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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION FOR THE PURPOSES OF ARTICLE 7 OF THE MARKET ABUSE REGULATIONS (EU) NO. 596/2014 WHICH FORMS PART OF DOMESTIC UK LAW PURSUANT TO THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 ("UK MAR").

21 April 2026

Tern Plc

("Tern" or the "Company")

Open Offer at 0.60p per Open Offer Share to raise up to £643,609

Notice of General Meeting

Tern Plc (AIM:Tern), the company focused on value creation from Internet of Things ("IoT") technology businesses, announces an Open Offer to raise up to £643,609 (before expenses) through the issue of up to 107,268,195 Open Offer Shares at an Issue Price of 0.60p per Open Offer Share.

Under the Open Offer, all Qualifying Shareholders are entitled to subscribe for Open Offer Shares at the Issue Price on the basis of:

1 Open Offer Share for every 7 Ordinary Shares held on the Record Date.

The Issue Price of 0.60p per Open Offer Share represents a discount of 20 per cent. to the closing middle market price of 0.75p for each Ordinary Share on 20 April 2026 (the latest practicable date prior to this announcement).

The Open Offer is conditional upon the passing of the Resolutions at a General Meeting, details of which are set out below, and admission of the Open Offer Shares to trading on AIM. Subject to the passing of the Resolutions, it is expected that Admission will become effective and dealings in the Open Offer Shares will commence on 11 May 2026. The Open Offer is not underwritten.

The Open Offer Shares will, if issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission.

The Open Offer is open for acceptance from now until 7 May 2026. Details of the Open Offer, together with the Notice of General Meeting, will be set out in a Circular to be sent to shareholders later today. The Circular sets out the reasons for and further details of the Open Offer, including its terms and conditions and risk factors.

Shareholders should note that the effect of the terms of the Open Offer and the Resolutions is that, to the extent that Open Offer Shares are not taken up pursuant to Basic Entitlements or the Excess Application Facility, the Directors will be authorised to utilise any remaining balance of the Ordinary Shares made available through the Open Offer from time to time at their discretion, and may allot them to third parties for cash or non-cash consideration. The Directors may determine to make such allotments for a variety of reasons, including in order to raise cash for the Company (including from individual investors or through share offers arranged by intermediaries), to satisfy debts or other amounts owed by the Company, to issue warrants or share options or for other corporate or working capital purposes.

Any such allotments will not be made on terms which are materially more favourable than those available to Qualifying Shareholders under the Open Offer, save where required in connection with non-cash consideration. Furthermore, any such allotments must be made before the conclusion of the Company's 2026 annual general meeting or, if earlier, 1 July 2026, except that the Directors would be permitted to complete any allotments pursuant to offers or agreements made prior to such expiry. However, Shareholders should appreciate that any such allotment(s) of Ordinary Shares will dilute Shareholders' interests in the Company and may be made without any further approval being sought from Shareholders.

Notice of General Meeting

The General Meeting will be held at the offices of Allenby Capital Limited, 5 St. Helen's Place, London EC3A 6AB on 8 May 2026 at 11:00 a.m.

Shareholders should be aware that the Open Offer can only proceed if both of the Resolutions are passed by Shareholders with the requisite majorities. Should either of the Resolutions not be passed by Shareholders, the Open Offer will not proceed, the Directors would not be able to utilise, on the basis to be described in the Circular, any remaining balance of the Ordinary Shares made available through the

be described in the Circular, any remaining balance of the Ordinary Shares made available through the Open Offer and the Company would not receive any proceeds from the Open Offer Shares or any such remaining balance.

Extracts from the Circular, including the Open Offer's Expected Timetable of principal events, are set out below in Appendix 1.

The above summary should be read in conjunction with the full text of this announcement and the Circular. Unless defined otherwise, capitalised terms used throughout this announcement shall have the meanings given to such terms in the Definitions section below. References to paragraphs below refer to the relevant paragraphs of the Circular and references to 'this Document' refer to the Circular. References to numbered 'Parts' below refer to the relevant parts of the Circular.

Your attention is drawn to the risk factors set out in Part II of the Circular. Details of the action to be taken if you wish to subscribe for Open Offer Shares are provided in Part III of the Circular.

