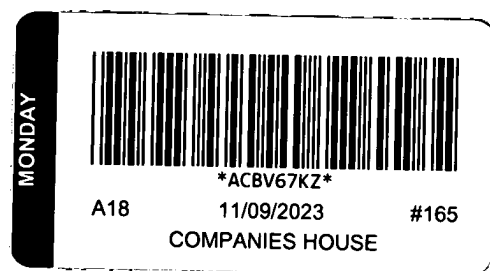


Company Number 13288812 (England and Wales)

ELECTRIC GUITAR PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2023



ELECTRIC GUITAR PLC

COMPANY INFORMATION

Directors	John C Hutchinson Sarfraz Munshi John P Regan Richard J Horwood
Secretary	John C Hutchinson
Company number	13288812
Registered office	One Bartholomew Close London EC1A 7BL
Auditor	Johnsons Chartered Accountants 1-2 Craven Road London W5 2UA
Bankers	Santander UK PLC 2 Triton Square Regent's Place London NW1 3AN

ELECTRIC GUITAR PLC

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ELECTRIC GUITAR PLC

CHAIRMAN'S STATEMENT AND KEY PERSONNEL FOR THE YEAR ENDED 31 MARCH 2023

I have pleasure in presenting the annual report and financial statements for the year ended 31 March 2023.

In January 2022, the company successfully listed its shares for trading on the London Stock Exchange Main Market, and at the same time secured a placing of additional ordinary shares for £1,200,000 (before expenses). This has enabled the company to research suitable targets for acquisition in line with its stated corporate strategy.

Proposed 3radical RTO

I am pleased to announce that on 6 July 2023 the Company entered into a non-binding heads of terms to acquire (through a reverse takeover subject to regulatory and shareholder approval and due diligence) all the outstanding shares in 3radical Limited ("3radical") in an all-share transaction ("Transaction").

The Transaction is in line with the Company's strategy set out at the time of its IPO last year. On completion of the Transaction, the Company's intention is to cancel its listing on the Standard List and seek admission of its ordinary share capital, as enlarged following completion of the Transaction, to trading on the AIM Market of the London Stock Exchange ("Admission").

The heads of terms place an initial valuation on 3radical of £3 million, subject to adjustments.

Macro-economic climate

The business environment has changed significantly since the Company's successful listing in January 2022. Global inflationary pressures, which first became apparent in spring 2022, have continued and whilst pressures on energy and food have abated, central banks' task of managing inflation remains challenging and it is likely that higher interest rates will continue for the time being. With bond yields rising as a result, equity investors can be expected to focus more on growth stocks.

Generative AI

The use and capabilities of generative AI, such as ChatGPT, are rapidly expanding. The ability to automate content creation, generate and implement media plans autonomously, and replace traditionally people-oriented services like campaign account management, is already hastening the shift to data-driven, personalised marketing. Brands will have to deliver much more varied content driven by exponentially more data points, and they will have to make sense of it in ways never seen before. Technology like 3radical's is therefore becoming increasingly important to marketers.

ELECTRIC GUITAR PLC

CHAIRMAN'S STATEMENT AND KEY PERSONNEL (continued) **FOR THE YEAR ENDED 31 MARCH 2023**

The shift towards privacy first marketing.

In the Company's chosen sphere of interest, digital media and advertising, the structural changes identified last year have become evident. These structural changes have continued to be driven by the increasing importance of data privacy.

1. Audiences are shifting their interest from platforms based around sharing and socialising such as Facebook, towards platforms designed for broadcasting like Instagram and TikTok. As a result, user-generated content has an increasing impact on advertising Return on Investment ("ROI").

2. Companies traditionally interacting indirectly with consumers are now increasingly bypassing retail and media partners to engage and conduct transactions directly with customers.

3. Chief Marketing Officers ("CMOs") are increasingly focussed on preserving and improving consumer relationships by using consented data-driven insights to enhance customers' experience and optimise their marketing journeys from exploration to sales.

Legislation

As expected, in the last year privacy legislation has continued to evolve in line with the growing privacy-centric environment.

February 2022 saw a landmark European ruling against the Internet Advertising Bureau ("IAB") (the industry body for digital advertising), which declared that the majority of cookie-based digital advertising practices are 'illegal'. The IAB has since responded with a series of appeals, but the implications of this judgement are expected to be far reaching. Discussion around this judgement is ongoing. However, privacy legislation has continued to evolve towards a new privacy-centric data environment in the last year. Highlights are:

- In January 2023, the American Data Privacy and Protection Act (ADPPA) was proposed in the US Senate and is still under review. If enacted, it could homogenize data protection regulations throughout the US, thereby simplifying the present system of varying State laws.
- March 2023 marked the introduction of the UK Data Protection and Digital Information Bill (No. 2) to the House of Commons as a replacement for the European GDPR legislation. If passed in its current form, the new Bill will allow UK businesses to obtain consent in a more flexible way, including through implied consent.
- By June 2023, the EU parliament reached an agreement on the Data Act which, amongst other initiatives, creates a privacy-centric framework to allow businesses to share data. This will potentially increase opportunities for innovative privacy businesses in the marketing space.

ELECTRIC GUITAR PLC

CHAIRMAN'S STATEMENT AND KEY PERSONNEL (continued) **FOR THE YEAR ENDED 31 MARCH 2023**

Privacy Technology

Google's depreciation of cookies is now scheduled for the end of 2024, and privacy measures continue to be a high priority for providers of advertising networks and devices. As a result, these providers are gaining greater control of consumer data and therefore of pricing, and so related advertising costs are rising just as marketers are increasingly seeking efficiencies to offset adverse macro-economic conditions.

Structural shift

As the advertising market adjusts to the privacy-centric environment, business leaders, particularly CEOs and CMOs, are evolving their marketing to reflect a 'people first' focus on valued customers, rather than relying on commoditised data to continually attract new audiences.

Digital advertising spend is increasing, but the challenging macroeconomic environment, coupled with the dynamic landscape of consumer behaviour, the evolving regulatory environment, and the transformative power of new technologies, means that innovation and adaptation are critical to success. The marketing environment is becoming more complicated for large incumbent service providers, favouring nimbler, technology-oriented businesses.

