24 November 2023

**Electric Guitar PLC**

(“Electric Guitar” or the “Company”)

**Interim Results for the six months ended 30 September 2023**

Electric Guitar PLC (LSE: ELEG), the Special Purpose Acquisition Company seeking acquisitions in the digital marketing and advertising industry as a provider of first-party data solutions, is pleased to announce its unaudited interim results for the six months ended 30 September 2023.

# **Highlights**

In the six months to 30 September 2023, Electric Guitar PLC (LSE: ELEG) has made significant progress in its mission to become the provider of choice of first-party data solutions for the marketing and advertising industry, empowering businesses to realise the value of their first-party data. In an era of changing consumer attitudes towards the use of their data, tighter privacy legislation, and the demise of third-party cookies, first-party data is now the key to success in digital marketing.

The Company has continued to trade as a Special Purpose Acquisition Company since it was listed on the Standard Segment of the FCA Official List and Main Market of the London Stock Exchange (“LSE”) in January 2022. In April 2023, Richard Horwood, an experienced corporate financier and media-tech entrepreneur and manager, joined the Board of the Company to help it continue to seek out and secure potential acquisitions, and he has since been appointed Chief Operating Officer. In September 2023, the Company appointed experienced chartered accountant, Ben Lister, as Chief Financial Officer.

On 6 July 2023, the Company entered into non-binding heads of terms to acquire (through a reverse takeover subject to, inter alia due diligence and shareholder approval) all the outstanding shares in 3radical Limited (“3radical”), in an all-share transaction valuing 3radical at £3m subject to adjustments. Accordingly, trading in Electric Guitar PLC’s shares was suspended pending the intended completion of the acquisition in accordance with the applicable Listing Rules.

The Company has engaged advisers to assist it in the detailed due diligence of 3radical, as well as the proposed transfer of the Company’s listing to the LSE’s AIM market, with a view to facilitating a fundraising at the same time and, in so doing, the Company has inevitably incurred significant costs. Accordingly, on 27 October 2023, the Company secured a £250,000 loan facility from its largest shareholder, Sanderson Capital, to help fund it to complete its first acquisition.

# **Chair’s Statement**

I am pleased to present the Company's unaudited interim results for the six months ended 30 September 2023.

Following the Company’s listing at the start of last year, we have actively investigated many potential acquisitions in pursuit of our mission to become the provider of choice of first-party data solutions through acquisitions and investments in the marketing and advertising industry. Key to our approach has been to identify, as our first acquisition, a business that can act as a solid platform for growth, both organically and through adding complementary acquisitions.

On 6 July 2023, we agreed in principle to the acquisition of 3radical. In 3radical, we have found a company with an experienced management team and a well-established software platform already in use by major clients around the world. 3radical’s *Voco* software platform helps marketers engage their customers, securing the valuable first-party data that marketers increasingly need as third-party cookies are progressively removed. In an era of changing consumer attitudes towards the use of their data, tighter privacy legislation, and the demise of third-party cookies, first-party data is now the key to success in digital marketing.

Google Chrome has announced it will follow Apple and others in blocking cookies from advertisers by the end of next year, resulting in the vast majority of the online advertising industry becoming cookie-free. 3radical’s *Voco* is therefore well positioned to capitalise on this structural shift, as brands and businesses increasingly need to acquire data themselves.

Electric Guitar continues to investigate further acquisitions and investments in the sector. As we progress with this strategy, 3radical should also benefit from collaborations with other such service providers offering complementary products and services, both by accessing new clients and markets for its services, as well as by combining with them in sales to its existing customers.

The Company continues to benefit greatly from the experience, commitment and expertise of its management team led by John Regan, Chief Executive Officer, and from the quality of its advisers. In April 2023, Richard Horwood, an experienced corporate financier and media-tech entrepreneur and manager, joined the Board of Electric Guitar to help it continue to seek out and secure potential acquisitions. Richard has since been appointed Chief Operating Officer. In September 2023, the Company appointed experienced chartered accountant Ben Lister as Chief Financial Officer. I would also like to thank Sanderson Capital for their continued support.