The Circular will be posted to shareholders today and a copy of the Circular will be shortly available on the Company's website: <https://www.templc.com/investors>

Enquiries:

Tern Plc via IFC Advisory
Jane McCracken (Interim Non-executive Chair)

Allenby Capital Limited Tel: 0203 328 5656
(Nominated Adviser and Broker)
Alex Brearley / Ashur Joseph (Corporate Finance)
Kelly Gardiner (Sales and Corporate Broking)

IFC Advisory Tel: 0203 934 6632
(Financial PR and IR)
Tim Metcalfe
Graham Herring
Florence Staton

IMPORTANT NOTICES

Allenby Capital Limited ("Allenby Capital"), which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, is acting as nominated adviser and broker for the Company and no-one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than the Company for providing the protections afforded to the clients of Allenby Capital or for affording advice in relation to the matters referred to herein. Nothing in this paragraph shall serve to exclude or limit any responsibilities which Allenby Capital may have under FSMA or the regulatory regime established thereunder.

This announcement includes "forward-looking statements" which include all statements other than statements of historical facts, including, without limitation, those regarding the Company's financial position, business strategy, plans and objectives of management for future operations, or any statements preceded by, followed by or that include the words "targets", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "would", "could" or similar expressions or negatives thereof. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this announcement. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based unless required to do so by applicable law, regulation or the AIM Rules.

Shareholders should not construe the contents of this announcement as legal, tax or financial advice, and should consult with their own advisers as to the matters described in it.

Expected Timetable of principal events

Record Date for the Open Offer	6:00 p.m. on 20 April 2026
Announcement of the Open Offer	7:00 a.m. on 21 April 2026
Existing Ordinary Shares marked "ex" by the London Stock Exchange	21 April 2026
Posting of Circular and Application Form	21 April 2026
Basic and Excess Entitlements credited to stock accounts in CREST of Qualifying CREST Shareholders	22 April 2026
Recommended latest time for requesting withdrawal of Basic Entitlements and Excess Entitlements from CREST	4:30 p.m. on 29 April 2026
Latest time for depositing Basic Entitlements and/or Excess Entitlements into CREST	3:00 p.m. 30 April 2026
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3:00 p.m. on 5 May 2026

Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11:00 a.m. on 7 May 2026
Time and date of General Meeting	11:00 a.m. on 8 May 2026
Expected announcement of results of the General Meeting and Open Offer	8 May 2026
Expected date for Admission and commencement of dealings of the Open Offer Shares	8:00 a.m. on 11 May 2026
Expected date for the Open Offer Shares to be credited to CREST stock accounts	11 May 2026
Latest date for dispatch of definitive share certificates for Open Offer Shares	25 May 2026

Notes:

- (i) References to times in this Document are to London time (unless otherwise stated).
- (ii) If any of the above times or dates should change, the revised times and/or dates will be notified by an announcement to an RIS.

Open Offer statistics

Issue Price	0.60 pence
Number of Existing Ordinary Shares in issue as at the date of this Document	750,877,367
Basis of the Open Offer	1 Open Offer Share for every 7 Existing Ordinary Shares held
Maximum number of Open Offer Shares to be issued pursuant to the Open Offer	107,268,195
Enlarged Share Capital immediately upon Admission of the Open Offer Shares*	858,145,562
Percentage of the Enlarged Share Capital represented by the Open Offer Shares*	12.50 per cent.
The gross proceeds from the Open Offer (approximately)*	£643,609
ISIN for Existing Ordinary Shares	GB00BFPMV798
ISIN for Basic Entitlements	GB00BS1L7620
ISIN for Excess Entitlements	GB00BS1L7C80

Notes:

* assumes full take up of the 107,268,195 Open Offer Shares and the passing of the Resolutions

Please refer to Appendix 1 below for further information

Appendix 1

The following is an extract from the letter from the Chair set out in the Circular, substantially in the same form.

1 Introduction

The Company is proposing to raise up to approximately £643,609 pursuant to the Open Offer. The Open Offer allows all Qualifying Shareholders the opportunity to participate by subscribing for Open Offer Shares at the Issue Price of 0.60 pence per Ordinary Share, *pro rata* to their holdings of Existing Ordinary Shares. The Open Offer is not underwritten.

The Open Offer is conditional, *inter alia*, on the passing of the Resolutions by Shareholders at the General Meeting, which is being convened for 11:00 a.m. on 8 May 2026.

To the extent that the Open Offer is not fully subscribed, and subject to the passing of the Resolutions, the Directors will be authorised, as further explained below, to utilise any remaining balance of the Ordinary Shares made available through the Open Offer from time to time at their discretion, and may allot them to third parties for cash or non-cash consideration. The Directors may determine to make such allotments for a variety of reasons, including in order to raise cash for the Company (including from individual investors or through share offers arranged by intermediaries), to satisfy debts or other amounts owed by the Company, to issue warrants or share options or

by intermediaries), to satisfy debts or other amounts owed by the Company, to issue warrants or share options or for other corporate or working capital purposes.