The Company's strategy therefore continues to be to capitalise on this structural disruption in the marketing industry. This approach is coupled with relatively high interest rates leaving many growth-oriented technology companies with less access to the capital they need, resulting in more realistic valuations by their founders and seed investors, and creating more opportunities for the Company to acquire complementary technology businesses at attractive valuations.

Key Personnel

JOHN CHRISTOPHER HUTCHINSON - Non-executive Chairman

John Hutchinson is an experienced Non-Executive Director ("NED") and founder of businesses. He has maintained his career as a corporate lawyer for 30 years alongside his external business activities.

In 2005 he became Chairman of Intavent Limited, a medical devices company, overseeing realisation of value for its shareholders over two years as the company wound up its UK activities.

In 2007 he was part of a team that set up Epi-V, a private equity fund investing in technologies for the oil and gas industry.

ELECTRIC GUITAR PLC

CHAIRMAN'S STATEMENT AND KEY PERSONNEL (continued) **FOR THE YEAR ENDED 31 MARCH 2023**

Key Personnel (continued)

JOHN CHRISTOPHER HUTCHINSON - Non-executive Chairman (continued)

In 2012 he became managing partner of the fund, responsible for £110m of investment.

In 2015 he was asked to take over as managing partner of his law firm, Pitmans, reorganised the firm's management team and took the firm into a merger in 2018, creating a £52 million turnover law firm, BDB Pitmans LLP. John is currently Senior Partner of the firm.

John has been on the boards of several innovative and growth orientated technology companies. Examples include SafeToNet Limited, a company safeguarding children globally online and Flodatix Limited, a private equity backed multi-phase flow metering company using unique technology in the oil and gas sector.

John has a Degree from the University of Victoria in Canada.

JOHN PATRICK REGAN - Chief Executive Officer

John is a serial entrepreneur with 30 years' experience of the advertising industry. He has over 25 years of experience in data privacy and marketing data analytics.

John started his career selling classified advertisements for the Daily Telegraph in 1991, before moving into Radio for Independent Radio Sales, part of Katz Communications.

In 1998, he founded one of the first independent marketing analysis businesses in the UK which he sold to Diversified Agencies UK Holdings Ltd (formerly Lopex plc), a subsidiary of Havas Advertising S.A, the French multinational advertising and public relations company. It became part of EHS Brann, the creators of the Tesco Clubcard, the first large scale, data driven marketing operation in the United Kingdom.

John co-founded his second and third businesses, namely Absolute Intuistic Limited, trading as AI Data Intelligence, and Intuistic Limited which were bought out by Communisis Plc in 2008. AI Data Intelligence specialised in the use of advanced analytics to optimise direct mail campaigns for large clients including Royal Bank of Scotland, Lloyds TSB and Vodafone. Both of John's companies were bought out by Communisis Plc in 2008.

Following the sale, John spent 2 years as a board director on the acquisitions team of Communisis Data Limited (part of the Communisis Plc group). In 2019 he founded the advertising technology business, Mymyne, which continues to research digital privacy and digital advertising.

John has a BA(Hons) degree in Social Policy and Administration from Portsmouth University.

ELECTRIC GUITAR PLC

CHAIRMAN'S STATEMENT AND KEY PERSONNEL (continued) **FOR THE YEAR ENDED 31 MARCH 2023**

Key Personnel (continued)

SARFRAZ MUNSHI - Non-executive Director

Sarfraz is a NED who has over 9 years of experience in the financial industry.

In 2013 Sarfraz began working for a Beaufort Securities and managed and advised hedge funds, high and ultra-high net worth clients in markets including but not limited to UK, Hong Kong, Australia, Canada and US. He transacted in over £1bn of assets.

In 2015 Sarfraz became an investment manager and partner at Sanderson Capital, a family office. He has successfully funded, invested and exited making multiples on numerous listed investments. Sarfraz has invested in numerous private equity deals including but not limited to technology, oil & gas and biotech sectors.

Sarfraz has a BSc with Honours in Economics in the First Class from the University of Nottingham.

RICHARD HORWOOD – Executive Director

In April 2023 the Company strengthened its Board with the appointment of Richard Horwood as Executive Director.

Richard has been an innovator in media and technology for some 30 years, after careers in investment banking and law. Having started out as a solicitor in private practice, he joined Hill Samuel Bank's corporate finance department before becoming head of M&A at securities house Smith New Court.

Recruited to create and run the Mirror Group's TV business, his 300-strong division comprised a network of national and local broadcasters, an independent production company, a premium rate telephone service provider, and an airtime sales house.

Richard then bought and ran technology company Vio, later adding AdSEND in America, turning them into a world market leader in print advertising online delivery solutions. Living in New York for two years, he was instrumental in establishing the global XML standard for managing print advertising workflows.

Returning to the UK, he partnered with Sony and three major local media companies to bid for the London TV franchise. Since then, Richard has been actively involved in independent video production businesses, neighbourhood planning, and charitable organisations.

ELECTRIC GUITAR PLC

CHAIRMAN'S STATEMENT AND KEY PERSONNEL (continued) FOR THE YEAR ENDED 31 MARCH 2023

Key Personnel (continued)

RICHARD HORWOOD – Executive Director (continued)

Richard is currently non-executive Chair of recruitment agency, Retail Human Resources PLC, and of The Local Digital Company, a specialist in online video production; and is an investor in businesses ranging from frozen food delivery to GP practice administration.

Richard has an LLB (Hons) degree in law from Bristol University and passed the Solicitors Finals at the College of Law, Guildford.

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John Hutchinson
Chairman
Date: 31 July 2023

ELECTRIC GUITAR PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report for the year ended 31 March 2023.

Fair review of the business

The Company was established in March 2021 as a special purpose acquisition company formed with the intention of seeking acquisition targets in the digital media sector. The Company intends to act as a consolidator and operator in the digital advertising market. The directors believe that there is a significant commercial opportunity in the digital advertising sector as advertisers and their customers explore different ways to reach their target audiences in the disrupted market.