John C Hutchinson

Chair  
Date: 23 November 2023

**MANAGEMENT REPORT  
For the six months ended 30 September 2023**

# **Principal activities**

The Company was incorporated on 24 March 2021 in England and Wales as a private company and it was re-registered as a public company on 24 June 2021. Subsequently, on 11 January 2022, the Company was listed on the Official List and the Main Market of the LSE pursuant to Chapter 14 of the Listing Rules (which sets out the requirements for Standard Listings). The principal activity of the Company during the period to 30 September 2023 was, and continues to be, that of identifying potential companies, businesses, or assets for acquisition.

# **Principal risks and uncertainties**

The principal risks currently faced by the Company relate to:

#### Inability to fund operations pre-acquisition

In order to continue operations to the point where the Company is able to complete an acquisition, particularly if the acquisition is not completed by the Initial Acquisition Deadline of 11 January 2024, (being 24 months from the date on which the Company listed on the LSE), the Company will need to ensure that it has sufficient funds to meet all its listing and operating expenses through to completion. The Company currently has limited working capital. Post balance-sheet, the Company has secured a £250,000 loan from Sanderson Capital Partners Limited, the principal shareholder in Electric Guitar, subject to certain conditions.

#### The company’s relationship with the directors and conflicts of interest

The Company is dependent on the directors to identify potential acquisition opportunities and to execute acquisitions. John Regan and Richard Horwood are executive directors and have committed their whole time to the Company’s business. Non-executive directors will allocate a portion of their time to other businesses which may lead to the potential for conflicts of interest in their determination as to how much time to assign to the Company’s affairs.

#### The proposed acquisition of 3radical Ltd may not be completed

If the company does not complete the proposed acquisition, it may not be able to fulfil its objectives and will likely require additional working capital, or proposals put to shareholders as to the future of the Company. In addition, if the acquisition is not completed, the Company may be left with substantial transaction costs.

#### Risks inherent in the proposed acquisition of 3radical

Although the Company and the directors evaluate the risks inherent in a particular target, they cannot offer any further assurance that all the significant risk factors can be identified or properly assessed.

#### Reliance on external advisors

The directors rely on external advisors to help assess the proposed acquisition and there is a risk that such advisors fail to perform as required.

#### Failure to obtain additional financing to complete an acquisition or fund a target’s operations

There is no guarantee that the Company will be able to obtain any additional financing needed to either complete an acquisition or to implement its plans post-acquisition or, if available, to obtain such financing on terms which are reasonable to the Company. In that event, the Company may be compelled to restructure or abandon the acquisition or proceed with the acquisition on less favourable terms, which may reduce the Company’s return on investment. The failure to secure additional financing on acceptable terms could have a material adverse effect on the continued development or growth of the Company and the acquired business.

#### Reliance on income from the acquired activities

Following an acquisition, the Company may be dependent on the income generated by the acquired business or from the subsequent divestment of the acquired business to meet the Company’s expenses. If the acquired business is unable to provide sufficient funds to the Company, the Company may be unable to pay its expenses or make distributions and dividends on the ordinary shares.

#### Restrictions in offering ordinary shares as consideration for an acquisition or requirements to provide alternative consideration

In certain jurisdictions, there may be legal, regulatory, or practical restrictions on the Company using its ordinary shares as consideration for an acquisition or which may mean that the Company is required to provide alternative forms of consideration. Such restrictions may limit the Company’s acquisition opportunities or make a certain acquisition more costly, which may have an adverse effect on the results of operations of the Company.

# **Financial review**

For the six months ended 30 September 2023, the Company reports a net loss of £590,504 (2022: net loss of £371,680). During the six months to 30 September 2023, the Company has incurred significant costs relating to the due diligence of potential acquisitions and the acquisition of 3radical, resulting in net operating cash outflow of £396,031 (2022: outflow of £337,575). At 30 September 2023, the Company held cash of £95,605 (2022: £658,756).

