

The Directors
Electric Guitar Plc
The Anchorage
4th Floor, 34 Bridge Street
Reading, Berkshire
England
RG1 2LU

22/12/2021

Dear Sirs

Electric Guitar Plc (CRN: 13288812) (the Company): Application for admission to listing on the Official List of the Financial Conduct Authority (by way of a Standard Listing under Chapter 14 of the Listing Rules) and admission to trading on the main market for listed securities of the London Stock Exchange (Admission)

We hereby give our consent to the inclusion in the prospectus dated issued by the Company in connection with Admission (the Prospectus) of our name in the form and context in which it is included, as shown on the proof of the Prospectus which we have signed for identification and is appended as Appendix A.

This letter and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter shall be governed by and construed in accordance with the law of England and Wales.

The courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this letter or its subject matter.

Yours faithfully

Richard Hutchison



Duly authorised for and on behalf of Axis Capital Markets Limited
27 Clements Lane
London
EC4N 7AE



THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the contents of this document or the action you should take, you should consult a person authorised for the purposes of the Financial Services and Markets Act 2000 (FSMA) who specialises in advising on the acquisition of shares and other securities.

This document comprises a prospectus relating to Electric Guitar PLC (the “**Company**”), prepared in accordance with the Prospectus Regulation Rules of the Financial Conduct Authority (the “**FCA**”) made under section 73A of FSMA and approved by the FCA under section 87A of FSMA. This document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules. Applications will be made to the FCA for all of the ordinary shares of £0.005 each in the Company (issued and to be issued pursuant to the Placing) to be admitted to the Official List of the United Kingdom Listing Authority by way of a standard listing under Chapter 14 of the Listing Rules and to the London Stock Exchange Plc (“**London Stock Exchange**” or “**LSE**”) for such Ordinary Shares to be admitted to trading on the London Stock Exchange’s Main Market for listed securities (“**Admission**”). It is expected that Admission will become effective and that dealings in the Ordinary Shares will commence at 8.00 a.m. on 10 January 2022 (or such later time and/or date as may be agreed, being not later than 31 January 2022).

The Company and each of the Directors, whose names appear on page 36 of this document, accept responsibility for this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

This prospectus has been approved by the FCA, as competent authority under the UK Prospectus Regulation. The FCA only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation and such approval should not be considered as an endorsement of the issuer that is the subject of this prospectus, nor as an endorsement of the quality of the securities that are the subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

THE WHOLE OF THE TEXT OF THIS DOCUMENT SHOULD BE READ BY SHAREHOLDERS. YOUR ATTENTION IS SPECIFICALLY DRAWN TO THE DISCUSSION OF CERTAIN RISK AND OTHER FACTORS THAT SHOULD BE CONSIDERED IN CONNECTION WITH ANY INVESTMENT IN THE ORDINARY SHARES, AS SET OUT IN THE SECTION ENTITLED “RISK FACTORS” ON PAGE 11 TO PAGE 26 OF THIS DOCUMENT.

PROSPECTIVE INVESTORS SHOULD BE AWARE THAT AN INVESTMENT IN THE COMPANY INVOLVES A SIGNIFICANT DEGREE OF RISK AND THAT, IF CERTAIN OF THE RISKS DESCRIBED IN THIS DOCUMENT OCCUR, INVESTORS MAY FIND THEIR INVESTMENT IS MATERIALLY ADVERSELY AFFECTED.

ACCORDINGLY, AN INVESTMENT IN THE ORDINARY SHARES IS ONLY SUITABLE FOR INVESTORS WHO ARE PARTICULARLY KNOWLEDGEABLE IN INVESTMENT MATTERS AND WHO ARE ABLE TO BEAR THE LOSS OF THE WHOLE OR PART OF THEIR INVESTMENT.

ELECTRIC GUITAR PLC

(Incorporated in England and Wales under the company number 13288812)

Placing of 40,000,000 Ordinary Shares at a price of 3 pence per Ordinary Share and admission of all the Ordinary Shares in issue to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange’s Main Market for listed securities

This document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or subscribe for, ordinary shares in any jurisdiction where such an offer or solicitation is

unlawful or would impose any unfulfilled registration, publication or approval requirements on the company.

The Ordinary Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the “**Securities Act**”), or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States or of Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa, or any province or territory thereof. Subject to certain exceptions, the Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly, and this document may not be distributed by any means including electronic transmission within, into, in or from the United States, Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa or to as for the account of any national, resident or citizen of the United States or any person resident in Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa. The Ordinary Shares may only be offered or sold in offshore transactions as defined in and in accordance with Regulation S promulgated under the Securities Act. Acquirers of the Ordinary Shares may not offer to sell, pledge or otherwise transfer the Ordinary Shares in the United States, or to any US Person as defined in Regulation S under the Securities Act, including resident corporations, or other entities organised under the laws of the United States, or non-US branches or agencies of such corporations unless such offer, sale, pledge or transfer is registered under the Securities Act, or an exemption from registration is available. The Company does not currently plan to register the Ordinary Shares under the Securities Act. The distribution of this document in or into other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

APPLICATION WILL BE MADE FOR THE ORDINARY SHARES, ISSUED AND TO BE ISSUED PURSUANT TO THE PLACING, TO BE ADMITTED TO A STANDARD LISTING ON THE OFFICIAL LIST. A STANDARD LISTING WILL AFFORD INVESTORS IN THE COMPANY A LOWER LEVEL OF REGULATORY PROTECTION THAN THAT AFFORDED TO INVESTORS IN COMPANIES WITH A PREMIUM LISTING ON THE OFFICIAL LIST, WHICH ARE SUBJECT TO ADDITIONAL OBLIGATIONS UNDER THE LISTING RULES. IT SHOULD BE NOTED THAT THE FCA WILL NOT HAVE THE AUTHORITY TO (AND WILL NOT) MONITOR THE COMPANY’S COMPLIANCE WITH ANY OF THE LISTING RULES WHICH THE COMPANY HAS INDICATED THAT IT INTENDS TO COMPLY WITH ON A VOLUNTARY BASIS, NOR TO IMPOSE SANCTIONS IN RESPECT OF ANY FAILURE BY THE COMPANY TO SO COMPLY.

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SUMMARY

Section A - Introduction and Warnings

THIS SUMMARY SHOULD BE READ AS AN INTRODUCTION TO THE PROSPECTUS. ANY DECISION TO INVEST IN THE SECURITIES SHOULD BE BASED ON CONSIDERATION OF THE PROSPECTUS AS A WHOLE BY THE INVESTOR. AN INVESTOR ACQUIRING ORDINARY SHARES MAY LOSE ALL OR PART OF THEIR INVESTED CAPITAL.

Civil liability attaches to those persons who have tabled the summary, including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.

Where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under national law of a Member State, have to bear the costs of translating the prospectus before the legal proceedings are initiated.

<i>Name of Securities</i>	Ordinary Shares
<i>International Securities Identification Number (ISIN)</i>	GB00BN11T727
<i>Offeror Name</i>	The legal and commercial name of the Company is Electric Guitar PLC.
<i>Offeror Contact Details</i>	The Company's registered office is at 4 th Floor, The Anchorage, 34 Bridge Street, Reading, Berkshire, RG1 2LU.
<i>Offeror LEI</i>	894500943SA9KY5T9V86
<i>Competent Authority and contact details</i>	Financial Conduct Authority 12 Endeavour Square London E20 1JN
<i>Date of approval of Prospectus</i>	24 December 2021

Section B – Key Information on the Issuer

Who is the issuer of the securities?

<i>Domicile and legal form</i>	England, public company limited by shares under the Companies Act 2006 with registered number 13288812.
<i>LEI</i>	894500943SA9KY5T9V86
<i>Country of incorporation</i>	England
<i>Applicable law in the jurisdiction of incorporation and operation</i>	English law
<i>Principal activities</i>	The Company is a special purpose acquisition vehicle which will seek an acquisition target in the digital media sector.

Major shareholders

Except for the interests of those persons set out in this paragraph, the Directors are not aware, at the date of this document, of any interest which immediately following Admission would amount to 3% or more of the Company's issued share capital:

Name	Ordinary Shares as at the date of this document	Percentage of Existing Ordinary Shares	Ordinary Shares on Admission	Percentage Of Enlarged Share Capital
John Patrick Regan	4,068,000	22.77%	4,068,000	7.03%
Stephen Kent	2,373,000	13.28%	2,373,000	4.10%
Brian Arthur Basham	2,373,000	13.28%	2,373,000	4.10%
Jason David Batten	2,373,000	13.28%	2,373,000	4.10%
John Christopher Hutchinson	2,373,000	13.28%	2,373,000	4.10%
Luke William McKeever	2,373,000	13.28%	2,373,000	4.10%
Sanderson Capital Partners	0	0.00%	10,950,000	18.92%

There are no differences between the voting rights enjoyed by the above persons and those enjoyed by the other holders of Ordinary Shares.

