

5 June 2025

Tern Plc

("Tern" or the "Company")

Audited results for the year ended 31 December 2024

Tern Plc (AIM: TERN), the investment company specialising in supporting high growth, early-stage, disruptive Internet of Things ("IoT") technology businesses, announces its audited results for the year ended 31 December 2024.

Chairman's Statement

While market conditions remained challenging, I am pleased to report that 2024 was a year of meaningful progress for Tern. Our core portfolio continues to mature and demonstrate strength, and we remain firmly committed to delivering long-term value to our shareholders.

Tern offers investors a rare opportunity: the ability to hold shares in an AIM-quoted venture capital company focused on early-stage, high-growth technology businesses - companies typically inaccessible to most AIM retail investors. In many ways, our shareholders operate as Limited Partners in a traditional venture capital fund, but with the added advantage of daily liquidity and no obligation to contribute additional capital.

We have built a focused, high-potential portfolio operating in sectors poised for substantial growth. The Tern team actively works with our portfolio companies to drive value through hands-on support, strategic development, and, at the appropriate stage, targeted exits aimed at maximising shareholder returns.

In addition to the intrinsic value of the portfolio, our strategy is built around delivering shareholder returns through three core pillars:

- **Capital Distribution** via an appropriate method, when exits deliver sufficient proceeds.
- **Capital growth** through the successful commercial execution of our portfolio companies.
- **Diversification** by providing exposure to a wide array of transformative technology businesses typically out of reach for individual investors.

Portfolio Review

Device Authority ("DA")

In December 2024 DA received the second fundraising tranche from industry specialist investor, Ten Eleven Ventures, of US 3.3m, at the same price as the first tranche provided in December 2023. The funds are being used by DA to advance product development, expanding its North American footprint and enhancing its Identity and Access Management (IAM) solutions for the Internet of Things (IoT).

DA's KeyScaler® platform, focused on automotive, medical and industrial sectors enabling 'zero trust' security for the IoT, has been selected by several major enterprises. DA acquired new customers in 2024, with existing key clients gearing up for mass production, utilising the platform.

With a strong presence in the UK, DA also has a successful 'go to market' in the US which has delivered three major customer wins in 2025. The total addressable market is large and growing, with cybercrime estimated by Cybersecurity Ventures to be the third largest economy in the world, with a fragmented industry. DA's annual recurring revenue (ARR) rose 10% year over year.

In March 2025 DA announced its that it had joined forces with Microsoft and CyberArk to deliver a secure IoT solution for manufacturing based on the National Institute of Standards and Technology's (NIST) latest framework. DA now plays a crucial role as a Microsoft IoT and Operational Technology (OT) security partner for Microsoft's Manufacturing Industry

crucial role as a Microsoft IoT and Operational Technology (OT) security partner for Microsoft's manufacturing industry Reference Architecture.

Initial client wins are expanding into further orders leveraging KeyScaler®. One of DA's existing clients, a global leading automotive components provider, is scaling production to more factories as part of its Identity management process.

DA's modularised licence platform KSaaS (KeyScaler Software as a Service) has achieved over 16 million machine identity authentications worldwide, demonstrating the platform's scalability and its ability to secure IoT devices across diverse industries.

FundamentalVR ("FVR")

FVR provide a software simulation environment that allows surgeons' accuracy to be measured objectively for the first time, with a mission to revolutionise surgical education globally.

Despite 2024 being tough in terms of macro conditions and customer restructuring, FVR expanded its relationships with existing logos. Customer growth was strong, including very important strategic alliances with Apple, Meta and Logitech, with Artificial Intelligence (AI) being used in different ways.

Apple's and Meta's continued expansion of activity in the metaverse space provide significant interest and opportunities for the company.

A significant milestone in Q4 2024 was the launch of The American Academy of Ophthalmology VR Education programme on the platform.

In December 2024, the company was named 'Best Surgery Training VR Technology Company 2024' in the Global Excellence Awards by GHP Magazine, and the technology is vendor/hardware agnostic.

FVR was recognised as one of Fast Company's 'Most Innovative Companies of 2025'. This honour highlights their groundbreaking work in virtual reality, artificial intelligence, and haptic technology, which is transforming surgical training and medical education.

Talking Medicines ("TM")

TM's revenues and annual recurring revenues both grew year on year, and with much improved gross margins. Operating expenses fell sharply in the year. TM has secured partnerships and signed contracts with multiple US based healthcare advertising agencies that serve pharmaceutical companies.

2024 was a breakthrough year, and the Board sees significant potential in TM's next phase of growth, with its customers entrusting over 2.9 million pieces of data to TM to date. Already at the forefront of AI, the company's Drug-GPT stands apart as a specialised 'Curated Large Language Model'.

