plc  
27/28 Eastcastle Street  
London  
W1W 8DH

31 May 2022

Dear Sirs / Madams:

## 1 INTRODUCTION

- 1.1 We, RiverFort Global Opportunities plc (the “**Undertaking Party**”), are an institutional investor in Pires Investments plc. We refer to the proposed acquisition by Tern plc (the “**Offeror**” or “**Tern**”) of the whole of the issued and to be issued share capital of Pires Investments plc (the “**Company**”) for the consideration, and otherwise substantially on the terms and subject to the conditions (other than in respect of the conditions insofar as may be necessary to reflect the implementation of the Acquisition by way of a contractual takeover offer), set out in the draft press announcement attached to this letter (the “**Undertaking**”) at appendix 2 (the “**Announcement**”), subject to such amendments or additions to such terms and conditions as may be required by the City Code on Takeovers and Mergers (the “**Code**”), the Panel on Takeovers and Mergers (the “**Panel**”), the High Court of Justice, Business and Property Courts of England and Wales, Companies Court (the “**Court**”) or any applicable law or regulation. We understand that the Acquisition is expected to be implemented by way of a scheme of arrangement under Part 26 of the Companies Act 2006 (the “**Act**”). The Acquisition will be substantially on the terms and conditions set out or referred to in the proposed Announcement, as modified as may be agreed by the Offeror and the Company, together with such additional terms and conditions as may be required to comply with the rules of London Stock Exchange plc (the “**LSE**”) and the Code or any relevant securities exchange, including AIM, the market of that name operated by the LSE (“**AIM**”), and the rules applicable to companies with shares admitted to trading on AIM (the “**AIM Rules**”).
- 1.2 Terms defined in the Announcement shall, unless otherwise specified, have the same meaning in this Undertaking.
- 1.3 We are the beneficial owner of or able to exercise discretionary control over 30,914,193 ordinary shares and 4,814,200 warrants over ordinary shares (the “**Shares**”). We confirm that the Shares are all the shares in the Company in which we have an interest (“**interest**” having the same meaning in this Undertaking as it does for the purposes of section 820 and sections 822 - 825 of the Act). Details of our current holdings are set out in the Schedule to this Undertaking.
- 1.4 We are able to transfer (or procure the transfer of) the Shares to the Offeror free from any lien, equity, encumbrance, third party right of any nature, assignment, charge, option or other disposition, dealing or restriction.
- 1.5 We are able and have all relevant rights, power and authority, and have obtained all necessary authorisations, approvals, consents and licences required by us (all of which are unconditional and remain in full force and effect) to enter into and perform this Undertaking.

## 2 UNDERTAKING TO SUPPORT THE ACQUISITION

2.1 Unless the Offeror elects to implement the Acquisition by way of an Offer, we hereby undertake to the Offeror that:

- (a) we shall or, where applicable, shall procure that the registered holder of the Shares shall, in person or by proxy, cast all votes (whether on a show of hands or on a poll) in relation to the Shares at the Court Meeting and the General Meeting (“**GM**”) in favour of the resolutions to approve the Scheme and the amendment of the Company’s articles of association together with any other resolutions set out in the notices convening those meetings to be included in the Scheme Document (as defined below) (the “**Resolutions**”) and against any resolution or proposal to adjourn the Court Meeting and/or the GM or as otherwise directed in writing by the Offeror in connection with the Scheme and the Resolutions;
- (b) we shall or, where applicable, shall procure that the registered holder of the Shares shall, after publication of the circular to be sent to Shareholders containing amongst other things an explanatory statement in respect of the Scheme (the “**Scheme Document**”) (and without prejudice to any right to attend and vote in person at the Court Meeting and the GM), return the forms of proxy enclosed with the Scheme Document (completed and signed and voting in favour of the Resolutions) in accordance with the instructions printed on those forms of proxy, as soon as possible and in any event within seven days after publication of the Scheme Document;
- (c) we shall not revoke the terms of any proxy submitted in accordance with paragraph 2.1(b), whether in writing or by attendance at any GM or Court Meeting or otherwise; and
- (d) we also undertake to procure that the registered holder of ordinary shares of the Company which are beneficially owned by us signs and delivers to the Offeror an irrevocable undertaking in a form similar to this Undertaking.

2.2 If the Offeror (in accordance with the terms and conditions set out in the Announcement) elects to implement the Acquisition by way of an Offer, we hereby undertake that:

- (a) we shall, as soon as possible and in any event within seven days after publication of the formal document containing the Offer (the “**Offer Document**”), duly accept or procure acceptance of the Offer in accordance with its terms in respect of the Shares and shall forward, if applicable, the relevant share certificate(s) at the time of acceptance or a form of indemnity acceptable to the directors of the Company in respect of any lost certificate(s) at the time of acceptance and, if applicable, in respect of any Shares held in uncertificated form, take any action which may reasonably be required to ensure valid acceptance of the Offer; and
- (b) notwithstanding that the terms of the Offer Document will confer rights of withdrawal on accepting shareholders, we shall not withdraw any acceptance of the Offer in respect of the Shares or any of them and shall procure that no rights to withdraw any acceptance in respect of such Shares are exercised.

2.3 By way of security for our obligations under this Undertaking we irrevocably appoint, severally the Offeror and any director of the Offeror to be our attorney:

- (a) (if the Offeror elects to implement the Acquisition by way of the Scheme) to carry out in our name and on our behalf all or any of the actions specified in paragraph 2.1 above to the extent that we fail to comply with any of our obligations; and
- (b) (if the Offeror elects to implement the Acquisition by way of an Offer) to carry out in our name and on our behalf all or any of the actions specified in paragraph 2.2 above to the extent that we fail to comply with any of our obligations,

and to sign, execute and deliver any documents, if relevant and do all acts and things in our name and on our behalf as may be necessary for or incidental to the actions specified in paragraphs 2.1 and 2.2 (as applicable) and we irrevocably undertake to ratify and confirm whatever our attorney shall lawfully do or purport to do in relation to this power of attorney if called upon to do so.

- 2.4 Our obligations under this Undertaking shall lapse (without prejudice to any liability for any existing breaches of those obligations):
- (a) if the Announcement in final form is not issued by 30 September 2022;
  - (b) if a Scheme Document or Offer Document (as the case may be) in respect of the Acquisition is not published on or before the date 28 days after the release of the Announcement (or such later date as the Panel may agree);
  - (c) if the Scheme lapses or is withdrawn and prior to that time the Offeror has not issued an Offer Document in respect of the Acquisition;
  - (d) if an Offer once made lapses or is withdrawn and prior to that time a Scheme Document in respect of the Acquisition has not been published; or
  - (e) subject always to paragraph 2.6 if a person other than the Offeror or a subsidiary of the Offeror or any person acting in concert with the Offeror announces a firm intention to make an offer (in accordance with Rule 2.7 of the Code) for the whole of the issued share capital of the Company on or before 11:59 p.m. on 30 September 2022, provided that the value of the consideration represents, in the reasonable opinion of Company's financial adviser, an improvement of at least 10 per cent in cash over the value of the consideration available under the Acquisition as at the date on which such firm intention to make an offer is announced (a "**Higher Competing Offer**"). A person will be deemed to have announced an offer when a copy of the announcement required by Rule 2.7 of the Code is received (whether by email or otherwise) by the Panel.
- 2.5 If this Undertaking lapses, no party shall have any claim against any other save in respect of any prior breach and (subject the requirements of the Code, the Panel, the Court and any applicable law or regulation) nothing in this Undertaking shall oblige the Offeror to announce the Acquisition or, if announced, to proceed with it.
- 2.6 If on or before 11:59 p.m. on the fourteenth day after a Higher Competing Offer is announced, the Offeror announces a revised offer the value of which represents, in the reasonable opinion of the Company's financial adviser, an improvement over the value of the consideration under the Higher Competing Offer, paragraph 2.4(e) shall no longer apply and the obligations set out in this Undertaking shall apply in respect of such revised offer by the Offeror, and in particular:
- (a) Paragraph 2.1(b) shall then be construed as if it made provision for return of signed forms of proxy in respect of the Shares as soon as possible after announcement of the revised offer by the Offeror and in any event within the time periods for return of forms of proxy set out in the Offeror's revised Scheme Document; and
  - (b) Paragraph 2.2(a) shall then be construed as if it made provision for delivery of acceptances in respect of the Shares as soon as possible after announcement of the revised offer by the Offeror and in any event within the time periods for delivery of acceptances set out in the Offeror's revised Offer Document.

During the 14-day period we shall not accept the Higher Competing Offer. If the Offeror does not announce a revised offer in accordance with this paragraph on or before 11:59 p.m. on the fourteenth day after a Higher Competing Offer is announced, our obligations under this Undertaking shall lapse.

2.7 We agree that, if we should fail to act in accordance with our obligations in this Undertaking or should otherwise be in breach of any of those obligations, an order of specific performance would be the only adequate remedy.

### **3 DEALINGS IN THE SHARES AND OTHER SHARES OF THE COMPANY**

3.1 We shall not

- (a) (except to the Offeror pursuant to the Acquisition) sell, transfer, charge, encumber, grant any option over or otherwise dispose of or permit the sale, transfer, charging, encumbering, granting of any option over or other disposition, or accept any other offer in respect of, all or any of the Shares or any interest in the Shares; or
- (b) save on the exercise of any option or warrant held by us as at the date of this Undertaking, acquire any additional shares or other securities of the Company or any interest in the Shares (including any derivatives referenced to such shares or securities); or
- (c) enter into any agreement or arrangement with any other person, whether conditionally or unconditionally, to do all or any of the acts referred to in paragraph (a) or (b) or purport to do so.

3.2 In relation to any of the Shares which are not registered in our name or beneficially owned by us, we will procure that no other person shall do or permit any of the acts or things referred to in paragraph 3.1.

### **4 OTHER ACTION IN RELATION TO THE ACQUISITION**

We agree:

- (a) not directly or indirectly to encourage any person other than the Offeror to make any offer for any shares or other securities of the Company;
- (b) not to take any action which prevents or delays or is otherwise prejudicial to the successful outcome of the Acquisition, or which may prevent or delay or be otherwise prejudicial to the successful outcome of the Acquisition; and
- (c) to use our best efforts to procure that neither the Company nor any of its subsidiaries or associated companies takes any action which may be prejudicial to the successful outcome of the Acquisition

### **5 PROVISION OF INFORMATION**

We shall promptly provide to the Offeror or Allenby Capital Limited (“**Allenby Capital**”), as nominated adviser and financial adviser to the Offeror, as each may request all reasonable information relating to us and our interests and dealings in the shares of the Company required for the purposes of the preparation and publication of the Scheme or Offer Document (as the case may be).

### **6 CONSENTS**

6.1 We consent to:

- (a) a copy of this Undertaking being disclosed to the Panel and, if required, to the LSE;
- (b) the inclusion of references to us and the registered holder of any of the Shares and particulars of this Undertaking and our holdings of relevant securities being included in the Announcement, the Scheme Document and any other announcement made or document issued by or on behalf of the Offeror and/or the Offeree in connection with the Acquisition (each an “**Acquisition Document**”); and

(c) this Undertaking being available for inspection as required by Rule 26.1 of the Code.

6.2 We shall promptly give you all information you may reasonably require relating to us or the Shares for the preparation of any Acquisition Document in order to comply with the requirements of the Court, the Code, the Panel, the FCA, the LSE, the Act or any other legal or regulatory requirement. We will notify you in writing of any change in the accuracy or impact of any such information previously provided by us as soon as reasonably practicably upon our becoming aware of any such change.

6.3 We further acknowledge that we are obliged to make appropriate disclosures under Rule 2.10(c) of the Code promptly after becoming aware that we will not be able to comply with the terms of this Undertaking or no longer intend to do so.

## **7        SECRECY AND PUBLICITY**

7.1 We understand that until such time as the Acquisition is announced, the information we have received from you in connection with the Acquisition must be kept confidential. We undertake not to disclose to any third party (other than to our respective professional advisers):

- (a) the existence or subject matter of this Undertaking or the possibility of the Acquisition and/or its proposed terms; or
- (b) details of our discussions relating to the Acquisition (whether before or after the release of the Announcement),

except in each case to the extent that such matters have been made public through the issue of the Announcement or any other Acquisition Document. The obligations in this paragraph 7 shall survive termination of this Undertaking.

7.2 We will comply with our obligations under Regulation (EU) No 596/2014, as it forms part of UK domestic law by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019 (S/2019/310) (“**UK MAR**”) and the Criminal Justice Act 1993 (the “**CJA**”) in relation to such information and will not engage in any behaviour in relation to such information that would be prohibited by UK MAR or the CJA, including, without limitation, engaging or attempting to engage in insider dealing, recommending or inducing another person to engage in insider dealing, unlawfully disclosing inside information or engaging or attempting to engage in market manipulation.