Controlling shareholder if any

To the best of the Directors' knowledge, no-one directly or indirectly, acting jointly, exercises or could exercise control over the Company.¹

Key managing director

John Patrick Regan

Statutory Auditors

Anstey Bond LLP
1 Charterhouse Mews, London, EC1M 6BB.

What is the key financial information regarding the issuer?

No key financial information is included in this Prospectus as the Company is yet to commence operations.

What are the key risks that are specific to the issuer?

- The Covid-19 Pandemic may have a negative impact on the ability of the Company to identify and consider appropriate acquisition opportunities, may increase costs of due diligence and may delay implementation of the Company's strategy.

¹ To be confirmed.

- Although the Company has no history of trading and no current trading activities, the Placing Shares will be issued at a premium to the net asset value of the Ordinary Shares, and the Company has limited cash resources which will diminish owing to the Company's operating costs.
- The Company has no operating history and no historical revenues, and there is no basis on which to evaluate the Company's ability to carry out its business objective of acquiring a suitable company or business.
- The Company's business strategy and business model are dependent on the Acquisition. There can be no guarantee that the Acquisition will take place or that it will be successful.
- The Company is dependent on the Directors to identify suitable acquisition opportunities.
- The Company intends to acquire only a single company or business for the Acquisition, concentrating the risk of potential loss due to underperformance.
- The due diligence carried out in respect of the Acquisition may not reveal all relevant facts or uncover significant liabilities.
- The Company may be unable to obtain financing, if required, to complete the Acquisition or to fund the target's operation or may not be able to obtain financing on terms acceptable to the Company.
- Legislative changes to the rules governing personal privacy could render the sector the Company wishes to enter unfeasible to operate profitably in following an Acquisition.
- US/EU/UK Privacy laws.
- Actions of global platform operators

Section C – Key information on the securities

What are the main features of the securities?

<i>Type, class and ISIN of securities</i>	The securities the subject of the Placing and Admission are Ordinary Shares (ISIN GB00BN11T727).
<i>Currency, denomination and par value of securities</i>	The Ordinary Shares are denominated in pounds sterling at a par value of £0.005 each.
<i>Number of securities issued</i>	The Company has 17,862,776 Ordinary Shares in issue and 40,000,000 Placing Shares will be issued conditional on Admission taking place.
<i>Rights attached to the securities</i>	Each Ordinary Share ranks <i>pari passu</i> for voting rights, dividends and return of capital on winding up. Except as disappplied, Shareholders will have pre-emption rights which will generally apply in respect of future share issues for cash. No pre-emption rights exist in respect of future share issues wholly or

partly other than for cash

<i>Seniority of the securities in the event of insolvency</i>	The Ordinary Shares rank behind all debts and liabilities of the Company (secured and unsecured). The Company only has one class of shares, which rank pari passu on insolvency
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<i>Details of any restrictions on free transferability of the securities</i>	There are no restrictions in place
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<i>Dividend or payout policy, if any</i>	The Company does not intend to pay dividends in the near future as its funds will be utilised to acquire a company or business and fund the development of that company or business
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Where will the securities be traded?

<i>Application for admission to trading</i>	The securities are subject to an application for admission to trading on a regulated market.
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<i>Market(s) on which the securities will be traded, if any</i>	London Stock Exchange's Main Market for listed securities.
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What are the key risks that are specific to the securities?

- The Standard Listing of the Ordinary Shares affords shareholders a lower level of regulatory protection than a Premium Listing.
- The FCA may decide to suspend the listing of the Ordinary Shares if the Company proposes making the Acquisition and the FCA determines that there is insufficient information in the market about the Acquisition which the Company proposes to make. Suspension of the Company's shares will reduce liquidity in the Ordinary Shares, potentially for a significant period of time, and may adversely affect the price at which a Shareholder can sell them.
- The Company's re-admission to the Official List or other appropriate listing venue following a Reverse Takeover is subject to the Company as enlarged by the Acquisition being eligible for re-admission and the Company issuing a new prospectus or other required admission or listing document.
- The pre-emption rights in the Articles of the Company have been disapplied to facilitate the Acquisition and related transactions, and the Company may be required to raise cash through issuing substantial additional equity to complete the Acquisition, which may dilute the percentage ownership of a Shareholder and the value of its Ordinary Shares.
- Dividend payments on the Ordinary Shares are not guaranteed and the Company does not intend to pay dividends in the foreseeable future.

Section D – Key information on the offer of securities to the public and/or the admission to trading on a regulated market

Under which conditions and timetable can I invest in this security?

General terms and conditions of the offer The Placing is for 40,000,000 Placing Shares. The Placing Shares are being issued at the Placing Price of 3 pence per share.

An investor who has applied for Ordinary Shares has entered into either a placing letter with one of the Company's placing agents or a subscription letter with the Company containing the terms on which it subscribes for Ordinary Shares.

The Placing is subject to the satisfaction of certain conditions set out in the subscription or placing letter. These conditions include conditions which are customary for transactions of this type (including Admission occurring and becoming effective by 10 January 2022 or such later date as the Company and the placing agents may agree). The Placing and Admission will not complete unless gross proceeds of £1,200,000 are raised.

The rights attaching to the Placing Shares will be uniform in all respects and all of the Ordinary Shares will form a single class for all purposes. Each investor has paid, or will on Admission pay, the Placing Price for the Placing Shares issued to such investor. The Placing will not be underwritten.

Expected timetable of the offer

Date of this prospectus	24 December 2021
Admission and commencement of unconditional dealings in Ordinary Shares	10 January 2022
Crediting of Ordinary Shares to be held in uncertificated form to CREST accounts	10 January 2022
Despatch of definitive share certificates for Ordinary Shares in certificated form by no later than	17 January 2022

Details of the admission to trading on a regulated market, if any Application has been made to the FCA for the Enlarged Share Capital to be admitted to the Standard Listing segment of the Official List and to the London Stock Exchange for such shares to be admitted to trading on the London Stock Exchange's Main Market for listed securities.

<i>Plan for distribution</i>	The Placing has been offered to investors in the United Kingdom and certain other jurisdictions by the Company pursuant to placing letters or subscription letters on substantially similar terms.
<i>Amount and percentage of dilution resulting from the offer</i>	Investors have conditionally subscribed for Placing Shares at the Placing Price, representing 69.13% of the Enlarged Share Capital. The Placing and Admission will result in the Existing Ordinary Shares being diluted so as to constitute 30.87% of the Enlarged Share Capital.
<i>Estimate of total expenses of the issue and/or offer</i>	£262,050 (inclusive of irrecoverable VAT).
<i>Details and amount of estimated expenses charged to the investor</i>	None
<i>Why is this prospectus being produced?</i>	
<i>Reasons for offer and admission to trading on a regulated market</i>	The Company is raising capital to fund the acquisition of a company or business in the digital media and advertising sectors. The Directors consider that admission of the Company's shares to trading on the Main Market will be attractive both to investors under the Placing and to the vendors of potential target companies or businesses as the Company executes its investment strategy, relative to the listing or admission of the Company's shares on a different exchange.
<i>Use of Net Proceeds and estimated amount of Net Proceeds</i>	The Company will receive net proceeds (after deduction of costs and commissions) of approximately £937,950, which will be used by the Company to investigate, carry out due diligence in respect of, and evaluate potential acquisition opportunities and associated costs.
<i>Confirmation of whether the offer underwritten on a firm commitment basis, including details of any uncovered portion</i>	The Placing is not being underwritten
<i>Most material conflicts of interest pertaining to the offer or admission to trading, if any</i>	There are no material conflicts of interest pertaining to the offer or admission to trading

RISK FACTORS

The investment detailed in this document may not be suitable for all its recipients and involves a higher-than-normal degree of risk. Before making an investment decision, prospective investors are advised to consult an investment adviser authorised under the Financial Services and Markets Act 2000 who specialises in investments of the kind described in this document. Prospective investors should consider carefully whether an investment in the Company is suitable for them in the light of their personal circumstances and the financial resources available to them.

Before deciding whether to invest in Ordinary Shares, prospective investors should carefully consider the risks described below together with all other information contained in this document.