The prescription drug market in the US alone is huge, and the cost of poor medical adherence is estimated by the PAN Foundation to be US 525bn, with US 30bn spent on marketing to address this. TM is well established in an AI category that is operating in a fast growing and large market, operating in Machine Learning and Natural Language Processing.

Sure Valley Ventures Enterprise Capital LP (SVV2)

Tern continues to fulfil its commitment to invest up to £5m in SVV2 over the 10-year life of SVV2, entered into in March 2022. During 2024, Tern invested a further £0.5m in SVV2 to support their five further investments.

In addition, we added a modest investment in Sure Ventures plc to our portfolio post the year end, in January 2025, which has a 25.9% interest in Sure Valley Ventures Fund ("SVV1") and an approximate 6% interest in SVV2, providing exposure and potential upside to additional exciting technology businesses.

This 'fund of funds' approach, in addition to our direct investments is, I believe, important for a number of reasons. Crucially it reduces the inherent risk associated with a concentrated portfolio and the uncertainty as to when value will be realised. Additionally, it allows our operating costs to be spread across a wider portfolio, we have the potential to recoup some costs through providing assistance to the companies held by these funds, we have the potential to receive exit proceeds earlier and there is the potential for synergy benefits for our direct portfolio companies from working with the fund's underlying investee companies.

Wyld Networks ("Wyld")

In 2024, Wyld faced financial difficulties and raised capital via a rights issue on terms we believe were detrimental to existing shareholders. Tern did not participate in the rights issue, resulting in significant dilution. As a result of Wyld's IPO in 2021, Tern no longer plays a day-to-day role in Wyld's governance and had no influence over the fundraising process. Nevertheless, of the total capital Tern invested in Wyld, a substantial portion has been returned. We continue to monitor developments closely.

InVMA Limited ("Konektio")

It was disappointing that in March 2024 Konektio entered administration. Tern had previously announced on 8 November 2023 that the Company had decided not to invest further in Konektio and following this decision, 75% of Tern's holding in Konektio was transferred into a valueless class of Konektio deferred shares, as announced on 29 November 2023. Tern held approximately 8.8% of Konektio's equity at the time of administration and this holding had an unaudited book valuation of £222,624 as at 31 December 2023. Following Konektio entering administration, the Tern Directors concluded that it is unlikely that any value will be realisable from Tern's holding in Konektio and Tern's holding in Konektio is therefore now held at zero value.

Outlook

Our core portfolio companies, Device Authority, FundamentalVR and Talking Medicines are thriving - despite a difficult environment for early-stage technology funding. They are delivering strong commercial traction, attracting global partners and investors, and we believe maturing into leaders in their respective markets.

Continued progress will require ongoing investment. To preserve our influence and potential return at exit, we must be in a position to support our portfolio through growth funding rounds - particularly against a backdrop of almost abundant private capital. As such, Tern having access to capital and flexibility to issue new shares remain strategically important.

Our model - focusing on seed to Series B rounds - positions us to benefit from significant upside potential as companies enter Series C and beyond. But this value can only be realised if we retain sufficient equity, which requires sustained support through follow-on funding.

Tern is also exceptionally well placed to benefit from growing interest in early-stage software and the generative AI space. Unlike passive capital, we invest time, expertise, and strategic insight into our portfolio companies. This approach has been critical in helping our portfolio companies raise growth capital and scale operations, particularly in the United States, the world's most dynamic technology market.

We continue to operate with a lean structure. Administration costs were reduced by 40% following the board and management restructuring in August 2023, and further reduced by 30% in 2024 year over year. We charge nominal management fees to our core portfolio companies, choosing instead to focus all resources on building long-term value.

In 2024, our management team, including Bruce Leith and Al Sisto, have once again proven the value of their deep experience and entrepreneurial track record. Our involvement with SVV2 also continues to open new avenues for income and value creation, such as the appointment of Bruce Leith as Executive Chairman of Purple Transform, with Tern receiving the related service fees.

We also welcomed two new non-executive directors, Jane McCracken and Iain Ross, whose contributions are already shaping Tern's strategic direction. I would like to thank our retiring directors, Alan Howarth and Sarah Payne, for their wisdom and service during their tenure.

An investment in Tern is a gateway to early-stage technology investing, offering access to what we believe are exceptional companies often beyond the reach of private investors. Our mission is clear: to support these businesses through their most critical stages, build them into market leaders, and deliver long-term capital gains for our shareholders.

We thank shareholders for their continued trust and support and remain focused on achieving the best possible return on their investment.