# **Directors**

The following Directors have held office during this period:

John P Regan (CEO)

John C Hutchinson (Chair)

Sarfraz Munshi (NED)

Richard J Horwood (COO) (Appointed 1 April 2023)

**DIRECTORS RESPONSIBILITY STATEMENT  
For the six months ended 30 September 2023**

Each of the Directors confirms that to the best of their knowledge:

* The interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as contained in UK-adopted International Accounting Standards.
* The interim financial statements include a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months of the financial year and their impact on the condensed financial statements and description of principal risks and uncertainties for the remaining six months of the financial year); and
* The interim financial statements include a fair review of the information required by DTR 4.2.8R (disclosures about related parties transactions during the first six months of the financial year that materially affected the financial position or performance in that period and changes in related parties transactions described in the annual report that could materially affect the financial position or performance in that period).

**UNAUDITED CONDENSED STATEMENT OF COMPREHENSIVE INCOME  
For the six months ended 30 September 2023**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Six months to 30 September 2023** |  | **Six months to  30 September 2022** |
|  |  | **(unaudited)** |  | **(unaudited)** |
|  | **Notes** | **£** |  | **£** |
|  |  |  |  |  |
| Administrative Expenses | 4 | (181,809) |  | (108,502) |
|  |  |  |  |  |
| **Operating Loss** |  | **(178,248)** |  | **(78,815)** |
|  |  |  |  |  |
| Exceptional Costs | 5 | (414,761) |  | (264,998) |
| Finance income |  | 6,067 |  | 1,819 |
|  |  |  |  |  |
| **Loss before income tax** |  | **(590,504)** |  | **(371,681)** |
|  |  |  |  |  |
| Income Tax |  | - |  |  |
| **Loss and other comprehensive income** |  | **(590,504)** |  | **(371,680)** |
|  |  |  |  |  |
|  |  |  |  |  |
| **Loss per Share** |  |  |  |  |
| Basic and diluted loss per share\*\* | 6 | (1.02) |  | (0.64) |

All items in the above statement derive from continuing operations.

There was no other comprehensive income for the 6 months to 30 September 2023 (30 September 2022: £nil)

\*\* Series A & B Warrants were issued by the company to officers and suppliers respectively. The share warrants are not considered to have any dilutive effect as the average market price of the ordinary shares during the period did not exceed the exercise price of the warrants.

The notes on the following pages form part of these financial statements.

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION**

**30 September 2023**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **30 September 2023** |  | **31 March 2023** |
|  |  | **(unaudited)** |  | **(audited)** |
|  | **Notes** | **£** |  | **£** |
| **ASSETS** |  |  |  |  |
| **CURRENT ASSETS** |  |  |  |  |
| Trade and other receivables | 7 | 92,350 |  | 29,533 |
| Cash and cash equivalents |  | 95,605 |  | 491,635 |
|  |  | **187,955** |  | **521,168** |
|  |  |  |  |  |
| **TOTAL ASSETS** |  | **187,955** |  | **521,168** |
|  |  |  |  |  |
| **EQUITY** |  |  |  |  |
| **SHAREHOLDERS' EQUITY** |  |  |  |  |
| Share capital | 8 | 289,314 |  | 289,314 |
| Share premium |  | 948,629 |  | 948,629 |
| Accumulated losses |  | (1,373,580) |  | (783,077) |
|  |  |  |  |  |
| **TOTAL EQUITY** |  | **(135,637)** |  | **454,866** |
|  |  |  |  |  |
| **LIABILITIES** |  |  |  |  |
| **CURRENT LIABILITIES** |  |  |  |  |
| Trade and other payables | 9 | 323,592 |  | 66,302 |
|  |  |  |  |  |
| **TOTAL LIABILITIES** |  | 323,592 |  | 66,302 |
|  |  |  |  |  |
| **TOTAL EQUITY AND LIABILITIES** |  | **187,955** |  | **521,168** |

The notes on the following pages form part of these financial statements.

