29 September 2026

Tern Plc

(“Tern” or the “Company”)

Unaudited interim results for the six months to 30 June 2026

Tern Plc (AIM: TERN), the company focused on value creation from Internet of Things (“IoT”) technology businesses, announces its unaudited interim results for the six months to 30 June 2026 (the “Period”).

Enquiries:

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Interim Non-Executive Chair’s Statement

The first half of 2026 has been characterised by disciplined financial management and selective investment as the Board remained focused on seeking to preserve and enhance long-term shareholder value in a challenging market environment.

Against a backdrop of constrained funding markets for early-stage technology businesses, the Company continued to manage its resources carefully, while supporting those portfolio companies where we believe capital can be deployed most effectively. This approach contributed to a modest improvement in the Company's net asset value during the Period and the loss for the six months reduced by 60% compared with the corresponding period in 2025. Subsequent to the Period end, the Company successfully completed a further equity placing and an underwritten open offer, enabling an additional investment in Talking Medicines, the repayment in full of the outstanding short-term loan facility, providing additional working capital and supporting future investments within the portfolio, while further strengthening the Company's financial position. Engaging with shareholders remains an important priority for the Board. At the beginning of the year, we were pleased to host an online investor presentation and live Q&A session, bringing together members of Tern's management team alongside senior representatives from Device Authority and Talking Medicines. This provided shareholders with the opportunity to hear directly from our portfolio companies, gain insight into their progress and engage with management on the opportunities and challenges ahead.

During the Period and post Period end, shareholders again demonstrated their support for the Company's strategy, particularly through the open offers. On behalf of the Board, I would like to thank all shareholders who participated in the fundraisings and for the continued confidence placed in the Company and its portfolio companies.

The additional capital raised has enabled the Company to continue supporting Talking

Medicines and Device Authority, while maintaining strict control over the Company's costs. Although market conditions remain challenging, we continue to see encouraging operational progress across the portfolio. Our principal portfolio companies have advanced their product and service offerings through the adoption of artificial intelligence, advanced data science, automation and other next-generation technologies, strengthening their competitive positions within their respective markets. The Tern Board and management team remain actively engaged with portfolio company leadership, providing strategic guidance, commercial support and governance oversight to help with seeking to accelerate this evolution.

We believe that our principal portfolio companies are increasingly establishing themselves as recognised and differentiated participants within their sectors. Through a combination of targeted capital support and/or active stewardship, we have sought to help management teams develop capabilities that enhance customer value, improve commercial relevance and create stronger strategic positioning within rapidly evolving markets. As these businesses continue to mature, we believe these investments are increasing their attractiveness to customers, partners and other market participants, while enhancing their long-term strategic value and potential value realisation opportunities.

While the broader technology investment environment remains demanding, we believe Tern is better positioned than it was at the start of the year. Improved financial performance, strengthened liquidity, the repayment of short-term debt and continued portfolio development initiatives provide a platform from which we can pursue our objective of delivering value for shareholders over the medium term. The Board believes that the investments being made this year, both through capital support and active stewardship, are helping position the relevant portfolio companies as increasingly important participants within their markets at a time when demand for AI-enabled solutions continues to grow.

The continued support shown by shareholders throughout the year has been particularly important. It has enabled the Company to selectively defend and in one case strengthen its positions in certain of its portfolio companies that we believe are entering an increasingly significant stage of their development. The Board remains focused on supporting these businesses through this phase of maturity, with the objective of maximising value creation opportunities for all shareholders as soon as appropriate.

I would like to thank our shareholders for their continued support and look forward to updating you further on the Company's progress and that of its portfolio companies during the remainder of 2026.

Jane McCracken
Interim Non-Executive Chair

Financial review

	6 months to 30 June 2026 £000	6 months to 30 June 2025 £000	12 months to 31 December 2025 £000
Investments	7,736	10,655	7,319
Net assets	7,422	10,286	6,881
Administration costs	(473)	(555)	(1,008)
Loss for the period	(382)	(959)	(5,089)
Net asset value per ordinary share	0.9p	1.8p	1.0p

In the Period the Company continued to maintain a strong focus on minimising costs while selectively supporting its portfolio companies.

As at 30 June 2026, net assets were £7.4 million compared with £6.9 million at 31 December 2025. The investment portfolio increased to £7.7 million (31 December 2025: £7.3 million), reflecting follow-on investments of £0.3 million together with nominal movements in the fair value of investments. Net asset value per ordinary share was 0.9 pence (31 December 2025: 1.0 pence), reflecting the increase in the number of ordinary shares in issue following the equity fundraisings completed during the Period.