Ian Ritchie CBE, FREng, FRSE

Chairman

Financial Review

2024 has been a dynamic and promising year for the portfolio as we continue to invest in the rapidly evolving Internet of Things ("IoT") and artificial intelligence ("AI") sectors. Driven by increasing enterprise adoption, advancements in machine learning, and the growing need for automation, our portfolio companies and holdings are transforming industries at an unprecedented pace. Market trends indicate sustained growth, with AI- powered solutions enhancing efficiency across healthcare, finance, and manufacturing, while IoT adoption fuels smarter infrastructure and connected ecosystems. We believe that our strategic investments have positioned us at the forefront of this innovation wave, reinforcing our commitment to unlock the potential of leading-edge private UK tech companies in order to deliver strong returns to our valuable shareholders.

Statement of Financial Position

Net assets at 31 December 2024 were £10.7m, a reduction of £1.6m from the net assets of £12.3m at 31 December 2023. This is principally due to movements in investments held at fair value through the profit or loss ("FVTPL") and the significant ongoing costs of operating as an AIM-quoted company. As noted in the Chairman's Statement, the Company has implemented measures to reduce administration costs by 30% this year compared to 2023. However, the unavoidable expenses associated with maintaining Tern's quoted status will inevitably impact the Company's net assets on an ongoing basis.

The decline in the market price of Wyld Networks was the primary driver of the £2.1m decrease in the fair value of the investment portfolio.

The Company's cash balance was slightly higher as at 31 December 2024 (£0.4m) compared to 31 December 2023 (£0.3m). Administration and other operating expenses decreased by £0.5m year-on-year, largely as a result of the board reorganisation.

Liabilities were £0.25m lower at 31 December 2024 than at the same date in 2023, primarily due to the partial repayment of the short-term loan. In August 2024, the Company agreed to an amendment to the short term loan agreement in which the security requirement attached to the short-term loan facility was removed, and the repayment period was extended by 12 months to September 2025.

Investments held at FVTPL amounted to £10.7m and represent the Company's portfolio of high-growth technology companies. During the year, the fair value of the portfolio declined by £2.1m, a significantly smaller decrease compared to the £11.1m reduction recorded in 2023.

Income Statement and Statement of Comprehensive Income

The total comprehensive loss for the year was £3.8m (2023: loss of £12.6m), primarily due to a negative movement in the fair value of investments held at FVTPL of £2.5m and the £1.2m of operating expenses incurred during the year.

The Company seeks to keep its fees charged to portfolio companies at modest levels, as the Company's preference is for capital to instead be reinvested in the portfolio to drive value creation.

Administration costs decreased to £1.2m in 2024 (2023: £1.7m) as a result of the board reorganisation which was fully implemented in 2024. Other expenses decreased to £0.05m in 2024 (2023: £0.2m).

Statement of Cash Flows

During the year, £1.1m was used in the Company's operations, and £0.8m was deployed within our existing portfolio, via equity and loan investments.

In 2024, £0.3m of the short term loan provided to the Company was repaid (2023: £0.1m).

Key performance indicators

The Company's financial Key Performance Indicators ("KPIs") are centred on increasing net asset value, enhancing net asset value per share, and achieving consistent revenue growth across our portfolio. In addition to financial metrics, the Company closely monitors non-financial KPIs, with a primary focus on the growth in employee numbers and annual recurring revenue per employee-both key indicators of sustainable commercial success. These performance metrics are tracked by the Board, with detailed results outlined below.

The return on investments

Unrealised fair value:

Wyld Networks: £3k valuation (31 December 2023: £2.4m): The equity valuation has decreased by £2.4m solely due to the reduction in Wyld Networks' market capitalisation to £2.4m at 31 December 2024 (a reduction in share price of 99% since 31 December 2023). Wyld Networks valuation is determined by reference to the appropriate quoted market price at the reporting date.

Device Authority: £4.3m valuation (31 December 2023: £4.4m): The valuation has decreased due to the sale of £0.2m of assets held in Device Authority during the year combined with a small foreign exchange movement.

Konektio: Nil valuation (31 December 2023: Nil): The equity value of Konektio was written off due to the company entering into administration in March 2024.

FundamentalVR: £3.6m valuation (31 December 2023: £3.6m): The valuation has remained static.

Talking Medicines: £2.1m valuation (31 December 2023: £2.0m): The valuation has increased due to additional funding provided to the company of £0.1m via CLN which was outstanding at the year end.

DiffusionData: £0.02m valuation (31 December 2023: £0.02m): The investment is valued at fair value with the price of the most recent valuation taken into account;

SVV2: £0.7m valuation (31 December 2023: £0.3m): The investment is valued at fair value at the value provided by the SVVUK fund. The fair value increase of £0.4m was made up of £0.5m of additional investment, offset by £0.1m decrease in fair value as provided by the fund.

The global downturn in technology company valuations and multiples applied to early-stage businesses was taken into consideration when assessing the fair value of the portfolio.

The net assets of the Company at 31 December 2024 showed a reduction of £1.6m to £10.7m (31 December 2023:

£12.3m). The net asset value per ordinary share as at 31 December 2024 decreased by 1.2p to 2.0p (31 December 2023: 3.2p).