**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY**

**For the six months ended 30 September 2023**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Share Capital** |  | **Share Premium** |  | **Retained Earnings** |  | **Total** |
|  |  | **£** |  | **£** |  | **£** |  | **£** |
|  |  |  |  |  |  |  |  |  |
| At 1 April 2022 |  | 289,314 |  | 948,629 |  | (245,386) |  | **992,556** |
|  |  |  |  |  |  |  |  |  |
| **Comprehensive income** |  |  |  |  |  |  |  |  |
| Loss for the period |  | - |  | - |  | (371,680) |  | **(371,680)** |
|  |  |  |  |  |  |  |  |  |
| **Total comprehensive loss for the period** |  | **-** |  | **-** |  | **(371,680)** |  | **(371,680)** |
|  |  |  |  |  |  |  |  |  |
| **At 30 September 2022 (unaudited)** |  | **289,314** |  | **948,629** |  | **(617,067)** |  | **620,876** |
|  |  |  |  |  |  |  |  |  |
| **Comprehensive income for the year** |  |  |  |  |  |  |  |  |
| Loss for the year |  | - |  | - |  | (537,690) |  | **(537,690)** |
|  |  |  |  |  |  |  |  |  |
| **Total comprehensive loss for the year** |  | **-** |  | **-** |  | **(537,690)** |  | **(537,690)** |
|  |  |  |  |  |  |  |  |  |
| **At 31 March 2023 (audited)** |  | **289,314** |  | **948,629** |  | **(783,077)** |  | **454,867** |
|  |  |  |  |  |  |  |  |  |
| **Comprehensive income for the period** |  |  |  |  |  |  |  |  |
| Loss for the period |  | - |  | - |  | (590,504) |  | **(590,504)** |
|  |  |  |  |  |  |  |  |  |
| **Total comprehensive loss for the period** |  | **-** |  | **-** |  | **(590,504)** |  | **(590,504)** |
|  |  |  |  |  |  |  |  |  |
| **At 30 September 2023 (unaudited)** |  | **289,314** |  | **948,629** |  | **(1,373,580)** |  | **(135,637)** |

The notes on the following pages form part of these financial statements.

**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS**

**For the six months ended 30 September 2023**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Six months to 30 September 2023** |  | **Six months to  30 September 2022** |
|  |  | (unaudited) |  | (unaudited) |
|  |  | **£** |  | **£** |
|  |  |  |  |  |
| **Cash flow from operating activities** |  |  |  |  |
| (Loss) for the period |  | (590,504) |  | (371,680) |
|  |  |  |  |  |
| **Adjustments for:** |  |  |  |  |
| Finance income |  | (6,067) |  | (1,819) |
| (Increase) / decrease in trade and other receivables |  | (62,817) |  | 12,158 |
| Increase in trade and other payables |  | 257,290 |  | 21,947 |
| **Net cash used in operating activities** |  | **(402,097)** |  | **(339,394)** |
|  |  |  |  |  |
| **Cash flow from investing activities** |  |  |  |  |
| Finance income |  | 6,067 |  | 1,819 |
| **Net cash from in investing activities** |  | **6,067** |  | **1,819** |
|  |  |  |  |  |
| **Net cash from financing activities** |  | **-** |  | **-** |
|  |  |  |  |  |
| **Net (decrease) in cash and cash equivalents** |  | **(396,030)** |  | **(337,575)** |
|  |  |  |  |  |
| Cash and cash equivalents at the beginning of the period |  | 491,635 |  | 996,331 |
|  |  |  |  |  |
| **Cash and cash equivalents at the end of the period** |  | **95,605** |  | **658,756** |

The notes on the following pages form part of these financial statements.