Shareholders should also be aware that the Open Offer can only proceed if both of the Resolutions are passed by Shareholders with the requisite majorities. Should either of the Resolutions not be passed by Shareholders, the Open Offer will not proceed, the Directors would not be able to utilise, on the basis described in this Circular, any remaining balance of the Ordinary Shares made available through the Open Offer and the Company would not receive any proceeds from the Open Offer Shares or any such remaining balance.

The purpose of this Document is to set out the background to, and reasons for, the Open Offer and to provide Qualifying Shareholders with details of its terms and conditions.

2 Background to and reasons for the Open Offer

The focus of the Board and Tem's executive management remains on realisations and specifically seeking to maximise the value that can be realised from Tem's portfolio companies and investments through successful exits from its investments at the appropriate time, ultimately seeking strong returns for Shareholders.

The Board believes that while the global macroeconomic backdrop continues to be challenging for early-stage technology businesses, the Company's current direct portfolio companies, Device Authority Limited ("**Device Authority**"), FVRS Limited and Talking Medicines Limited ("**Talking Medicines**"), continue to make progress and the Board believes they are approaching the stage where it would be appropriate for Tem to exit the investments in due course. However, the potential shorter-term exit opportunities that have been presented to Tem have been limited and, if and when available, the Directors believe these are not likely to be in the best interests of Shareholders, being likely to be at a significant discount to the current carrying value of the relevant holding and the Directors' current expectations of the medium-term value of the holding.

Against this background, the Company continues to seek the views of Shareholders, including through Robert (Rob) Stevens as an adviser to the Company on Shareholder relations, which has provided valuable insight and input regarding Shareholders' views on the Company's strategy.

It is clear to the Board that Tem's corporate costs must be kept to a minimum in order to allow the largest possible proportion of the Company's limited capital resources to be deployed to seek to maximise the value achievable from Tem's direct portfolio companies. Therefore, as announced on 9 October 2025, additional material cost reductions were implemented, together with seeking to align incentives with Shareholders.

In parallel with cost cutting measures, as announced on 28 November 2025, the Company exited its long-term funding obligation to Sure Valley Ventures Enterprise Capital Fund LP ("**SVV2**"), having sought relief from future capital calls. Tem is currently in discussions with the General Partner of SVV2 to resolve the quantum and, if applicable, timing of payment of any outstanding liability due from Tem to SVV2.

However, despite the cost reduction measures undertaken, as an AIM-quoted company, the Company still incurs material professional fees and costs, both associated with maintaining its status as a publicly traded company and with maintaining its portfolio, many of which are largely fixed.

Subject to audit, during the year ended 31 December 2025, approximately £1.0 million was used in the Company's operations and approximately £0.5 million was deployed within its existing portfolio, through equity and loan investments.

As previously outlined, venture financing has tightened, and syndicates now routinely link continuing investor participation to anti dilution or reset terms that can be punitive for non participants. Against this background, Tem's venture capital partners in its direct portfolio companies are seeking to use 'pay-to-play' structures which mean that if Tem cannot participate to the best extent that Tem's overall funding position will permit and on the required timeline, the Company's investment positions risk being severely diluted or possibly even eliminated, which would materially reduce the value previously built and any future exit proceeds available for distribution to shareholders.

In the absence of suitable exit opportunities, the Company therefore requires additional funding to: (i) maintain the Company's admission to AIM; (ii) participate in future fundraisings that are expected to be conducted by Tem's direct portfolio companies; and (iii) seek to prevent or limit the consequent potentially significant reduction in the net asset value of the Company from Tem not participating in future fundraisings by Tem's direct portfolio companies.

The Company is therefore proposing the Open Offer as an appropriate funding mechanism to provide a contribution to such funding needs and gives all Qualifying Shareholders the opportunity to back Tem on the same terms and to subscribe for Excess Shares if available.

The proceeds of the Open Offer and subsequently any proceeds realisable from the allotment of any Ordinary Shares not subscribed under the Open Offer are intended to be used, in priority order, to:

1. Enable Tem, subject to the level of proceeds raised, to participate to its fullest possible allocation in a proposed short term convertible loan note fundraising by Device Authority. The Board believes that the ability to participate in this fundraising is important to seeking to preserve the value of Tem's holding in Device Authority, particularly in the event of a future exit. Participation in this proposed fundraising was previously disclosed as an intended use of proceeds in the Company's last open offer; however, the proceeds raised at that time were insufficient for Tem to participate to its full allocation and no investment has yet been made.
2. Participate in an expected short-term convertible loan note raise by Talking Medicines, where the Board believes such participation is crucial to seeking to preserve the value of Tem's holding in Talking Medicines, especially upon a future exit of this investment; and
3. Maintain the costs of Company's admission to AIM and cover its corporate overheads.

