

28 November 2025

## **Tern Plc**

("Tern" or the "Company")

### **Update regarding capital commitment to SVV2**

Tern Plc ("Tern" or the "Company"), the AIM quoted investment company, provides the following update regarding its capital commitment to Sure Valley Ventures Enterprise Capital Fund LP ("SVV2"). As announced on 2 March 2022, Tern committed to invest up to £5 million in SVV2 over the fund's 10-year life and is required to provide capital to SVV2 from time to time, often at short notice. As at 30 June 2025, the unaudited fair value of Tern's shareholding in SVV2 was approximately £0.8 million. To date, Tern has invested approximately £1.3 million into SVV2.

At the Company's AGM held on 30 June 2025 the resolution to give the Directors the authority to disapply pre-emption rights when allotting shares for cash was not approved. Subsequently, the open offer to Tern shareholders in October 2025 to raise up to £642,486 only delivered gross proceeds of £151,136. The limited funds raised through the last open offer and the inability of the Company to raise funds via the issue of new shares on a non pre-emptive basis, has led the Directors to conclude that the Company has insufficient funds, or potential access to future funding in the short to medium-term, for the Company to meet SVV2's capital calls.

The Board respects shareholder views, and after exhausting what it considers to be all reasonable mitigation measures, including salary reductions, open offer fundraising, shareholder engagement, and collaborative effort with SVV2 to identify a replacement investor, Tern has requested relief from its funding obligations to SVV2. The General Partner of SVV2 has confirmed that, under the terms of the SVV2 Limited Partnership Agreement ("LPA"), this will result in Tern being classified as a 'defaulting investor'. Remedies available under the LPA include forfeiture of existing capital or compulsory transfer of Tern's interest. In the event that Tern's existing paid in capital is not required to be forfeited, and no other SVV2 Limited Partner elects to assume Tern's commitment, Tern's paid in capital will remain invested within SVV2 until the cessation of the fund, at which point any residual value will be returned in accordance with the LPA, although defaulting investor status may reduce Tern's rights to distributions during the life of the fund and could limit Tern's recovery compared to non-defaulting investors. Tern will make further updates in relation to the position with SVV2 as appropriate.

An announcement by Tern on 15 October 2025 noted that, following the receipt of the net proceeds from the result of the open offer announced on that date, in the absence of Tern raising further funds or disposing of investments, and on the basis that Tern does not make any investments in its portfolio (including funding its investment in SVV2), the Directors believe that the Company would maintain a cash runway which is expected to extend into the first half of Q1 2026. The Directors continue to believe this cash runway remains unchanged.

Tern intends to continue to act as a constructive partner in respect of SVV2 investments already funded and will maintain its focus on protecting shareholder interests and long term value creation from its key portfolio companies, Device Authority, FundamentalVR and Talking Medicines.

### **Enquiries**

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