The risks referred to below are those risks the Company, and the Directors consider to be the material risks relating to the Company. The risk factors described below may not be exhaustive. Additional risks and uncertainties relating to the Company that are not currently known to the Directors, or that are currently deemed immaterial, may also have an adverse effect on the Company's business. If this occurs the price of the Ordinary Shares may decline, and investors could lose all or part of their investment.

Prospective investors should note that the risks relating to the Company, its industry and the Ordinary Shares summarised in the section of this document headed "Summary" are the risks that the Company believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Ordinary Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this document headed "Summary" but also, among other things, the risks and uncertainties described below.

GENERAL TRANSACTION RISK

Although the Company has no history of trading and no current trading activities, the Placing Shares will be issued at a premium to the net asset value of the Ordinary Shares and the Company has limited cash resources.

The Placing Shares are being issued at the Placing Price of 3 pence per share. The estimated net asset value post the Placing will be approximately 1.78 pence per share. The premium to net asset value of approximately 1.22 pence per share places an intangible value on the strategy proposed by the Board and the human capital contained in the Board, as well as reflecting the costs incurred in the Placing and Admission. The Directors and certain other founders, referred to in Paragraph 9.14 of *Part VII: Additional Information*, have subscribed for Ordinary Shares at lower prices per Ordinary Share than the Placing Price and will hold 27.54% of the Enlarged Share Capital. There can be no guarantee that the Ordinary Shares will be valued on the same basis used for the Placing following Admission and the price of the Ordinary Shares may fall.

At the date of this document, the Company has cash resources of £96,829. The Net Proceeds will be £937,950. On Admission the Company expects to have cash resources of approximately £1,034,799 after settling liabilities associated with the Placing and Admission. The Company's anticipated operating costs in the 12 months from Admission, payable from the Net Proceeds, are estimated at £228,600 and as the Company currently has no sources of revenue other than interest on deposits, the Company's cash resources will diminish. In addition, if the Company makes an Acquisition, it is likely that materially all the Company's existing cash resources will be expended on the costs associated with the Acquisition, principally due diligence and transaction costs involved in a Reverse Takeover. There can be no guarantee that the diminishing of the Company's cash resources will not result in a fall in the price of the Ordinary Shares in the future.

RISKS RELATING TO THE COMPANY AND ITS BUSINESS STRATEGY, INCLUDING THE ACQUISITION

The Covid-19 Pandemic may have a negative impact on the ability of the Company to identify and consider appropriate acquisition opportunities, may increase costs of due diligence and may delay implementation of the Company's strategy.

The World Health Organisation designated Covid-19 a Public Health Emergency of International Concern on 30 January 2020. Following this designation, and in response to the significant transmission risks posed by Covid-19, governments in the United Kingdom, Europe and the United States, as well as other major economies, enacted significant restrictions on the movement of people and the activities they can carry out, a number of which continue to apply, or having been lifted, are now being reimposed. As a result, businesses have experienced disruption to operations, and will likely continue to do so for the foreseeable future. The Company's strategy is to identify a business or company to acquire, negotiate with the seller(s) and then run the business following completion of an acquisition. The identification of potential businesses to be acquired, the completion of due diligence and the negotiation of suitable terms on which to acquire the business or company may take longer, be more complex or more expensive to implement given the continuing Covid-19 restrictions. Such a delay, increased complexity or cost could have a material adverse effect on the Company's business, financial condition, results of operations and/or prospects.

The Company has no operating history and no historical revenues, and there is no basis on which to evaluate the Company's ability to carry out its business objective of acquiring suitable companies or businesses.

The Company was incorporated on 24 March 2021. It has no operating history, and no revenues or results of operations, meaning that there is no basis on which to evaluate the Company's performance or its ability to achieve its business objective of acquiring and operating suitable companies or businesses in the digital media and advertising sectors. The Company will only commence operations following Admission and will not generate any revenues from operations, if any, unless and until an acquisition has been completed, and there can be no guarantee that an acquisition will be completed.

The Company's business strategy and business model are dependent on acquisitions. There can be no guarantee that an acquisition will take place or that it will be successful

The Company's business strategy and business model depend on the successful completion of an acquisition or acquisitions and on the effective and successful running of the companies or businesses acquired. There can be no guarantee that the Directors will be able to identify suitable targets for acquisition, that acquisitions will be successfully completed, that the companies or businesses acquired will be profitable or that the Company will be able to acquire them at prices that are consistent with its objectives or at all, which may have a material adverse effect on the Company's business, financial condition or results of operations. In addition, if the Company fails to complete an acquisition which it has been pursuing (for example, because it has been outbid) it may be left with substantial unrecovered transaction costs, potentially including substantial break fees. See also "*The Company may not be able to deploy the Net Proceeds for a substantial period of time, which could result in significantly lower returns on the Net Proceeds than if the Acquisition were completed immediately following the Placing*".

The Company is dependent on the Directors to identify suitable acquisition opportunities

The Company is dependent on the Directors to identify suitable acquisition opportunities. Whilst the Directors have considerable relevant experience of acquiring companies, businesses and assets in the nature of those that the Company will seek to acquire (see further *Part I: Information on the Company, Investment Opportunity and Strategy*, "*Company objective, business strategy and execution*") there is a risk that the Directors may not be able to source suitable targets for the Acquisition and that any targets identified may not fully align with the Company's objectives and business plans.

Initially, the Company may only acquire a single company or business for the Acquisition, concentrating the risk of potential loss due to underperformance

The Company's intention is to be a consolidator. However, initially the Company might only acquire a single company or business, meaning that the risk of underperformance in operations or assets will be concentrated therein. There can be no assurance that the acquired company or business will be successful or that expectations regarding its growth potential and value will be realised. This may reduce the Company's ability to make further acquisitions. Potential investors in the Ordinary Shares should be aware that the risk of investing in the Company at the initial stage could be greater than investing in an entity which has already acquired and operates a range of businesses in a variety of sectors.

The due diligence carried out in respect of an acquisition may not reveal all relevant facts or uncover significant liabilities

The Company intends to conduct appropriate, practicable and focused due diligence in respect of acquisitions, with the objective of identifying any material issues that may affect the decision to proceed with the acquisition. The Company also intends to use information revealed during the due diligence process to formulate its business and operational planning. During the due diligence process, the Company will be forced to rely on the information that is available to it, including publicly available information. Information may not be available from or on behalf of the relevant target company or business where the target does not consider the transaction to be in the best interests of shareholders. Any information that is provided or obtained from available sources may not be accurate at the time of delivery and/or remain accurate during the due diligence process and in the run-up to the Acquisition. More broadly, there can be no assurance that the due diligence undertaken will be adequate or accurate or will reveal all relevant facts or uncover all significant liabilities or that the due diligence will result in a successful acquisition (including with respect to the formulation of a post-Acquisition business strategy). If the due diligence investigation fails to identify key information in respect of the target of the acquisition, or if the Company considers such material risks to be commercially acceptable, the Company may be forced to write-down or write-off assets in respect of the target acquired, which may have a material adverse effect on the Company's business, financial condition, or results of operations. In addition, following an acquisition, the Company may be subject to significant, previously undisclosed liabilities of the acquired business that were not identified during due diligence, and which could have a material adverse effect on the Company's financial condition and results of operations (especially if the due diligence is required to be undertaken in a short timeframe or in a competitive situation).

The Company may be unable to obtain financing, if required, to complete acquisitions or to fund the target's operations, or may not be able to obtain financing on terms acceptable to the Company

The Net Proceeds will be used to identify and carry out due diligence on acquisition targets and to fund other transaction costs. As such, as acquisition targets are yet to be identified and as the amount of capital required cannot yet be predicted it is highly unlikely that the Net Proceeds will be sufficient to complete the Acquisition. The Company is likely to be required to seek additional equity or debt financing in order to fully finance the Acquisition and its completion and there can be no guarantee that the Company will be able to obtain the funding required or do so on terms that are acceptable to the Company. If the Company is unable to fully finance an acquisition, it may need to be cancelled or significantly restructured, either of which may have a material adverse effect on the Company's business, financial condition or results of operations.

The Company may also require additional financing to fund the companies or businesses acquired and this may include making substantial equity commitments in cash; the failure to obtain such financing or to secure it on acceptable terms may have a material adverse effect on the company or business acquired, the impact of which may extend to the Company's business, financial condition or results of operations.

Dependence on key executives and personnel

Although the Directors have entered or will at the time of Admission enter into letters of appointment

with the Company, the loss of the services of any such individual may have an adverse material effect on the business, operations, revenues, customer relationships and/or prospects of the Company. The future performance of the Company will depend heavily on its ability to retain the services and personal connections/contacts of key executives and to recruit, motivate and retain further suitably skilled, qualified and experienced personnel.