## **8        POST-COMPLETION UNDERTAKINGS**

8.1 Subject to the provisions of clause 8.3, we undertake to the Company that following completion of the Acquisition we will not, and where applicable the registered holder of the Consideration Shares will not, during the period of one month following completion of the Acquisition (the “**Initial Period**”), directly or indirectly, effect or agree to effect a sale or transfer or any disposition whatsoever or create any option, mortgage, pledge, encumbrance or charge which could lead to any of the foregoing, of the legal or beneficial ownership of or any other interest (as such term is defined in sections 820-824 (inclusive) of the Companies Act) in any of the Consideration Shares without the prior written consent of the Offeror.

8.2 Subject to the provisions of clause 8.3, we undertake to the Company that for a period of two months commencing from the end of the Initial Period we will only effect a sale or transfer or any disposition whatsoever of the legal or beneficial ownership of or any other interest in any Consideration Shares through Allenby Capital (or if Allenby Capital is no longer the broker to the Offeror at the relevant time, to the advisor appointed to that role in place of Allenby Capital), with a view to maintaining an orderly market in the Consideration Shares.

8.3 The undertakings in clauses 8.1 and 8.2 shall not apply to a sale or transfer or any disposition whatsoever of Consideration Shares made:

- (a) in acceptance of a general offer for the whole of the issued equity share capital of Tern (other than any equity share capital held by or committed to the offeror and/or persons

acting in concert with the offeror) made in accordance with the City Code on Takeovers and Mergers or the provision of an irrevocable undertaking to accept such an offer;

- (b) pursuant to any compromise or arrangement under Part 26 of the Act, providing for the acquisition by any person (or group of persons acting in concert) of more than 50 per cent of the equity share capital of Tern and which compromise or arrangement has been sanctioned by the court;
  - (c) pursuant to a derogation granted by the LSE;
  - (d) pursuant to an order of a court of competent jurisdiction requiring such Consideration Shares to be sold or transferred or a consent order which has the same effect;
  - (e) pursuant to an offer by Tern to purchase its own shares which is made on identical terms to all holders of shares and otherwise complies with the Act and the AIM Rules; or
  - (f) to any person which has the same ultimate legal and beneficial ownership as us.
- 8.4 As a pre-condition to any Disposal pursuant to clause 8.3(f), the transferee shall first agree in writing to be bound by the terms of this clause 8.
- 8.5 We shall give Allenby Capital at least two Business Days' notice in writing before taking any action pursuant to clause 8.3.
- 8.6 The provisions of this clause 8 are without prejudice to any restrictions on dealings in securities of Tern to which we may be subject pursuant to the AIM Rules, any code for the regulation of dealings in the Company's securities from time to time adopted by the Company, UK MAR, the Criminal Justice Act 1993, the Financial Services and Markets Act 2000 or any other applicable law or regulation.

## 9 INTERPRETATION

In this Undertaking:

- (a) **“Business Days”** means a day, other than a Saturday, Sunday or public holiday, on which banks in the City of London are open for the transacting of general business;
- (b) **“Consideration Shares”** means ordinary shares of nominal value £0.0002 each in the capital of Tern issued as part of the Acquisition;
- (c) **“Scheme”** shall include any amended, revised, extended, improved, increased, additional or other proposal made by or on behalf of the Offeror for the shares of the Company to be effected by way of scheme of arrangement;
- (d) **“Offer”** shall include any amended, revised, extended, improved, increased, additional or other offer made by or on behalf of the Offeror for the shares of the Company;
- (e) **“Shares”** shall include any other shares in the Company attributable to or derived from the Shares and any shares issued in respect of the Shares or into which the Shares may be converted as a result of any reorganisation of the share capital of the Company and any other shares or other securities of the Company in which we acquire an interest after the giving of this Undertaking; and
- (f) a reference to any legislation or legislative provision shall be construed as a reference to that legislation or legislative provision as amended, modified or re-enacted from time to time and shall include any subordinate legislation made from time to time under that legislation or legislative provision.

## **10 TIME OF THE ESSENCE**

Time is of the essence in this Undertaking as regards any time, date or period specified in this Undertaking or subsequently substituted as a time, date or period by agreement in writing between the parties.

## **11 WARRANTY**

We warrant that:

- (a) we have been given a realistic opportunity to consider whether or not we should give this Undertaking;
- (b) we have received independent professional advice about the nature of this Undertaking;
- (c) we are not acting in concert with any other person, as defined in the Code (disregarding for this purpose any person we may be deemed to be acting in concert with because they are giving an irrevocable undertaking to the Offeror); and
- (d) we have full power and authority to enter into this Undertaking and to perform our obligations contained in paragraph 2.

## **12 NOTICES**

12.1 Any communication to be given in connection with this Undertaking shall be in writing in English and shall be given:

- (a) to us c/o the Company at its registered office or by email to haydnslater33@gmail.com; and
- (b) to the Offeror at its registered office marked for the attention of the Chief Executive Officer or by email to al.sisto@ternplc.com and sarah.payne@ternplc.com.

12.2 A communication sent according to paragraph 12.1 shall be deemed to have been received:

- (a) if delivered by hand, at the time of delivery; or
- (b) if sent by email, at the time of completion of transmission by the sender.

If, under the preceding provisions of this paragraph 12.2, a communication would otherwise be deemed to have been received outside normal business hours in the place of receipt, being 9.30 a.m. to 5.30 p.m. on a Business Day (meaning a day other than a Saturday or Sunday or public holiday in England and Wales), it shall be deemed to have been received at 9.30 a.m. on the next Business Day.

## **13 GOVERNING LAW**

This Undertaking and any dispute or claim arising out of or in connection with it or its subject matter, whether of a contractual or non-contractual nature, shall be governed by and construed in accordance with the law of England and Wales.

## **14 JURISDICTION**

The courts of England and Wales shall have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Undertaking.

This Undertaking is executed as a deed by the parties and is delivered and takes effect at the date at the beginning of this deed.

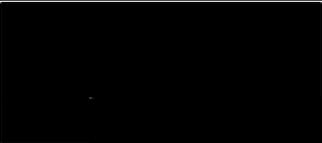
**EXECUTED** and **DELIVERED** as a **DEED** by )  
**RIVERFORT GLOBAL OPPORTUNITIES PLC,** )  
acting by **PHILIP HAYDN-SLATER**, a director, in )  
the presence of: )



Name of Witness



Signature of Witness:



Address:



Occupation:



**APPENDIX 1**  
**Shares to which this deed relates**

The following represent our current holdings in the Company (and those of related companies).

Number of Shares (specify class)	Number of Ordinary Shares under option/ warrant	Registered holder*	Beneficial owner*
30,914,193 ordinary shares of 0.25 pence each	4,814,200 warrants over ordinary shares of 0.25 pence each	JIM Nominees Limited is the registered holder of 30,914,193 ordinary shares  RiverFort Global Opportunities plc is the registered holder of 4,814,200 warrants over ordinary shares	RiverFort Global Opportunities plc

\* Where more than one, indicate number of shares attributable to each

**APPENDIX 2**  
**The Announcement**

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

THIS ANNOUNCEMENT IS AN ADVERTISEMENT AND IS NOT A PROSPECTUS OR PROSPECTUS EQUIVALENT DOCUMENT AND INVESTORS SHOULD NOT MAKE ANY INVESTMENT DECISION IN RELATION TO THE NEW TERN SHARES EXCEPT ON THE BASIS OF THE INFORMATION IN THE SCHEME DOCUMENT WHICH IS PROPOSED TO BE PUBLISHED IN DUE COURSE.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS STIPULATED UNDER REGULATION (EU) NO. 596/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE MARKET ABUSE (AMENDMENT) (EU EXIT) REGULATIONS 2019 (SI 2019/310) ("UK MAR").

1 June 2022

**Recommended All Share Offer**

for

**Pires Investments plc ("Pires")**

by

**Tern plc ("Tern")**

The directors of Tern and Pires are pleased to announce that they have reached agreement on the terms of a recommended all share offer by Tern for the issued and to be issued share capital of Pires, to be effected by means of a court-sanctioned scheme of arrangement between Pires and Pires Shareholders under Part 26 of the Companies Act.

**Overview of the Acquisition**

Under the terms of the Acquisition, holders of Pires Shares will be entitled to receive:

**For each Pires Share held, 0.51613 New Tern Shares**

Based on a closing price of 15.5 pence per Tern Share on 31 May 2022 (being the Last Practicable Date), the acquisition of Pires by Tern will value:

- each Pires Share at 8.0 pence, a premium of 53.8 per cent. to Pires' closing share price of 5.2 pence on the Last Practicable Date and a 31.9 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).

Upon completion of the Acquisition, Pires Shareholders will own approximately 21.51 per cent. of the enlarged issued share capital of Tern (based on the existing ordinary issued share capital of Tern and the fully diluted share capital of Pires, in each case as at the date of this Announcement).

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 this Announcement 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.

### **Background to and reasons for the Acquisition**

The Tern Board believes that combining the two businesses by way of the Acquisition has compelling strategic and financial rationale, providing the opportunity for the Enlarged Group to:

- establish a company of greater scale and potential interest to institutional investors;
- provide investors with increased diversity of exposure to specialist technology businesses at different stages of development;
- aid the development of the companies within each businesses' portfolio given their synergistic nature;
- further enhance the existing Sure Valley Ventures relationship through the businesses' combined investment;
- create a leadership position as the 'go to' investor in the IoT sector and other deep technology sectors that include Artificial Intelligence (AI), Machine Learning (ML) and Natural Language Processing (NLP);
- provide greater liquidity to Pires Shareholders through their proposed holding of Tern Shares;
- provide clear corporate synergistic benefits and cost savings, most notably Pires' public company costs, benefiting from the efficiencies created by the Enlarged Group;
- 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
- 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 Acquisition enables Pires Shareholders to participate fully in the potential value creation from the Acquisition and benefit from future shareholder returns.

The Tern Board believes that the terms of the Acquisition fairly reflect both Tern 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 Tern Board believes that there is considerable unlocked potential within the Pires investment portfolio (including unrealised value in the Sure Valley Ventures 1 investment portfolio) and that by using its hands-on approach and wide network of connections the Tern management team will quickly have an impact of releasing such potential. Furthermore, Pires will have ongoing representation on the Board of the Enlarged Group, with Nicholas Lee being proposed to join the Tern Board as a Non-Executive Director from the Effective Date.

### **Background to and reasons for Pires' Board recommending the Acquisition**

The Pires Board believes that there are a number of reasons why a combination with Tern is an attractive option for Pires and Pires Shareholders.

- Attractive price being offered: the Offer Value represents a significant premium to Pires' share price at the Last Practicable Date and takes into account the growth prospects of the Pires investment portfolio;
- Share offer: by receiving shares in the Enlarged Group, Pires Shareholders are able to retain an interest in the upside potential from the combination of the investment portfolios and benefit from any synergies available;

- Scale: whilst Pires' organic growth has been rapid over the last couple of years, a combination with Tern enables both companies to quickly achieve greater scale. The Pires Directors believe that this scale will enhance liquidity to the benefit of all Pires Shareholders, whilst also making the Enlarged Group more attractive to both retail and institutional investors;
- Funding: going forward the Enlarged Group will be better placed to benefit from a greater range of more flexible funding options;
- Complementary portfolio: Pires' portfolio generally comprises smaller shareholdings in its investee companies and is more diverse, whereas Tern has a more concentrated portfolio with larger shareholdings thereby offering the potential to deliver greater absolute gains;
- Operating infrastructure and resources: the management of Pires' investment portfolio can benefit from Tern's larger operating team with greater resources and a more international network; and
- Cost reduction: the majority of the direct costs associated with the management of the Pires portfolio can be eliminated through the combination thereby reducing the cost ratio for the Enlarged Group.

### **Pires Directors' Recommendation**

**The Pires Directors, who have been so advised by Cairn as to the financial terms of the Acquisition, unanimously consider the terms of the Acquisition to be fair and reasonable. In providing its advice to the Pires Directors, Cairn has taken into account the commercial assessments of the Pires Directors. Cairn is providing independent financial advice to the Pires Directors for the purposes of Rule 3 of the Code.**

**Accordingly, the Pires Directors unanimously intend to recommend that Pires Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the General Meeting (or in the event that the Acquisition is implemented by way of an Offer, to accept or procure acceptance of such Offer).**

### **Irrevocable Undertakings**

RiverFort Global Opportunities plc has irrevocably undertaken to, or to direct (and to use all reasonable endeavours to procure that) its nominees to, vote in favour of the Scheme at the Court Meeting (or in the event that the Acquisition is implemented by way of a takeover offer (as defined in Part 28 of the Companies Act) to accept or procure the acceptance of such Offer) in respect of their own beneficial holdings totalling 30,914,193 Pires Shares, representing in aggregate approximately 19.23 per cent. of Pires' issued share capital as at the Last Practicable Date. The irrevocable undertaking also includes up to 4,814,200 Pires Warrants which may be exercised prior to the date of the Court Meeting. These irrevocable undertakings are binding save in the event of a higher offer of not less than a 10 per cent. premium to 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 date of this Announcement or the Scheme lapses or is otherwise withdrawn.