During the Period, the Company successfully raised approximately £0.9 million (before expenses) through two open offers and a placing. The proceeds strengthened the Company's working capital position and enabled continued investment into selected portfolio companies.

The Company invested approximately US 280,000 (approximately £0.2 million) in new unsecured convertible loan notes issued by Device Authority. The investment was funded from the proceeds of the open offer and further supported one of the Company's principal portfolio companies.

The Company also made a further investment in Talking Medicines through the issue of approximately £270,000 principal value of new convertible loan notes. The transaction comprised approximately £48,000 of new cash investment together with the cancellation of approximately £87,000 of amounts owed to Tern. The convertible loan notes provide Tern with an investment at a principal value approximately double the aggregate value of the amount owed to Tern and the new funds that Tern has invested. As a result, whilst the Statement of Cash Flows records only the cash element of the transaction, the Company's investment exposure increased by the full principal value of the new convertible loan notes.

The Company continued to actively manage its financing arrangements throughout the Period. In March 2026, the repayment date of its short-term loan facility was extended to 11 September 2026, providing additional flexibility over the Company's funding requirements. Subsequent to the Period end, the Company completed a further equity placing raising £0.45 million (before expenses), following which the outstanding balance of the loan facility was repaid in full. This was followed by an open offer raising gross proceeds of approximately £0.5 million.

Cash and cash equivalents at 30 June 2026 were £0.1 million (31 December 2025: £0.05 million). The Board continues to manage liquidity carefully, balancing the funding requirements of the business with the need to support portfolio companies.

Administration expenses reduced by approximately 15% to £0.5 million (six months to 30 June 2025: £0.6 million), reflecting the Company's continued focus on cost control and management of its operating cost base.

The Board remains committed to prudent capital allocation, maintaining financial discipline and supporting the long-term development of the portfolio whilst continuing to seek to maximise value for shareholders.

Portfolio review

For the six months ended 30 June 2026, the principal portfolio companies reported a 37% year-on-year decrease in aggregated annual recurring revenue (“ARR”), compared with a decrease of 17% in the same period in 2025. This reflects the continued challenging environment for early-stage technology businesses, with the adoption of AI technologies, constrained customer budgets and extended sales cycles continuing to impact revenue growth across the portfolio. In response, the principal portfolio companies have continued to align their cost bases with current trading conditions and available resources, resulting in a 39% year-on-year reduction in headcount within the portfolio, compared with a 15% reduction in the same period last year. Despite these challenges, ARR per employee improved marginally by 3% (six months ended 30 June 2025: 2% decline), highlighting the continued focus on operational efficiency and productivity across the portfolio.

Device Authority Limited *(“Device Authority”)*

Valuation of holding: £4.1 million

Holding: 26.6% (before any dilution on exercise of share options and not including convertible loan notes held). Convertible loan notes of £0.2 million held (included in the £4.1 million valuation)

During the first half of 2026, Device Authority continued to strengthen its position as a provider of machine identity and IoT security solutions, with increasing alignment to several of the most significant technology trends shaping enterprise cybersecurity, including artificial intelligence ("AI"), non-human identities ("NHI"), Zero Trust architectures and regulatory-led security adoption.

The company has expanded its market focus beyond device identity alone to address the broader challenge of establishing trust across connected devices, machines, applications and AI-enabled systems. Recent thought leadership activities have highlighted the growing importance of cryptographic trust, identity assurance and policy-driven governance as organisations seek to securely deploy AI within operational technology ("OT"), industrial and critical infrastructure environments. This positioning is reflected in Device Authority's contribution to industry initiatives focused on secure digital infrastructure and increasingly connected ecosystems.

Product development has remained focused on enhancing the KeyScaler® platform's capabilities in machine identity lifecycle management, automated certificate management, risk assessment and compliance readiness. During the Period, Device Authority introduced a usage-based commercial model that more closely aligns customer value with platform utilisation and supports the continued transition towards a scalable Software as a Service(SaaS)-led business model. The company has also continued to invest in its KeyScaler Risk & Compliance capabilities, reflecting growing customer demand for solutions that not only secure connected environments but also provide evidence of compliance against evolving regulatory frameworks, including requirements arising from the EU Cyber Resilience Act, The EU's NIS2 Directive and sector-specific security standards.