In January 2022, the company successfully admitted its Ordinary shares to the Standard Segment of the Official List and to trading on the Main Market of the London Stock Exchange, following a successful placing of 40,000,000 ordinary shares at £0.03 pence per share raising gross proceeds of £1,200,000, before expenses.

During the year, the directors continued to review opportunities to acquire suitable targets. The company incurred a net loss of £537,690 (2022: £245,387). At 31 March 2023, the company held cash at bank totalling £491,635 (2022: £996,331).

Principal risks and uncertainties

The principal risks currently faced by the Company relate to:

Acquiring less than controlling interests

The Company may acquire either less than the whole voting control of, or less than a controlling equity interest in, a target, which may limit the Company's operational strategies and reduce its ability to enhance Shareholder value.

Inability to fund operations post-acquisition

The Company may be unable to fund the operations post acquisition of the target business if it does not obtain additional funding. However, the Company will ensure that appropriate funding measures are taken to ensure minimum commitments are met.

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.

ELECTRIC GUITAR PLC

STRATEGIC REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2023

Principal risks and uncertainties (continued)

Suitable acquisition opportunities may not be identified or completed

The Company's business strategy is dependent on the ability of the directors to identify sufficient suitable acquisition opportunities. If the directors do not identify suitable acquisition targets, the Company may not be able to fulfil all its objectives.

Furthermore, if the directors do identify suitable targets, the Company may not acquire them at a suitable price or at all. In addition, if an acquisition is identified and subsequently aborted, the Company may be left with substantial transaction costs.

Risks inherent in an acquisition

Although the Company and the directors will evaluate the risks inherent in a particular target, they cannot offer any further assurance that all of the significant risk factors can be identified or properly assessed. Furthermore, no assurance can be made that an investment in ordinary shares in the Company will ultimately prove to be more favourable to investors than a direct investment, if such an opportunity were available, in a target business.

Reliance on external advisors

The directors expect to rely on external advisors to help identify and assess potential acquisitions and there is a risk that suitable advisors cannot be placed under contract or that such advisors that are contracted 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 attractive 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 the 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.

ELECTRIC GUITAR PLC

STRATEGIC REPORT (continued) **FOR THE YEAR ENDED 31 MARCH 2023**

Principal risks and uncertainties (continued)

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.

Key performance indicators

The directors are of the view that the only key performance indicator at this stage of the Company's development is the completion of an acquisition. On 6 July 2023, it entered into a non-binding heads of terms to acquire (through a reverse takeover subject to regulatory and shareholder approval and due diligence) all the outstanding shares in 3radical Limited.

Gender analysis

A split of our employees and directors by gender and average number during the year is shown below:

Directors	Male	Female
	3	0

Statement by the directors in accordance with section 172(1) of the Companies Act

The directors believe they have acted in the way most likely to promote the success of the Company for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the directors to:

- consider the likely consequences of any decision in the long term;
- act fairly between the members of the Company;
- maintain a reputation for high standards of business conduct;
- consider the interests of the Company's employees;
- foster the Company's relationships with suppliers, customers and others; and
- consider the impact of the Company's operations on the community and the environment.

The main decision made by the directors during the period was to use the net proceeds raised on the IPO in evaluating numerous acquisition opportunities and ultimately to the intended transferring of the Company's listing to the AIM market of the London Stock Exchange and issuing shares to acquire 3radical, a company operating in the digital advertising sector.

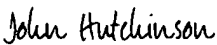
ELECTRIC GUITAR PLC

STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

Statement by the directors in accordance with section 172(1) of the Companies Act
(continued)

Otherwise, the Company only has professional advisors and a limited number of suppliers, staff and others who require consideration by the directors, and there are no activities that could impact the community or environment. The directors acknowledge that the Company will seek to maintain a reputation for high standards of business conduct in its dealings with individual stakeholders.

The directors are confident that 3radical is a suitable acquisition upon which to base the Company's immediate future.

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John Hutchinson
Director
Date: 31 July 2023

ELECTRIC GUITAR PLC

DIRECTORS REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

The corporate governance statement set out on page 22 forms part of this report.

Principal Activities

The Company was formed on 24 March 2021 in England Wales as a private company and was re-registered as a public company on 24 June 2021. Subsequently, on 11 January 2022, the company was listed on the Official List of the London Stock Exchange, 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 was that of identifying potential companies, businesses or assets for acquisition.

Results and dividends

The results for the period are set out on page 32.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

John C Hutchinson	(Appointed 17 May 2021)
John P Regan	(Appointed 24 March 2021)
Luke W McKeever	(Appointed 11 January 2022 and resigned 8 September 2022)
Sarfraz Munshi	(Appointed 8 September 2022)
Richard J Horwood	(Appointed 1 April 2023)

Directors' interests

The directors' interests in the shares of the company were as stated below:

Ordinary shares of 0.5p each at 31 March 2023

John C Hutchinson	2,373,000
Sarfraz Munshi	Nil
John P Regan	4,068,000
Richard Horwood	900,000

Remuneration committee

There is no separate Remuneration Committee at present. Instead, all remuneration matters are considered by the Board as a whole. It meets when required to consider all aspects of directors' and staff remuneration, share options and service contracts.

ELECTRIC GUITAR PLC

DIRECTORS REPORT (continued) **FOR THE YEAR ENDED 31 MARCH 2023**

Nominations committee

A Nominations Committee has not yet been established.

Internal financial control

Financial controls have been established to provide safeguards against unauthorised use or disposition of the assets, to maintain proper accounting records and to provide reliable financial information for internal use. Key financial controls include:

- the maintenance of proper records;
- a schedule of matters reserved for the approval of the Board;
- evaluation, approval procedures and risk assessment for acquisitions; and
- close involvement of the directors in the day-to-day operational matters of the Company.

Shareholder communications

The Company uses its corporate website (<https://www.electricguitarplc.com>) to ensure that the latest announcements, press releases and published financial information are available to all shareholders and other interested parties.

The Annual General Meeting ("AGM") is used to communicate with both institutional shareholders and private investors, and all shareholders are encouraged to participate. Separate resolutions are proposed on each issue so that they can be given proper consideration, and there is a resolution to approve the Annual Report and Accounts. The Company counts all proxy votes and will indicate the level of proxies lodged on each resolution after it has been dealt with by a show of hands.