### **Enlarged Group and Board**

On the Effective Date it is intended that Nicholas Lee, currently a Non-Executive Director of Pires, will be appointed a Non-Executive Director of Tern and that John May and David Palumbo, currently the other Non-Executive Directors of Pires, will resign from the Pires Board.

### **Tern General Meeting and associated irrevocable undertakings**

In order to allot the New Tern Shares, Tern will propose the Resolution at the Tern General Meeting, to be approved by the Tern Shareholders by way of an ordinary resolution. The completion of the Acquisition will, accordingly, be conditional on such authority being approved.

**The Tern Directors consider the Acquisition to be in the best interests of Tern Shareholders as a whole and intend to recommend unanimously that Tern Shareholders vote in favour of the Resolution, as those Tern Directors who are interested in Tern Shares intend to 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.**

**Commenting on the Acquisition, Al Sisto, Chief Executive Officer of Tern, said:**

*"We are delighted to be announcing the proposed acquisition of Pires. Combining Tern and Pires will, I believe, deliver benefits to the shareholders of both companies. It will create a group with larger scale and a more diverse, but synergistic, network of exciting technology companies.*

*"At Tern we have sought, and continue to seek out, companies at crucial stages of their development, such as those in the Pires portfolio, bringing our wealth of market knowledge and business building expertise to the table during this critical time. Based on identifying a clear path to market, coupled with a clearly identified customer value programme, Tern acts as an active strategic advisor to guide our entrepreneurs through the minefield of bringing innovation to the market at speed and scale, successfully. The critical benefit Tern offers is the synergies within the core technologies of our companies to create a 'network effect' for collaboration. By combining with Pires we will expand this network of like-minded companies that can proactively share experiences, insights and information for the benefit of all stakeholders."*

**Commenting on the Acquisition, Nicholas Lee, Non-Executive Director of Pires, said:**

*"We are very excited about the combination with Tern as this will enable us to rapidly generate value and liquidity for our shareholders whilst, at the same time, allowing them to share in the upside that we expect to be created through a combination of the two companies and their respective investment portfolios."*

**Conditions to the Acquisition**

The Acquisition will be subject to the Conditions and certain further terms set out in Appendix 1 to this Announcement and to the full terms and conditions which will be set out in the Scheme Document, including, among other things:

- (i) the Scheme becoming effective;
- (ii) the Resolution being proposed at the Tern General Meeting and passed (without amendment); and
- (iii) Admission of the New Tern Shares to trading on AIM.

The Scheme Document will include full details of the Acquisition, the expected timetable, and will specify the action to be taken by Pires Shareholders to vote on the Scheme. The Scheme will lapse if it does not become effective by 11.59 p.m. on the Long Stop Date.

The Acquisition will lapse if these conditions are not satisfied or, if capable of waiver, waived, on or prior to the Long Stop Date.

**General**

It is intended that the Acquisition will be implemented by way of the Scheme, further details of which are contained in the full text of this Announcement and will be set out in the Scheme Document.

However, Tern reserves the right, with the consent of the Panel and Pires or, in certain circumstances, without the consent of Pires, to implement the Acquisition by way of an Offer.

**The summary above should be read in conjunction with the full text of this Announcement and the Appendices.**

Appendix 1 contains the conditions and further terms of the Acquisition. Appendix 2 contains the sources and bases of certain information used in this summary and this Announcement. Appendix 3 contains details of the irrevocable undertakings received in relation to the Acquisition that are referred to in this Announcement. Appendix 4 contains definitions of certain terms used in this summary and this Announcement.

#### **Inside information and UK MAR**

Certain Pires Shareholders were, with the consent of the Panel, formally brought inside in order to discuss giving irrevocable commitments to vote in favour of the Scheme at the Court Meeting and the General Meeting. That information is set out in this Announcement and has been disclosed as soon as possible in accordance with paragraph 7 of article 17 of UK MAR. Therefore, those persons that received inside information in a market sounding are no longer in possession of inside information relating to Pires and Tern, and their respective securities.

The person responsible for arranging release of this Announcement on behalf of Tern is Al Sisto, Chief Executive Officer of Tern.

The person responsible for arranging release of this Announcement on behalf of Pires is Nicholas Lee, Non-Executive Director of Pires.

#### **Enquiries:**

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*Reed Smith LLP is acting as legal adviser to Tern.*

*Orrick Herrington & Sutcliffe (UK) LLP is acting as legal adviser to Pires.*

**IMPORTANT NOTICES**

*Allenby Capital, which is authorised and regulated by the FCA in the UK, is acting as financial adviser, nominated adviser and joint broker exclusively for Tern and no one else in connection with the Acquisition and this Announcement and will not be responsible to anyone other than Tern for providing the protections afforded to clients of Allenby Capital or for providing advice in relation to the Acquisition, the content of this Announcement or any matter referred to herein. Allenby Capital's responsibilities as Tern's Nominated Adviser under the AIM Rules for Companies and AIM Rules for Nominated Advisers are owed solely to London Stock Exchange and no other person. Allenby Capital has not authorised and is not making any representation or warranty, express or implied, as to the contents of this Announcement.*

*Cairn, which is authorised and regulated by the FCA in the UK, is acting as financial adviser and Rule 3 adviser exclusively for Pires and no one else in connection with the Acquisition and the matters set out in this Announcement and will not be responsible to any person other than Pires for providing the protections afforded to clients of Cairn, nor for providing advice in relation to the Acquisition, the content of this Announcement or any matter referred to herein. Cairn's responsibilities as Pires' Nominated Adviser under the AIM Rules for Companies and AIM Rules for Nominated Advisers are owed solely to London Stock Exchange and no other person. Cairn has not authorised and is not making any representation or warranty, express or implied, as to the contents of this Announcement.*

**Further information**

*This Announcement is for information purposes only and is not intended to and does not constitute or form part of an offer, invitation or the solicitation of an offer or invitation to purchase, or otherwise acquire, subscribe for, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise nor shall there be any sale, issuance or transfer of securities of Tern or Pires pursuant to the Acquisition in any jurisdiction in contravention of applicable laws. The Acquisition will be implemented solely pursuant to the terms of the Scheme Document (or, in the event that the Offer is to be implemented means of an Offer, the Offer Document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any decision in respect of, or other response to, the Acquisition should be made solely on the basis of the information contained in the Scheme Document.*

*Allenby Capital and Cairn urge Pires Shareholders to read the Scheme Document carefully when it becomes available because it will contain important information in relation to the Acquisition, the New Tern Shares and the Enlarged Group, and to take appropriate advice. Any vote in respect of resolutions to be proposed at the Pires Meetings, the Scheme or related matters should be made only on the basis of the information contained in the Scheme Document.*

*This Announcement does not constitute a prospectus or prospectus equivalent document.*

### **Dealing and Opening Position Disclosure requirements**

*Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified.*

*An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of: (i) the offeree company; and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. on the 10<sup>th</sup> Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. on the 10<sup>th</sup> Business Day following the announcement in which any securities exchange offeror is first identified.*

*Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure. Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of: (i) the offeree company; and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. on the Business Day following the date of the relevant dealing. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4). Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0) 20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

### **Information relating to Pires Shareholders**

*Please be aware that addresses, electronic addresses and certain other information provided by Pires Shareholders, persons with information rights and other relevant persons for the receipt of communications from Pires may be provided to Tern during the Offer Period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c).*

### **Overseas jurisdictions**

Further details for Pires Shareholders who are resident in, ordinarily resident in, or citizens of jurisdictions outside the UK (including guidance for US shareholders) will be set out in the Scheme Document.

***Cautionary note regarding forward-looking statements***

*This Announcement (including information incorporated by reference in this Announcement), 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 Wider Pires Group 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 Pires and/or Tern, 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 Pires and/or Tern that such expectations or the assumptions and assessments underlying them will prove to have been correct and the circumstances may change. You are, therefore, cautioned not to place undue reliance on these forward-looking statements. Neither Pires nor Tern assumes any obligation, and Pires and Tern disclaim any intention or obligation, to update or correct the information contained in this Announcement (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 Announcement, any such forward-looking statements have not been reviewed by the auditors of Pires or Tern 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 Pires nor Tern, 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 Announcement will actually occur.*

***No profit forecasts or estimates***

*No statement in this Announcement (including any statement of estimated synergies) is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share or dividend per share for Tern, Pires or the Enlarged Group, as appropriate, for the current or future financial years would necessarily match or exceed the*

*historical published earnings or earnings per share or dividend per share for Tern, Pires or the Enlarged Group, as appropriate.*

### ***Rounding***

*Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.*

### ***Rule 2.9 information disclosures***

*In accordance with Rule 2.9 of the Code:*

*Tern confirms that, as at the date of this Announcement, it has 352,014,701 ordinary shares of nominal value 0.02 pence each in issue with ISIN GB00BFPMV798. Tern does not hold any securities (including Tern Shares) in treasury.*

*Pires confirms that, as at the date of this Announcement, it has 160,745,209 ordinary shares of nominal value 0.25 pence each in issue with ISIN GB00BD07SH45. Pires does not hold any securities (including Pires Shares) in treasury.*

### ***Publication on website***

*Pursuant to Rule 26.1 of the Code, a copy of this Announcement and other documents in connection with the Acquisition as detailed in paragraph 16 of this Announcement will, subject to certain restrictions, be available for inspection on Tern's website at <https://www.ternplc.com/> and on Pires' website at <https://piresinvestments.com> no later than 12.00 p.m. on the business day following this Announcement. The contents of the websites referred to in this Announcement are not incorporated into, and do not form part of, this Announcement.*

### ***Requesting hard copy documents***

*Pursuant to Rule 30.3 of the Code, a person so entitled may request a copy of this Announcement and any information incorporated into it by reference to another source in hard copy form by contacting Allenby Capital on +44 (0)20 3328 5656 or in writing to Sarah Payne at Tern plc, Gridiron, One Pancras Square, London N1C 4AG, United Kingdom. A person may also request that all future documents, announcements and information to be sent to that person in relation to the Acquisition should be in hard copy form. For persons who receive a copy of this Announcement in electronic form or by way of a website notification, a hard copy of this Announcement and any information incorporated into it by reference to another source in hard copy form will not be sent to persons so entitled unless so requested.*

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

THIS ANNOUNCEMENT IS AN ADVERTISEMENT AND IS NOT A PROSPECTUS OR PROSPECTUS EQUIVALENT DOCUMENT AND INVESTORS SHOULD NOT MAKE ANY INVESTMENT DECISION IN RELATION TO THE NEW TERN SHARES EXCEPT ON THE BASIS OF THE INFORMATION IN THE SCHEME DOCUMENT WHICH IS PROPOSED TO BE PUBLISHED IN DUE COURSE.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS STIPULATED UNDER REGULATION (EU) NO. 596/2014 AS IT FORMS PART OF UK DOMESTIC LAW BY VIRTUE OF THE MARKET ABUSE (AMENDMENT) (EU EXIT) REGULATIONS 2019 (SI 2019/310) ("UK MAR").

1 June 2022

**Recommended All Share Offer**

**for**

**Pires Investments plc**

**by**

**Tern plc**

## **1. Introduction**

The Boards of Pires and Tern are pleased to announce that they have reached agreement on the terms of a recommended all-share offer to be made by Tern for the entire issued and to be issued share capital of Pires, to be effected by means of a court-sanctioned scheme of arrangement between Pires and Pires Shareholders under Part 26 of the Companies Act.

## **2. The Acquisition**

Under the terms of the Acquisition, which will be subject to the Conditions and the other terms set out in Appendix 1 to this Announcement and to the full terms and conditions which will be set out in the Scheme Document, Pires Shareholders will be entitled to receive:

**For each Pires Share held, 0.51613 New Tern Shares**

Based on the Exchange Ratio and the Closing Price per Tern Share of 15.5 pence on the Last Practicable Date, the Acquisition values:

- each Pires Share at 8.0 pence, a premium of 53.8 per cent. to Pires' closing share price of 5.2 pence on the Last Practicable Date and a 31.9 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).

Upon completion of the Acquisition, Pires Shareholders will own approximately 21.51 per cent. of the share capital of the Enlarged Group (based on the existing issued ordinary share capital of Tern and the fully diluted share capital of Pires) which will continue to be traded on AIM.

The New Tern Shares will be issued credited 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 pursuant to the Acquisition, including the right to receive and retain dividends and other distributions declared, made or paid by reference to a record date falling after the Effective Date. Application will be made to the London Stock Exchange for the New Tern Shares to be admitted to trading on AIM.

In the event that the Acquisition is to be implemented by way of an Offer, the Pires Shares will be acquired pursuant to the Offer fully paid and free from all liens, charges, equitable interests, encumbrances and rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto.