**NOTES TO THE INTERIM FINANCIAL STATEMENTS**

**For the six months ended 30 September 2023**

## **General information**

Electric Guitar Plc is a public limited company, registered in England and Wales. The company's registered office is One Bartholomew Close, London, EC1A 7BL. The Company’s principal activities and the nature of its operations are disclosed in the director’s report.

The interim financial statements are neither audited nor reviewed by statutory auditors of the Company.

## **Accounting policies**

## Basis of preparation

The financial statements have been prepared under historical cost convention, in accordance with UK adopted International Financial Reporting Standards (UK adopted IFRS).

The following accounting principles have been applied:

## Going concern

The financial statements have been prepared on a going concern basis. The board has assessed the Company’s financial position at 30 September 2023 and the factors that may impact the Company for a period of up to 12 months from the date of these financial statements were signed.

The Company is a special purpose acquisition company (SPAC) that has been formed for the sole purpose of effecting a business combination. The Company has a period of 24 months from the date on which the Company listed on the London Stock Exchange, which was 11 January 2022, to do so. In the absence of a business combination by the business combination deadline (11 January 2024), the Company would have to seek approval from the shareholders at a general meeting for the Company to continue to pursue an acquisition for one more year from the date of the business combination deadline, in default of which it will cease all operations except to commence a members' voluntary liquidation and redeem the ordinary shares as per the January 2022 prospectus.

The Company has considered its ability to continue as a going concern for a period of at least 12 months from the date of signing the financial statements. The Company has also considered what the business could look like post-completion of a business combination, which includes working capital requirements during the going concern period.

The key assumptions used in the financial forecast relevant to the going concern assessment include:

- Successful acquisition

- Admission to AIM

- Proposed fundraising at the time of acquisition.

The Company has entered into a non-binding heads of terms to acquire all the outstanding shares in 3radical in an all-share transaction through reverse takeover. The Company believes that there is the existence of material uncertainty regarding a business combination which may cast significant doubt on the Company's ability to continue as a going concern, that being whether it is able to complete the business combination by 11 January 2024. To complete the acquisition of 3radical, the Company must obtain the regulatory and shareholder approval and also complete due diligence process.

The board is satisfied by the progress made in the proposed acquisition and believes it is well-positioned to complete the business combination within the specified time frame. Based on this assessment, it is deemed appropriate to prepare the financial statements on a going concern basis.

## **Foreign currency translation**

Transactions in currencies other than the functional and presentation currency of the Company, pound sterling, are recorded at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Non-monetary assets and liabilities that are determined in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Gains or losses arising from the translation of monetary assets and liabilities into the functional currency are included in the net profit or loss for the period. Gains and losses on the translation of assets and liabilities (both monetary and non-monetary) from a functional currency to the presentational currency are recognised directly in other comprehensive income.

## **Taxation**

The income tax expense represents the sum of tax currently payable and deferred tax.

## Current tax

The tax currently payable is based on the taxable profit for the period. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised in the temporary differences arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided those rates are enacted or substantively enacted by the end of the reporting period. Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company’s forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority. Changes in the deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income, or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

## **Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and petty cash. It is the Company’s policy to avoid the use of physical cash wherever possible.

## **Share capital and share premium**

Share capital represents the nominal value of shares that have been issued. Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

## **Pensions**

## Defined contribution pension plan

The Company makes contributions into employee managed Self Invested Pension Plans (“SIPPs”) all of which are defined contribution. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid, the Company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown as a current liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

## **Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the Company becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

## **Trade and other receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

## **Trade and other payables**

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accruals and accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are initially recorded at fair value, and subsequently measured at amortised cost using the effective interest method.

## **Financial liabilities**

All financial liabilities are recognised in the Statement of Financial Position when the Company becomes party to the contractual provision of the instrument.

## **Financial liabilities measured at amortised cost**

The Company’s financial liabilities held at amortised cost comprise trade payables and other payables.

These financial liabilities are initially measured at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method in the statement of financial position.