Directors' Remuneration Report

Remuneration policies (unaudited)

The remuneration policy of the Company in effect from 24 March 2021 was that:

- John Regan was entitled to a salary not in excess of £36,000 per annum from the date of Admission until the completion of an acquisition.
- John Hutchinson was entitled to a salary not in excess of £12,000 per annum from the date of Admission until the completion of an acquisition.

Since that date:

- Sarfraz Munshi was appointed a non-executive director on 8 September 2022 with a salary of £36,000 per annum.
- Richard Horwood was appointed a director on 1 April 2023 with a salary of £26,000 per annum together with a payment into his SIPP of £10,000 per annum.
- John Hutchinson was entitled to a revised salary of £36,000 per annum from 1 September 2022.

ELECTRIC GUITAR PLC

DIRECTORS REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2023

Directors' Remuneration Report (continued)

Remuneration policies (unaudited) (continued)

It is intended that remuneration policy will be revised subject to a successful acquisition of 3radical.

At the forthcoming AGM shareholders will be asked to vote on the remuneration policy of the Company. Following completion of an acquisition, a remuneration committee may be appointed to reassess an appropriate level of directors' remuneration and it is envisaged that the remuneration policy be amended so as to attract, retain and motivate executive directors and senior management of a high calibre with a view to encouraging commitment to the development of the Company and for long term enhancement of shareholder value. The Board believes that share ownership by directors strengthens the link between their personal interests and those of shareholders although there is no formal shareholding policy in place. The current directors' remuneration comprises a basic fee, together with a bonus payment on a successful acquisition and inclusion in the Company's share warrant scheme referred to below. Directors also receive reimbursement for expenses incurred whilst performing services for the Company.

Service contracts (unaudited)

The Executive Directors have entered into Service Agreements with the Company and continue to be employed until terminated by the Company. In the event of termination or loss of office the director is entitled only to payment of his basic salary in respect of his notice period. In the event of termination or loss of office in the case of a material breach of contract the director is not entitled to any further payment. Each director is paid at the rate listed in the table above. The contracts are available for inspection at the Company's registered office.

Approval by members (unaudited)

The remuneration policy above will be put before the members for approval at the next AGM. Each director is paid at the rate listed in the table above.

The contracts are available for inspection at the Company's registered office.

Bonus and incentive plans (audited)

Warrant Instrument for A-Series Warrants

On 24 December 2021, the Company entered into a warrant instrument, pursuant to which the Company created A-Series warrants over Ordinary Shares of the Company.

Warrants over in aggregate 5,786,278 new Ordinary Shares at an exercise price per Ordinary Share equal to 150 per cent. of the Placing Price. At Admission a total of 3,599,064 A-Series

ELECTRIC GUITAR PLC

DIRECTORS REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2023

Directors' Remuneration Report (continued)

Bonus and incentive plans (audited) (continued)

Warrant Instrument for A-Series Warrants

Warrants (the "Allocated A-Series Warrants") were granted to the directors (subject to the vesting provisions described below) in the following numbers:

John Regan	1,539,150
John Hutchinson	1,029,957

The Allocated A-Series Warrants will vest and become exercisable on a time basis. 20% of the Allocated A-Series Warrants held by each director will vest (and therefore become exercisable) on each of the first five anniversaries of Admission, such that by the fifth anniversary of Admission all the Allocated A-Series Warrants will have vested and become exercisable. Once vested, an Allocated A-Series Warrant may be exercised at any time prior to 6pm on the seventh anniversary of Admission. The remaining 2,187,214 A-Series Warrants created under the warrant instrument, but which had not been granted as at Admission (the "Unallocated A-Series Warrants") are available to be granted, as an incentive, to members of the Company's management team from time to time with the approval of the Board. Upon grant of any Unallocated A-Series Warrants the Board may, if it sees fit, specify alternative vesting and exercise provisions to those which apply to the Allocated A-Series Warrants. Subject to certain limited exceptions, any A-Series Warrants which have not vested and been exercised prior to 6pm on the seventh anniversary of Admission will lapse. The Warrant Instrument is governed by English law.

Discretionary awards of Unallocated A-Series Warrants have been made and were vested on issue as follows:

• January 2023, John Regan	307,830
• January 2023, John Hutchinson	205,991
• January 2023, Sarfraz Munshi,	205,991
• May 2023, Richard Horwood	205,991

ELECTRIC GUITAR PLC

DIRECTORS REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2023

Directors' Remuneration Report (continued)

Bonus and incentive plans (audited) (continued)

Warrant Instrument for B-Series Warrants granted to Axis Capital and Alexander David Securities Limited

On 24 December 2021, the Company entered into a Warrant Instrument, pursuant to which the Company granted 578,628 B-Series Warrants to Axis Capital and 578,628 B-Series Warrants to Alexander David Securities Limited. The B-Series Warrants, over in aggregate 1,157,256 new Ordinary Shares, are exercisable for three years from completion of the first Acquisition at a price per Ordinary Share equal to 150 per cent of the Placing Price.

Percentage change in the remuneration of the Chief Executive (unaudited)
There was no change in the remuneration of John Regan.

Other matters

The Company does not have any pension plans for any of the directors and does not pay contributions in relation to their remuneration save for the contribution into Richard Horwood's SIPP in lieu of an equal amount of his gross salary entitlement. The Company has not paid out any excess retirement benefits to any directors.

Supplier payment policy

The Company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU) and:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the Company's contractual and other legal obligations.

ELECTRIC GUITAR PLC

DIRECTORS REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2023

Substantial Shareholdings

At 31 July 2023 the Company had been informed of the following substantial interests over 3% of the issued share capital of the Company.