Device Authority's strategic position within the broader cybersecurity ecosystem continues to strengthen. During the Period, the company was recognised as a representative vendor in both the Gartner® Hype Cycle™ for Digital Identity and Gartner® Hype Cycle™ for Zero-Trust Technology 2026, highlighting the growing importance of machine identity management within enterprise security architectures. Industry recognition has been complemented by ongoing participation in key technology forums, including presentations by CTO James Penney on cyber resilience, AI, machine trust and continuous compliance in connected environments. The company has also continued to expand its partner ecosystem, including strategic relationships within identity, cloud and cybersecurity markets, supporting broader market reach and customer adoption.

Commercial momentum has continued through a combination of customer expansion, increased platform utilisation and strong recurring revenue performance. Annual Recurring Revenue ("ARR") increased by 34 per cent year-on-year, whilst net revenue retention reached 131 per cent, reflecting continued expansion within existing customer accounts and increasing adoption of the KeyScaler platform. Customer engagement remains strong, with Device Authority's largest customer continuing to expand its deployment and one enterprise customer placing orders totalling approximately US 1.26 million during the year-to-date. The successful completion of the company's annual external audit for the renewal of its SOC 2 (System and Organization Controls 2) certification further reinforces Device Authority's commitment to operational excellence and enterprise-grade security standards.

Device Authority's largest customer continues to broaden its KeyScaler deployment, while a major global medical device manufacturer is expected to renew under the company's new usage-based pricing model. This approach utilises a pre-committed consumption framework rather than traditional device-based pricing, aimed at better aligning revenues with customer activity and creating a more scalable commercial model. The company is also engaged in discussions with additional medical device customers regarding similar dedicated KeyScaler-as-a-Service deployments, which would further validate the strategic shift towards larger-scale, consumption-based enterprise relationships. Overall, Tern believes Device Authority continues to make positive progress in establishing itself as a trusted provider of machine identity security solutions, benefiting from increasing market demand for automated trust, compliance and cyber resilience across connected environments.

As at 30 June 2026, the unaudited fair value of Tern's shareholding in Device Authority increased to £4.1 million (31 December 2025: £3.9 million), which was due to a £0.2 million (US 0.3 million) investment in convertible loan notes.

Talking Medicines Limited *("Talking Medicines")*

Valuation of holding: £2.0 million

Holding: 23.8% (before any dilution on exercise of share options and not including convertible loan notes held). Convertible loan notes of £0.6 million held (included in the £2.0 million valuation)

During the first half of 2026, Talking Medicines continued to strengthen its position as an Advanced Data Science and AI company for life sciences. Its DrugVoice™ platform transforms real-life patient and healthcare professional ("HCP") voices into actionable intelligence, enabling pharmaceutical companies and agency partners to better understand audiences, quantify message resonance and support evidence-based commercial decision making. The United States remains a priority market, with increasing focus on direct pharmaceutical customer relationships alongside strategic agency partnerships.

In January 2026, Talking Medicines was recognised as one of the UK's leading AI businesses through its inclusion in the UK AI Index 2026, reflecting the company's growing profile within the UK's artificial intelligence sector. During the Period, the company continued to publish industry research and thought leadership focused on AI-driven message measurement, HCP engagement and commercial strategy.

During the Period, Talking Medicines secured a significant new direct pharmaceutical customer, expanded DrugVoice capabilities through the introduction of Consumer Voice intelligence, recognising the growing commercial importance of GLP-1 therapies and wider consumer health trends, and further strengthened its proprietary AI and data science capabilities. The Board believes that these developments should broaden the company's addressable market, increase opportunities for direct engagement with pharmaceutical manufacturers and provide additional pathways for growth across both commercial and medical affairs functions.

Subsequent to the Period end, Talking Medicines launched its new Intent to Prescribe application within DrugVoice, supported by newly established point-of-care data partnerships. The application combines the Company's proprietary Message Resonance Score™ with near-real-time prescribing intent signals, providing pharmaceutical companies with a unique intelligence layer linking HCP message alignment, prescribing intent and patient opportunity. The Board believes this capability differentiates DrugVoice within the market by moving beyond traditional measures of engagement to provide actionable insight into whether messaging is resonating with the most commercially relevant HCP audiences and how such resonance may influence prescribing behaviour. The launch is expected to further expand the Company's market opportunity, strengthen its strategic relevance to pharmaceutical customers and agency partners, and create new avenues for revenue generation through data partnerships, intelligence programmes and direct pharmaceutical engagements.

