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Tern PLC
26 May 2026

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Tern Plc

("Tern" or the "Company")

Investment in Talking Medicines Convertible Loan Notes

Tern Plc (AIM:TERN), the investment company specialising in supporting high growth, early-stage, disruptive Internet of Things ("IoT") technology businesses, announces that it has been issued with a principal value of approximately £270,000 of new unsecured convertible loan notes (the "CLNs") by Talking Medicines Limited ("Talking Medicines"). The CLNs have been issued in return for Tern having agreed to cancel existing amounts owed to Tern by Talking Medicines aggregating to approximately £87,000 and Tern investing a further approximately £48,000 of new funds. The resulting CLNs provide Tern with investment exposure at a principal value approximately double the aggregate value of the amount owed to Tern and the new funds that Tern has invested. Tern's new cash investment in the Talking Medicines CLNs has been funded from the proceeds of the Company's recent Open Offer.

The CLNs carry an interest rate of 10 per cent. per annum and the CLNs' principal amount and accrued interest are convertible on either an exit or a fundraising of at least £2 million undertaken by Talking Medicines, in both cases at a 20 per cent discount to the exit or fundraising price. If neither an exit nor a relevant fundraising has taken place, the CLNs will mature on 21 November 2029, in line with the approximately £0.52 million of convertible loan notes that the Company already holds in Talking Medicines.

As at 30 June 2025, the date of Tern's last published book valuation, Tern's equity and convertible loan note holding in Talking Medicines had a total unaudited book value of £2.1 million. Following the issue of the CLNs, Tern's equity holding in Talking Medicines will be unchanged and Tern will continue to hold approximately 23.8% of Talking Medicines' equity, but now with an increased total convertible loan note holding of approximately £0.79 million.

Jane McCracken, Interim Non-Executive Chair of Tern, said: *"We are pleased to be able to provide further funding to Talking Medicines which will assist their continued growth trajectory. We remain very excited by the progress Talking Medicines is making which we believe will translate into value for Tern shareholders in due course."*

Further information on Talking Medicines

Talking Medicines uses Advanced Data Science and Artificial Intelligence to empower healthcare advertising agencies, enabling them to consistently win and retain their Pharma clients whilst achieving improved productivity, with swift project delivery. Talking Medicines is seeking to revolutionise the over US 23bn healthcare advertising market (Research and Markets, Healthcare Advertising Market Report 2025), through unlocking strategic intelligence within conversational data. Talking Medicines empowers customers to gain strategic advantages in analysis, measurement, and enhanced brand equity through structuring conversational data.

Based on Talking Medicines' latest statutory accounts for the year ended 31 December 2024, as at that date it had unaudited net liabilities of approximately £1.4 million and incurred an unaudited loss for the year of approximately £0.51 million. Given the historic nature of these figures, Tern does not consider this to be representative of the current business, trading performance and prospects of Talking Medicines.

Enquiries

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