Because the Company and the Directors have not yet selected any target for acquisition, the Company is currently unable to ascertain the merits or risks of a target business' operations and investors will be relying on the ability of the Directors to source appropriate and suitable acquisition opportunities

Because the Company and the Directors have not yet identified any prospective targets for an acquisition, Shareholders currently have no basis on which to evaluate the possible merits or risks of a target business' operations. Although the Directors will evaluate the risks inherent in a particular target, the Company and the Directors cannot offer any assurance that a proper discovery or assessment of all of the significant factors can be made. Furthermore, no assurance can be made that an investment in Ordinary Shares will ultimately prove to be more favourable to Shareholders than a direct investment, if such opportunity were available, in a target business. Investors will be relying on the ability of the Directors to source acquisition opportunities, evaluate their merits, conduct or monitor due diligence and conduct negotiations. The prospective Acquisition will be subjected to an extensive legal, financial and technical due diligence process to minimise this risk.

The Company's business strategy depends on the effectiveness of the operating strategies devised by the Directors and there is no assurance that these strategies will be successfully implemented or, if implemented, that they will be effective in increasing the valuation of any business acquired

There can be no assurance that the Company or the Directors will be able to propose and/or implement effective operational improvements for any company or business which the Company acquires or to effectively implement the other features of its post-acquisition value creation strategy as described in this document. In addition, even if the Company completes an acquisition, general economic and market conditions or other factors outside the Company's control could make the Company's operating strategies difficult to implement. Any failure to implement these strategies successfully and/or the failure of these strategies to deliver the anticipated benefits could have a material adverse effect on the Company's results of operations and financial condition. As a result, the Company may be unable to achieve attractive returns for its Shareholders.

Although the Company believes the current economic environment has created a number of acquisition opportunities, there may be competition for certain of these opportunities

There may be competition from others interested in some or all of the acquisition opportunities that the Company may explore. Such competition may for example come from strategic buyers, existing controlling shareholders in potential acquisition targets and public and private investments funds. Although the Company believes that it is well placed to compete for opportunities, the Company cannot assure the Shareholders that it will be successful against such competition.

The Company may not be able to deploy the Net Proceeds for a substantial period of time, which could result in significantly lower returns on the Net Proceeds than if the Acquisition were completed immediately following the Placing

The Company cannot estimate or guarantee how long it will take to use the Net Proceeds to complete an acquisition. The Directors will not recommend any particular acquisition to the Company, and the Directors will not take any decision to carry out any possible transaction, prior to the Placing. Following the Placing, suitable acquisition opportunities may not be immediately available, and even if such opportunities are available, the Company intends to conduct appropriate due diligence in relation to such opportunities prior to completion of the Acquisition. Prior to the completion of the Acquisition, the Company will invest or deposit the Net Proceeds in sterling denominated money market instruments, government securities, commercial paper, asset backed commercial paper, corporate bonds and/or deposits with commercial banks. Interest on the Net

Proceeds so deposited or invested may be significantly lower than the potential returns from an investment in an Acquisition. The Net Proceeds will be so managed, invested and/or deposited by the Company and will not be placed in any form of trust or escrow arrangement. The Company will principally seek to preserve capital and therefore the yield on the instruments in which it invests is likely to be low.

If the Acquisition is not completed before the date 24 months from Admission, then (unless the Acquisition has been previously announced but completes after the date falling 24 months from Admission or the Company is in active negotiations relating to the Acquisition which is announced shortly after such date and subsequently completes) the Board will recommend to Shareholders either that the Company be wound up by special resolution (in order to return to Shareholders any remaining distributable assets) or that the Company continue to pursue the Acquisition for a further year. The Board will seek Shareholder approval at a general meeting for the recommended course of action at this stage. In such circumstances, no representation can be made as to the particular amount or value of the remaining assets at such future time of any such distribution.

Unfavourable general economic conditions may have a negative impact on the results of operations, financial condition and prospects of a potential target business

The global financial markets are experiencing continued volatility and geopolitical issues and tensions continue to arise. While some countries are recovering from the economic impact of the pandemic, many countries have continued to experience recession or negligible growth rates, which have had, and may continue to have, an adverse effect on consumer and business confidence. The resulting low consumer and business confidence has led to low levels of demand for many products across a wide variety of industries, including energy. The Company cannot predict the severity or extent of these recessions and/or periods of slow growth. Accordingly, the Company's estimate of the results of operations, financial condition and prospects of an acquisition target will be uncertain and may be adversely impacted by unfavourable general global, regional and national macroeconomic conditions.

For more information about the effect of general global, regional or national macroeconomic deterioration on the digital media and advertising sectors, see "*Risks Relating to the Digital Media and Advertising Sectors*."

The Company may be unable to retain or hire the personnel required pursuant to the Acquisition or to retain or hire the personnel required to support the Company

The Company will look to the personnel with existing expertise in the acquired company or business to assist in the running and operations of the target following the Acquisition and to support the Company once it becomes the operator of the target. However, there can be no assurance that the relevant personnel required for these purposes will remain with the target company or business following Acquisition or that, if they depart, the Company will be able to replace such personnel with individuals of similar expertise and of a similar calibre. Changes in personnel may have a material adverse effect on the target company or business' operations, which means that following the Acquisition when in effect the operations of the target will be those of the Company, the adverse impact of such changes may affect the Company's business, financial condition, or results of operations.

Following the Acquisition, the Company will be a holding company whose principal source of operating cash will be income received from the business it has acquired

Following the Acquisition, the Company will be dependent on the income generated by the acquired business to meet the Company's expenses. The amount of distributions and dividends, if any, which may be paid from any operating subsidiary to the Company will depend on many factors, including such target's results of operations and financial condition, limits on dividends under applicable law and its constitutional documents and other factors which may be outside the control of the Company. If the acquired business is unable to distribute sufficient amounts to the Company, the Company may be unable to pay its expenses or make distributions and dividends on the Ordinary Shares.

The Company may be subject to restrictions in offering its Ordinary Shares as a consideration for the Acquisition or may have to provide alternative consideration which may have an adverse effect on its operations. In addition, the use of new Ordinary Shares as consideration could result in significant dilution of existing Shareholders

The Company may offer new Ordinary Shares or other securities, potentially in the form of fixed or floating rate loan notes which may or may not be convertible into Ordinary Shares, as consideration for the purchase of a target business in the Acquisition. However, in certain jurisdictions, there may be legal, regulatory or practical restrictions on the Company using its Ordinary Shares in this manner 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 particular acquisition more costly which in turn may have an adverse effect on the results of operations of the Company and/or the ability of the Company to achieve its target return for Shareholders. As the jurisdiction in which the Acquisition will take place is not yet known, the details of such potential restrictions are also unknown; however, they may include local central bank currency controls and prohibitions regarding the issue of publicly traded securities not approved by local regulators. Such restrictions may make the Acquisition impractical to complete, as the proposed contractual consideration may be unable to be accepted by the vendor(s).

Furthermore, where new Ordinary Shares are issued for non-cash consideration under the Acquisition, Shareholders will have no pre-emptive right to new Ordinary Shares issued. If the Company does offer its Ordinary Shares as consideration or part consideration in making the Acquisition, depending on the number of new Ordinary Shares offered and the value of such new Ordinary Shares at the time, the issuance of new Ordinary Shares could materially dilute the value of the new Ordinary Shares held by existing Shareholders at the time. Where an acquisition target has an existing large shareholder, an issue of new Ordinary Shares as consideration or part consideration may result in such shareholder subsequently holding a large stake in the Company, which may, in turn, enable it to exert significant influence over the Company (to a greater or lesser extent depending on the size of its holding). In addition, in order to avoid triggering a mandatory bid under the City Code, the Company may, if appropriate, issue shares with limited or no voting rights for a period of time.

Dilution will occur on the exercise of the Warrants granted to Axis Capital Markets Limited, Alexander David Securities Limited and the Directors (for more information please see paragraph 4 of *Part VII: Additional Information*); assuming there is no change to the Enlarged Share Capital, the maximum dilution which would result from the exercise of the Warrants is 10.71 per cent.