The year-on-year unaudited annual recurring revenue ("ARR") of our key portfolio companies (excluding Konektio) decreased by 7% from 2023 to 2024 (increase of 33% from 2022 to 2023 (excluding Konektio)). This was primarily as a result of a number of expected revenue opportunities moving from 2024 into 2025.

The Company regularly monitors non-financial Key Performance Indicators (KPIs) as part of its strategic oversight. These KPIs primarily focus on the growth in employee numbers within our portfolio and annual recurring revenue (ARR) per employee. We believe these metrics serve as key leading indicators of future performance and reflect our broader impact on stakeholders.

Employees in our key portfolio companies (excluding Konektio) decreased by 45% from 2023 to 2024 (decrease of 11% from 2022 to 2023 (excluding Konektio)), however this decrease was greater than the decrease in the ARR such that the ARR per employee increased by 69% from 2023 to 2024 (increase of 50% from 2022 to 2023 (excluding Konektio)). The decrease in aggregate employee numbers was primarily as a result of the reduction in headcount at FundamentalVR as they utilised third party tools, reducing the need for inhouse capability. The Device Authority and Talking Medicines teams were stable during the year.

Investing Policy

Tern's investment policy is to invest principally, but not exclusively, in the information technology sector within Europe. The Directors believe that the Company can invest in and acquire information technology businesses, improve them by a combination of new management and investment, and realise the value created which will be returned to shareholders. The Company may be either an active investor and acquire control of a single company or it may acquire non-controlling shareholdings. Once a target has been identified, additional funds may need to be raised by the Company to complete a transaction.

The Directors see IT as having considerable growth potential for the foreseeable future and many of the prospects they have identified are in this sector. The Company has invested in six investee companies, four of which comprise the principal portfolio companies and the Directors believe there are further opportunities to invest in and acquire established IT businesses which have good technology, marquee customers and could better exploit their assets with the injection of experienced management and new funds with the intention of creating value for shareholders.

Although the main focus of the investment policy has been on the exploitation of IT businesses, which the Directors intend to continue; this will not preclude the Company from considering an investment in suitable projects in other sectors where the Directors believe that there are high-growth opportunities.

The Directors believe the main driver of success for the Company is the expertise that can be provided by the Directors to the management involved in its investee companies and the value creation that the team of people is capable of realising. The Company is, and intends to continue to be, an active investor. Accordingly, it has sought and may seek in future

investments, representation on the board of investee companies.

The new capital available to the Company will be used to support and assist its investee companies to grow, where appropriate, and used to locate, evaluate and select investment opportunities that offer satisfactory potential capital returns for shareholders. The Company may require further funds in order to invest further in its principal portfolio companies and take up these opportunities. It is the intention of the Directors to undertake further fundraising if such an opportunity should arise. The Company's investments may take the form of equity, debt, or convertible instruments. Investments may be made in all types of assets falling within the remit of the Investing Policy and there will be no investment restrictions.

The Directors may consider it appropriate to take an equity interest in any proposed investment which may range from a minority position to 100 percent ownership. Proposed investments may be made in either quoted or unquoted companies and structured as a direct acquisition, joint venture or as a direct interest in a project.

The Company has made investments and will seek further investment opportunities that can be developed through the investment of capital or where part of or all of the consideration could be satisfied by the issue of new Ordinary Shares or other securities in the Company. The investments the Company has made and any new opportunities have, or would generally have, some or all of the following characteristics, namely:

- a majority of their revenue derived from IT or the use of IT, and strongly positioned to benefit from market growth;
- a trading history which reflects past profitability or potential for significant capital growth going forward; and
- where all or part of the consideration could be satisfied by the issue of new Ordinary Shares or other securities in the Company.

The Company will identify and assess potential investment targets and where it believes further investigation is required, intends to appoint appropriately qualified advisers to assist.

The Company proposes to carry out a comprehensive and thorough project review process in which all material aspects of any potential investment will be subject to rigorous due diligence, as appropriate. It is likely that the Company's financial resources will be invested in a small number of projects or investments.

The Tern's investing policy is also available on the Company's website.

Portfolio Companies and Holdings as at 31 December 2024

Device Authority Limited ("DA" or "Device Authority")

Valuation: £4.3m (31 December 2023: £4.4m)

Equity ownership: 25.3% (before any dilution on exercise of share options)

Device Authority, a recognised global leader in Identity and Access Management (IAM) for the Internet of Things (IoT), has continued to build strong business momentum in 2024.

At the core of its success are the company's flagship solutions-KeyScaler® and KeyScaler Edge®-which provide comprehensive, end-to-end security lifecycle management across the Edge-to-Enterprise continuum. These solutions integrate seamlessly with leading IoT cloud platforms including Microsoft Azure, Avnet IoTConnect, AWS, PTC ThingWorx, and Google Cloud, enabling robust, scalable security for both new and legacy IoT deployments.