### ***Conditions to the Acquisition***

The Acquisition will be subject to the Conditions and certain further terms set out in Appendix 1 to this Announcement and to the full terms and conditions which will be set out in the Scheme Document, including, among other things:

- (i) the Scheme becoming effective;
- (ii) the Resolution being proposed at the Tern General Meeting and passed (without amendment); and
- (iii) Admission of the New Tern Shares to trading on AIM.

The Scheme Document will include full details of the Acquisition, the expected timetable, and will specify the action to be taken by Pires Shareholders to vote on the Scheme. The Scheme will lapse if it does not become effective by 11.59 p.m. on the Long Stop Date.

The Acquisition will lapse if these conditions are not satisfied or, if capable of waiver, waived, on or prior to the Long Stop Date.

### **3. Background to and reasons for the Acquisition**

The Tern Board believes that combining the two businesses by way of the Acquisition has compelling strategic and financial rationale, providing the opportunity for the Enlarged Group to:

- establish a company of greater scale and potential interest to institutional investors;
- provide investors with increased diversity of exposure to specialist technology businesses at different of stages of development;

- aid the development of the companies within each businesses' portfolio given their synergistic nature;
- further enhance the existing Sure Valley Ventures relationship through the businesses' combined investment;
- create a leadership position as the 'go to' investor in the IoT sector and other deep technology sectors that include Artificial Intelligence (AI), Machine Learning (ML) and Natural Language Processing (NLP);
- provide greater liquidity to Pires Shareholders through their proposed holding of Tern Shares;
- provide clear corporate synergistic benefits and cost savings, most notably Pires' public company costs, benefiting from the efficiencies created by the Enlarged Group;
- 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
- 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 Acquisition enables Pires Shareholders to participate fully in the potential value creation from the Acquisition and benefit from future shareholder returns.

The Tern Board believes that the terms of the Acquisition fairly reflect both Tern 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 Tern Board believes that there is considerable unlocked potential within the Pires investment portfolio (including unrealised value in the Sure Valley Ventures 1 investment portfolio) and that by using its hands-on approach and wide network of connections the Tern management team will quickly have an impact of releasing such potential. Furthermore, Pires will have ongoing representation on the Board of the Enlarged Group, with Nicholas Lee being proposed to join the Tern Board as a Non-Executive Director from the Effective Date.

#### **4. 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 Tern 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 Tern 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 Tern 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 Tern 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.

## **5. Background to and reasons for Pires' Board recommending the Acquisition**

Pires is an investment company listed on AIM that is focused on investing in next generation technology. Since moving towards technology investments in 2019, Pires has made some very exciting and attractive investments.

Pires intends to release its audited results for the year ended 31 December 2021 in due course, and in any event, prior to the publication of the Scheme Document.

Today, Pires has a very attractive investment portfolio with clear potential for future growth and the ability to continue as an independent listed company, however, there are a number of reasons why a combination with Tern is an attractive option for Pires and Pires Shareholders.

- Attractive price being offered: the Offer Value represents a significant premium to Pires' share price at the Last Practicable Date and fairly takes account of the growth prospects of the Pires investment portfolio;
- Share offer: by receiving shares in the Enlarged Group, Pires Shareholders are able to retain an interest in the upside potential from the combination of the investment portfolios and benefit from any synergies available following the Effective Date;
- Scale: whilst Pires' organic growth has been rapid over the last couple of years, a combination with Tern enables both companies to quickly achieve greater scale. The Pires Directors believe that this scale will enhance liquidity to the benefit of all Pires Shareholders, whilst also making the Enlarged Group more attractive to both retail and institutional investors;
- Funding: going forward the Enlarged Group will be better placed to benefit from a greater range of more flexible funding options;
- Complementary portfolio: Pires' portfolio generally comprises smaller shareholdings in its investee companies and is more diverse, whereas Tern has a more concentrated portfolio with larger shareholdings thereby offering the potential to deliver greater absolute gains;
- Operating infrastructure and resources: the management of Pires' investment portfolio can benefit from Tern's larger operating team with greater resources and a more international network; and
- Cost reduction: the majority of the direct costs associated with the management of the Pires portfolio can be eliminated through the combination thereby reducing the cost ratio for the Enlarged Group.

## **6. Recommendation**

**The Pires Directors, who have been so advised by Cairn as to the financial terms of the Acquisition, unanimously consider the terms of the Acquisition to be fair and reasonable. In providing its advice to the Pires Directors, Cairn has taken into account the commercial assessments of the Pires**

**Directors. Cairn is providing independent financial advice to the Pires Directors for the purposes of Rule 3 of the Code.**

**Accordingly, the Pires Directors unanimously intend to recommend that Pires Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the General Meeting (or in the event that the Acquisition is implemented by way of an Offer, to accept or procure acceptance of such Offer).**

## **7. 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, all of which are companies that Tern has interests in, as further described below.

In March 2022, Tern announced that it had agreed to participate in a new venture capital fund, the Sure Valley Ventures UK Software Technology Fund (the “New SVV Fund”) alongside the British Business Bank and other investors.

### ***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: Artificial Intelligence (AI), Machine Learning, Next Generation IoT Networking, Security (e.g. Information Security (InfoSec)) and Immersive Technologies such as Augmented Reality (AR) and Virtual Reality (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.

### ***Details of the Tern Network of Companies***

Tern’s network of companies predominantly comprises:

**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 the automotive, medical device (IoMT) and industrial (IIoT) 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 platform and system integrator partners such as Microsoft, Wipro, EPS Global/Intrinsic ID. 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, a leader in providing machine identities.

#### **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.

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 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.

#### **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.

## **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’s AssetMinder® is a modular, industry 4.0, IoT software as a service (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.

## **Talking Medicines Limited ("Talking Medicines")**

Tern has a 23.4 per cent. holding in Talking Medicines. Talking Medicines is a social intelligence company designed specifically for the pharmaceutical industry. By structuring and translating the ‘patient’s voice’ on social media into actionable intelligence, it focuses on assisting pharmaceutical companies in delivering a greater return on investment for marketing and delivering better health outcomes for patients. Its platform, PatientMetRx, is an AI and natural language processing (NLP) powered social intelligence service, to provide pharmaceutical companies with insights on patient experience on a scale and depth not previously possible.

## **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 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.

## **8. Information on Pires**

Pires is an investment company listed 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:

<b>Category</b>	<b>Components</b>
Sure Valley Ventures	1.Original SVV fund with 14 investments 2.New SVV Fund with a £50.0 million participation by the British Business Bank 3.A 24.9 per cent. shareholding in SV, a listed fund whose principal investments are a 25.9 per cent. stake in SVV Fund 1 and a holding in VividQ
Direct investments	1.Getvisibility – a leader in data visibility and control, using state-of-the-art artificial intelligence to classify and secure unstructured information. 2.Precog - a security solution platform company that provides data intelligence to combat crime, terrorism and protect vulnerable people.

	3.Low6 - a leader in sports gaming technology that powers franchises with their own branded gaming experiences to engage and monetise their digital fan bases.
Digital assets	Pluto Digital - Pluto is a crypto technology and operations company with a focus to bring Decentralised Finance (DeFi) and Metaverse (blockchain gaming and NFTs) to the global economy.

In the period ended 31 December 2020, Pires reported a loss before tax of £0.69 million and an unaudited profit before tax of £1.53 million for the six months ended 30 June 2021.

## 9. Pires Warrants

The Acquisition will extend to any Pires Shares which are unconditionally allotted and issued to satisfy the exercise of Pires Warrants prior to the Effective Date and prior to the date on which these warrants lapse.

Holder of Pires Warrants will be contacted separately regarding the effect of the Acquisition on their rights under the Pires Warrants and appropriate proposals will be made to such holders in due course.

## 10. Irrevocable undertakings and lock-in agreements

Tern has received irrevocable undertakings to vote, or procure to vote, in favour of the Scheme at the Court Meeting and the resolutions at the General Meeting (or, if the Acquisition is implemented by way of an Offer to accept, or procure the acceptance, of the Offer) from RiverFort Global Opportunities plc, in respect of an aggregate of 30,914,193 Pires Shares, representing approximately 19.23 per cent. of the issued ordinary share capital of Pires as at the date of this Announcement. The irrevocable undertaking also includes up to 4,814,200 Pires Warrants which may be exercised prior to the date of the Court Meeting. These undertakings 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 date of this Announcement or the Scheme lapses or is otherwise withdrawn.

Therefore, in aggregate, Tern has received irrevocable undertakings to vote in favour of the Scheme in respect of a total of 30,914,193 Pires Shares, representing, in aggregate, approximately 19.23 per cent. of the share capital of Pires in issue as at the date of this Announcement.

In addition, these irrevocable undertakings also contain lock-in agreements with Tern and Allenby Capital in respect of a total of 18,440,461 New Tern Shares (the "Locked-In Shares"), representing, in aggregate, approximately 4.11 per cent. of the Enlarged Share Capital, which will be issued should the Acquisition be completed. Pursuant to these lock-in agreements the holders of the Locked-In Shares have agreed that they will not, and will use all their reasonable endeavours to procure that each of their connected persons will not, directly or indirectly effect or agree to effect a disposal of any legal or beneficial interest in any such New Tern Shares during the period of one month from Admission and thereafter for a further two months, to only dispose of such New Tern Shares in an orderly manner as Allenby Capital shall reasonably determine.

Further details of these irrevocable undertakings and lock-in agreements are set out in Appendix 3 to this Announcement.

#### **11. Tern General Meeting**

In order to allot the New Tern Shares, Tern will propose the Resolution to be approved by the Tern Shareholders at the Tern General Meeting. The Acquisition will accordingly be conditional, among other things, on such authority being approved.

**The Tern Directors consider the Acquisition to be in the best interests of Tern Shareholders as a whole and recommend unanimously that Tern Shareholders vote in favour of the Resolution, as those Tern 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.**

#### **12. Issue and Admission of 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 equally 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 Tern 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.

#### **13. Cancellation of admission to trading of Pires Shares on AIM and Re-Registration**

Prior to the Scheme becoming Effective, application will be made to the London Stock Exchange for admission of the Pires Shares to trading on AIM to be cancelled on or shortly after the Scheme becoming Effective. The last day of dealings in, and for registration of transfers of, Pires Shares is

expected to be on the Business Day immediately prior to the Scheme Court Hearing and no transfers will be registered after 6.00 p.m. on that date. No dealings in Pires Shares will be registered after this date. Further details of these proposed timings will be set out in the Scheme Document.

On the Effective Date, Pires will become a wholly-owned subsidiary of Tern and share certificates in respect of the Pires Shares will cease to be valid and should be destroyed. In addition, entitlements to Pires Shares held within the CREST system will be cancelled on the Effective Date.

It is also intended that, shortly after the Effective Date, Pires will be re-registered as a private limited company pursuant to the relevant provisions of the Companies Act.

#### **14. Offer-related arrangements**

Tern and Pires have entered into the Non-Disclosure Agreement dated 20 April 2022 pursuant to which each of Tern and Pires has undertaken, among other things, to: (a) keep certain information relating to the Acquisition and the other party confidential and not to disclose it to third parties (other than to permitted parties) unless required by law or regulation; and (b) use the confidential information for the sole purpose of evaluating, negotiating, advising on or implementing the Acquisition.

#### **15. Disclosure of Interests**

As at the close of business on the Last Practicable Date, neither Tern, nor any of the Tern Directors, nor, so far as Tern is aware, any person acting in concert (within the meaning of the Code) with Tern has:

- any interest in, or right to subscribe for, any Pires Shares nor does any such person have any short position in Pires Shares (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell, any delivery obligation or right to require another person to purchase or take delivery of Pires Shares; or
- borrowed or lent any Pires Shares or entered into any financial collateral arrangements relating to Pires Shares; or
- any dealing arrangement, including any indemnity or option arrangement and any agreement or understanding, formal or informal, of whatever nature relating to Pires Shares which may be an inducement to deal or refrain from dealing.

#### **16. Documents available for inspection**

Copies of the following documents will, by no later than 12.00 p.m. on 6 June 2022, be published on Tern's website at <https://www.ternplc.com> and on Pires' website at <https://piresinvestments.com>:

- a) this Announcement;
- b) the irrevocable undertakings and lock-in agreements referred to in paragraph 10 above and listed in Appendix 3 to this Announcement;
- c) the written consents of each of Allenby Capital and Cairn referred to in paragraph 20 below; and
- d) the Non-Disclosure Agreement referred to in paragraph 14 above.

#### **17. Conditions and Scheme of Arrangement**

It is intended that the Acquisition will be effected by a court sanctioned scheme of arrangement of Pires, between Pires and Pires Shareholders, under Part 26 of the Companies Act.

Under the Scheme, the Scheme Shares held by Scheme Shareholders will be transferred to Tern in consideration for which Scheme Shareholders will receive the New Tern Shares on the basis set out in paragraph 2 of this Announcement.

The Acquisition will be subject to the Conditions and further terms and conditions referred to in Appendix 1 to this Announcement and to be set out in the Scheme Document.