Holding Percentage

Shareholder name	No. of shares	Holding %
The Bank of New York (Nominees) Limited	26,415,000	45.65%
Jim Nominees Limited	10,635,000	18.38%
John Regan	4,068,000	7.03%
John Hutchinson	2,373,000	4.10%
Luke McKeever	2,373,000	4.10%
Brian Basham	2,373,000	4.10%
Stephen Kent	2,373,000	4.10%
Jason Batten	2,373,000	4.10%

Disclosure and Transparency Rules

Details of the Company's share capital and warrants are given in note 12 and in this report above. Save for directors', some substantial shareholders' and insiders' dealing restrictions from time to time, there are no restrictions on transfer or limitations on the holding of the ordinary shares. None of the shares carries any special rights with regard to the control of the Company. There are no known arrangements under which the financial rights are held by a person other than the holder and no known agreements or restrictions on share transfers and voting rights.

As far as the Company is aware there are no persons with significant direct or indirect holdings other than the directors and other significant shareholders as shown in this report above.

The provisions covering the appointment and replacement of directors are contained in the Company's articles, any changes to which require shareholder approval. There are no significant agreements to which the Company is party that take effect, alter or terminate upon a change of control following a takeover bid and no agreements for compensation for loss of office or employment that become effective as a result of such a bid.

Auditor

Anstey Bond LLP were resigned as auditors of the Company on 5 June 2023. Johnsons Chartered Accountants were appointed as auditor to the Company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at the Annual General Meeting.

ELECTRIC GUITAR PLC

DIRECTORS REPORT (continued) FOR THE YEAR ENDED 31 MARCH 2023

Energy and carbon report

As the Company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

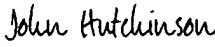
Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board

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John Hutchinson

Director

Date: 31 July 2023

ELECTRIC GUITAR PLC

DIRECTORS RESPONSIBILITY STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK adopted International Financial Reporting Standards (UK adopted IFRS). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ELECTRIC GUITAR PLC

CORPORATE GOVERNANCE STATEMENT FOR THE YEAR ENDED 31 MARCH 2023

Governance Report

As a company with a Standard Listing, the Company is not required to comply with the provisions of the Corporate Governance Code. However, in the interests of observing best practice on corporate governance, the Company intends to comply with the provisions of the Corporate Governance Code insofar as is appropriate having regard to the size and nature of the Company and the size and composition of the Board, except that:

- given the size of the Board and the Company's current non-operational status, certain provisions of the Corporate Governance Code (in particular the provisions relating to the composition of the Board and the division of responsibilities between the Chairman and chief executive and executive compensation), are not being complied with by the Company as the Board considers these provisions to be inapplicable to the Company;
- until an Acquisition is made the Company will not have separate audit and risk, nomination or remuneration committees. The Board as a whole will instead review audit and risk matters, as well as the Board's size, structure and composition and the scale and structure of the directors' fees, taking into account the interests of shareholders and the performance of the Company, and will take responsibility for the appointment of auditors and payment of their audit fee, monitor and review the integrity of the Company's financial statements and take responsibility for any formal announcements on the Company's financial performance. Following the completion of an Acquisition, the Board intends to put in place audit and risk, nomination and remuneration committees;
- the Corporate Governance Code recommends the submission of all directors for re-election at regular intervals. None of the Directors will be required to be submitted for re-election until the first annual general meeting of the Company following an Acquisition; and
- the Board does not comply with the provision of the Corporate Governance Code that at least half of the Board, excluding the chairman, should comprise non-executive directors determined by the Board to be independent. In addition, the Company has not appointed a senior independent director. The Company intends to appoint additional independent non-executive directors following the Acquisition so that the Board complies with these provisions.

The Company has adopted UK MAR-compliant policies regarding directors' dealings.

ELECTRIC GUITAR PLC

INDEPENDENT AUDITOR'S REPORT

to the Members of Electric Guitar PLC

Opinion

We have audited the financial statements of Electric Guitar PLC (the 'Company') for the year ended 31 March 2023 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and related notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in the preparation of the Company's financial statements is applicable law and UK adopted International Financial Reporting Standards (UK adopted IFRS).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023, and of the Company's loss for the year then ended;
- have been properly prepared in accordance with UK adopted IFRS; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard applicable to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty relating to going concern

We draw your attention to note 2 of the financial statements which indicates the directors' consideration over going concern. The Company's ability to continue as going concern is dependent on completing the acquisition of another company or business in the target sector within 24 months from the date of admission to the London Stock Exchange or the approval of shareholders to continue for another 12 months to seek to complete a business combination. As stated in note 2, these events or conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

ELECTRIC GUITAR PLC

INDEPENDENT AUDITOR'S REPORT

to the Members of Electric Guitar PLC (continued)

An overview of the scope of our audit

Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have presented a risk of material misstatement. The scope of our audit was influenced by the level of materiality we determined.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account an understanding of their activities, the accounting processes and controls, and the industry in which the Company operates. Our planned audit testing was directed accordingly and was focused on areas where we assessed there to be the highest risk of material misstatement.

During the audit we reassessed and re-evaluated audit risks and tailored our approach accordingly.

The audit testing included substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls and the management of specific risks.

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identified during the audit.

ELECTRIC GUITAR PLC**INDEPENDENT AUDITOR'S REPORT**

to the Members of Electric Guitar PLC (continued)

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether due to fraud or error) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter description	How the matter was addressed in our audit
Classification of warrants As described in note 2 and note 13 of the financial statements, the Company has issued A-series warrants and B-series warrants to directors and service providers respectively on admission to the London Stock Exchange and during the current year in respect of the services received. There is a risk of material misstatement with regard to the classification of the share warrants between liabilities and equity. The principal considerations included accounting complexities related to certain provisions of the warrant agreements that determined the appropriate classification of the warrants. The fair value of the share warrants was determined by management using Black Scholes model.	The procedures performed, among others, to assess the appropriateness of the classification and valuation of the share warrants issued by the Company included: • We obtained an understanding from management on the terms and conditions applicable to the A-series warrants and B-series warrants. We note that these warrants are issued in lieu of the listing services received from directors and the service providers. • We have assessed management's judgement in considering the share warrants as equity settled with specific reference to the Company's obligation of having to deliver a fixed number of entity's shares at a fixed price and considered the same to be appropriate. • We have reviewed management's assumptions for the valuation of warrants using the Black Sholes model and consider these to be appropriate. • We have assessed the appropriateness of the disclosures in the financial statements and considered these to be appropriate. We found that the classification of warrants to be consistent with the requirements of UK adopted IFRS.