Device Authority is seeking to shape the future of connected systems through automated Zero Trust security at scale. As a global IAM leader for Enterprise IoT, the company serves critical industries such as Industrial, Automotive, Healthcare, and Critical Infrastructure.

The company's KeyScaler-as-a-Service (KSaaS®) platform empowers organisations to minimise risk, reduce human error, and accelerate incident response, allowing organisations to establish trust in every device and data transaction. With the addition of KeyScaler AI, Device Authority now also enables secure and trusted AI in any connected environment.

This cloud-first, automation-driven approach has fuelled a strong start to the year, with new blue-chip customers onboarded and multiple enterprise-level Proof of Concept and pilot initiatives underway. Enterprises are increasingly choosing Device Authority for its cost-effective scalability and rapid automation-capable of authenticating, certifying, and registering devices in under 10 seconds, 60 times faster than manual methods.

Device Authority's expanding partner ecosystem remains a strategic focus, with new collaborations including PlaxidityX (formerly Argus) and CyberArk, alongside a deepening partnership with Microsoft, which named Device Authority as a key component of its next-generation automotive and mobility security initiative.

The company's innovation and leadership have earned widespread industry recognition, including:

- IoThinkTank's IoT Security Product of the Year
- IoT HealthTech Innovation Award
- IoTSF's IoT Security Champion Award

Additionally, Device Authority has been named a Leader in the Quadrant Knowledge Solutions Spark Matrix for IoT IAM for the fifth consecutive year, achieving the highest ranking in Technology Excellence.

FVRVS Limited ("FundamentalVR")

Valuation: £3.6m (31 December 2023: £3.6m)

Equity ownership: 10.3% (before any dilution on exercise of share options)

FundamentalVR is a pioneering platform at the intersection of virtual reality, haptics, and data analytics, led by surgical education experts and top technologists. With a mission to revolutionise global surgical education, the company is making high-fidelity simulation both accessible and affordable, equipping medical professionals worldwide with state-of-the-art training tools.

The platform utilises widely available VR hardware-such as Meta's Oculus Quest-and integrates advanced haptics technology to deliver a highly realistic, tactile simulation experience. Designed to operate seamlessly on standard computing systems, FundamentalVR provides surgeons with immersive, hands-on practice that closely mirrors real-life procedures, significantly enhancing preparedness and patient outcomes.

The platform's impact is supported by recent findings published in the Journal of Robotic Surgery, which highlighted the benefits of immersive VR training. The study reported positive outcomes when trainees used the FVR's system in an operating room setting with CMR Surgical's Versius robot-a long-standing FundamentalVR partner.

In 2024, FundamentalVR expanded its influence in the medical device sector through strategic partnerships and product innovation. The integration of the platform with Apple Vision Pro and Logitech's Stylus MX INK has further strengthened its leadership in immersive training and spatial computing. These advancements have not only enhanced the realism of the simulation experience but also solidified the platform's position as an industry frontrunner.

Continuing its commitment to innovation, the company is also investing in Generative AI. It recently introduced Maia, a virtual AI-powered tutor embedded in the Fundamental Surgery Immersive VR Platform, designed to guide and support learners throughout their training journey. Maia marks a significant leap forward in personalised, adaptive surgical education.

With its award-winning technology, growing recognition, and focus on cutting-edge innovation, FundamentalVR is setting a new standard in surgical training for the digital age.

Talking Medicines Limited ("Talking Medicines")

Valuation: £2.1m (31 December 2023: £2.0m)

Equity ownership: 23.8% (before any dilution on exercise of share options)

Talking Medicines, a pioneering force in healthcare intelligence powered by Advanced Data Science and Artificial Intelligence, demonstrated significant progress in the first half of 2024 through the growing success of its flagship interface, Drug-GPT. Headquartered in Glasgow, the company continues to expand its commercial footprint in the U.S., with a growing presence across New Jersey, New York, and Philadelphia.

Drug-GPT has attracted considerable attention and revenue from leading global healthcare advertising agencies, which recognise its potential to revolutionise pharmaceutical marketing strategies. With U.S. pharmaceutical companies spending more than 30 billion annually on drug marketing, the appetite for transformative tools is strong-particularly amid 2024's trends, including the industry shifting toward personalised medicine and the rapid adoption of Generative AI. These changes are driving a departure from outdated insight methods, such as focus groups, toward AI-powered platforms capable of delivering targeted, high-quality intelligence at scale.

Offering a validated 80% uplift in productivity, Drug-GPT significantly enhances efficiency in data curation and strategic insight generation. By aggregating and interpreting conversations from patients and healthcare professionals, the platform unlocks previously inaccessible data insights, enabling pharmaceutical clients to make better-informed, data-driven decisions.