The Board unanimously believes the Open Offer is in the best interests of Shareholders. Your participation should make a contribution to helping protect existing value, preserving exit potential, and supporting Tem's direct portfolio

companies, especially Device Authority and Talking Medicines, through capital intensive, pay-to-play phases, that could otherwise significantly impact the Company's equity positions and future returns for Shareholders, especially upon expected potential future exits. The Directors strongly encourage all Qualifying Shareholders to participate in the Open Offer.

As at 31 March 2026, the Company's unaudited cash balance was approximately £128,000. In order to meet all of Tem's stated funding objectives described above and ongoing working capital needs, in the absence of a material exit of a portfolio company holding or a material asset sale, it is anticipated that the Company will be required to raise further funds in addition to the net proceeds of the Open Offer within the next 12 months.

The Open Offer is not being underwritten. In order to cover the Company's short-term funding and working capital adequacy requirements, including the costs of maintaining the Company's Admission to AIM, the Company will likely be required to progress alternative funding solutions if the Open Offer is not fully subscribed.

The Company's current portfolio of investments had an unaudited value of approximately £9.8 million as at 30 June 2025, the substantial majority of which is invested in private companies, although the Company's holding of 177,050 shares in Sure Ventures plc ("Sure Ventures"), which is listed on the Specialist Fund Segment of the London Stock Exchange, had an unaudited value of approximately £61,968 at the closing bid price of the Sure Ventures shares on 20 April 2026, the last practical date prior to the publication of this Document.

Should funding be required on an urgent basis and in the absence of other funding options, as an investing company, the Board is confident that the Company would have several options within the portfolio to be able to conduct short-term asset disposals in order to provide capital to cover the Company's working capital needs for the coming months from the date of this Document. However, the Directors believe that if this had to be performed on an urgent basis, then it could only be achieved at a very substantial discount to the current carrying value of the relevant holdings and the Directors' current expectations of the longer-term value of these holdings. Therefore, the Directors believe such short-term asset disposals would not be in the best interests of Shareholders.

Subject to the passing of the Resolutions and to the extent that Open Offer Shares are not taken up pursuant to Basic Entitlements or the Excess Application Facility, such shares may from time to time be allotted at the discretion of the Directors, including to third parties for cash or non-cash consideration. Any such allotments will not be made on terms which are materially more favourable than those available to Qualifying Shareholders under the Open Offer, save where required in connection with non-cash consideration. Furthermore, any such allotments must be made before the conclusion of the Company's 2026 annual general meeting or, if earlier, 1 July 2026, except that the Directors would be permitted to complete any allotments pursuant to offers or agreements made prior to such expiry.

Other alternatives to meet the Company's short-term working capital and funding needs may include debt arrangements, which the Company has utilised from time to time historically. These alternatives may be more costly, more dilutive to Shareholders, or less certain in outcome. Shareholders are therefore strongly encouraged to consider the strategic importance of the Open Offer in supporting the costs of the Company's continuing Admission to AIM, financial health, asset value and medium to long-term portfolio prospects.

Shareholders should therefore note that the effect of the terms of the Open Offer and the Resolutions is that, to the extent that Open Offer Shares are not taken up pursuant to Basic Entitlements or the Excess Application Facility, the Directors will be authorised to utilise any remaining balance of the Ordinary Shares made available through the Open Offer from time to time at their discretion, and may allot them to third parties for cash or non-cash consideration. The Directors may determine to make such allotments for a variety of reasons, including in order to raise cash for the Company (including from individual investors or through share offers arranged by intermediaries), to satisfy debts or other amounts owed by the Company, to issue warrants or share options or for other corporate or working capital purposes.

Any such allotments will not be made on terms which are materially more favourable than those available to Qualifying Shareholders under the Open Offer, save where required in connection with non-cash consideration. Furthermore, any such allotments must be made before the conclusion of the Company's 2026 annual general meeting or, if earlier, 1 July 2026, except that the Directors would be permitted to complete any allotments pursuant to offers or agreements made prior to such expiry. However, Shareholders should appreciate that any such allotment(s) of Ordinary Shares will dilute Shareholders' interests in the Company and may be made without any further approval being sought from Shareholders.

Shareholders should also be aware that the Open Offer can only proceed if both of the Resolutions are passed by Shareholders with the requisite majorities. Should either of the Resolutions not be passed by Shareholders, the Open Offer will not proceed, the Directors would not be able to utilise, on the basis described in this Circular, any remaining balance of the Ordinary Shares made available through the Open Offer and the Company would not receive any proceeds from the Open Offer Shares or any such remaining balance.