ELECTRIC GUITAR PLC**INDEPENDENT AUDITOR'S REPORT**

to the Members of Electric Guitar PLC (continued)

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of the identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Overall materiality	£4,548 (2022: £17,500)
Basis for determining overall materiality	We determined materiality based on 1% of the net assets (2022: 5% of the profit before tax). We have considered the primary users of the financial statements to be shareholders (including target entities for acquisition) and UK regulators (FRC and FCA). In the year-ended 31 March 2023, the Company was in the process of identifying another company or business in the digital media and advertising sectors for the purpose of acquisition. In view of this we concluded that the key area of focus for the users of the financial statements would be whether the Company has sufficient resources to fund the acquisition.
Performance materiality	£2,274 (2022: £14,000) We set the performance materiality based on 50% of overall materiality. Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of the uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. In determining performance materiality, we considered several factors including our understanding of the control environment of the Company.
Error reporting threshold	We agreed to report any correct or uncorrected adjustments exceeding £227 (2022: £2,000) to the Board of Directors as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

ELECTRIC GUITAR PLC

INDEPENDENT AUDITOR'S REPORT

to the Members of Electric Guitar PLC (continued)

Our application of materiality (continued)

The profit before tax was considered for calculating the materiality in the prior year on the basis that the Company was in its first year of incorporation and the users of the financial statements focus was on profitability. We have revised the basis of materiality to net assets as we believe that the users of the financial statements are primarily focused on the net assets with a requirement for the entity to complete the acquisition within 24 months from the date of admission to London Stock Exchange.

Other information

The other information comprises the information in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken during the audit:

- the information given in the Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the directors has been prepared in accordance with applicable legal requirements.

ELECTRIC GUITAR PLC

INDEPENDENT AUDITOR'S REPORT

to the Members of Electric Guitar PLC (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained during the audit, we have not identified material misstatements in the chairman's statement incorporating review of operations, strategic report, and director's report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Report of the directors.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 14, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these financial statements.

ELECTRIC GUITAR PLC

INDEPENDENT AUDITOR'S REPORT

to the Members of Electric Guitar PLC (continued)

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting material misstatement due to a fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Identifying and assessing potential risks arising from irregularities, including fraud

The extent of the procedures undertaken to identify and assess the risk of material misstatement in respect of irregularities, including fraud, included the following:

- We considered the nature of the industry and sector, the control environment, business performance including remuneration policies and the Company's own risk assessment that irregularities might occur as a result of fraud or error. From our sector experience and through discussions with the directors, we obtained an understanding of the legal and regulatory framework applicable to the Company focusing on laws and regulations that could reasonably be expected to have a direct material effect on the financial statements, such as provisions of the Companies Act 2006, UK tax legislation or those that had a fundamental effect on the operations of the Company including the listing rules of the London Stock Exchange.
- We enquired of the directors and management concerning the Company's policies and procedures relating to:
 - Identifying, evaluating, and complying with the laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding on the risks of fraud and whether they had any knowledge of actual or suspected fraud; and
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

ELECTRIC GUITAR PLC

INDEPENDENT AUDITOR'S REPORT

to the Members of Electric Guitar PLC (continued)

Identifying and assessing potential risks arising from irregularities, including fraud (continued)

- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included utilising the spectrum of inherent risk and an evaluation of the risk of management override of controls. We determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce costs, creating fictitious transactions to hide losses or to improve financial performance, and management bias in accounting estimates particular to the valuation of the warrants.

Audit response to risks identified

In respect of the above procedures:

- we corroborated the results of our enquiries through review of the minutes of the Company's Board of Directors and inspection of the legal and regulatory correspondence.
- audit procedures performed by the engagement team in connection with the risks identified included the following:
 - o reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations expected to have a direct impact on the financial statements.
 - o testing journal entries, including those processed late for financial statements preparation, those posted by infrequent or unexpected users, those posted to unusual account combinations.
 - o evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
 - o enquiry of management around actual and potential litigation and claims.
 - o challenging the assumptions and judgments made by management in relation to significant accounting estimates, in particular those relating to the determination of classification and valuation of warrants; and
 - o obtaining confirmations from third parties to confirm existence of certain balances.
- we communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indication of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

ELECTRIC GUITAR PLC

INDEPENDENT AUDITOR'S REPORT

to the Members of Electric Guitar PLC (continued)

Other requirements

We were appointed by the directors on 18 July 2023 to audit the financial statements for the year ended 31 March 2023. Our total uninterrupted period of engagement is one year, covering the year ended 31 March 2023.

We did not provide any non-audit services which are prohibited by the FRC's Ethical Standard to the Company, and we remain independent of the Company in conducting our audit.

Our opinion is consistent with the additional report to the Board of Directors.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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Edmund Cartwright, FCCA MAAT (Senior Statutory Auditor)

for and on behalf of Johnsons Chartered Accountants, Statutory Auditor

London, United Kingdom

Date: 7/31/2023

ELECTRIC GUITAR PLC**STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 31 March 2023

	Notes	31 March 2023 £	24 March 2021 to 31 March 2022 £
Administration expenses		(544,420)	(245,387)
Operating loss		(544,420)	(245,387)
Finance income	7	6,730	-
Loss before income tax	8	(537,690)	(245,387)
Income tax	9	-	-
Loss and other comprehensive income		(537,690)	(245,387)
Earnings per share			
Basic (pence)		(0.93)	(1.18)
Diluted (pence)		(0.93)	(1.18)

There were no recognised gains or losses for 2023 or 2022 other than those included in the statement of the comprehensive income.

There was no other comprehensive income for 2023 (2022: £nil)

The notes on pages 36 to 48 form part of these financial statements.