RISKS RELATING TO THE DIGITAL MEDIA AND ADVERTISING SECTORS

Technological changes in the digital media industry could render the Company's technology obsolete

The sectors in which the Company seeks to make the Acquisition are characterised by technological change, advancement and evolving industry standards. The future success of the Company will depend on its ability, following an Acquisition, to adapt quickly to changing technologies, to adapt its offerings at such time, and on an ongoing basis, to an evolving marketplace; additionally, technical developments with respect to alternative media channels could materially and adversely affect the demand for the Company's offerings or products. If the Company fails, following the Acquisition, to achieve market acceptance for its technologies, the Company must effectively anticipate and offer products or services that meet changing customer demands in an effective and competitive manner. Failure to do so could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

Following an Acquisition comprising digital media activities, the Company may be required to expend a significant amount of resources on research and development which fails to produce a service which is competitive in the market

Should the Acquisition comprise digital media services, following the Acquisition the Company may be required to invest in research and development to create new services and enhance existing services. Research and development projects can be technically challenging and expensive, and there may be delays between the time expenses are incurred and the time the Company is able to generate revenue, if any. Anticipated customer demand for any product developed by the Company could decrease after the development cycle has commenced, and the Company could be unable to avoid costs associated with the development of any such product. If, following the Acquisition, the Company expends a significant amount of resources on research and development which do not lead to the timely introduction or improvement of a product that is competitive in current or future markets, it could harm the business of the Company.

Any inability to implement the Company's strategy by entering emerging markets may adversely affect its results of operations

Given the sector in which the Company proposes to operate, it may make an Acquisition in less developed geographical areas and markets. The costs associated with entering and establishing in such markets may be higher than expected, and the Company may face significant competition in such markets. In particular, the following risks may affect the Company, and may impair or restrict entirely its ability to do business in any desired jurisdiction:

- difficulties in managing overseas operations;
- difficulties and delays in contract enforcement and the collection of receivables under the legal systems of foreign countries;
- regulatory and legal requirements affecting the Company's ability to acquire foreign assets or projects;
- changes in laws and regulations, or existing but inconsistent applications of laws and regulations;
- unclear, or corrupt, regulatory and taxation systems and divergent commercial and employment practices and procedures;
- difficulties in obtaining any necessary or desirable regulatory approvals.
- foreign currency exchange risks;
- multiple taxation regimes (including regulations relating to transfer pricing and withholding and other taxes on remittances and other payments from any subsidiaries acquired or established by the Company); and
- foreign investment restrictions and restrictions on exchange.

Digital Media and Advertising is undergoing significant change

Much of the digital media and advertising markets is undergoing significant change. The Company may experience difficulties in developing successful services as the market evolves. The commercial attraction of its products may not be competitive when compared with services offered by rivals. This may have a material adverse effect on the Company's financial condition, results of operations and prospects.

Laws and regulations covering the use of personal privacy and changes to such laws may present technical, regulatory and economic barriers to the purchase and use of the digital media systems that the Company acquires pursuant to the Acquisition, and may significantly reduce demand for such systems

Both global government regulations and policies are heavily influencing the policing of the internet and market for digital media services. Their regulations and policies often relate to the acquisition of consumer data. Governments and regulators are in a process of continuously modifying these

regulations and policies. This could result in a significant reduction in the potential demand for the services that the Company may acquire pursuant to the Acquisition. Following the Acquisition, this/these could increase the Company's customers reluctance to use digital media and make it less desirable which would have a material adverse effect on the Company's business, financial condition, operating results and prospects.

Any adverse changes in internet-related policies could, following the Acquisition, have a material adverse effect on the Company's business, financial condition, operating results and prospects.

Following the Acquisition, the Company will be impacted by digital media and advertising policies linked to the internet which may vary in different jurisdictions, and may be unfavourably modified

Any policies in force relating to the internet run in any relevant jurisdiction may be amended at any time, with or without notice, and such amendments may be unfavourable to the Company's business following the Acquisition. In addition, any changes may have retrospective effects which could negatively affect the business of the Company.

Natural events may impact the commercial viability of the sector

Events beyond the control of the Company, such as acts of God (including fire, flood, earthquake, storm, hurricane or other natural disasters) war, insurrection, civil unrest, strikes, public disobedience, nationalisation, national or international sanctions and embargoes, could materially adversely affect the Company, following the Acquisition.

Natural disasters, severe weather events or accidents could damage assets held by or used by the Company following the Acquisition or reduce their effectiveness. In addition, such events might lead to litigation threats or action against the Company. This could have a negative effect on the Company's business and operations following the Acquisition. Such risks may not always constitute contractual force majeure, and it may not be possible to insure against such risks, or to insure against such risks at a rate the Company considers economically viable.

Threats to handling and holding personal data

After any acquisition, the Company will hold or have access to personal data. External threats to the integrity of Company or the Company's clients such as cyber-attacks or data breaches, could materially adversely affect the Company.

The compromising of the security of the Company or its clients' information systems through criminal activity could reduce their effectiveness or render them inoperable. In addition, such events might lead to litigation threats or action against the Company. Such criminal activity might include cyber-attacks, the use of ransomware, or the theft of information held on information systems relating to the Company or its clients. Such events may cause reputational risk leading to loss of business.

Following the Acquisition, the Company may face competition from other digital media service supply companies and its operating results will suffer if it fails to compete effectively

Following the Acquisition, the Company will need to compete effectively against developers and suppliers of new digital media services and other advertising companies.

These companies may have a competitive advantage if they can realise economies of scale. Some of these competitors may also have greater brand name recognition, more established distribution networks and larger customer bases. As a result of their greater size, some of these competitors may be able to devote more resources to the research, development, promotion and sale of their services, or respond more quickly to evolving industry standards and changes in market conditions than the Company.

There is no guarantee that following the Acquisition, the Company will be able to compete effectively against such companies. Failure to do so could, following the Acquisition, have a material adverse effect on the Company's business, financial condition, operating results and prospects.

The reduction or elimination of access to internet-related consumer information, or following the Acquisition, the Company's failure to comply with such laws relating to this access may adversely affect the Company

The digital media and advertising sectors are characterised by the availability of internet-related and sourced consumer information in many markets in which the Company may consider an Acquisition. This information provides the data around which digital media services are designed and promoted. The reduction or elimination of access to such data, or the Company's failure to comply with such laws relating to such access, which may or may not be at the choice of the Company, could, following the Acquisition, have a material adverse effect on the business, financial condition, operating results and prospects of the Company.

Personal privacy regulation

The Company, following an Acquisition, will be involved in operations that may be subject to personal privacy regulation. This may include a wide variety of matters, such as the collection of personal digital data, its use, its distribution and security of it. The regulations may change in a manner that may require stricter or additional standards than those currently in effect, a heightened degree of responsibility for companies and their directors and employees and more stringent enforcement of existing laws and regulations. There may, following an Acquisition, also be unforeseen personal data-linked liabilities which may be costly to remedy. There is no assurance that future changes in internet regulation will not adversely affect the activities of the Company.

RISKS RELATING TO THE ORDINARY SHARES

The Standard Listing of the Ordinary Shares affords shareholders a lower level of regulatory protection than a Premium Listing

A Standard Listing affords shareholders in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules. A Standard Listing will not permit the Company to gain a FTSE indexation, which may impact the valuation of the Ordinary Shares.

Further details regarding the differences in the protections afforded by a Premium Listing as against a Standard Listing are set out in the section of this document entitled "Consequences of a Standard Listing" on page 25 of this document. Shareholders should note that as noted in that section, Chapter 10 of the Listing Rules does not apply to the Company and as such, the Company is not required to seek Shareholder approval for an Acquisition under this Chapter (although it may be required to do so for the purposes of facilitating the financing arrangements or for other legal or regulatory reasons).

The FCA may decide to suspend the listing of the Ordinary Shares if the Company proposes making the Acquisition and the FCA determines that there is insufficient information in the market about the Acquisition which the Company proposes to make. Suspension of the Company's shares will reduce liquidity in the Ordinary Shares, potentially for a significant period of time, and may adversely affect the price at which a Shareholder can sell them

It is the Company's duty under the Listing Rules to contact the FCA as early as possible if a Reverse Takeover has been agreed or is in contemplation, to discuss whether a suspension of the listing is appropriate. The FCA retains a general power, under Listing Rule 5.1.1.R(1), to suspend a company's securities where it considers it necessary to protect investors. The FCA may decide to exercise such power where the Company undertakes a transaction which, because of the comparative size of the Company and any target, would be a Reverse Takeover under the Listing Rules. The Listing Rules provide that generally when a Reverse Takeover is announced or leaked, there will be insufficient information in the market about the proposed transaction and the listed

company will be unable to assess accurately its financial position and inform the market appropriately, so suspension of trading in the listed company's securities will often be appropriate.