3 The Open Offer

The Company is proposing to raise up to approximately £643,609 pursuant to the Open Offer. The Issue Price of 0.60 pence per Open Offer Share represents a discount of 20 per cent. to the closing mid-price of 0.75 pence per Ordinary Share on 20 April 2026, the latest practicable date prior to announcing the Open Offer. The Open Offer allows all Qualifying Shareholders the opportunity to participate on the same terms. The Issue Price was determined by the Board to be at an appropriate discount to the closing mid-price of an Ordinary Share on 20 April 2026, after consideration of market and trading conditions, and consultation with the Company's advisers.

The Open Offer provides Qualifying Shareholders with the opportunity to apply to acquire Open Offer Shares at the

Issue Price *pro rata* to their holdings of Existing Ordinary Shares as at the Record Date on the following basis:

1 Open Offer Share for every 7 Existing Ordinary Shares held

Entitlements to apply to acquire Open Offer Shares will be rounded down to the nearest whole number and any fractional entitlement to Open Offer Shares will be aggregated under the Excess Application Facility.

Valid applications by Qualifying Shareholders will be satisfied in full up to their Basic Entitlements as shown on the Application Form. Applicants can apply for less or more than their entitlements under the Open Offer but the Company cannot guarantee that any application for Excess Shares under the Excess Application Facility will be satisfied as this will depend in part on the extent to which other Qualifying Shareholders apply for less than or more than their own Basic Entitlements. The Company may satisfy valid applications for Excess Shares of applicants in whole or in part but reserves the right not to satisfy any excess above any Basic Entitlement. Applications made under the Excess Application Facility will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility if applications are received from Qualifying Shareholders for more than the available number of Excess Shares.

Qualifying Shareholders who do not take up their Basic Entitlements in full will experience a dilution to their interests of approximately 12.50 per cent. following Admission (assuming full subscription under the Open Offer).

Qualifying Shareholders with fewer than 7 Existing Ordinary Shares will not be able to apply for Open Offer Shares.

The Open Offer Shares will, if issued and fully paid, rank *pari passu* in all respects with the Existing Ordinary Shares, including the right to receive all dividends and other distributions declared, made or paid after the date of Admission.

Conditions

The Open Offer is conditional, *inter alia*, upon the passing of the Resolutions at the General Meeting and Admission of the Open Offer Shares becoming effective by not later than 8:00 a.m. on 11 May 2026 (or such later time and/or date as the Company may determine, being not later than the Long Stop Date).

If conditions are not satisfied and Admission does not occur by 8:00 a.m. on 11 May 2026 (or by 8:00 a.m. on the Long Stop Date), the Open Offer will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter. Revocation of applications for Open Offer Shares cannot occur after dealings have begun.

Excess applications

The Open Offer is structured to allow Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price *pro rata* to their existing holdings of Ordinary Shares on the Record Date.

Qualifying Shareholders may also make applications in excess of their Basic Entitlements. To the extent that Basic Entitlements are not subscribed by Qualifying Shareholders, such Open Offer Shares will be available to satisfy such excess applications, subject always to a maximum of 107,268,195 Open Offer Shares in aggregate and provided that no Qualifying Shareholder shall be entitled to subscribe for Open Offer Shares if it would bring their aggregate interest in the share capital of the Company to more than the Aggregate Limit. To the extent that applications are received in respect of an aggregate of more than 107,268,195 Open Offer Shares and/or would result in a Qualifying Shareholder having an aggregate interest in the share capital of the Company which would exceed the Aggregate Limit, excess applications will be scaled back *pro rata* to the number of Excess Shares applied for by Qualifying Shareholders under the Excess Application Facility.

Qualifying Shareholders should note that the Open Offer is not a rights issue.

Qualifying non-CREST Shareholders should be aware that the Application Form is not a negotiable document and cannot be traded. Qualifying Shareholders should also be aware that, in the Open Offer, unlike in a rights issue, any entitlements to Open Offer Shares not applied for or not taken up will not be sold or otherwise realised for the benefit of Qualifying Shareholders who do not apply under the Open Offer. Accordingly, Qualifying Shareholders who do not take up their entitlements will not receive any compensation for dilution arising from the Open Offer.

However, the Directors reserve the right, subject to the passing of the Resolutions and applicable law, to utilise, on the basis set out elsewhere in this Circular, any remaining balance of the Ordinary Shares made available through the Open Offer from time to time at their discretion, and may allot them to third parties for cash or non-cash consideration. The Directors may determine to make such allotments for a variety of reasons, including in order to raise cash for the Company (including from individual investors or through share offers arranged by intermediaries), to satisfy debts or other amounts owed by the Company, to issue warrants or share options or for other corporate or working capital purposes.