Talking Medicines works with some of the world's largest healthcare ad agency networks, underscoring the value and credibility of Drug-GPT. The company continues to both onboard new clients and expand its footprint within existing partnerships, fueling the steady growth of its U.S. client base, with further expansion anticipated through the remainder of 2025.

Strategic partnerships remain central to Talking Medicines' success-both in sourcing raw data from health data communities and in deepening collaboration with clients seeking competitive advantages in an evolving landscape. Drug-GPT is continuously evolving, guided by the company's in-house data science team.

As part of its commitment to advancing industry understanding, Talking Medicines continues to contribute to academic

discourse, most recently publishing a comparative study on patient language across therapeutic domains. These ongoing R&D efforts not only enrich the company's scientific credibility but also strengthen the intellectual property moat around its proprietary use of AI and data science in healthcare.

Looking ahead, Talking Medicines remains focused on expanding its customer base and U.S. market leadership, with ambitions to become the go-to partner for patient and healthcare practitioner intelligence. The company's management believes upcoming enhancements to Drug-GPT will continue to excite and engage clients, reinforcing its position as a preferred provider for AI-powered healthcare marketing intelligence.

Sure Valley Ventures Enterprise Capital LP ("SVV2")

Valuation: £0.3m (31 December 2023: £0.1m)

Equity ownership: 6.1%

SVV2 is a leading venture capital fund investing in a diverse range of private UK software companies, with a strong focus on the rapidly growing immersive technology and metaverse sectors. Its portfolio includes ventures specialising in augmented and virtual reality, artificial intelligence, and cybersecurity.

SVV2's investment journey began with a £1m investment in RETiniZE Limited in March 2022, followed by a £500k follow-on investment in this company in 2024. In November 2022, the Fund invested £1.05m in Jaid (Opsmatix Limited), later adding £800k in tranches. September 2023 saw a £1.5m investment in Captur, an AI-driven workflow automation firm. In 2024, SVV2 made five new investments: £750k in Vortex IQ (June), £650k in Ittybit (June), £1m in Phinx Robotics (July), £1.5m in Purple Transform and £500k in Stylus Education (both August), and £1m in Vizgard (December), with £500k funded upfront and an option for another £500k investment.

Looking ahead, 2025 is set to be SVV2's largest deployment year yet, targeting 6-8 new investments and further portfolio expansions, with drawdowns of 15-20% of SVV2.

Diffusiondata (previously Push Technology)

Valuation: £0.02m (31 December 2023: £0.02m)

Equity ownership: <1%

DiffusionData enhances organisations' ability to facilitate real-time communication, extending beyond direct interactions to include automatic data updates across various channels. Its technology ensures that displayed information refreshes instantly-without user intervention-enabling seamless, dynamic experiences.

This real-time responsiveness is crucial for interactive applications, making them more engaging and efficient as they automatically adapt to new data the moment it becomes available.

Wyld Networks AB (publ) ("Wyld Networks" or "Wyld")

Valuation: £0.003m (31 December 2023: £2.4m)

Holding: 0.6%

Wyld Networks, listed on the NASDAQ First North Growth Market in Stockholm, is seeking to transform global connectivity by delivering affordable wireless solutions in regions where conventional coverage is unavailable or congested. Specialising in satellite-based IoT communications, the company's flagship solution, Wyld Connect, enables seamless data transmission between IoT sensors and low Earth orbit (LEO) satellites via compact terminals and modules.

Wyld Networks achieved continued customer acquisition growth and marked a significant milestone with the commercial launch of its L-Band product. This development is key to delivering truly global IoT connectivity, expanding the company's service capabilities to even more remote and underserved locations.

Wyld successfully launched a satellite-enabled IoT tracker, aimed initially at tracking moving assets-a valuable solution for sectors such as logistics, agriculture, and conservation.

Wyld also secured several strategic partnerships and deployments:

- In Brazil, the company partnered with GeoApis to monitor bee colonies using LEO satellite connectivity, aiming to enhance pollination efficiency, sustainability, and crop yields.
- With SugaROx, a UK-based innovator in biostimulants, Wyld is supporting agricultural productivity and climate resilience in Brazil through enhanced field monitoring.
- In the UK, Wyld entered into a collaboration with Harper Adams University, a leading institution in agriculture and environmental sciences, to deliver soil moisture data for cabbage crops across its 550-hectare research facility in Shropshire.

Additionally, Wyld forged a key partnership with Actility, a global leader in IoT connectivity platforms. This collaboration integrates Wyld's satellite capabilities with ThingPark Exchange. Actility's premier LoRaWAN® peering hub, enabling

integrated Wyld's extensive experience with integrating exchange, clearing & settlement, pooling risk, ensuring broader interoperability and global scalability for IoT applications.