## **Subsequent measurement**

The trade and other payables are classified as liabilities at amortised cost and are measured at amortised cost using the effective interest rate. The amortised cost of a financial liability is the amount at which the financial liability is measure on initial recognition, minus the principal repayments, plus or minus the cumulative amortisation using effective interest method of any difference between the initial amount recognised and the maturity amount. Such amortisation amounts are recognised in the statement of comprehensive income. Due to the short-term nature of trade and other payables, they are stated at their nominal value, which approximates their fair value.

The Company does not have any instruments which are measured at fair value through profit or loss. The Company has not entered into any derivative instruments during the year.

## **Share warrants**

The Company has granted A-series warrants to directors and B-series warrants to service providers for the services received at the time of listing.

The A-series warrants and B-series warrants are issued to directors and service providers in respect of the service provided. The grant of the share warrants is recognised as equity settled share-based payments under IFRS 2. The share warrants are issued in respect of the services received and can be exercised by the holder of the warrants prior to the exercise date for a fixed number of equity shares at fixed price. The value of the share-based warrants is determined at the date of grant and expensed on a straight-line basis over the vesting period with a corresponding increase in equity based on the Company's estimate of the shares that will eventually vest at the time of the grant. At each balance sheet date, the Company revises its estimates of the number of warrants that are expected to vest based on service and non-market performance conditions.

The Company has considered the market condition (i.e. the target share price being more than the exercise price) at the time of estimating the fair value of the warrants. The amount expensed is adjusted over the vesting period for changes in the estimate of the number of shares that will eventually vest, except for changes resulting from any market related performance conditions.

## **Capital management**

Capital consists of ordinary shares, share premium and retained earnings. The board monitors the return on capital. The Company is not subject to any externally imposed capital requirements.

## **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense unless those costs are recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

## **Employees and directors**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Six months to**  **30 September 2023** |  | **Six months to  30 September 2022** |
|  |  | **(unaudited)** |  | **(unaudited)** |
|  |  | **£** |  | **£** |
| Wages and salaries |  | 82,083 |  | 32,700 |
| Social security costs |  | 1,604 |  | 178 |
| Pension Contributions |  | 1,590 |  | - |
|  |  | **85,277** |  | **32,878** |

The average number of employees and directors during the year was as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Six months to**  **30 September 2023** |  | **Six months to  30 September 2022** |
| Administration |  | 4 |  | 3 |

## **Administrative Expenses**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **30 September 2023** |  | **30 September 2022** |
|  |  | **(unaudited)** |  | **(unaudited)** |
|  |  | **£** |  | **£** |
| Personnel & consultant costs |  | 107,948 |  | 35,702 |
| Legal & professional costs |  | 60,893 |  | 9,378 |
| Business overheads |  | 5,958 |  | 12,444 |
| Marketing & Website |  | 7,010 |  | 20,550 |
|  |  |  |  |  |
|  |  | 181,809 |  | 78,075 |

## **Exceptional Expenses**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **30 September 2023** |  | **30 September 2022** |
|  |  | **(unaudited)** |  | **(unaudited)** |
|  |  | **£** |  | **£** |
| Professional fees associated with  target research and corporate strategy |  | - |  | 95,283 |
| Professional fees associated with the  purchase of 3radical & re-listing on AIM |  | 374,761 |  | - |
| Other professional fees |  | 40,000 |  | 169,715 |
|  |  |  |  |  |
|  |  | 414,761 |  | 264,998 |

## **Loss per share**

Basic earnings per share is calculated by dividing the loss attributable in the period to equity holders of the Company by the weighted average number of ordinary shares in issue during the period, excluding any ordinary shares purchased by the Company and held as treasury shares.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Six months to 30 September 2023** |  | **Six months to 30 September 2022** |
|  |  | **(unaudited)** |  | **(unaudited)** |
|  |  | **£** |  | **£** |
| Loss for the period attributable to equity |  |  |  |  |
| holders of the Company |  | (586,942) |  | (371,681) |
|  |  |  |  |  |
| Weighted average no. of ordinary shares |  | 57,862,776 |  | 57,862,776 |
|  |  |  |  |  |
| **Loss per share (pence)** |  | **(1.01)** |  | **(0.64)** |

The company issued A-series warrants and B-series warrants to directors and service providers respectively. These warrants are exercisable at a price equal to the 150% of the price at which the shares were admitted to the London Stock Exchange with various vesting periods. The exercise price for the warrants is 4.5 pence.