To become Effective, the Scheme requires, among other things, the approval of Scheme Shareholders by the passing of a resolution at the Court Meeting. The resolution must be approved by a majority in number of the Scheme Shareholders present and voting (and entitled to vote), either in person or by proxy, representing not less than 75 per cent. in value of the Scheme Shares voted by such Scheme Shareholders. In addition, a special resolution must be passed at the General Meeting to deal with certain ancillary matters, which requires the approval of Pires Shareholders representing at least 75 per cent. of the votes cast at the General Meeting (either in person or by proxy). The General Meeting will be held immediately after the Court Meeting.

The Acquisition will lapse if it does not become Effective by 11.59 p.m. on the Long Stop Date.

The Pires Meetings are to be held no later than the 22<sup>nd</sup> day after the expected date of the Pires Meetings to be set out in the Scheme Document in due course (or such later date as may be agreed between Pires and Tern).

Following the Pires Meetings, the Scheme must be sanctioned by the Court no later than the 22<sup>nd</sup> day after the expected date of the Court Hearing to be set out in the Scheme Document in due course (or such later date as may be agreed between Pires and Tern). The Scheme will only become Effective once a copy of the Court Order is delivered to the Registrar of Companies.

Upon the Scheme becoming Effective, it will be binding on all Pires Shareholders, irrespective of whether or not they attended or voted at the Pires Meetings and the New Tern Shares will be allotted and issued by Tern to Scheme Shareholders no later than 14 days after the Effective Date.

The Scheme Document will include full details of the Scheme, together with notices of the Court Meeting and the General Meeting and the expected timetable, and will specify the action to be taken by Scheme Shareholders.

The Scheme will be governed by English law. The Scheme will be subject to the applicable requirements of the Code, the Panel, the London Stock Exchange and AIM.

## **18. Indicative Timing**

The timing of implementation of the Acquisition will be dependent upon a number of factors including availability of the Court. However, subject to these factors, it is expected that the Scheme will become Effective in the third quarter of 2022.

## **19. Dividends**

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 this announcement 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.

## **20. General**

Tern reserves the right to elect to implement the Acquisition by way of an Offer for the entire issued and to be issued share capital of Pires not already held by Tern as an alternative to the Scheme in the following circumstances:

- (i) if Pires consents;
- (ii) if the Pires Directors withdraw or modify their unanimous and unconditional recommendation of the Acquisition to Pires Shareholders; or
- (iii) if a third party announces a firm intention to make an offer for the entire issued and to be issued share capital of Pires which is recommended in whole or in part by the Pires Directors, subject in each case to the Panel's consent. In such an event an Offer will be implemented on the same terms (subject to

appropriate amendments), so far as applicable, as those which would apply to the Scheme and subject to the amendments referred to in Part C of Appendix 1 to this Announcement.

If the Acquisition is effected by way of an Offer and such Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Tern intends to:

- (i) request the London Stock Exchange to cancel trading in Pires Shares on AIM; and
- (ii) exercise its rights to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining Pires Shares in respect of which the Offer has not been accepted.

Allenby and Cairn have given and not withdrawn their written consent to the issue of this Announcement with references to their names in the forms and contexts in which they appear.

## IMPORTANT NOTICES

*Allenby Capital, which is authorised and regulated by the FCA in the UK, is acting as financial adviser, nominated adviser and broker exclusively for Tern and no one else in connection with the Acquisition and this Announcement and will not be responsible to anyone other than Tern for providing the protections afforded to clients of Allenby Capital or for providing advice in relation to the Acquisition the content of this Announcement or any matter referred to herein. Allenby Capital Limited's responsibilities as Tern's Nominated Adviser under the AIM Rules for Companies and AIM Rules for Nominated Advisers are owed solely to London Stock Exchange and no other person. Allenby Capital Limited has not authorised and is not making any representation or warranty, express or implied, as to the contents of this Announcement.*

*Cairn, which is authorised and regulated by the FCA in the UK, is acting as financial adviser and Rule 3 adviser exclusively for Pires and no one else in connection with the Acquisition and the matters set out in this Announcement and will not be responsible to any person other than Pires for providing the protections afforded to clients of Cairn, nor for providing advice in relation to the Acquisition, the content of this Announcement or any matter referred to herein. Cairn's responsibilities as Pires' Nominated Adviser under the AIM Rules for Companies and AIM Rules for Nominated Advisers are owed solely to London Stock Exchange and no other person. Cairn has not authorised and is not making any representation or warranty, express or implied, as to the contents of this Announcement.*

### **Further information**

*This Announcement is for information purposes only and is not intended to and does not constitute or form part of an offer, invitation or the solicitation of an offer or invitation to purchase, or otherwise acquire, subscribe for, sell or otherwise dispose of any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise nor shall there be any sale, issuance or transfer of securities of Tern or Pires pursuant to the Acquisition in any jurisdiction in contravention of applicable laws. The Acquisition will be implemented solely pursuant to the terms of the Scheme Document (or, in the event that the Acquisition is to be implemented by means of an Offer, the Offer Document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in favour of the Scheme. Any decision in respect of, or other response to, the Scheme should be made on the basis of the information contained in the Scheme Document.*

*Allenby Capital and Cairn urge Pires Shareholders to read the Scheme Document carefully when it becomes available because it will contain important information in relation to the Acquisition, the New Tern Shares and the Enlarged Group, and to take appropriate advice. Any action in relation to the Acquisition or related matters should be made only on the basis of the information contained in the Scheme Document.*

*This Announcement does not constitute a prospectus or prospectus equivalent document.*

## **Dealing and Opening Position Disclosure Requirements**

*Under Rule 8.3(a) of the Code, any person who is interested in one per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified.*

*An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of: (i) the offeree company; and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. on the 10<sup>th</sup> Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. on the 10<sup>th</sup> Business Day following the announcement in which any securities exchange offeror is first identified.*

*Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure. Under Rule 8.3(b) of the Code, any person who is, or becomes, interested in one per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of: (i) the offeree company; and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. on the Business Day following the date of the relevant dealing. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4). Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0) 20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

## **Information relating to Pires Shareholders**

*Please be aware that addresses, electronic addresses and certain other information provided by Pires Shareholders, persons with information rights and other relevant persons for the receipt of communications from Pires may be provided to Tern during the Offer Period as required under Section 4 of Appendix 4 of the Code to comply with Rule 2.11(c).*

## **Overseas jurisdictions**

Further details for Pires Shareholders who are resident in, ordinarily resident in, or citizens of jurisdictions outside the UK (including guidance for US shareholders) will be set out in the Scheme Document.

### **Cautionary note regarding forward-looking statements**

*This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Offer, 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 Wider Pires Group 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 Pires and/or Tern, 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 Pires and/or Tern that such expectations or the assumptions and assessments underlying them will prove to have been correct and the circumstances may change. You are, therefore, cautioned not to place undue reliance on these forward-looking statements. Neither Pires nor Tern assumes any obligation, and Pires and Tern disclaim any intention or obligation, to update or correct the information contained in this Announcement (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 Announcement, any such forward-looking statements have not been reviewed by the auditors of Pires or Tern 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 Offer, 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 Pires nor Tern, 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 Announcement will actually occur.*

### **No Profit Forecasts or Estimates**

*No statement in this Announcement (including any statement of estimated synergies) is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings or earnings per share or dividend per share for Tern, Pires or the Enlarged Group, as appropriate, for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share or dividend per share for Tern, Pires or the Enlarged Group, as appropriate.*

### **Rounding**

*Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.*

## **Rule 2.9 information disclosures**

In accordance with Rule 2.9 of the Code:

Tern confirms that, as at the date of this Announcement, it has 352,014,701 ordinary shares of nominal value 0.02 pence each in issue with ISIN GB00BFPMV798. Tern does not hold any securities (including Tern Shares) in treasury.

Pires confirms that, as at the date of this Announcement, it has 160,745,209 ordinary shares of nominal value 0.25 pence each in issue with ISIN GB00BD07SH45. Pires does not hold any securities (including Pires Shares) in treasury.

## **Publication on website**

Pursuant to Rule 26.1 of the Code, a copy of this Announcement and other documents in connection with the Acquisition will, subject to certain restrictions, be available for inspection on Tern's website at <https://www.ternplc.com> and on Pires' website at <https://piresinvestments.com> no later than 12.00 p.m. on the business day following this Announcement. The contents of the websites referred to in this Announcement are not incorporated into, and do not form part of, this Announcement.

## **Requesting hard copy documents**

Pursuant to Rule 30.3 of the Code, a person so entitled may request a copy of this Announcement and any information incorporated into it by reference to another source in hard copy form by contacting Allenby Capital on +44 (0)20 3328 5656 or in writing to Sarah Payne at Tern plc, Gridiron, One Pancras Square, London N1C 4AG, United Kingdom. A person may also request that all future documents, announcements and information to be sent to that person in relation to the Acquisition should be in hard copy form. For persons who receive a copy of this Announcement in electronic form or by way of a website notification, a hard copy of this Announcement and any information incorporated into it by reference to another source in hard copy form will not be sent to persons so entitled unless so requested.

# **APPENDIX 1 CONDITIONS TO AND FURTHER TERMS OF THE ACQUISITION**

## **PART A – CONDITIONS TO THE ACQUISITION**

The Acquisition is conditional upon the Scheme becoming unconditional and becoming effective, subject to the provisions of the Code, by no later than the Long Stop Date, or such later date (if any) as Tern and Pires may agree, with the consent of the Panel, and the Court may allow.

### **Scheme approval**

The Scheme is conditional upon:

- 1 its approval 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 on or before the 22<sup>nd</sup> day after the expected date of the Court Meeting to be set out in the Scheme Document (or such later date, if any, as Tern and Pires may agree and, if required, the Court and the Panel may allow);

- 2 all resolutions necessary to approve and implement the Scheme being duly passed by the requisite majority or majorities of Pires Shareholders at the General Meeting or at any adjournment of that meeting held on or before the 22<sup>nd</sup> day after the expected date of the General Meeting to be set out in the Scheme Document (or such later date, if any, as Tern and Pires may agree and, if required, the Court and the Panel may allow);
- 3 the sanction of the Scheme with or without modification (but subject to any such modification being acceptable to Tern and Pires) by the Court on or before the 22<sup>nd</sup> day after the expected date of the Court Hearing to be set out in the Scheme Document (or such later date, if any, as Tern and Pires may agree and, if required, the Court and the Panel may allow); and
- 4 the delivery of a copy of the Court Order to the Registrar of Companies.

#### **Other conditions**

In addition, subject to Part B below and to the requirements of the Panel, Tern and Pires have agreed that the Acquisition will be conditional upon the following conditions and, accordingly, the necessary actions to make the Scheme effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

##### *Tern Shareholder approval*

- 5 an ordinary resolution relating to Tern Directors' authority to issue shares being proposed at the Tern General Meeting and passed (without amendment);

##### *Admission of the New Tern Shares*

- 6 the New Tern Shares being admitted to trading on AIM;

##### *Notifications, waiting periods and authorisations*

- 7 all necessary notifications, filings and applications having been made in connection with the Acquisition, all regulatory and statutory obligations in any relevant jurisdiction reasonably deemed necessary by Tern having been complied with in connection with the Acquisition, all necessary waiting and other time periods (including any extensions of such waiting and other time periods) under any applicable legislation or regulations of any relevant jurisdiction reasonably deemed necessary by Tern having expired, lapsed or been terminated in each case in respect of the Acquisition and all necessary Authorisations having been obtained in terms and in a form reasonably satisfactory to Tern from appropriate third parties in connection with the Acquisition or the proposed acquisition of any shares or other securities in, or control or management of, Pires or any other member of the Wider Pires Group by any member of the Tern Group or the carrying on by any member of the Wider Pires Group of its business and there being no notice or intimation of an intention to revoke, suspend, restrict, modify or not to renew such Authorisations, in each case in any way that would be materially adverse to the Wider Pires Group;

##### *Other third party clearances*

- 8 no central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, employee representative body or any other equivalent or analogous body or person in any jurisdiction (each a "Third Party") having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having enacted, made or proposed to enact or make any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order, or having taken any other steps which would, in each case, reasonably be expected to:
  - (a) require, prevent or materially delay the divestiture, or materially alter the terms envisaged for any proposed divestiture by any member of the Tern Group or by any member of the Wider Pires Group of all or any part of their respective businesses, assets or properties or impose any material limitation on the ability of any of them to conduct their respective businesses (or any of them) or to own any of their respective assets or properties or any part thereof, which, in any such case, is material in the context of the Tern Group or the Wider Pires Group, in either case taken as a whole;