Any such suspension would be likely to continue until sufficient financial information on the transaction is made public and the period during which the Ordinary Shares would be suspended may therefore be significant. Depending on the nature of the Acquisition and the stage at which the fact of it becomes public or is announced, it may take a substantial period of time to compile the relevant information for the prospectus, particularly where the target does not have financial or other information readily available which is comparable with the information a listed company would be expected to provide, and the period during which the Ordinary Shares would be suspended may therefore be significant. A suspension of the Company's Ordinary Shares would materially reduce liquidity in such shares, which may affect a Shareholder's ability to realise some or all of its investment and/or the price at which such Shareholder can effect such realisation.

The Company's re-admission to the Official List or other appropriate listing venue following a Reverse Takeover is subject to the Company as enlarged by the Acquisition being eligible for re-admission and the Company issuing a new prospectus or other required admission or listing document

The Listing Rules provide that the listing of a company's equity securities will generally be cancelled when it completes a Reverse Takeover. If the FCA decided to cancel the Company's listing in such circumstances, the Company would expect to seek the admission to listing by way of a Standard Listing or admission to trading on another appropriate listing venue at the time of completion of any such Reverse Takeover subject to the Company as enlarged by the Acquisition being eligible for such listing. The process will require the preparation and issue of a new prospectus or other required admission or listing document. The Company intends that any Acquisition will result in the Company remaining eligible for listing on an appropriate securities market or stock exchange and would expect to seek the simultaneous re-admission to such listing at the time of completion of the Acquisition, but there can be no guarantee that the Company will successfully re-complete the listing process or do so in accordance with the time frame for the Acquisition. Any failure to re-list generally or at the time of the Acquisition may have a material adverse effect on the Company's business, financial condition, or results of operations. Additionally, a cancellation of the listing of the Company's Ordinary Shares would materially reduce liquidity in such shares which may affect a Shareholder's ability to realise some or all of its investment and/or the price at which such Shareholder can effect such realisation.

The statutory pre-emption rights have been disapplied to facilitate the Acquisition and related transactions, and the Company may be required to raise cash through issuing substantial additional equity to complete the Acquisition, which may dilute the percentage ownership of a Shareholder and the value of its Ordinary Shares

Although the Company will receive the Net Proceeds from the Placing, the Directors believe that further equity capital raisings may be required by the Company in order to complete the Acquisition, which may be substantial. The Directors have been generally authorised to issue Ordinary Shares, or grant rights to subscribe for, or convert any security into, Ordinary Shares up to a maximum aggregate nominal value of **£1,200,000 (one million and two hundred thousand pounds)** to facilitate the Acquisition. Equity securities up to an aggregate nominal amount of £400,000 (four hundred thousand pounds) can be allotted free from statutory pre-emption rights. See paragraph 0 of *Part VII: Additional Information* for further details. If the Company does offer its Ordinary Shares as consideration in making the Acquisition, depending on the number of Ordinary Shares offered and the value of such Ordinary Shares at the time, the issuance of such Ordinary Shares could materially reduce the percentage ownership represented by the holders of Ordinary Shares in the Company and also dilute the value of Ordinary Shares held by such Shareholders at the time. If a target has a large shareholder, the Company's issue of new Ordinary Shares may result in such shareholder subsequently holding a large stake in the Company, which may, in turn, enable it to exert significant influence on the Company. The disapplication of pre-emption rights could cause a Shareholder's percentage ownership in the Company to be reduced and the issuance of new Ordinary Shares, or, as the case may be, other equity securities could also dilute the value of Ordinary Shares held by such Shareholder. See also the risk factor entitled "*The Company may be subject to restrictions in offering new Ordinary Shares as consideration for the Acquisition or may*

have to provide alternative consideration which may have an adverse effect on its operations. In addition, the use of new Ordinary Shares as consideration could result in significant dilution of existing shareholders” on page 15 of this document in respect of the risks associated with non-cash offers by the Company.

Dividend payments on the Ordinary Shares are not guaranteed and the Company does not intend to pay dividends in the foreseeable future.

The Board will maintain a regular review of the Company's dividend policy. However, it is not intended that dividends will be paid to Shareholders in the near future (see further paragraph 5, *Dividend policy in Part I: Information on the Company, Investment Opportunity and Strategy* below). The Company's ability to pay any dividend will depend on a number of factors, including its results of operations, financial condition and profitability, free cash flow and other factors considered relevant by the Directors. The Company can therefore give no assurance that it will be able to pay dividends going forward or as to the amount of any such dividends.

The Company may be unable or unwilling to transition to a Premium Listing in the future

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. There can be no guarantee that the Company will ever meet such eligibility criteria or that a transition to a Premium Listing will be achieved. If the Company does not achieve a Premium Listing, the Company will not be obliged to comply with the higher standards of corporate governance or other requirements which it would be subject to upon achieving a Premium Listing and, for as long as the Company continues to have a Standard Listing, it will be required to continue to comply with the lesser standards applicable to a company with a Standard Listing. This would include a period of time after the Acquisition where the Company could be operating a substantial business but would not need to comply with such higher standards. In addition, an inability to achieve a Premium Listing will prohibit the Company from gaining a FTSE indexation and may have an adverse effect on the valuation of the Ordinary Shares. Further details regarding the difference in the protections afforded by a Premium Listing as against a Standard Listing are set out in the section entitled "Consequences of a Standard Listing" on page 25 of this document.

Alternatively, in addition to or in lieu of seeking a Premium Listing, the Company may determine to retain a Standard Listing or to seek a listing on another stock exchange, which may not have standards or corporate governance comparable to those required by a Premium Listing or which Shareholders may otherwise consider to be less attractive or convenient.

Shareholders may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable

Investments in Ordinary Shares may be relatively illiquid for as long as the Company holds a Standard Listing. There may be a limited number of Shareholders and there may be infrequent trading in the Ordinary Shares on the London Stock Exchange and volatile Ordinary Share price movements. Shareholders should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Admission should not be taken as implying that there will be an active trading market for the Ordinary Shares. Even if an active trading market develops, the market for the Ordinary Shares may fall below the Placing Price.

There is currently no market for the Ordinary Shares, notwithstanding the Company's intention to be admitted to trading on the London Stock Exchange. A market for the Ordinary Shares may not develop, which would adversely affect the liquidity and price of the Ordinary Shares

There is currently no market for the Ordinary Shares. Therefore, investors cannot benefit from information about prior history when making their decision to invest. The price of the Ordinary Shares after issue can also vary due to a number of factors, including but not limited to, general economic conditions and forecasts, the Company's general business condition and the release of its financial reports. Although the Company's current intention is that its securities should continue to trade on the London Stock Exchange or another suitable listing venue, it cannot assure you that it will always do so. In addition, an active trading market for the Ordinary Shares may not develop or, if developed, may not be maintained. Investors may be unable to sell their Ordinary Shares unless a market can be established and maintained, and if the Company subsequently obtains a listing on an exchange in addition to, or in lieu of, the London Stock Exchange, the level of liquidity of the Ordinary Shares may decline.

Fluctuations and volatility in the price of Ordinary Shares

Stock markets have from time-to-time experienced severe price and volume fluctuations, a recurrence of which could adversely affect the market price for the Ordinary Shares. The market price of the Ordinary Shares may be subject to wide fluctuations in response to many factors, some specific to the Company and some which affect listed companies generally, including variations in the operating results of the Company, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, general economic, political or regulatory conditions, overall market or sector sentiment, legislative changes in the Company's sector and other events and factors outside of the Company's control.

The ability of Overseas Shareholders to bring actions or enforce judgments against the Company or the Directors may be limited

The ability of an Overseas Shareholder to bring an action against the Company may be limited under law. The Company is a public limited company incorporated in England and Wales. The rights of holders of Ordinary Shares are set out in the Articles and are governed by English law. These rights may differ from the rights of shareholders in non-UK corporations. An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors and executive officers. A number of the Directors are not residents of the UK. Consequently, it may not be possible for an Overseas Shareholder to effect service of a process upon the Directors within the Overseas Shareholder's country of residence or to enforce against the Directors judgments of courts of the Overseas Shareholder's country of residence based on civil liabilities under the country's securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities law of countries other than the UK against the Directors who are residents the UK or of countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors in any original action based solely on foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

RISKS ASSOCIATED WITH SUSPENSION, RE-ADMISSION AND COST OF COMPLIANCE WITH A STANDARD LISTING

The cost of the Company in complying with its continuing obligations under the Listing Rules, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules will be financially material

The cost of the Company in complying with its continuing obligations under the Listing Rules, Prospectus Regulation Rules and Disclosure Guidance and Transparency Rules will be financially material due to the Company's relatively small size on Admission. If the Company is unable to complete the Acquisition within 24 months of Admission, these costs may become difficult to sustain for a materially longer period. If the Acquisition is not completed before the date falling 24 months from Admission, then (unless the Acquisition has been previously announced but completes after the anniversary of Admission or the Company is in active negotiations relating to the Acquisition which is announced shortly after such date and subsequently completes) the Board will recommend to the Shareholders either that the Company be wound up by special resolution (in order to return to Shareholders any remaining distributable assets) or that the Company continue to pursue the Acquisition for a further year. The Board's recommendation will then be put to a Shareholder vote. If a decision is made to continue to pursue the Acquisition for a further year, then further capital may need to be raised.