From a commercial standpoint, Wyld Networks has concentrated efforts in South America, North America, Africa, and the Middle East, and has recently initiated expansion into the Asia-Pacific region, starting with Australia.

Wyld experienced financial difficulties during the year and was forced to raise additional funds, via a rights issue, under what the Board considered to be unfavorable terms. This rights issue involved issuing a large number of new shares at a low price, which significantly diluted the value of existing shares. Tern chose not to participate in the funding rights issue, which led to a substantial reduction in its ownership stake. The highly dilutive nature of the equity issue caused Wyld's share price to fall sharply, and it has remained depressed since.

Availability of Annual Report

The annual report for the year ended 31 December 2024 will shortly be available from the Company's website <https://www.ternplc.com/investors> and will shortly be posted to shareholders.

Details of the Company's 2025 Annual General Meeting will be announced separately.

Enquiries

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Income Statement and Statement of Comprehensive Income

For the year ended 31 December 2024

	2024 £	2023 £
Fee income	17,402	199,233
Movement in fair value of investments	(2,459,981)	(11,046,575)
Profit on disposal	(13,374)	28,589
Total investment loss	(2,455,953)	(10,818,753)
Administration costs	(1,197,146)	(1,711,892)
Other expenses	(65,932)	(194,317)
Movement in fair value of derivative financial instrument	(83,270)	35,749
Operating loss	(3,802,301)	(12,689,213)
Finance income	30,281	81,083
Loss before tax	(3,772,020)	(12,608,130)
Tax	-	-
Loss and total comprehensive income for the period	(3,772,020)	(12,608,130)

Since there is no other comprehensive income, the loss for the year is the same as the total comprehensive income for the year.

LOSS PER SHARE:

Basic loss per share	(0.86) pence	(3.24) pence
Diluted loss per share	(0.86) pence	(3.24) pence

Statement of Financial Position

As at 31 December 2024

	2024 £	2023 £
ASSETS		
NON--CURRENT ASSETS		
Investments	10,739,631	12,778,617
TOTAL NON--CURRENT ASSETS	10,739,631	12,778,617
CURRENT ASSETS		
Trade and other receivables	184,908	73,533
Cash and cash equivalents	382,213	297,565
TOTAL CURRENT ASSETS	567,121	371,098
TOTAL ASSETS	11,306,752	13,149,715
EQUITY AND LIABILITIES		
Share capital	1,406,566	1,379,503
Share premium	35,540,884	33,390,997
Retained earnings	(26,238,315)	(22,469,224)
TOTAL EQUITY	10,709,135	12,301,276
CURRENT LIABILITIES		
Trade and other payables	436,503	325,379
Short Term Loan	161,114	418,205
Derivative Financial Instruments	-	104,855
TOTAL CURRENT LIABILITIES	597,617	848,439
TOTAL LIABILITIES	597,617	848,439
TOTAL EQUITY AND LIABILITIES	11,306,752	13,149,715

Statement of Changes in Equity

For the year ended 31 December 2024

	For the ye
Balance at 31 December 2022	
Total comprehensive income	
Issue of share capital	Transactions with ov
Share based payment charge (options)	

Balance at 31 December 2023

Total comprehensive income

Transactions with ov

Issue of share capital

Share issue costs

Share based payment charge (options)

Balance at 31 December 2024

Statement of Cash Flows

For the year ended 31 December 2024

	2024 £	2023 £
OPERATING ACTIVITIES		
Net cash used in operations	(1,068,970)	(1,372,647)
Purchase of investments	(656,815)	(1,382,994)
Cash received from sale of investments	250,429	1,534,913
Loans to portfolio companies	(95,000)	136,389
Interest received	26	18,600
Net cash used in operating activities	(1,570,330)	(1,065,739)
FINANCING ACTIVITIES		
Proceeds on issues of shares	2,099,524	-
Share issue expenses	(110,700)	-
Loan receipt	-	500,000
Loan repayment	(333,846)	(68,461)
Net cash from financing activities	1,654,978	431,539
(Decrease) in cash and cash equivalents	(84,648)	(634,200)
Cash and cash equivalents at beginning of year	297,565	931,765
Cash and cash equivalents at end of year	382,213	297,565

Notes

1. BASIS OF PREPARATION

The financial information set out in the announcement does not constitute the Company's statutory accounts for the years ended 31 December 2024 or 2023. The financial information for the year ended 31 December 2023 is derived from the statutory accounts for that year, which were prepared under UK adopted international financial reporting standards, and which have been delivered to the Registrar of Companies. The auditor's report on those accounts was unqualified, did not contain a statement under either Section 498(2) or Section 498(3) of the Companies Act 2006.

The financial information for the year ended 31 December 2024 is derived from the audited statutory accounts for the year ended 31 December 2024 on which the auditors have given an unqualified report, that did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006 and drew attention, by way of emphasis, to the material uncertainty related to going concern described in note 1.1 below. The statutory accounts will be delivered to the Registrar of Companies following the Company's annual general meeting.