- (b) require, prevent or materially delay or materially alter the terms envisaged for, any divestiture by any member of the Tern Group of any shares, other securities or other interests in Pires or any member of the Wider Pires Group;
  - (c) except pursuant to Chapter 3 of Part 28 of the Companies Act in the context of the Acquisition, require any member of the Tern Group or of the Wider Pires Group to acquire, or to offer to acquire, any shares or other securities (or the equivalent) or interest in any member of the Wider Pires Group owned by any Third Party;
  - (d) except as Disclosed, require any member of the Wider Pires Group to repay any indebtedness of any member of the Wider Pires Group (other than in implementation of the Acquisition as agreed between Tern and Pires);
  - (e) impose any material limitation on, or result in any material delay in, the ability of any member of the Tern Group directly or indirectly to acquire or to hold or to exercise effectively, directly or indirectly, all or any rights of ownership in respect of shares or loans or securities convertible into shares or any other securities (or the equivalent) in any member of the Wider Pires Group or the Tern Group or to exercise management control over any such member;
  - (f) otherwise adversely affect the business, assets, liabilities, trading position, value, profits, operational performance, or prospects of any member of the Tern Group or of any member of the Wider Pires Group in a manner which is material in the context of the Tern Group or the Wider Pires Group in either case taken as a whole;
  - (g) make the Acquisition or implementation of the Acquisition by Tern or any member of the Tern Group of any shares or other securities in, or control of, Pires void, voidable, illegal, and/or unenforceable under the laws of any jurisdiction, or otherwise, directly or indirectly, restrain, restrict, prohibit, prevent, delay or otherwise interfere with the same, or impose material additional conditions or obligations with respect thereto, or otherwise challenge or interfere or require material amendment to the terms of the Acquisition or the proposed acquisition of any shares or other securities in, or control or management of, Pires by any of the Tern Group;
  - (h) impose any limitation on, or result in any delay in, the ability of any member of the Tern Group or the Wider Pires Group to conduct, integrate or co-ordinate its business, or any part of it, with the businesses of any other members of the Tern Group and/or the Wider Pires Group in each case in a manner which is adverse to and material in the context of the Tern Group or the Wider Pires Group in each case taken as a whole; or
  - (i) result in any member of the Wider Pires Group ceasing to be able to carry on business under any name under which it presently does so to an extent which is material in the context of the Wider Pires Group taken as a whole, and all applicable waiting and other time periods (including extensions thereof) during which any such Third Party could institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Acquisition or proposed Acquisition of any Pires Shares or other securities in, or control or management of, Pires, Tern or otherwise having expired, lapsed or been terminated;
- 9 all Authorisations necessary or appropriate for any member of the Wider Pires Group to carry on its business remaining in full force and effect at the time at which the Scheme becomes Effective or otherwise wholly unconditional (where the absence of such would be material and adverse in the context of the Wider Pires Group) and no intimation of any intention to revoke, suspend, materially restrict or materially modify or not to renew any of the same having been made;
- 10 no temporary restraining order, preliminary or permanent injunction, preliminary or permanent enjoinder, or other order issued and being in effect by a court or other Third Party which has the effect of making the Acquisition or any proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider Pires Group by any member of the Tern Group, or the implementation of either of them, void, voidable, illegal and/ or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prohibiting, preventing, restraining, restricting, delaying or otherwise interfering with the completion or the approval of the Acquisition or any matter

arising from the proposed acquisition of any shares or other securities in, or in control of, any member of the Wider Pires Group by any member of the Tern Group;

*Frustrating action*

- 11 except with the consent or the agreement of Tern, no resolution of Pires Shareholders in relation to any offer or disposal of assets or shares (or the equivalent thereof) in any undertaking or undertakings (or in relation to any merger, demerger, consolidation, reconstruction, amalgamation or scheme) being passed at a meeting of Pires Shareholders other than in relation to the Acquisition and, other than with the consent or the agreement of Tern, no member of the Wider Pires Group having taken (or agreed or proposed to take) any action that requires, or would require, the consent of the Panel or the approval of Pires Shareholders in accordance with, or as contemplated by, Rule 21.1 of the Code;

*Certain matters arising as a result of any arrangement or agreement*

- 12 except as Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider Pires Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or subject, or any event or circumstance which, as a consequence of the Acquisition or any proposed offer by any member of the Tern Group of any shares or other securities (or the equivalent) in Pires or because of a change in the control or management of any member of the Wider Pires Group or otherwise, would or might reasonably be expected to result in (in each case to an extent or in a manner which is material and adverse in the context of the Wider Pires Group or the Tern Group, in either case taken as a whole, or in the context of the Acquisition):
- (a) any moneys borrowed by or any other indebtedness or liabilities (actual or contingent) of, or any grant available to any member of the Wider Pires Group, being or becoming repayable or capable of being declared repayable immediately or earlier than their or its stated maturity date or repayment date or the ability of any such member to borrow moneys or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
  - (b) any such agreement, arrangement, licence, permit or instrument or the rights, liabilities, obligations or interests of any member of the Wider Pires Group thereunder being, or becoming capable of being, terminated or adversely modified or adversely affected or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;
  - (c) any asset owned or used by, or interests in, any member of the Wider Pires Group being disposed of or charged or ceasing to be available to any member of the Wider Pires Group or any right arising under which any such asset or interest could be required to be disposed of or charged or cease to be available to any member of the Wider Pires Group otherwise than in the ordinary and normal course of business;
  - (d) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interest of any member of the Wider Pires Group or any such mortgage, charge or other security (whenever created, arising or having arisen) becoming enforceable;
  - (e) the rights, liabilities, obligations, interests or business of any member of the Wider Pires Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider Pires Group in or with any other person or body or firm or company (or any arrangement relating to any such interests or business) being or becoming capable of being terminated, or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;
  - (f) the value of any member of the Wider Pires Group or its business, assets, value, financial or trading position, profits, operational performance or prospects being prejudiced or adversely affected;
  - (g) any member of the Wider Pires Group ceasing to be able to carry on business under any name under which it presently does so;
  - (h) the creation or acceleration of any liability, actual or contingent, by any member of the Wider Pires Group (including any tax liability or any obligation to obtain or acquire any material authorisation,

notice, waiver, concession, agreement or exemption from any Third Party or any person which would be material in the context of the Wider Pires Group);

- (i) except as Disclosed, any liability of any member of the Wider Pires Group to make any severance, termination, bonus or other payment to any of its directors or other officers; or
- (j) any requirement on any member of the Wider Pires Group to acquire, subscribe, pay up or repay any shares or other securities in another corporate entity (other than in respect of another member of the Wider Pires Group),

and no event having occurred which, under any provision of any agreement, arrangement, licence, permit or other instrument to which any member of the Wider Pires Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, would or is reasonably likely to result in any of the events or circumstances as are referred to in subparagraphs (a) to (j) of this Condition to an extent which is or which would be material in the context of the Wider Pires Group taken as a whole;

*Certain events occurring since 31 December 2021*

- 13 except as Disclosed, no member of the Wider Pires Group having, since 31 December 2021:
- (a) save as between Pires and wholly-owned subsidiaries of Pires or for Pires Shares issued under or pursuant to the exercise of existing options over Pires Shares, issued, agreed to issue, authorised or proposed the issue of additional shares of any class or agreed to transfer or sell or authorised or proposed the transfer or sale of Pires Shares out of treasury;
  - (b) save as between Pires and wholly-owned subsidiaries of Pires or for the grant of options over Pires Shares, issued or agreed to issue, authorised or proposed the issue of securities convertible into shares of any class or rights, warrants or options to subscribe for, or acquire, any such shares or convertible securities;
  - (c) other than to another member of the Pires Group, recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus, dividend or other distribution whether payable in cash or otherwise;
  - (d) other than pursuant to the Acquisition or transactions in the ordinary and normal course of business, merged or demerged with any body corporate, partnership or business or acquired or disposed of or transferred, mortgaged or charged or created any security interest over any assets or any right, title or interest in any asset (including shares and trade investments) or authorised or proposed or announced any intention to propose any merger, demerger, offer or disposal, transfer, mortgage, charge or security interest, in any such case to an extent which is material in the context of the Wider Pires Group taken as a whole;
  - (e) save as between Pires and wholly-owned subsidiaries of Pires, made or authorised or proposed or announced an intention to propose any change in its loan capital, in each case to the extent to which is material in the context of the Wider Pires Group taken as a whole;
  - (f) save as between Pires and wholly-owned subsidiaries of Pires and for transactions in the ordinary and normal course of business, issued, authorised or proposed the issue of any debentures, incurred or increased any indebtedness or become subject to any guarantee or actual or contingent liability;
  - (g) disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any material asset or authorised, proposed or announced any intention to do so;
  - (h) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect to the matters mentioned in subparagraphs (a) or (b) above, made any other change to any part of its share capital;
  - (i) implemented, or authorised, proposed or announced its intention to implement, any joint venture, asset or profit sharing arrangement, partnership, composition, assignment, reconstruction, merger, demerger, amalgamation, scheme, commitment or other transaction or arrangement otherwise than in the ordinary course of business or in respect of the Acquisition;
  - (j) sold or transferred or agreed to sell or transfer any Pires Shares held by Pires as treasury shares except for the issue or transfer out of treasury of Pires Shares on the exercise of employee share

- options;
- (k) save as Disclosed, entered into, varied, authorised or proposed entry into or variation of the terms of, or made any offer (which remains open for acceptance) to enter into or vary the terms of any contract, commitment, arrangement or service agreement with any director or senior executive of any member of the Wider Pires Group;
- (l) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude or which is or could reasonably be expected to be materially restrictive on the businesses of any member of the Wider Pires Group or the Tern Group;
- (m) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it for its winding-up (voluntary or otherwise), dissolution or reorganisation or in relation to payments, a moratorium of any indebtedness, or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any part of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed, and in each such case, to the extent which is material in the context of the Wider Pires Group taken as a whole;
- (n) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business;
- (o) waived, compromised or settled any claim otherwise than in the ordinary course of business and, in any case, which is material in the context of the Wider Pires Group taken as a whole;
- (p) except in relation to changes made or agreed as a result of being required as a result of changes to legislation, having made or agreed or consented to any material change to:
  - (i) the terms of the trust deeds, rules, policy or other governing documents constituting the pension schemes or other retirement or death benefit arrangement established by any member of the Wider Pires Group for its directors, former directors, employees, former employees or each of their respective dependents;
  - (ii) the contributions payable to any such scheme(s) or to the benefits which accrue or to the pensions which are payable thereunder;
  - (iii) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
  - (iv) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued or made;
- (q) carried out any act:
  - (i) which would or could reasonably be expected to lead to the commencement of the winding up of any pension plan;
  - (ii) which would or might create a material debt owed by an employer to any pension plan;
  - (iii) which would or might accelerate any obligation on any employer to fund or pay additional contributions to any pension plan;
  - (iv) which would or might give rise indirectly or directly to a liability in respect of a pension plan; or
  - (v) to change the trustee or trustee directors or other fiduciary of the relevant pension plans;
- (r) save as agreed by the Panel (if required) and by Tern, proposed, agreed to provide or modified the terms of any share option scheme or incentive scheme or other benefit constituting a material change relating to the employment or termination of employment of a material category of person employed by the Wider Pires Group or which constitutes a material change to the terms or conditions of employment of any senior employee of the Wider Pires Group;
- (s) made any material alteration to its constitutional documents (other than an alteration required in connection with the Acquisition);

- (t) except in the ordinary and normal course of business, terminated or varied the terms of any agreement or arrangement between any member of the Wider Pires Group and any other person in a manner which would or is reasonably likely to have a material adverse effect on the financial position of the Wider Pires Group taken as a whole; or
- (u) otherwise than in the ordinary course of business, entered into any contract, commitment, arrangement or agreement, or passed any resolution or made any offer (which remains open for acceptance) with respect to, or announced any intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition;

*No adverse change, litigation, regulatory enquiry or similar*

14 except as Disclosed, since 31 December 2021

- (a) no adverse change and no circumstance having arisen which would or might reasonably be expected to result in any adverse change or deterioration in the business, assets, value, liabilities, financial or trading position, operational performance or profits or prospects of any member of the Wider Pires Group which is material in the context of the Wider Pires Group taken as a whole;
- (b) (other than as a result of or in connection with the Acquisition) no litigation, arbitration proceedings, prosecution or other legal proceedings including, without limitation, with regard to intellectual property rights used or owned by the Wider Pires Group having been threatened, announced or instituted by or against or remaining outstanding against any member of the Wider Pires Group or to which any member of the Wider Pires Group is or may become a party (whether as a claimant, defendant or otherwise) which is material in the context of the Wider Pires Group taken as a whole;
- (c) no enquiry, review, investigation or enforcement proceedings by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Pires Group having been instituted, announced, implemented or threatened by or against or remaining outstanding against or in respect of any member of the Wider Pires Group, which, in each case might reasonably be expected to have an adverse effect on such member to an extent which is material, in the context of the Wider Pires Group taken as a whole or in the context of the Acquisition;
- (d) no steps having been taken and no omissions having been made which are likely to result in the withdrawal, cancellation, termination or modification of any licence or permit held by any member of the Wider Pires Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which would have, or would reasonably be expected to have a material and adverse effect on the Wider Pires Group taken as a whole;
- (e) no contingent or other liability having arisen, increased or become apparent to Pires (other than in the ordinary course of business) which is reasonably likely to affect adversely the business, assets, financial or trading position or profits or prospects or operational performance of any member of the Wider Pires Group; in each case to an extent which is material in the context of the Wider Pires Group taken as a whole or in the context of the Acquisition; and
- (f) no member of the Wider Pires Group having conducted its business in breach of any applicable laws and regulations and which is material in the context of the Wider Pires Group as a whole or material in the context of the Acquisition.