The Board believes that Talking Medicines is well positioned to benefit from increasing demand for AI-enabled healthcare intelligence solutions. The Board believes that continued investment in proprietary Advanced Data Science and AI models, combined with the growing adoption of AI-driven commercial decision-making across the pharmaceutical industry, supports the company's strategic ambition to become a trusted provider of evidence-based healthcare intelligence. As pharmaceutical companies increasingly seek to improve the effectiveness of customer engagement, optimise marketing investment and accelerate patient uptake, Talking Medicines' differentiated technology and expanding product suite provide a strong foundation for future growth and value creation. Furthermore, the Board considers that the company's leadership in practical AI adoption is enhancing the attractiveness of its solutions to customers and partners, reinforcing its competitive position in a rapidly evolving healthcare market.

As at 30 June 2026, the unaudited fair value of Tern’s shareholding in Talking Medicines increase to £2.0 million (31 December 2025: £1.7 million) due to the additional investment in convertible loan notes during the Period.

FVRVS Limited *(“FundamentalXR”)*
Valuation of holding: £1.6 million
Holding: 10.3% (before any dilution on exercise of warrants or share options)

During the first half of 2026, FundamentalXR continued to execute against its strategy of becoming a leading provider of immersive learning and simulation solutions for the global healthcare and medical technology sectors. Building on its repositioning as FundamentalXR, the company has continued to leverage its proprietary extended reality ("XR"), haptics and artificial intelligence capabilities to support the growing demand for scalable, data-driven clinical training, procedural simulation and workforce development solutions

Throughout the Period, management refined its commercial approach, placing greater emphasis on targeted enterprise engagements, solution-led selling and the use of AI-enabled tools to improve sales execution and customer qualification. The Board has been encouraged by the resulting improvement in pipeline quality and strategic customer engagement, reflected in the progression of several significant opportunities across medical technology, healthcare, professional education and industry sectors. Forecastable and broader pipeline metrics continued to strengthen during the Period, supported by a more disciplined focus on customer needs, return on investment and measurable business outcomes.

The company continued to work with a number of leading global healthcare, medical technology and professional training organisations, while advancing opportunities with additional enterprise customers. During the period, FundamentalXR reported progress with a number of strategic engagements, including expansion opportunities with existing customers, renewal discussions and the development of new enterprise relationships with organisations operating in ophthalmology, surgical technologies and broader healthcare training markets. The Board believes that these engagements demonstrate the continued relevance of the company's platform and validate the increasing demand for immersive simulation technologies within healthcare education and commercial training environments.

A key strategic focus during the period was the continued integration of AI across both product development and customer solutions. Management reported meaningful improvements in software development productivity through the adoption of AI-assisted engineering tools and continued development of agentic AI capabilities designed to enhance user guidance, insight generation and platform value. The company also advanced the development of its next-generation data and analytics infrastructure, intended to provide customers with deeper performance insights and clearer demonstration of training effectiveness and return on investment. The Board believes that these developments further differentiate FundamentalXR's offering and strengthen its position within an increasingly AI-enabled healthcare technology landscape

FundamentalXR has also continued to strengthen its strategic relationships with industry participants. During the Period, the company progressed discussions relating to large-scale enterprise opportunities and entered collaborative development activity with major industry participants focused on immersive technology adoption, simulation and workflow innovation. The Board believes that these relationships have the potential to create meaningful commercial opportunities and further enhance the company's market position over time.

Alongside its commercial activities, management has continued to evaluate strategic corporate development opportunities. As previously communicated by FundamentalXR's leadership, the company is pursuing a dual-track strategy encompassing both organic growth initiatives and the assessment of strategic consolidation opportunities with complementary businesses. The objective is to create a broader, more diversified platform with increased scale, expanded market reach and a more balanced revenue profile across healthcare providers, medical technology manufacturers and industrial customers. The Board believes that a successful execution of this strategy could enhance the strategic value of the business and increase the range of future value realisation opportunities available to its shareholders, including Tern.

While market conditions remain challenging, the Board is encouraged by the operational progress achieved during the period. The Board considers that FundamentalXR possesses a differentiated technology platform, an expanding strategic network, improving commercial discipline and growing integration of AI across its product suite. As healthcare providers, MedTech companies and training organisations increasingly seek scalable and evidence-based training solutions, the Board believes the company remains well positioned to participate in the long-term growth of immersive healthcare training and simulation markets. Furthermore, the Board believes ongoing strategic and corporate development initiatives have the potential to enhance the company's attractiveness to customers, partners and potential strategic acquirers as the sector continues to consolidate.

As at 30 June 2026, the unaudited fair value of Tern’s shareholding in FundamentalXR remained at £1.6 million (31 December 2025: £1.6 million).