The exercise price is greater than the market price on 7 July 2023 immediately prior to the suspension of trading in the Company’s shares, so the fair value of both A-series warrants and B-series warrants at 30 September 2023 is £nil.

## **Trade and other receivables**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **30 September 2023** |  | **31 March**  **2023** |
|  |  | **£** |  | **£** |
| Director’s current account |  | - |  | 53 |
| Prepayments |  | 17,002 |  | 9,699 |
| VAT |  | 75,348 |  | 19,781 |
|  |  |  |  |  |
|  |  | 92,350 |  | 29,533 |

## **Share capital**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **30 September 2023** |  | **31 March**  **2023** |
|  |  | **£** |  | **£** |
| **Ordinary share capital – issued and fully paid** |  |  |  |  |
| 57,862,776 Ordinary shares of 0.5p each |  | 289,314 |  | 289,314 |
|  |  |  |  |  |
|  |  | **289,314** |  | **289,314** |

The ordinary shares carry voting and dividend rights.

## **Trade and other payables**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **30 September 2023** |  | **31 March**  **2023** |
|  |  | **£** |  | **£** |
| Trade creditors |  | 154,637 |  | 16,001 |
| Social security and other taxes |  | 8,393 |  | 3,702 |
| Accrued expenses |  | 160,562 |  | 46,599 |
|  |  |  |  |  |
|  |  | 323,592 |  | 66,302 |

## **Post-balance sheet events**

On 27 October 2023, the Company entered into an agreement with Sanderson Capital Partners Limited, an 18.33% shareholder in Electric Guitar, for the provision of a loan facility of between £150,000 and £250,000. The facility is repayable on the earlier of six months or the Company’s successful admission to trading on AIM. At least £150,000 of the loan will be satisfied by the issue of shares on the repayment date.

## **Related party disclosures**

During the period under review, the Company entered into the following related party transactions.

The Company acquired services for £275,000 (2023: £10,112) relating to the due diligence of 3radical and its subsidiaries from BDB Pitmans LLP. John Hutchinson serves as chair of Electric Guitar and is senior partner of BDB Pitmans LLP.

The Company acquired services for £95,000 (2023: nil) from Mymyne Ltd. £40,000 was for the provision of commercial due diligence services to the Company in connection with the proposed acquisition of a previous target which did not proceed. The remaining £55,000 was for the provision of commercial due diligence services to the Company in connection with the proposed reverse takeover of 3radical (announced on 7 July 2023). John Regan, who serves as CEO, and John Hutchinson, who serves as chair and both being directors of the Company, are 36.9% and 9.5% shareholders of Mymyne Ltd respectively.

## **Ultimate controlling party**

The Company considers there to be no ultimate controlling party.

**For further information:**

|  |  |
| --- | --- |
| **Electric Guitar PLC**  John Hutchinson  Chair | 01189 570 444 |
|  |  |
| **Axis Capital Markets**  **(Corporate Broker)**  Richard Hutchison | 020 3026 0320  rh@axcap247.com |
| **Yellow Jersey PR**  Sarah Hollins  Annabelle Wills  Bessie Elliot | 020 3004 9512  [electric@yellowjerseypr.com](https://appriver3651008983.sharepoint.com/sites/CompanyData/Shared%20Documents/Corporate%20Finance/Mandated%20Transactions/Electric%20Guitar/Announcements/electric@yellowjerseypr.com) |