*No discovery of certain matters regarding information, liabilities and environmental issues*

15 except as Disclosed, Tern not having discovered:

- (a) that any financial, business or other information concerning the Wider Pires Group as contained in the information publicly disclosed at the time by or on behalf of any member of the Wider Pires Group and delivered by or on behalf of Pires through a RIS or other public announcement prior to the date of this Announcement is misleading, contains a material misrepresentation of fact or omits to state a fact necessary to make that information not misleading;
- (b) that any member of the Wider Pires Group is subject to any liability (contingent or otherwise) and which is material in the context of the Wider Pires Group taken as a whole; or
- (c) any information which affects the import of any information disclosed at any time prior to this Announcement by or on behalf of any member of the Wider Pires Group and which is material in the context of the Wider Pires Group taken as a whole;

*Anti-bribery, anti-corruption, proceeds of crime and sanctions*

16 except as Disclosed, Tern not having discovered that:

- (a) any past or present member, director, officer or employee, agent, consultant or designated representative of the Wider Pires Group or any person that performs or has performed services for or on behalf of the Wider Pires Group is or has at any time engaged in any or has paid or agreed to pay any bribe including any “inducement fee”, given or agreed to give any similar gift or benefit or paid or agreed to pay to a concealed bank account or fund to or for the account of, any customer, supplier, governmental official or employee, representative of a political party, or other person for the purpose of obtaining or retaining business or otherwise engaged in any activity, practice, conduct or any such things (or omitted to do such things) in contravention of the Bribery Act 2010, as amended, or the US Foreign Corrupt Practices Act 1977, as amended or any other anti-corruption legislation applicable to the Wider Pires Group;
- (b) any asset of any member of the Wider Pires Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition) or proceeds of crime under any other applicable law, rule or regulation concerning money laundering or proceeds of crime or any member of the Wider Pires Group is found to have engaged in activities constituting money laundering under any applicable law, rule or regulation concerning money laundering;
- (c) any past or present member, director, officer or employee, agent, consultant or designated representative of the Wider Pires Group has engaged in any activity or business with, or made any investments in, or made any payments, funds or assets available to, or received any funds or assets from: (i) any government, entity or individual in respect of which US, UK or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US, UK or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control or HMRC; or (ii) any government, entity or individual named by any of the economic sanctions of the United Nations, the United States, the UK or the European Union or any of their respective member states;
- (d) a member of the Wider Pires Group has engaged in any transaction which would cause the Tern Group to be in breach of any law or regulation upon its Acquisition of Pires, including the economic sanctions of the United States Office of Foreign Assets Control, or HMRC, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the UK, the European Union or any of its member states; or
- (e) any past (whilst in the employment of the Wider Pires Group) or present member, director, officer or employee of the Wider Pires Group, or any other person for whom any such person may be liable or responsible:
  - (i) has engaged in conduct which would violate any relevant anti-terrorism laws, rules or regulations;
  - (ii) has engaged in conduct which would violate any relevant anti-terrorism laws, rules or regulation or any applicable export controls. Including but not limited to the Export Administration Regulations administered and enforced by the U.S. Department of Commerce or the International Traffic in Arms Regulations administered and enforced by the U.S. Department of State;
  - (iii) has engaged in conduct which would violate any relevant laws, rules, or regulations concerning human rights, including but not limited to any law, rule, or regulation concerning false imprisonment, torture or other cruel and unusual punishment, or child labour; or
  - (iv) is debarred or otherwise rendered ineligible to bid for or to perform contracts for or with any government, governmental instrumentality, or international organization or found to have violated any applicable law, rule or regulation concerning government contracting or public procurement.

## 15 PART B – WAIVER AND INVOCATION OF THE CONDITIONS

16

Tern reserves the right to waive, in whole or in part, all or any of the Conditions, except for Conditions 1 to 6, which cannot be waived. The Acquisition will be subject to the satisfaction (or waiver, if permitted) of the Conditions and to the further terms set out in this Announcement.

The Acquisition shall lapse unless all of the Conditions have been fulfilled or, where permitted, waived or, where appropriate, have been determined by Tern to be or remain satisfied, by no later than 11.59 p.m. on the date immediately preceding the date of the Court Hearing, failing which the Acquisition will lapse.

Under Rule 13.6 of the Code, Pires may not invoke, or cause or permit Tern to invoke, any condition to the Acquisition unless the circumstances which give rise to the right to invoke the condition are of material significance to the shareholders of Pires in the context of the Acquisition.

Under Rule 13.5(a) of the Code, Tern may not invoke a Condition to the Acquisition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn without the consent of the Panel. The Panel will normally only give its consent if the circumstances which give rise to the right to invoke the Condition are of material significance to Tern in the context of the Acquisition.

The Scheme approval Conditions (conditions 1 to 4), Tern Shareholder Approval (condition 5) and Admission of the New Tern Shares (condition 6) are not subject to Rule 13.5(a) of the Code. All other Conditions are subject to Rule 13.5(a) of the Code and any Condition that is subject to Rule 13.5(a) may be waived by Tern.

If Tern is required by the Panel to make an offer or offers for Pires Shares under the provisions of Rule 9 of the Code, Tern may make such alterations to the Conditions as are necessary to comply with the provisions of that Rule.

Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

17 **PART C – IMPLEMENTATION BY WAY OF AN OFFER**

18

19 **TERN RESERVES THE RIGHT, WITH THE CONSENT OF THE PANEL AND PIRES, OR, IN CERTAIN CIRCUMSTANCES, WITHOUT THE CONSENT OF PIRES, TO IMPLEMENT THE ACQUISITION BY WAY OF A TAKEOVER OFFER (AS DEFINED IN PART 28 OF THE COMPANIES ACT). IN SUCH EVENT, SUCH OFFER WILL BE IMPLEMENTED ON THE SAME TERMS, SO FAR AS APPLICABLE, AS THOSE WHICH WOULD APPLY TO THE SCHEME, SUBJECT TO APPROPRIATE AMENDMENTS, INCLUDING (WITHOUT LIMITATION AND SUBJECT TO THE CONSENT OF THE PANEL) AN ACCEPTANCE CONDITION THAT IS SET AT 90 PER CENT. (OR SUCH LESSER PERCENTAGE, AS TERN AND PIRES MAY DECIDE AFTER, TO THE EXTENT NECESSARY, CONSULTATION WITH THE PANEL, BEING IN ANY CASE MORE THAN 50 PER CENT.) OF THE PIRES SHARES: (I) IN NOMINAL VALUE OF THE SHARES TO WHICH SUCH OFFER RELATES; AND (II) OF THE VOTING RIGHTS ATTACHED TO THOSE SHARES, AND THAT IS SUBJECT TO TERN AND/OR (WITH THE CONSENT OF THE PANEL) ANY OF ITS WHOLLY-OWNED SUBSIDIARIES HAVING ACQUIRED OR AGREED TO ACQUIRE, WHETHER PURSUANT TO THE OFFER OR OTHERWISE, PIRES SHARES CARRYING MORE THAN 50 PER CENT. OF THE VOTING RIGHTS NORMALLY EXERCISABLE AT A GENERAL MEETING OF PIRES, INCLUDING, FOR THIS PURPOSE, ANY SUCH VOTING RIGHTS ATTACHING TO PIRES SHARES THAT ARE UNCONDITIONALLY ALLOTTED OR ISSUED BEFORE THE TAKEOVER OFFER BECOMES OR IS DECLARED UNCONDITIONAL AS TO ACCEPTANCES, WHETHER PURSUANT TO THE EXERCISE OF ANY OUTSTANDING SUBSCRIPTION OR CONVERSION RIGHTS OR OTHERWISE. THE AVAILABILITY OF THE ACQUISITION TO PERSONS NOT RESIDENT IN THE UNITED KINGDOM MAY BE AFFECTED BY THE LAWS OF THE RELEVANT JURISDICTIONS. PERSONS WHO ARE NOT RESIDENT IN THE UNITED KINGDOM SHOULD INFORM THEMSELVES ABOUT AND OBSERVE ANY APPLICABLE REQUIREMENTS.**

20

21 **PART D – FURTHER TERMS OF THE ACQUISITION**

1. **General**

- (a) Pires Shares will be acquired by Tern fully paid and free from all liens, charges, equitable interests, encumbrances, rights of pre-emption and any other rights and interests of any nature whatsoever and together with all rights now and hereafter attaching thereto, including without limitation voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made or paid, on or after the Scheme becomes Effective.
- (b) The Acquisition will be governed by English law and be subject to the jurisdiction of the English courts and to the conditions and further terms set out in this Announcement and in the Scheme Document (or Offer Document as the case may be). The Acquisition will comply with the applicable rules and regulations of the London Stock Exchange and the Code. This Announcement does not constitute, or form part of, an offer or invitation to purchase Pires Shares, Tern Shares or any other securities.
- (c) Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
- (d) If Tern is required by the Panel to make an offer for Pires Shares under the provisions of Rule 9 of the Code, Tern may make such alterations to any of the above Conditions as are necessary to comply with the provisions of that Rule.
- (e) Fractions of New Tern Shares will not be allotted or issued to persons accepting the Scheme; fractional entitlements will be rounded up to the nearest whole New Tern Share.
- (f) The offer will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telephone, internet or e-mail) of

interstate or foreign commerce of, or of any facility of a national securities exchange of, any Restricted Jurisdiction and the Acquisition will not be capable of acceptance by any such use, means, instrumentality or facility or from within any Restricted Jurisdiction.

- (g) The New Tern Shares to be issued pursuant to the Acquisition have not been and will not be registered under the US Securities Act of 1933 (as amended) nor under any of the relevant securities laws of any Restricted Jurisdiction. Accordingly, the New Tern Shares may not be offered, sold or delivered, directly or indirectly, into any Restricted Jurisdiction, except pursuant to exemptions from applicable requirements of any such jurisdiction.
- (h) Any reference in this Appendix 1 to any law or regulation of any jurisdiction includes: (i) any subordinate legislation or regulation made under it; (ii) any law or regulation which it has amended, supplemented or replaced; and (iii) any law or regulation amending, supplementing or replacing it (whether before or after the date of this Announcement).
- (i) The Acquisition is subject to applicable requirements of the London Stock Exchange and the Code. In the event of any conflict or inconsistency between the terms and conditions of the Acquisition and the Code, the provisions of the Code shall prevail, and Tern reserves the right to (and shall if required by the Panel) make such alterations, additions or modifications to the terms and conditions of the Acquisition so that any such conflict or inconsistency is removed.

## **APPENDIX 2**

### **SOURCES OF INFORMATION AND BASES OF CALCULATION**

In this Announcement:

1. Unless otherwise stated:
  - a. financial information relating to the Tern Group has been extracted or derived (without any adjustment) from the audited annual report and accounts of the Tern Group for the financial year ended 31 December 2021; and
  - b. financial information relating to the Pires Group has been extracted or derived (without any adjustment) from the audited results of the Pires Group for the period ended 31 December 2020 or from the unaudited interim results for the period to 30 June 2021, released on 15 September 2021.
2. The Offer Value of each Pires Share is calculated:
  - a. by reference to the price of 15.5 pence per Tern Share, being the Closing Price on the Last Practicable Date; and
  - b. by reference to the offer price of 8 pence per Pires Share;
  - c. using the Exchange Ratio (being 0.51613 New Tern Shares for every Pires Share held); and
  - d. on the basis of the fully diluted share capital of Pires referred to in paragraph 4 below.
3. The value of the Enlarged Group is calculated:
  - a. by reference to the 352,014,701 Tern Shares in issue as at the Last Practicable Date and the price of 15.5 pence per Tern Share, being the Closing Price on the Last Practicable Date;

- b. by reference to the offer price of 8 pence per Pires Share;
  - c. using the Exchange Ratio (being 0.51613 New Tern Shares for every Pires Share held); and
  - d. on the basis of the fully diluted share capital of Pires referred to in paragraph 5 below.
4. As at the close of business on the Last Practicable Date, Pires had in issue 160,745,209 Pires Shares and Tern had in issue 352,014,701 Tern Shares.
  5. The fully diluted (issued and to be issued) share capital of Pires (being 186,863,612 Pires Shares) is calculated on the basis of:
    - a. 160,745,209 issued Pires Shares; and
    - b. the exercise of all of the 26,118,403 warrants currently held over, in aggregate, 26,118,403 Pires Shares, being those warrants that are exercisable at prices below the Offer Value.
  6. Tern's Enlarged Share Capital figure of 448,460,436 comprises the aggregate of:
    - a. the 352,014,701 Tern Shares in issue as at the Last Practicable Date;
    - b. 82,965,269 New Tern Shares to be issued to the holders of the issued Pires Shares using the Exchange Ratio; and
    - c. 13,480,466 New Tern Shares to be issued to holders of the Pires Warrants using the Exchange Ratio (assuming that 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).
  7. Unless otherwise stated, all prices and closing prices for Pires Shares and Tern Shares are closing middle market quotations derived from the AIM Appendix to the Daily Official List on that day.