Settlement and dealings

Application will be made to the London Stock Exchange for the Open Offer Shares to be admitted to trading on AIM. It is expected that Admission will become effective and that dealings in the Open Offer Shares will commence at 8:00 a.m. on 11 May 2026. Further information in respect of settlement and dealings in the Open Offer Shares is set out in paragraph 9 of Part III of this Document.

Overseas Shareholders

Certain Overseas Shareholders may not be permitted to subscribe for Open Offer Shares pursuant to the Open Offer and should refer to paragraphs 6 and 7 of Part III of this Document. Persons who have a registered address in or who are located and/or resident in or are citizens of, in each case, a country other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to acquire or subscribe for any Open Offer Shares. Any person with a registered address in or who are located in and/or resident in or are citizens of, in each case, a Restricted Jurisdiction who obtains a copy of this Document or an Application Form is required to disregard them, except with the consent of the Company.

CREST instructions

Application has been made for the Basic Entitlements and the Excess Entitlements for Qualifying CREST Shareholders to be admitted to CREST. It is expected that the Basic Entitlements and the Excess Entitlements will be enabled for settlement through the CREST system as soon as practicable on 22 April 2026. Applications through the CREST system may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim.

Qualifying non-CREST Shareholders will receive a personalised Application Form which gives details of their Basic Entitlement under the Open Offer (as shown by the number of the Open Offer Shares allocated to them) with this Document. If they wish to apply for Open Offer Shares under the Open Offer, they should complete the accompanying Application Form in accordance with the procedure for application set out in the Circular and on the Application Form itself. The completed Application Form, accompanied by full payment, should be returned by post or by hand (during normal business hours only) to Share Registrars Limited so as to arrive as soon as possible and in any event no later than 11:00 a.m. on 7 May 2026.

Qualifying CREST Shareholders, will receive no Application Form with the Circular but will receive a credit to their appropriate stock account in CREST in respect of their Basic Entitlement and if appropriate their Excess Entitlement. They should refer to the procedure for application set out in Part III of this Document. The relevant CREST instruction must have settled by no later than 11:00 a.m. on 7 May 2026.

The latest time for applications under the Open Offer to be received is 11:00 a.m. on 7 May 2026. The procedure for application and payment depends on whether, at the time at which application and payment is made, a Qualifying Shareholder has an Application Form in respect of their Basic Entitlement or have their Basic Entitlement credited to their stock account in CREST.

If you are in any doubt as to what action you should take, you should immediately seek your own personal financial advice from your stockbroker, bank manager, solicitor, accountant or other independent professional adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

4. Directors' interests

The Directors intend to take their full entitlement under the Open Offer¹. The interests of the Directors in the Ordinary Shares (i) as at the date of this Document and (ii) immediately following the issue of the Open Offer Shares, are as shown below.

Directors	No. of Ordinary Shares currently held	% of Existing Ordinary Shares	No. of Ordinary Shares held on Admission¹	% of the Enlarged Share Capital
Jane McCracken	-	-	-	-
Iain Ross	1,843,808	0.24	2,107,209	0.24

Notes:

¹ Assuming that the Directors take their full entitlement in the Open Offer, but do not receive any Excess Entitlement, and subject to the Directors not having any restrictions on taking up entitlements under the Open Offer under the Market Abuse Regulation or the AIM Rules. This also assumes full take up of the 107,268,195 Open Offer Shares and the passing of the Resolutions.

5. PDMR and other participation in the Open Offer

Albert Sisto, the non-board CEO of Tern, a person discharging managerial responsibilities ("PDMR"), intends to subscribe for Open Offer Shares in excess of his qualifying Basic Entitlement, taking into account Mr Sisto has a primary residency and tax status in the United States of America and as such only a proportion of his holding of Existing Ordinary Shares qualify for the purposes of the Open Offer.

6. General Meeting

The Notice of General Meeting is set out in Part V of this Document.

A Form of Proxy for use by the Shareholders in connection with the General Meeting has been sent to Shareholders with this Document.

The Resolutions to be proposed at the General Meeting are, in summary, as follows:

Resolution 1 - Authority to Allot Shares (Ordinary Resolution)

This resolution seeks to grant the Directors authority, pursuant to section 551 of the Companies Act, to allot up to 107,268,195 new Ordinary Shares. This authority will expire at the conclusion of the Company's 2026 annual general meeting or, if earlier, on 1 July 2026, unless renewed, and will permit the Directors to complete any allotments pursuant to offers or agreements made prior to its expiry.

Resolution 2 - Disapplication of Pre-emption Rights (Special Resolution)

Conditional upon the passing of Resolution 1, this resolution seeks to empower the Directors, pursuant to section 571 of the Companies Act, to allot equity securities for cash on a non pre-emptive basis up to the same limit of 107,268,195 new Ordinary Shares, including in connection with the Open Offer and other purposes described in the Circular. This authority will expire at the conclusion of the 2026 annual general meeting or, if earlier, on 1 July 2026, unless renewed, and will allow the Directors to complete allotments under existing agreements entered into prior to expiry.