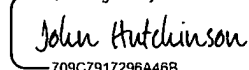
ELECTRIC GUITAR PLC**STATEMENT OF FINANCIAL POSITION**

for the year ended 31 March 2023

	Notes	2023 £	2022 £
ASSETS			
CURRENT ASSETS			
Trade and other receivables	10	29,533	31,787
Cash and cash equivalents	11	491,635	996,331
		<u>521,168</u>	<u>1,028,118</u>
TOTAL ASSETS		<u>521,168</u>	<u>1,028,118</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Share capital	12	289,314	289,314
Share premium	14	948,629	948,629
Accumulated losses	14	(783,077)	(245,387)
TOTAL EQUITY		<u>454,866</u>	<u>992,556</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	66,302	35,562
TOTAL LIABILITIES		<u>66,302</u>	<u>35,562</u>
TOTAL EQUITY AND LIABILITIES		<u>521,168</u>	<u>1,028,118</u>

The financial statements were approved by the Board of Directors and authorised for issue on 7/31/2023 and were signed on its behalf by:

DocuSigned by:



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John Hutchison
Director

The notes on pages 36 to 48 form part of these financial statements.

ELECTRIC GUITAR PLC**STATEMENT OF CHANGES IN EQUITY**

for the year ended 31 March 2023

	Share capital £	Share premium £	Retained earnings £	Total £
At 24 March 2021	-	-	-	-
Comprehensive income for the year				
Loss for the year	-	-	(245,387)	(245,387)
Total comprehensive income for the year	-	-	(245,387)	(245,387)
Contributions by and distributions to owners				
Shares issued during the year	210,485	1,027,458	-	1,237,943
Issue of bonus shares	78,829	(78,829)	-	-
Total transactions with owners	289,314	948,629	-	1,237,943
At 1 April 2022	289,314	948,629	(245,387)	992,556
Comprehensive income for the year				
Loss for the year	-	-	(537,690)	(537,690)
Total comprehensive income for the year	-	-	(537,690)	(537,690)
At 31 March 2023	289,314	948,629	(783,077)	454,866

The notes on pages 36 to 48 form part of these financial statements.

ELECTRIC GUITAR PLC**STATEMENT OF CASH FLOWS**

for the year ended 31 March 2023

	31 March 2023 £	24 March 2021 to 31 March 2022 £
Cash flow from operating activities		
Loss for the year/period	(537,690)	(245,387)
Adjustments for:		
Finance income	(6,730)	-
Decrease/(increase) in trade and other receivables	2,254	(31,734)
Increase in trade and other payables	30,740	35,562
Net cash used in operating activities	(511,426)	(241,559)
Cash flow from investing activities		
Finance income	6,730	-
Other payments	-	(53)
Net cash from / (used in) investing activities	6,730	(53)
Cash flow from financing activities		
Proceeds from issue of shares	-	1,346,152
Share issue costs	-	(108,209)
Net cash from investing activities	-	1,237,943
Net (decrease)/increase in cash and cash equivalents	(504,696)	996,331
Cash and cash equivalents at the beginning of the year/period	996,331	-
Cash and cash equivalents at the end of the year/period	491,635	996,331

The notes on pages 36 to 48 form part of these financial statements.

ELECTRIC GUITAR PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023

1. 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 functional and presentational currency is Great British Pounds Sterling ("£") and the financial statements have been rounded off to nearest £.

2. Accounting policies

2.1 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:

2.2 Going concern

The financial statements have been prepared on a going concern basis. The board has assessed the Company's financial position as at 31 March 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 (SAPC) 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 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.

ELECTRIC GUITAR PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 (continued)

2. Accounting policies (continued)

2.2 Going concern (continued)

The keys assumptions used in the financial forecast include:

- Cash flows from additional loan facility to fund the costs relating to the acquisition.
- Average base fixed costs of approximately £29,000 per month for the remainder of the going concern period (without including the cashflow relating to 3radical Limited)
- 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 Limited 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 to complete the business combination by 11 January 2024. To complete the acquisition of 3radical Limited, the Company has to 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 position to complete the business combination. Based on this assessment, it is deemed appropriate to prepare the financial statements on a going concern basis.

2.3 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 on retranslation of the monetary assets and liabilities are included in the net profit or loss for the period. Gains and losses on the retranslation of non-monetary assets and liabilities are recognised directly in other comprehensive income.

ELECTRIC GUITAR PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 (continued)

2. Accounting policies (continued)

2.4 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 accounting 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 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.

ELECTRIC GUITAR PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 (continued)

2. Accounting policies (continued)

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and petty cash.

2.6 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 transactions costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

2.7 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. 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 liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.8 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 in to account relevant risks and uncertainties.

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

ELECTRIC GUITAR PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 (continued)

2. Accounting policies (continued)

2.8 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.

2.9 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 at fair value, and subsequently measured at amortised cost using the effective interest method.

2.10 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 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, which ensures that any interest expense over the period to repayment is at a contract rate on the balance of the liability carried 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 measured 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 do 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.

ELECTRIC GUITAR PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 (continued)

2. Accounting policies (continued)

2.11 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 taken into account the market condition (i.e., target share price being in excess of 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.

2.12 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.

2.13 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.

ELECTRIC GUITAR PLC**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March 2023 (continued)

3. Adoption of new and revised standards and changes in accounting policies

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1 January 2023 and have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

4. Critical accounting judgements and estimates

The preparation of the financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise their judgment in the process of applying the Company's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future that are believed to be reasonable under the circumstances.

Classification of share warrants (note 13)

Management consider that the share warrants issued to directors and service providers are considered as equity settled share-based payments as these warrants are issued for the services received and can be exchanged only for a fixed number of equity shares at fixed price.

5. Employees and directors

	31 March 2023	24 March 2021 to 31 March 2022
	£	£
Wages and salaries	74,700	14,071
Social security costs	3,908	496
	78,608	14,567

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

	31 March 2023	24 March 2021 to 31 March 2022
Administration	3	3

The remuneration paid to director is provided in the director's report accompanying the financial statements.

ELECTRIC GUITAR PLC**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March 2023 (continued)

6. 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.

	31 March 2023	24 March 2021 to 31 March 2022
	£	£
Loss for the year/period attributable to equity holders of the Company	(537,690)	(245,387)
Weighted average number of ordinary shares	<u>57,862,776</u>	<u>20,714,127</u>
Loss per share (pence)	<u>(0.93)</u>	<u>(1.18)</u>

The share warrants are not considered to have any dilutive effect as the average market price of the ordinary shares during the year do not exceed the exercise price of the warrants.