### APPENDIX 3

#### DETAILS OF IRREVOCABLE UNDERTAKINGS

RiverFort Global Opportunities plc has given irrevocable undertakings in respect of its own beneficial holdings of Pires Shares to vote in favour of the Scheme as set out below:

Name of Pires Shareholder	Number of Pires Shares	Percentage of Pires issued share capital
RiverFort Global Opportunities plc	30,914,193	19.23

**Notes:**

1. *The Pires Shares referred to above are either held by such Pires Shareholder directly or held through a nominee. Each such Pires Shareholder has undertaken to vote itself, or to direct (and to use all reasonable endeavours to procure) that the relevant nominee votes in favour of the Scheme.*
2. *The percentages in the table above have been rounded to one decimal place.*
3. *The undertakings detailed in this Appendix 3 cease 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 11:59 p.m. on the Long Stop Date.
4. The undertakings detailed in this Appendix 3 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 date of this Announcement or the Acquisition lapses or is otherwise withdrawn.

## APPENDIX 4

### DEFINITIONS

22

- 1.1 The following definitions apply throughout this Announcement (with the exception of Appendix 1) unless the context requires otherwise:

<b>Acquisition</b>	the proposed acquisition of the entire issued and to be issued share capital of Pires by Tern, to be effected by the Scheme as described in this Announcement (or by the Offer under certain circumstances described in this Announcement)
<b>acting in concert</b>	has the meaning ascribed to it in the Code
<b>Admission</b>	the admission of the New Tern Shares to trading on AIM
<b>AIM</b>	the market of that name operated by the London Stock Exchange
<b>AIM Rules</b>	the AIM Rules for Companies published by the London Stock Exchange (as amended from time to time)
<b>AIM Rules for Nominated Advisers</b>	the AIM Rules for Nominated Advisers published by the London Stock Exchange (as amended from time to time)
<b>Allenby Capital</b>	Allenby Capital Limited, financial adviser, nominated adviser and broker to Tern in connection with the Acquisition
<b>Announcement</b>	this announcement made pursuant to Rule 2.7 of the Code
<b>Announcement Date</b>	1 June 2022
<b>associated undertaking</b>	has the meaning given in section 344(3) of the Companies Act
<b>Authorisations</b>	regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals
<b>Board</b>	as the context requires, the Pires Board or the Tern Board
<b>Board of the Enlarged Group</b>	the Tern Board immediately following completion of the Acquisition
<b>Business Day</b>	any day (other than a Saturday, Sunday or public holiday) during which banks in London are open for business
<b>Cairn</b>	Cairn Financial Advisers LLP, the independent financial adviser to Pires for the purposes of Rule 3 of the Code
<b>Closing Price</b>	unless otherwise stated, the closing middle market quotation derived from the AIM Appendix to the Daily Official List
<b>Code</b>	the City Code on Takeovers and Mergers issued from time to time by the Panel
<b>Companies Act</b>	the Companies Act 2006, as amended, modified, consolidated, re-enacted or replaced from time to time
<b>Conditions</b>	the conditions to the implementation of the Scheme which are set out in Part A of Appendix 1 to this Announcement
<b>connected persons</b>	has the meaning given to it in sections 252 to 255 of the Companies Act
<b>Court</b>	the High Court of Justice in England and Wales

<b>Court Hearing</b>	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
<b>Court Meeting</b>	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 Companies Act to consider and, if thought fit, approve the Scheme (with or without modification)
<b>Court Order</b>	the order of the Court sanctioning the Scheme under Part 26 of the Companies Act
<b>CREST</b>	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
<b>Daily Official List</b>	the daily official list of the London Stock Exchange
<b>Dealing Disclosure Disclosed</b>	has the meaning given to it in Rule 8 of the Code the information fairly disclosed in sufficient detail to enable a reasonably prudent investor to identify the nature and scope of the fact, matter or circumstance so disclosed by, or on behalf of Pires: <ul style="list-style-type: none"> <li>(i) in its published annual report and accounts for the financial year ended 31 December 2020;</li> <li>(ii) in its draft annual report and accounts for the financial year ended 31 December 2021;</li> <li>(iii) in this Announcement;</li> <li>(iv) in the documents in the online data room made available to Tern and its advisers in relation to the Acquisition;</li> <li>(v) in any other public announcement made by Pires in accordance with UK MAR, the AIM Rules, and/or the DTRs before the Announcement Date; or</li> <li>(vi) as disclosed in writing before the Announcement Date by or on behalf of Pires to Tern (or its respective officers, employees, agents or advisers in their capacity as such)</li> </ul>
<b>DTRs</b>	Disclosure Guidance and Transparency Rules of the FCA made in accordance with section 73A of FSMA, as amended or updated from time to time
<b>Effective</b>	in the context of the Acquisition: <ul style="list-style-type: none"> <li>(a) the Scheme having become effective pursuant to its terms, upon the delivery of the Court Order to the Registrar of Companies; or</li> <li>(b) 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</li> </ul>
<b>Effective Date</b>	the date upon which: <ul style="list-style-type: none"> <li>(a) the Scheme becomes Effective; or</li> <li>(b) 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</li> </ul>
<b>Enlarged Group</b>	the Tern Group as enlarged by the Acquisition following the Scheme becoming Effective
<b>Enlarged Share Capital</b>	448,460,436 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 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
<b>Euroclear</b>	Euroclear UK & International Limited, a company incorporated in England and Wales with company number 02878738, being the operator of CREST
<b>Exchange Ratio</b>	0.51613 New Tern Shares in exchange for every Pires Share held
<b>Excluded Shares</b>	any Pires Shares at the Scheme Record Time: <ul style="list-style-type: none"> <li>(a) of which Tern or any member of the Wider Tern Group is the registered holder;</li> </ul>

	(b) which are beneficially owned by Tern or any member of the Wider Tern Group;(c) which Pires and Tern agree in writing will not be subject to the Scheme; or (d) held by Pires in treasury
<b>FCA</b>	the UK Financial Conduct Authority, or its successor from time to time
<b>General Meeting</b>	the general meeting (or any adjournment, postponement or reconvention thereof) of Pires Shareholders to be convened in connection with the Scheme
<b>IoT</b>	Internet of Things
<b>ISIN</b>	International Securities Identification Number
<b>Last Practicable Date</b>	31 May 2022, being the last practicable date prior to the publication of this Announcement
<b>London Stock Exchange</b>	London Stock Exchange Group plc
<b>Long Stop Date</b>	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
<b>New SVV Fund</b>	has the meaning given in paragraph 7 of this Announcement
<b>New Tern Shares</b>	the new Tern Shares to be issued fully paid to the Scheme Shareholders pursuant to the Scheme
<b>Non-Disclosure Agreement</b>	the mutual non-disclosure agreement entered into by Tern and Pires on 20 April 2022, as described in paragraph 14 of this Announcement
<b>Offer</b>	should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies 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
<b>Offer Document</b>	should the Acquisition be implemented by means of an Offer, the document to be sent to Pires Shareholders which will contain, among other things, the full terms and conditions of the Offer
<b>Offer Period</b>	the offer period (as defined by the Code) relating to Pires, which commenced on the date of this Announcement and will end on the earlier of the Effective Date or the date on which the Offer lapses or is withdrawn (or such other date that the Panel shall decide)
<b>Offer Value</b>	the value of the offer, being 8 pence per Pires Share, to be satisfied by the issue of 0.51613 New Tern Shares for every Pires Share held
<b>Opening Position Disclosure Panel</b>	has the meaning given to it in Rule 8 of the Code
<b>Pires</b>	the Panel on Takeovers and Mergers Pires Investments plc (incorporated in England and Wales under registered number 02929801 with its registered office at 9 <sup>th</sup> Floor, 107 Cheapside, London EC2V 6DN, United Kingdom)
<b>Pires Board</b>	the board of directors of Pires
<b>Pires Directors</b>	the directors of Pires at the date of this Announcement
<b>Pires Group</b>	Pires and its subsidiaries and subsidiary undertakings
<b>Pires Meetings</b>	the Court Meeting and the General Meeting
<b>Pires Share(s)</b>	ordinary shares with a nominal value of 0.25 pence each in the capital of Pires
<b>Pires Shareholder(s)</b>	the registered holder(s) of Pires Shares from time to time
<b>Pires Warrants</b>	the 26,118,403 warrants over Pires Shares which are outstanding at the date of this Announcement
<b>Registrar of Companies</b>	the Registrar of Companies in England and Wales
<b>Regulations</b>	the Uncertificated Securities Regulations 2001 ( <i>SI 2001/3755</i> ) (as amended)
<b>Regulatory Service or RIS</b>	a primary information provider which has been approved by the FCA to disseminate regulated information
<b>Resolution</b>	the ordinary resolution to be proposed by Tern at the Tern General Meeting
<b>Restricted Jurisdiction</b>	any jurisdiction where the relevant action would constitute a violation of the relevant laws and regulations of such jurisdiction or would result in a requirement to comply with any governmental or other consent or any

	registration, filing or other formality which Tern or Pires regards as unduly onerous
<b>Scheme</b>	the proposed scheme of arrangement under Part 26 of the Companies 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
<b>Scheme Document</b>	the document to be sent to (among others) 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 General Meeting
<b>Scheme Record Time</b>	the time and date specified in the Scheme Document expected to be 6.00 p.m. on the Business Day falling on the date of the Court Hearing
<b>Scheme Shareholder(s)</b>	Holder(s) of Scheme Shares
<b>Scheme Shares</b>	the Pires Shares: (a) in issue as at the date of the Scheme Document; (b) (if any) issued after the date of the Scheme Document and prior to the Voting Record Time; and (c) (if any) issued at or after the Voting Record Time but at or prior to 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 the holders thereof shall have agreed in writing to be so bound, in each case, remaining in issue at the Scheme Record Time but excluding any Excluded Shares
<b>Substantial Interest</b>	in relation to an undertaking, a direct or indirect interest of 20 per cent. or more of (i) the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking or (ii) the relevant partnership interest
<b>SV</b>	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
<b>SVV</b>	Sure Valley Ventures
<b>Third Party</b>	has the meaning given in paragraph 8 of Part A of Appendix 1 to this Announcement
<b>Tern</b>	Tern plc (incorporated in England and Wales under registered number 05131386 with its registered office at Tern plc, 27/28 Eastcastle Street, London W1W 8DH, United Kingdom)
<b>Tern Board</b>	the board of directors of Tern
<b>Tern Directors</b>	the directors of Tern from time to time and Tern Director means any one of them
<b>Tern General Meeting</b>	the meeting of Tern Shareholders to be convened for the purposes of considering and, if thought fit, passing the Resolutions and any adjournment thereof
<b>Tern Group</b>	Tern and its subsidiaries and subsidiary undertakings (as defined in the Companies Act)
<b>Tern Share(s)</b>	ordinary share(s) with a nominal value of 0.02 pence each in the capital of Tern
<b>Tern Shareholders</b>	holders of Tern Shares from time to time
<b>UK or United Kingdom</b>	the United Kingdom of Great Britain and Northern Ireland
<b>UK MAR</b>	Regulation (EU) No. 596/2014, which is part of UK domestic law by virtue of the Market Abuse (Amendment) (EU Exit) Regulations 2019 ( <i>SI 2019/310</i> )
<b>uncertificated or uncertificated form</b>	recorded on the relevant register as being held in uncertificated form in CREST and title to which may be transferred by means of CREST
<b>US</b>	the United States of America
<b>US Shareholder</b>	a Pires Shareholder whose acceptance of the Offer will be subject to the US Securities Act
<b>US Securities Act</b>	the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder

<b>Voting Record Time</b>	6.00 p.m. on the day which is two Business Days before the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two Business Days before the date set for the adjourned Court Meeting
<b>Wider Pires Group</b>	Pires and the subsidiaries and subsidiary undertakings of Pires and associated undertakings (including any body corporate, joint venture, partnership, firm or company in which any member of the Pires Group is interested or any undertaking in which Pires and such undertakings (aggregating their interests) have a Substantial Interest)

- 1.2 In this Announcement, unless the contrary is otherwise indicated:
- (a) “subsidiary”, “subsidiary undertaking” and “undertaking” have the meanings given by the Companies Act;
  - (b) all times referred to are London, UK, time unless otherwise stated;
  - (c) references to the singular include the plural and *vice versa* and words importing the masculine gender include the feminine or neutral;
  - (d) all references to legislation are to English legislation; and
  - (e) any reference to a provision of any legislation shall include any amendment, modification, re-enactment or extension.