The financial statements of the Company have been prepared in accordance with UK-adopted international accounting standards. The financial statements have been prepared on the basis of the recognition and measurement principles of the UK adopted international financial reporting standards that were applicable at 31 December 2024. The accounting policies are consistent with those applied in the preparation of the interim results for the period ended 30 June 2024. The accounting policies are also consistent with the statutory accounts for the year ended 31 December 2023.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may ultimately differ from those estimates.

In accordance with IFRS 10, para 4 the Directors consider the Company to be an investment company and has taken the exemption not to present consolidated financial statements or apply IFRS3 when it obtains control of another entity as it is an investing company that measures all of its investments at fair value through the income statement in accordance with IFRS 9.

1.1 GOING CONCERN

The Company's financial statements have been prepared on a going concern basis, with the Board assessing its cash flow, liquidity, and prospects. The Directors believe this is appropriate based on four key factors: anticipated shareholder support for future equity raises, confidence in generating cash through asset sales (as demonstrated in 2024), potential access to additional debt funding, and expected dividend income from Sure Ventures plc.

However, the Directors acknowledge material uncertainty remains, as continued operations depend on successful fundraising, asset realisations, and income from investments, or a combination of all three - factors that are partly beyond the Company's control. If these efforts are unsuccessful, the Company may be forced to sell assets at reduced values or accept unfavourable loan terms. There is no certainty that such funding will be available and/or the terms of such funding. These conditions are necessarily considered to represent a material uncertainty which may cast significant doubt over the Company's ability to continue as a going concern. Whilst acknowledging this uncertainty, the Directors remain confident that the Company will be able to generate sufficient cash flow within a reasonable time when required, therefore the Directors consider it appropriate to prepare the financial statements on a going concern basis. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern. A detailed explanation of the factors determining the appropriateness of the preparation of the financial statements on the going concern basis is detailed in the Directors Report in the annual report for the year ended 31 December 2024.

2. FAIR VALUE MEASUREMENT

For Level 1 investments; publicly traded portfolio companies, the fair value was determined by reference to the appropriate quoted market price at the reporting date.

For Level 2 investments; private company portfolio companies, the fair value assessment was made by the directors using the price of the shares in the most recent fundraise, where this was available, as well as an assessment of market valuations placed on comparable businesses, a review of the underlying asset values and a review of the sales pipeline and forecast to support any valuation applied.

For Level 3 investments; private company portfolio companies without a recent fundraise, the fair value assessment was made by directors using a variety of unobservable inputs to estimate the fair value at the reporting date.

NON-CURRENT ASSETS

INVESTMENTS

	2024	2023
	£	£

Fair value of investments brought forward	12,778,617	23,881,769
Interest accrued on convertible loan note	27,952	66,754
Additions	656,846	1,382,994
Disposals	(263,803)	(1,506,325)
Fair value of investments carried forward	13,199,612	23,825,192
Fair value adjustment to investments	(2,459,981)	(11,046,575)
Fair value of investments carried forward	10,739,631	12,778,617

	Cost	Valuation	Equity ownership
	£000	£000	%
Device Authority Limited	9,305	4,276	25.3
FVRVS Limited (FundamentalVR)	2,928	3,630	10.3
Talking Medicines Limited	1,547	2,120	23.8
Sure Valley Ventures Enterprise Capital LP	996	688	6.1
Diffusiondata Limited	120	23	<1
Wyld Networks AB	2,332	3	<1
InVMA Limited (Konektio)	2,267	-	8.8
	19,495	10,740	

The convertible loan facility issued to Talking Medicines is a financial asset with multiple derivatives and the entire contract has been designated at FVTPL, with any movement in fair value taken to profit or loss for the year. As at 31 December 2024, the principal of the convertible loan outstanding was £287,500 (2023: £187,500).

3. LOSS PER SHARE

	2020 £	2019 £
	2024	2023
	£	£
Loss for the purposes of basic and fully diluted profit per share	(3,772,020)	(12,608,130)
	2024 Number	2023 Number
Weighted average number of ordinary shares:		
For calculation of basic earnings per share	437,148,474	389,182,934
For calculation of fully diluted earnings per share	437,148,474	389,182,934
	2024	2023
Loss per share:		
Basic loss per share	(0.86) pence	(3.24) pence
Diluted loss per share	(0.86) pence	(3.24) pence

In 2024 and 2023 the fully diluted loss per share is the same as the basic loss per share as the share options were underwater which would have an anti-dilutive effect on loss per share.

4. POSTING OF ANNUAL REPORT

The annual report for the year ended 31 December 2024 will shortly be available from the Company's website (<https://www.ternplc.com/investors>) and will be posted to shareholders.



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