The listing of the Company's securities may be cancelled if the Company no longer satisfies its continuing obligations under the Listing Rules, which includes that a sufficient number of Ordinary Shares are in public hands, as defined in the Listing Rules, at all times.

The FCA has published policy statement PS21/22: Primary Markets Effectiveness Review confirming changes to the Listing Rules.

The required minimum market capitalisation ("MMC") threshold for new companies listing shares

on the premium and standard listing segments is being increased to £30m. This will only apply on first admission as a listing requirement and not as a continuing obligation, as is currently the case.

Under the transitional provisions provided (i) companies that have already made a complete submission to the FCA for a listing eligibility review as of 4pm on 2 December 2021 are able to apply for listing on the basis of the current MMC level of £700,000 provided they apply to list by 2 June 2023 (that is, within 18 months), and (ii) existing listed shell companies (including SPACs) can make a listing application following an acquisition based on the current MMC requirement of £700,000 provided complete submissions for a listing eligibility review and prospectus review are made on or before 1 December 2023 (that is, allowing up to two years for a listed shell company to find an acquisition target and re-apply for listing).

RISKS RELATING TO THE COMPANY'S RELATIONSHIP WITH THE DIRECTORS AND CONFLICTS OF INTEREST

The Directors will allocate their time to other businesses leading to potential conflicts of interest in their determination as to how much time to devote to the Company's affairs, which could have a negative impact on the Company's ability to complete the Acquisition

None of the Directors are required to commit their full time or more than a minimum of three days per month to the Company's affairs, which could create a conflict of interest when allocating their time between the Company's operations and their other commitments. The Company does not intend to have any executive officers or full-time employees prior to the completion of the Acquisition. The Directors are engaged in other business endeavours and are not obligated to devote any significant number of hours to the Company's affairs. If the Directors' other business affairs require them to devote more substantial amounts of time to such affairs, it could limit their ability to devote time to the Company's affairs and could have a negative impact on the Company's ability to complete the Acquisition.

The Directors are currently affiliated and may in the future become affiliated with, or otherwise have financial interests in, entities engaged in business activities similar to those intended to be conducted by the Company and may have conflicts of interest in allocating their time and business opportunities

Each of the Directors has, is currently or may in the future become affiliated with or have financial interests in entities, including certain special purpose acquisition companies, engaged in business activities similar to those intended to be conducted by the Company.

In addition, the Directors may become aware of business opportunities that may be appropriate for presentation to the Company. In such instances they may decide to present these business opportunities to other entities with

which they are or may be affiliated, in addition to, or instead of, presenting them to the Company. Due to these existing or future affiliations, the Directors may have fiduciary obligations to present potential acquisition opportunities to those entities prior to presenting them to the Company which could cause additional conflicts of interest.

The Company cannot provide any assurance that any of the Directors will not become involved in one or more other business opportunities that would present conflicts of interest in the time they allocate to the Company. In addition, the conflict-of-interest procedures described in *Part II: Directors and Corporate Governance* of this document may require or allow the Directors and certain of their affiliates to present certain acquisition opportunities to other companies before they may present them to the Company.

One or more Directors may negotiate employment or consulting agreements with a target company or business in connection with the Acquisition. These agreements may provide for such Directors to receive compensation following the Acquisition and as a result, may cause them to have conflicts of interest in determining whether a particular acquisition is the most advantageous for the Company

The Directors may negotiate to remain with the Company after the completion of the Acquisition on the condition that the target company or business asks the Directors to continue to serve on the board of directors of the combined entity. Such negotiations would take place simultaneously with the negotiation of the Acquisition and could provide for such individuals to receive compensation in the form of cash payment and/or the securities in exchange for services they would render to it after the completion of the Acquisition. The personal and financial interests of such Directors may influence their decisions in identifying and selecting a target company or business. Although the Company believes the ability of such individuals to negotiate individual agreements will not be a significant determining factor in the decision to proceed with an acquisition, there is a risk that such individual considerations will give rise to a conflict of interest on the part of the Directors in their decision to proceed with an acquisition. The determination as to whether any of the Directors will remain with the combined company and on what terms will be made at or prior to the time of the

Acquisition.

The Directors may in the future enter into related party transactions with the Company, which may give rise to conflicts of interest between the Company and the Directors

The Directors and one or more of their affiliates may in the future enter into other agreements with the company that are not currently under contemplation. It is possible that the entering into of such an agreement might raise conflicts of interest between the Company and the Directors.

Historical results of prior investments made by, or businesses associated with, the Directors and their affiliates may not be indicative of future performance of an investment in the Company

Shareholders are directed to the information set out in the descriptions of the Directors in *Part II: Directors and Corporate Governance*. The information set out therein is presented for illustrative purposes only and Shareholders are cautioned that historical results of prior investments made by, or businesses or transactions associated with, the Directors and their affiliates may not be indicative of the future performance of an investment in the Company or the returns the Company will, or is likely to, generate going forward.

RISKS RELATING TO TAXATION

Taxation of returns from assets located outside the UK may reduce any net return to Shareholders

It is possible that any return the Company receives from any assets, company or business which the Company acquires, and which is or are established outside the UK may be reduced by irrecoverable foreign taxes and this may reduce any net return derived by Shareholders from a shareholding in the Company.

Changes in tax law may reduce any net returns for Shareholders

The tax treatment of holders of Ordinary Shares issued by the Company, any special purpose vehicle that the Company may establish and any company which the Company may acquire are all subject to changes in tax laws or practices or in interpretation of the law in the UK or any other relevant jurisdiction. Any such change may reduce any net return derived by Shareholders from an investment in the Company.

There can be no assurance that the Company will be able to make returns for Shareholders in a tax-efficient manner

It is intended that the Company will structure the group, including any company or assets acquired in any Acquisition, to maximise returns for Shareholders in as fiscally efficient a manner as practicable. The Company has made certain assumptions regarding taxation. However, if these assumptions cannot be borne out in practice, taxes may be imposed with respect to any of the Company's assets, or the Company may be subject to tax on its income, profits, gains or distributions in a particular jurisdiction or jurisdictions in excess of taxes that were anticipated. This will alter the post-tax returns for Shareholders (or Shareholders in certain jurisdictions). Any change in laws or tax authority practices or interpretation of the law could also adversely affect any post-tax returns of capital to Shareholders or payments of dividends (if any, which the Company does not envisage to the payment of, at least in the short to medium-term). In addition, the Company may incur costs in taking steps to mitigate any such adverse effect on the post-tax returns to Shareholders.

The risk factors listed above set out the material risks and uncertainties currently known to the Directors but do not necessarily comprise all of the risks to which the Company is exposed or all those associated with an investment in the Company. In particular, the Company's performance is likely to be affected by changes in the market and/or economic conditions and in legal, accounting, regulatory and tax requirements. There may be additional risks that the Directors do not currently consider to be material or of which they are currently unaware.

If any of the risks referred to above materialise, the Company's business, financial condition, results or future operations could be materially adversely affected. In such case, the price of its shares could decline, and investors may lose all or part of their investment.

CONSEQUENCES OF A STANDARD LISTING

Application will be made for the Ordinary Shares (issued and to be issued pursuant to the Placing) to be admitted to a listing on the Standard Listing segment of the Official List pursuant to Chapter 14 of the Listing Rules, which sets out the requirements for Standard Listings, and for such Ordinary Shares to be admitted to trading on the London Stock Exchange's Main Market for listed securities.

The Company's Ordinary Shares will be listed under Chapter 14 of the Listing Rules (Standard Listing (shares)) and as a consequence a significant number of the Listing Rules will not apply to the Company. Shareholders will therefore not receive the full protection of the Listing Rules associated with a Premium Listing.

The Company will comply with Listing Principles 1 and 2 set out in Chapter 7 of the Listing Rules at Listing Rule which applies to all companies with their securities admitted to the Official list.