Other

Aggregate valuation of holdings: £0.1 million

During the first half of 2026, Sure Ventures plc continued to actively manage and develop its venture capital portfolio. In June 2026, Sure Ventures reported a partial realisation of its investment in CameraMatics as part of a funding round of up to €49 million, demonstrating continued investor support for selected portfolio companies. The company also continued to deploy capital through the Sure Valley Ventures Enterprise Capital Fund, making three new artificial intelligence investments during the period.

Wyld Networks AB continued to focus on commercialising its satellite Internet of Things ("IoT") connectivity solutions whilst implementing a comprehensive cost reduction programme to strengthen its financial position. During the Period, the company announced progress in expanding the application of its technology into the drone sector and, subsequent to the Period end, completed an oversubscribed rights issue to provide additional working capital and support the acquisition of OKT Technology.

Unaudited Income Statement and Statement of Comprehensive

Income
For the six months ended 30 June 2026

	Notes	6 months to 30 June 2026 (Unaudited)	6 months to 30 June 2025 (Unaudited)	12 months to 31 December 2025 (Audited)
		£000	£000	£000
Fee income		34	19	54
Movement in fair value of investments	7	72	(434)	(4,084)
Loss on disposal of assets		(5)	—	—
Total investment deficit		101	(415)	(4,030)
Administration costs		(473)	(555)	(1,008)
Other expenses		(37)	(9)	(93)
Operating loss		(409)	(979)	(5,131)
Finance income		27	20	42
Loss before tax		(382)	(959)	(5,089)
Tax		—	—	—
Loss and total comprehensive loss for the period		(382)	(959)	(5,089)
Earnings per share	6			
Basic and diluted loss per share		(0.05)p	(0.18)p	(0.85)p

Unaudited Statement of Financial Position
As at 30 June 2026

	Note	30 June 2026 (Unaudited) £000	30 June 2025 (Unaudited) £000	31 December 2025 (Audited) £000
Assets				
Non-current assets				
Investments	7	7,736	10,655	7,319
Right of Use Asset	10	29	—	—
		7,765	10,655	7,319
Current assets				
Trade and other receivables		147	212	120
Cash and cash equivalents		95	74	49
		242	286	169
Total assets		**8,007**	**10,941**	**7,488**
Equity and liabilities				
Share capital	8	1,472	1,417	1,436
Share premium		37,633	36,057	36,755
Retained losses		(31,683)	(27,188)	(31,310)
		7,422	**10,286**	**6,881**
Current liabilities				
Trade and other payables		437	485	425
Short Term Loan	11	122	170	182
Lease	12	9	—	—
Total current liabilities		**568**	**655**	**607**
Non-current liabilities				
Lease	12	17	—	—
Total non-current liabilities		**17**	**—**	**—**

Total liabilities	**585**	**655**	**607**
Total equity and liabilities	**8,007**	**10,941**	**7,488**

Unaudited Statement of Changes in Equity
For the six months ended 30 June 2026

	Share capital £000	Share premium £000	Retained losses £000	Total equity £000
Balance at 31 December 2024	1,406	35,541	(26,238)	10,709
Total comprehensive loss	—	—	(959)	(959)
Transactions with owners				
Issue of share capital	11	551	—	562
Share issue costs	—	(35)	—	(35)
Share based payment charge	—	—	9	9
Balance at 30 June 2025	1,417	36,057	(27,188)	10,286
Total comprehensive loss	—	—	(4,130)	(4,130)
Transactions with owners				
Issue of share capital	19	774	—	793
Share issue costs	—	(76)	—	(76)
Share based payment charge	—	—	8	8
Balance at 31 December 2025	1,436	36,755	(31,310)	6,881
Total comprehensive loss	—	—	(382)	(382)
Transactions with owners				
Issue of share capital	36	904	—	940
Share issue costs	—	(26)	—	(26)
Share based payment charge	—	—	9	9
Balance at 30 June 2026	1,472	37,633	(31,683)	7,422

Unaudited Statement of Cash Flows
For the six months ended 30 June 2026

	Note	6 months to 30 June 2026 (Unaudited) £000	6 months to 30 June 2025 (Unaudited) £000	12 months to 31 December 2025 (Audited) £000
OPERATING ACTIVITIES				
Net cash used in operations before portfolio investment activities	**13**	(491)	(500)	(1,037)
Purchase of investments		(257)	(335)	(454)
Cash received from sale of investments		20	—	—
Loans to portfolio companies		(57)	—	(85)
Net cash used in operating activities		(785)	(835)	(1,576)
FINANCING ACTIVITIES				
Proceeds on issue of shares		909	562	1,355
Share issue expenses		(26)	(35)	(111)
Loan receipt		—	—	77
Loan repayment		(44)	—	(78)
Lease payment		(8)	—	—
Net cash from financing activities		831	527	1,243
Increase/(Decrease) in cash and cash equivalents		46	(308)	(333)
Cash and cash equivalents at beginning of period		49	382	382
Cash and cash equivalents at end of period		95	74	49

The Company's principal activity is investment in and development of portfolio companies, principally through equity and debt investments. Accordingly, cash flows arising from the acquisition and disposal of portfolio investments and the provision of funding to portfolio companies are presented within operating activities, as these cash flows arise from the Company's principal business activities. "Net cash used in operations before portfolio investment activities" represents operating cash flows before these portfolio investment transactions.