7. Net finance income

	31 March 2023	24 March 2021 to 31 March 2022
	£	£
Interest receivable	<u>6,730</u>	<u>-</u>
Total finance income	<u>6,730</u>	<u>-</u>

8. Loss before income tax

The loss before income tax is stated after charging:

	31 March 2023	24 March 2021 to 31 March 2022
	£	£
Auditor's remuneration	<u>20,000</u>	<u>12,000</u>

ELECTRIC GUITAR PLC**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March 2023 (continued)

9. Income tax

No liability to UK corporation tax arose for the year ended 31 March 2023 nor for the period ended 31 March 2022.

10. Trade and other receivables

	31 March 2023	31 March 2022
	£	£
Other debtors	-	914
Director's current account	53	53
VAT receivable	19,781	30,820
Prepayments and accrued income	9,699	-
	<u>29,533</u>	<u>31,787</u>

The directors considers that the carrying amount of trade and other receivables is approximately equal to their fair value.

11. Cash and cash equivalents

The loss before income tax is stated after charging:

	31 March 2023	31 March 2022
	£	£
Cash at bank and in hand	<u>491,635</u>	<u>996,331</u>

12. Share capital

	31 March 2023	31 March 2022
	£	£
Ordinary share capital		
Issued and fully paid		
57,862,776 Ordinary shares of 0.5p each	<u>289,314</u>	<u>289,314</u>
	<u>289,314</u>	<u>289,314</u>

The ordinary shares carry voting and dividend rights.

ELECTRIC GUITAR PLC**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March 2023 (continued)

13. Share warrants

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 are admitted to the London Stock Exchange. The vesting period of the various warrant instruments are as provided below:

- Allocated A-series warrants vests over a period of 5 years, and should the options remain unexercised they lapse after the seventh anniversary of admission.
- Unallocated A-series (discretionary) warrants which are granted in the current year are vested on the date of grant and should the options remain unexercised they lapse after the seventh anniversary of admission.
- B-series warrants are vested on the date of grant, and should the options remain unexercised they lapse after the third anniversary of admission.

Warrants are valued using the Black Scholes option pricing model. The following table summarise the warrants outstanding at the end of the year and movements during the year.

	A-series warrants	B-series warrants
Outstanding at 24 March 2021	-	-
Granted during the period	3,599,064	1,157,256
Forfeited during the period	-	-
Expired during the period	-	-
Exercised during the period	-	-
Outstanding at 31 March 2022	3,599,064	1,157,256
Granted during the year	719,812	-
Forfeited during the year	-	-
Expired during the year	-	-
Exercised during the year	-	-
Outstanding at 31 March 2023	4,318,876	1,157,256
Options vested and not exercised as at 31 March 2023	1,439,625	1,157,256
Options vested and not exercised as at 31 March 2022	-	1,157,256

ELECTRIC GUITAR PLC**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March 2023 (continued)

The assumptions considered in the valuation of the warrants using the black-sholes model is as given below:

31 March 2023

Exercise price	4.5 pence
Share price at date of grant	3 pence
Risk free interest rate	1.25%
Volatility	19%
Dividend yield	0%
Contractual life of A-series warrants	7 years
Contractual life of B-series warrants	3 years

The fair value of both A-series warrants, and B-series warrants as of 31 March 2023 is £nil (2022: £nil).

14. Reserves

Share premium account

The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Accumulated losses

This reserve records retained earnings and accumulated losses.

15. Trade and other payables

	31 March 2023	31 March 2022
	£	£
Trade creditors	16,001	12,162
Social security and other taxes	3,702	-
Accrued expenses	46,599	23,400
	66,302	35,562

Trade payables and accruals primarily comprise amounts outstanding for trade purchases and ongoing costs. Most suppliers no interest is charged on amounts payable. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. The directors considers that the fair value approximates the carrying value.

ELECTRIC GUITAR PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 (continued)

16. Financial risk management

The Company's activities expose it to liquidity risk, credit risk and foreign exchange risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of debt, cash and cash equivalents and equity comprising share capital, reserves and retained earnings. The Company reviews the capital structure annually and as part of this review considers that cost of capital and risks associated with each class of capital.

Liquidity risk

Responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Company's funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecasts and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

Foreign exchange risk

The Company makes some purchases in foreign currencies. The payments in foreign currency are made using the exchange rates on the date of payment. As of year-end, the Company do not have any payables in foreign currency.

17. Related party transactions

The directors are considered to be key management personnel. At the year end the Mr J C Hutchinson owed the business of £53 (2022: £53), which was repaid back on 17th July 2023.

During the year, company entered into the following related party transactions.

The company acquired services of £10,112 (2022: £73,000) from BDB Pitmans LLP. John Hutchinson serves as chairman of Electric Guitar and is senior partner of BDB Pitmans LLP.

ELECTRIC GUITAR PLC

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2023 (continued)

18. Post balance sheet events

The Company evaluated subsequent events and transactions that occurred after the audited balance sheet date through the date that the audited financial statements were available to be issued. Other than as described below, the Company did not identify any subsequent events that would have required adjustment or disclosure in the financial statements.

On 7 July 2023, the Company announced that it had entered into a non-binding head of terms to acquire (subject to regulatory and shareholder approval and due diligence) all the outstanding shares in 3radical Limited in an all-share transaction ("Transaction") through reverse takeover. The head of terms place an initial valuation of 3radical Limited is £3m subject to adjustments. On completion of the Transaction, intention is to cancel its listing on the Standard List and seek admission of its ordinary share capital, as enlarged following completion of the Transaction, to trading on the AIM Market of the London Stock Exchange ("Admission").

On 7 July 2023, the Company has requested from Financial Conduct Authority, and been granted, a suspension of listing in its shares with immediate effect pending providing full disclosure of the proposed acquisition under Listing Rule 5.6.15.

19. Controlling party

The Company considers that there to be no ultimate controlling party.