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23 December 2021

t42 IoT Tracking Solutions PLC
("t42" or the "Company")

Issue of Convertible Loan Notes to raise £925,000

Issue of warrants

t42 IoT Tracking Solutions plc (AIM: TRAC), which provides IoT driven real-time tracking, monitoring, analysis and security solutions for the global container and freight market, announces that it has raised £925,000 through the issue of unsecured convertible loan notes (the "Convertible Loan Notes" or the "Notes") to several new and existing investors (together the "Lenders").

The net proceeds of the Convertible Loan Notes will be used predominantly for funding the migration to the new business model of tracking shipping containers. As announced on 17 December 2021, the Company has secured an agreement with a Latin America consortium for the sale and distribution of t42's shipping container tracking devices. Based on assumptions with regard to future orders from this and potential future contracts, the Notes will help provide some additional working capital to fill potential orders.

In addition to the Convertible Loans Notes, the Lenders will also be granted warrants totalling £462,500 on the basis of 1 warrant for every £2 of Notes (the "Warrants").

Terms of the Convertible Loan Notes

On 22 December 2021 the Company entered into an unsecured convertible loan note agreement with the Lenders for a total subscription of £925,000 Convertible Loan Notes. The Convertible Loan Notes have an expiration date of 31 December 2023 and attract interest at a rate of 8% per annum, which is payable quarterly in arrears commencing on 31 March 2022. The Convertible Loan Notes are unsecured and can be repaid by the Company at any time subject to the Lender receiving at least two business days' prior notice and an early repayment fee of £8,000.

The Notes shall be convertible into new ordinary shares of the Company ("Ordinary Shares") at 15 pence per share (the "Conversion Price"). The Notes shall be convertible, in part or in full, at the option of the Lenders from the date of issuance until the final repayment date, being 31 December 2023. Until conversion, the Notes do not give the Lenders voting rights over the ordinary shares or dividend rights.

No application has been or will be made to any stock exchange for the listing of, or for permission to deal in, all or any of the Convertible Loan Notes. The Notes are not capable of conversion if to do so would breach rule 9 of the Takeover Code.

Should the Convertible Loan Notes be converted in full the new Ordinary Shares would represent 10.5 per cent. of the then issued share capital of the Company (assuming no other new Ordinary Shares are issued by the Company in the period until conversion).

Terms of the Warrants

Each Lender will receive one Warrant for every £2 of Notes. A total of 3,083,334 new Ordinary Shares may be subscribed for under the terms of the Warrants. Half of the Warrants will be exercisable at 17 pence per share which is a 13.3 per cent. premium to the Conversion Price and will expire two years from the issue date. The second tranche of Warrants will be exercisable at 19 pence per share which is a 26.7 per cent. premium to the Conversion Price and will expire three years from the issue date.

The Company now has a total of 3,583,334 warrants over new Ordinary Shares outstanding, which represents 6.82 per cent. of the Company's issued share capital.

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