6. Additional information

Your attention is drawn to the risk factors set out in Part II of this Document. Shareholders are advised to read the whole of this Document and not rely solely on the summary information presented in this letter.

Details of the action to be taken if you wish to subscribe for Open Offer Shares are provided in Part III of this

Document.

A Form of Proxy for use in connection with the General Meeting is enclosed with this Document.

Shareholders can register their vote(s) for the General Meeting either:

- by visiting www.shareregistrars.uk.com, clicking on the "Proxy Vote" button and then following the on-screen instructions; or
- by post or by hand to Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX using the proxy form accompanying this notice; or
- in the case of CREST members, by utilising the CREST electronic proxy appointment service as soon as possible and, in any event, not later than 11.00 a.m. on 6 May 2026, being 48 hours (excluding non-business days) before the time of the General Meeting.

Whether or not you intend to be present at the General Meeting, you are requested to register your vote in advance as set out above. The completion and return of the Form of Proxy will not preclude you from attending the General Meeting and voting in person should you subsequently wish to do so.

Shareholders are reminded that, if their Ordinary Shares are held in the name of a nominee, only that nominee or its duly appointed proxy can be counted in the quorum at the General Meeting.

7. Directors' Recommendation

The Directors believe the Open Offer is as an appropriate funding mechanism to provide a contribution to the Company's funding needs and is structured to provide Qualifying Shareholders with the opportunity to participate *pro rata* to their holdings of Existing Ordinary Shares.

To the extent that Open Offer Shares are not taken up pursuant to Basic Entitlements or the Excess Application Facility, the Directors may, subject to the passing of the Resolutions and in accordance with applicable law and market practice, allot such Open Offer Shares to investors (including by way of a placing or subscription of new Ordinary Shares for cash or, where appropriate, as consideration for investments or other transactions) or otherwise on the basis set out elsewhere in this Circular. Any proceeds of such allotment will, where applicable, be retained for the benefit of the Company. Any such allotment will not be made on terms which are materially more favourable than those available to Qualifying Shareholders under the Open Offer, save where required in connection with non-cash consideration.

The Directors consider that the Open Offer and the Resolutions to be proposed at the General Meeting are in the best interests of the Company and its shareholders as a whole. The authorities sought will provide the Company with the appropriate flexibility to allot new Ordinary Shares and, where appropriate, to do so for cash on a non-preemptive basis in connection with the Open Offer and other corporate purposes described in this Circular. Accordingly, the Directors unanimously recommend that shareholders vote in favour of the Resolutions, as they intend to do in respect of their own beneficial shareholdings.

In this regard, Shareholders should be aware that the Open Offer can only proceed if both of the Resolutions are passed by Shareholders with the requisite majorities. Should either of the Resolutions not be passed by Shareholders, the Open Offer will not proceed, the Directors would not be able to utilise, on the basis described in this Circular, any remaining balance of the Ordinary Shares made available through the Open Offer and the Company would not receive any proceeds from the Open Offer Shares or any such remaining balance.

Definitions

"Admission"	admission of the Open Offer Shares to trading on AIM becoming effective in accordance with the AIM Rules
"Affiliates"	any person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, the person specified
"Aggregate Limit"	a restriction on any Shareholder acquiring any Open Offer Shares which would, when aggregated with any interest in the Existing Ordinary Shares held by such Shareholder, result in such Shareholder holding an interest in the Ordinary Shares which (when taken together with Ordinary Shares in which persons acting in concert with him are interested) carry 30.0 per cent. or more of the voting rights of the Company
"AIM"	the market of that name operated by the London Stock Exchange
"AIM Application"	the application to the London Stock Exchange for Admission as required by Rule 29 of the AIM Rules
"AIM Rules"	the AIM Rules for Companies as published by the London Stock Exchange from time to time
"Allenby Capital"	Allenby Capital Limited, nominated adviser and broker to Tern
"Application Form"	the application form accompanying this Document to be