Notes to the Unaudited Interim Financial Statements
For the six months ended 30 June 2026

1. General information

Tern is an investing company specialising in private software companies, technology companies and in the Internet of Things (IoT).

The Company is a public limited company, incorporated in England and Wales, with its shares admitted to trading on AIM, a market of that name operated by the London Stock Exchange.

The address of Tern's registered office is 27/28 Eastcastle Street, London W1W 8DH. Items included in the financial statements of the Company are measured in Pounds Sterling, which is the Company's presentational and functional currency.

2. Basis of preparation

The Company's financial statements have been prepared in accordance with UK-adopted International Accounting Standards.

These interim financial statements have been prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards (IFRS) applicable as at 30 June 2026. They do not include all the disclosures required for full annual financial statements and should be read in conjunction with Tern's audited financial statements for the year ended 31 December 2025.

The financial information for the year ended 31 December 2025 included in this interim report does not constitute statutory accounts as defined under Section 434 of the Companies Act 2006. The statutory financial statements for that year have been filed with the Registrar of Companies and are available on the Company's website at www.ternplc.com. The comparative figures for the year ended 31 December 2025 are extracted from the statutory financial statements which have been filed with the Registrar of Companies, which included an audit report paragraph relating to a material uncertainty in respect of going concern, but otherwise an unqualified audit report and did not contain statements under Section 498 to 502 of the Companies Act 2006.

These interim financial statements have been prepared on a historical cost basis, except for investments and certain financial instruments, which are measured at fair value at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

3. Going concern

The condensed interim financial statements have been prepared on a going concern basis.

In assessing the appropriateness of this basis, the Directors have considered the Company's cash flow forecasts, liquidity position and expected cash requirements for a period of at least 12 months from the date of approval of the interim financial statements.

During the period, the Company continued to manage its cash resources carefully. Subsequent to the reporting date, the Company successfully completed an equity fundraising and used part of the proceeds to repay its outstanding loan facility in full, strengthening its short-term liquidity position. Prior to the publication of the interim financial statements, the Company completed a fully underwritten open offer.

The Directors' assessment continues to assume that the Company will secure additional funding and/or realise value from its investment portfolio during the assessment period in order to meet its forecast cash requirements. While the post-Period-end fundraising and the underwritten open offer has improved the Company's financial position, the timing and quantum of future funding and investment realisations remain uncertain.

Accordingly, these conditions continue to indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Nevertheless, the Directors consider that it remains appropriate to prepare the interim financial statements on a going concern basis, having regard to the Company's forecast cash flows, the successful completion of the post-period-end fundraising and the range of funding options that the Directors consider are available to the Company.

The interim financial statements do not include any adjustments that would result if the Company were unable to continue as a going concern.

4. Investments

The investment portfolio comprises debt and equity investments.

In accordance with IFRS 10, paragraph 4B, and the guidance set out in IFRS 9, these investments are measured at fair value through profit or loss (FVTPL).

Valuations of investments denominated in foreign currencies are subject to fluctuations in exchange rates, which can impact their reported fair value.

5. Critical accounting judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated, drawing on historical experience and other relevant factors, including reasonable expectations of future events.

The Company makes forward-looking estimates and assumptions, acknowledging that actual outcomes may differ from these projections. The key areas of estimation uncertainty that could result in material adjustments to the carrying amounts of assets and liabilities within the next financial year are outlined below.

JUDGEMENTS
IFRS 10 designation as an investment entity

Management has concluded that the Company continues to meet the definition of an investment entity under IFRS 10. Accordingly, the Company measures its investments at fair value through profit or loss rather than consolidating those entities it controls.

This judgement is reassessed at each reporting date, and there have been no changes to the basis of this assessment since 31 December 2025.

ESTIMATES

Fair value of financial instruments

The Company holds unquoted investments classified as financial assets at fair value through profit or loss ("FVTPL") of £7.7 million. The fair value of these investments is determined using appropriate valuation techniques, including recent transaction prices, discounted cash flow models, market-based approaches and probability-weighted scenario analysis, where applicable.