	the application form accompanying this Document to be used by Qualifying Non-CREST Shareholders in connection with the Open Offer
"Basic Entitlement(s)"	the number of Open Offer Shares which Qualifying Shareholders are entitled to subscribe for at the Issue Price <i>pro rata</i> to their holding of Existing Ordinary Shares held at the Record Date pursuant to the Open Offer as described in Part III of the Circular
"Business Day"	a day (excluding Saturdays and Sundays, or public holidays in England and Wales) on which banks generally are open for business in London for the transaction of normal business
"Circular" or "Document"	this circular issued by the Company on 21 April 2026
"Companies Act"	Companies Act 2006 (as amended)
"Company" or "Tern"	Tern plc, a public limited company incorporated and registered in England and Wales with registered no. 5131386
"CREST"	the relevant system (as defined in the Uncertificated Securities Regulations 2001) for the paperless settlement of trades and the holding of uncertificated securities operated by Euroclear
"Directors" or "Board"	the directors of the Company
"EEA"	the European Economic Area
"Enlarged Share Capital"	the issued ordinary share capital of the Company following the issue of the Open Offer Shares
"Euroclear"	Euroclear UK & International Limited, the operator of CREST
"Excess Application Facility"	the arrangement provided to Qualifying Shareholders to apply for Excess Shares in excess of their Basic Entitlements accordance with the terms and conditions of the Open Offer to be set out in Part III of this Document
"Excess Entitlements"	in respect of each Qualifying Shareholder, the entitlement (in addition to his Basic Entitlement) to apply for Excess Shares pursuant to the Excess Application Facility, which is conditional on him taking up his Basic Entitlements in accordance with the terms and conditions set out in Part III of this Document
"Excess Shares"	Open Offer Shares which are not taken up by Qualifying Shareholders pursuant to their Basic Entitlements and which are offered to Qualifying Shareholders under the Excess Application Facility
"Existing Ordinary Shares"	the 750,877,367 Ordinary Shares in issue as at the date of this Document
"FCA"	the Financial Conduct Authority in its capacity as the competent authority for the purposes of Part VI of FSMA
"FSMA"	the Financial Services and Markets Act of 2000 (as amended)
"General Meeting"	the general meeting of the Company convened for 11:00 on 8 May 2026 at which the Resolutions will be proposed, notice of which is set out at the end of this Document
"HMRC"	HM Revenue & Customs in the UK
"Issue Price"	0.60 pence per Open Offer Share
"IoT"	the Internet of Things
"London Stock Exchange"	London Stock Exchange plc
"Long Stop Date"	29 May 2026
"Market Abuse Regulation"	the Market Abuse Regulation (2014/596/EU) as retained in

Market Abuse Regulation	the Market Abuse Regulation (2014/596/EU) as retained in UK law pursuant, <i>inter alia</i> , to the European Union (Withdrawal) Act 2018 (as amended) and the Market Abuse (Amendment) (EU Exit) Regulations 2019 (as amended)
"Notice of General Meeting"	the notice of the General Meeting, which is set out at the end of this Document
"Open Offer"	the conditional invitation to be made by the Company to Qualifying Shareholders to subscribe for Open Offer Shares at the Issue Price, in accordance with the terms to be set out in the Circular and in, where relevant, the Application Form
"Open Offer Shares"	the up to 107,268,195 Ordinary Shares to be issued pursuant to the Open Offer
"Ordinary Shares" or "Term Shares"	the ordinary shares of £0.0002 each in the capital of the Company
"POATR"	the Public Offers and Admissions to Trading Regulations 2024
"PRM"	the Prospectus Rules: Admission to Trading on a Regulated Market sourcebook made by the FCA
"Overseas Shareholders"	Shareholders who have a registered address in or who are located and/or resident in or are citizens of, in each case, a country other than the United Kingdom
"Qualifying CREST Shareholders"	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Record Date are held in uncertificated form on CREST
"Qualifying Non-CREST Shareholders"	Qualifying Shareholders whose Existing Ordinary Shares on the register of members of the Company on the Record Date are held in certificated form
"Qualifying Shareholders"	Shareholders whose names appear on the register of members of the Company on the Record Date as holders of Existing Ordinary Shares and who are eligible to be offered Open Offer Shares under the Open Offer in accordance with the terms and conditions to be set out in Part III of this Document
"Record Date"	6:00 p.m. on 20 April 2026
"Receiving Agent"	Share Registrars Limited
"Regulatory Information Service"	any of the services set out on the list maintained by the London Stock Exchange as set out in the AIM Rules
"Regulation S"	Regulation S under the Securities Act
"Resolutions"	the resolutions to be proposed at the General Meeting and set out in the Notice of General Meeting
"Restricted Jurisdictions"	United States, Canada, Australia, Japan, New Zealand or the Republic of South Africa and any other jurisdiction where the extension or the availability of the Open Offer would breach any applicable law or regulation
"Securities Act"	the US Securities Act of 1933 (as amended)
"Shareholder(s)"	the shareholders of the Company from time to time, each a "Shareholder"
"Sterling"	British pounds sterling, the official currency of the United Kingdom
"UK" or "United Kingdom"	United Kingdom of Great Britain and Northern Ireland
"United States" or "US"	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia

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