Management assessed the fair value of the investment portfolio at 30 June 2026 by considering developments since the most recent valuation exercise. No events or changes in circumstances were identified that indicated a material change in the fair values of the existing portfolio investments. For debt investments entered into during the period, management considered the transaction price to provide appropriate evidence of fair value at initial recognition, as the transactions were entered into on terms considered to be consistent with those that would be agreed between market participants. Management subsequently considered developments up to 30 June 2026 and concluded that no material adjustment to those initial fair values was required.

6. Loss per share

Loss per share is calculated by reference to the weighted average number of ordinary shares in issue as follows:

	6 months to 30 June 2026 £000	6 months to 30 June 2025 £000	12 months to 31 December 2025 £000
Loss for the purposes of basic and diluted loss per share	(382)	(959)	(5,089)
Weighted average number of ordinary shares (see note below):	Number	Number	Number
For calculation of basic and diluted loss per share	749,214,417	548,127,630	596,531,980

Loss per share			
Basic and diluted loss per share	(0.05)p	(0.18)p	(0.85)p

At 30 June 2026, 31 December 2025 and 30 June 2025 the 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 the reported loss per share.

7. Investments

	30 June 2026	30 June 2025	31 December 2025
	£000	£000	£000
Fair value of investments brought forward	7,319	10,740	10,740
Interest accrued on convertible loan notes	26	14	29
Additions	343	335	634
Disposals	(24)	—	—
	7,664	11,089	11,403
Fair value adjustment to investments	72	(434)	(4,084)
Fair value of investments carried forward	7,736	10,655	7,319

The convertible loan facility issued to Talking Medicines is a financial asset with multiple embedded 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 30 June 2026, the principal of the convertible loan outstanding was £602,500 (30 June 2025: £287,500).

The convertible loan facility issued to Device Authority is a financial asset with multiple embedded 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 30 June 2026, the principal of the convertible loan outstanding was £208,371 (US 280,000) (30 June 2025: Nil).

8. Issued share capital

	30 June 2026	30 June 2025	31 December 2025
	Number	Number	Number
Issued and fully paid:			
Ordinary shares of £0.0002	855,543,681	578,237,820	672,713,705
Deferred shares of £29.999	42,247	42,247	42,247
Deferred shares of £0.00099	34,545,072	34,545,072	34,545,072
	£000	£000	£000
Issued and fully paid:			
Ordinary shares of £0.0002	171	116	135
Deferred shares of £29.999	1,267	1,267	1,267
Deferred shares of £0.00099	34	34	34
	1,472	1,417	1,436

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

The deferred shares have no voting or dividend rights. The deferred shares are not quoted on the AIM market of the London Stock Exchange.

On 4 March 2026, 78,163,662 new ordinary shares were issued at 0.4p per share for cash as a result of an Open Offer raising approximately £0.3 million before any share issue expenses.

On 14 May 2026, 67,666,314 new ordinary shares were issued at 0.6p per share for cash as a result of an Open Offer raising approximately £0.4 million before any share issue expenses.

On 22 May 2026, 37,000,000 new ordinary shares were issued at 0.6p per share for cash as a result of a placing raising approximately £0.2 million before any share issue expenses.

9. Contingent Liability

As disclosed in the Company's financial statements for the year ended 31 December 2025, the Company was declared a defaulting investor in relation to its commitment to Sure Valley Ventures Enterprise Capital LP ("SVV2") following the non-payment of a capital call due in October 2025.

Under the terms of the limited partnership agreement, claims were asserted against the Company in respect of costs, interest and other amounts arising as a consequence of the default, including legal and enforcement costs. The Company disputes certain elements of these claims, including the scope and quantum of amounts recoverable under the agreement.

During the Period, the Company was notified that it had ceased to be a limited partner in SVV2 and that its interest in the fund had been transferred to other investors or forfeited, with substantially nil consideration expected to be received by the Company.

At 30 June 2026, the existence and extent of certain obligations arising from the default remained uncertain and, accordingly, no provision has been recognised in respect of the disputed amounts.

At the date of approval of these interim financial statements, discussions between the parties regarding a potential settlement remain ongoing and no final agreement has been reached. Based on the current status of those discussions, the Directors expect that any settlement amount would be substantially lower than the maximum potential exposure of approximately £200,000 disclosed in the financial statements for the year ended 31 December 2025. However, as negotiations remain ongoing, the final amount cannot yet be determined with certainty.

The Directors consider that, while an outflow of economic benefits is possible, it is not currently probable in respect of the disputed amounts and therefore the recognition criteria for a provision under IAS 37 have not been met. The Company will continue to assess the matter and will recognise a provision if and when the recognition criteria under IAS 37 are met.

10. Distribution Commitment

On 9 October 2025, the Company announced revised remuneration arrangements for certain members of senior management and directors. As part of these arrangements, eligible individuals may become entitled to 12.5% of the net proceeds of any exit of the Company's investments will be allocated to the executive team and Board, being those directly responsible for the Company's capital allocation, strategy, and execution, subject to the terms and conditions of the relevant agreements.

Any amounts payable under these arrangements are contingent upon the successful realisation of investments. As at 30 June 2026, no qualifying realisation events had occurred and accordingly no liability had been recognised in these financial statements.

The potential amount payable, if any, will depend on timing, value and structure of future investment realisations and therefore cannot be estimated reliably at the reporting date.

Additionally, on 9 October 2025, the Company announced that the Board has committed that the shareholders will receive a distribution or capital return of at least 50% of the net proceeds received by the Company from the exit of any individual investment over £1 million subject to the Company having sufficient distributable reserves and no legal or regulatory impediment to undertaking such an action.

On 28 July 2026, the Company announced that this distribution commitment had been increased to 70% of the net proceeds received by the Company from the exit of any individual investment over £1 million (subject to the Company having sufficient distributable reserves and no legal or regulatory impediment to undertaking such an action).

11. Short Term Loan

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	31 Dec 2025 (Audited)
	£000	£000	£000
Short term loan	122	170	182

As at 30 June 2026, the outstanding principal on the loan was £0.12 million (31 December 2025: £0.15 million). In March 2026, the repayment period was extended by 6 months and the Company agreed to make a payment of £38,432.88 to the Loan provider as a partial repayment of the outstanding loan balance and accrued interest, plus a loan extension fee of £6,000.

The loan is classified as a financial liability measured at amortised cost and carries a rate of interest of 12%. Following the amendment to the agreement, the loan (including both principal and accrued interest) is due for full repayment in September 2026. The amendment to the loan agreement does not qualify as a substantial modification in accordance with IFRS 9.

Subsequently, as announced on 3 August 2026, the short term loan facility was settled in full.

12. Lease Liability

	30 June 2026 (Unaudited)	30 June 2025 (Unaudited)	31 Dec 2025 (Audited)
	£000	£000	£000
Current lease liability	9	—	—
Non-current lease liability	17	—	—
Total lease liability	26	—	—

During the period, the Company entered into a new vehicle lease. As at 30 June 2026, a right-of-use asset was recognised of £29,353 (30 June 2025: Nil) and corresponding lease liability have been recognised. The lease liability is measured at the present value of the remaining lease payments, with depreciation and finance costs recognised over the 36 month lease term.

13. Cash flow from operations

	6 months to 30 June 2026 (Unaudited)	6 months to 30 June 2025 (Unaudited)	12 months to 31 Dec 2025 (Audited)
	£000	£000	£000
Loss for the period	(382)	(959)	(5,089)
Adjustments for items not included in cash flow:			
Movement in fair value of investments	(72)	434	4,084
(Profit) on disposal	5	—	—
Share-based payment charge	9	9	17
Amortisation of loan implementation fee	7	—	—
Movement in fair value of derivative financial instrument	—	—	4
Depreciation of right of use asset	4	—	—
Finance expenses	9	9	18
Finance income	(27)	(9)	(42)
Operating cash flows before movements in working capital	(447)	(527)	(1,008)
Adjustments for changes in working capital:			
- (Increase)/decrease in trade and other receivables (excluding loans to investee companies)	(54)	(22)	(18)
- Increase in trade and other payables	10	49	(11)
Cash used in operations	(491)	(500)	(1,037)

14. Events after the reporting period

On 20 July 2026, 50,000,000 new ordinary shares were issued at 0.9p per share for cash as a result of a placing raising £450,000 before any share issue expenses.

On 28 July 2026, it was announced that the Company had invested £117,195 in new unsecured convertible loan notes issued by Talking Medicines Limited.

On 3 August 2026, it was announced that the Company hac repaid the £125,957 outstanding principal and accrued interest due under the short term loan facility.

On 23 September 2026, it was announced that the Company had closed an underwritten open offer to issue up to 56,596,480 new ordinary shares of 0.002p at an issue price of 0.90p.

15. Availability of interim results

Copies of this report will be available from the Company's website www.ternplc.com.