An applicant that is applying for a Standard Listing of equity securities must comply with all the requirements listed in Chapters 2 and 14 of the Listing Rules, which specify the requirements for listing for all securities. Where an application is made for the admission to the Official List of a class of shares, at least 10% of the shares of the class must be distributed to the public in one or more EEA states. Listing Rule 14.3 sets out the continuing obligations applicable to companies with a Standard Listing and requires that such companies' listed equity shares be admitted to trading on a regulated market at all times. Such companies must have at least 10% of the shares of any listed class in public hands at all times in one or more EEA states and the FCA must be notified as soon as possible if these holdings fall below that level.

The continuing obligations under Chapter 14 also include requirements as to:

- the forwarding of circulars and other documentation to the FCA for publication through to the National Storage Mechanism, and related notification to an RIS;
- the provision of contact details of appropriate persons nominated to act as a first point of contact with the FCA in relation to compliance with the Listing Rules and the Disclosure Guidance and Transparency Rules;
- the form and content of temporary and definitive documents of title;
- the appointment of a registrar;
- notifying an RIS in relation to changes to equity and debt capital; and
- compliance with, in particular, Chapters 4, 5 and 6 of the Disclosure Guidance and Transparency Rules.

As a company with a Standard Listing, the Company will, following Admission, not be required to comply with, *inter alia*, the provisions of Chapters 6 and 8 to 13 of the Listing Rules, which set out more onerous requirements for issuers with a Premium Listing of equity securities. These include provisions relating to certain listing principles, the requirement to appoint a sponsor, various continuing obligations, significant transactions, related party transactions, dealings in own securities and treasury shares and contents of circulars.

The Company will comply with Chapter 5 of the Listing Rules (Suspending, cancelling and restoring listing and reverse takeovers). On completing a Reverse Takeover, the Company's existing Standard Listing will be cancelled, and the Company intends to apply for a new Standard Listing or a listing on another appropriate securities market or stock exchange for the ordinary share capital of the Company. The granting of a new Standard Listing or a listing on another appropriate securities market or stock exchange following a Reverse Takeover cannot be certain. The

Company may have its listing suspended in the event of a Reverse Takeover. These situations are described further in the “Risk Factors” section of this document.

On announcing a Reverse Takeover (or in the event of a leak of information prior to announcement), the Ordinary Shares would typically be suspended unless sufficient information was available to Shareholders and the wider market in the form of an approved new prospectus. This will be discussed with the FCA at the time. During the period of suspension, the Company would remain subject to the continuing obligations of a Standard Listing.

As mentioned above, while the Company has a Standard Listing, it is not required to comply with the provisions of, among other things:

- Chapter 6 of the Listing Rules containing additional requirements for the listing of equity securities, which are only applicable for companies with a Premium Listing;
- Chapter 8 of the Listing Rules regarding the appointment of a listing sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company does not have and does not intend to appoint such a sponsor in connection with its publication of this document, the Placing or Admission;
- Chapter 9 of the Listing Rules regarding continuous obligations for a company with a Premium Listing, which includes, *inter alia*, requirements relating to further issues of shares, the ability to issue shares at a discount in excess of 10% of market value, notifications and contents of financial information that are not applicable to the Company;
- Chapter 10 of the Listing Rules relating to significant transactions, meaning that the Acquisition, and any subsequent additional acquisitions by the Company, will not require shareholder approval under this Chapter (although such approval may be required for the purposes of facilitating the financing arrangements or for other legal or regulatory reasons);
- Chapter 11 of the Listing Rules regarding related party transactions. However, the Company is obliged to comply with DTR7.3 relating to related party transactions. DTR7.3 requires the Company to establish and maintain adequate procedures, systems and controls to enable it to assess whether a transaction or arrangement with a related party is in the ordinary course of business and has been concluded on normal market terms, and to (i) make an announcement (ii) gain board approval and (iii) ensure the related party or their associates do not vote in any resolution, relating to material related party transactions;
- Chapter 12 of the Listing Rules regarding purchases by the Company of its Ordinary Shares; and
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to Shareholders.

IT SHOULD BE NOTED THAT THE FCA WILL NOT HAVE THE AUTHORITY TO (AND WILL NOT) MONITOR THE COMPANY’S COMPLIANCE WITH ANY OF THE PREMIUM LISTING RULES (WHICH DO NOT APPLY TO THE COMPANY), NOR TO IMPOSE SANCTIONS IN RESPECT OF ANY FAILURE BY THE COMPANY TO SO COMPLY. HOWEVER, THE FCA WOULD BE ABLE TO IMPOSE SANCTIONS FOR NON-COMPLIANCE WHERE THE STATEMENTS REGARDING COMPLIANCE IN THIS DOCUMENT ARE THEMSELVES MISLEADING, FALSE OR DECEPTIVE.

IMPORTANT INFORMATION, PRESENTATION OF FINANCIAL AND OTHER INFORMATION AND NOTICES TO INVESTORS

In deciding whether or not to purchase Ordinary Shares, prospective purchasers should rely only on their own examination of the Company and/or the financial and other information contained in this document.

Purchasers of Ordinary Shares must not treat the contents of this document or any subsequent communications from the Company or any of its respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied on as having been so authorised. Without prejudice to the Company's obligations under the FSMA, UK Prospectus Regulation, the Listing Rules, the Disclosure Guidance and Transparency Rules, UK MAR and to the extent applicable, EU MAR, neither the delivery of this document nor any subscription made pursuant to it will, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information in it is correct as at any time subsequent to its date.

This document comprises a prospectus relating to the Company prepared in accordance with the Prospectus Regulation Rules and has been approved by the FCA under section 87A of FSMA. This document has been filed with the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules. No arrangement has however been made with the competent authority in any other member state of the EEA (or any other jurisdiction) for the use of this document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdiction.

This document does not constitute, and may not be used for the purposes of, an offer to sell or an invitation to subscribe for or the solicitation of an offer to buy or subscribe for, any Ordinary Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation. The distribution of this document and the offering of the Ordinary Shares in certain jurisdictions may be restricted. Accordingly, persons outside the UK into whose possession this document comes are required by the Company to inform themselves about, and to observe any restrictions as to the offer or sale of Ordinary Shares and the distribution of this document under, the laws and regulations of any territory in connection with any applications for Ordinary Shares, including obtaining any requisite governmental or any other consent and observing any other formality prescribed in such territory.

No action has been taken or will be taken in any jurisdiction by the Company or the Directors that would permit a public offering of the Ordinary Shares in any jurisdiction where action for that purpose is required, nor has any such action being taken with respect to the possession or distribution of this document other than in any jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this

document nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdictions. Any failure to comply with this restriction may constitute a violation of the securities laws of any such jurisdiction. Neither the Company nor any of the Directors accepts any responsibility for any violation of any of these restrictions by any other person.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objectives will be achieved.

It should be remembered that the price of the Ordinary Shares, and any income from such Ordinary Shares, can go down as well as up.

This document should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles, which prospective investors should review.

FORWARD-LOOKING STATEMENTS

Some of the statements under "Summary", "Risk Factors", "Part I: Information on the Company, Investment Opportunity and Strategy" and elsewhere in this document include forward-looking statements which reflect the Company's or, as appropriate, the Directors' current views, interpretations, beliefs or expectations with respect to the Company's financial performance, business strategy and plans and objectives of management for future operations. These statements include forward-looking statements both with respect to the Company and the sector and industry in which the Company proposes to operate. Statements which include the words "expects", "intends", "plans", "believes", "projects", "anticipates", "will", "targets", "aims", "may", "would", "could", "continue", "estimate", "future", "opportunity", "potential" or, in each case, their negatives, and similar statements of a future or forward-looking nature identify forward-looking statements.

All forward-looking statements address matters that involve risks and uncertainties because they relate to events that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. Accordingly, there are or will be important factors that could cause the Company's actual results, prospects and performance to differ materially from those indicated in these statements. In addition, even if the Company's actual results, prospects and performance are consistent with the forward-looking statements contained in this document, those results may not be indicative of results in subsequent periods. Important factors that may cause these differences include, but are not limited to:

- the Company's ability to identify suitable acquisition opportunities or the Company's success in completing an Acquisition and to propose effective growth strategies for any company or business the Company acquires;
- the Company's ability to ascertain the merits or risks of the operations of a target company or business;
- the Company's ability to deploy the Net Proceeds on a timely basis;
- changes in economic conditions generally (and specifically in the market in which any Acquisition is made);
- impairments in the value of the Company's assets;
- the availability and cost of equity or debt capital for future transactions;
- changes in interest rates and currency exchange rate fluctuations, as well as the success of the Company's hedging strategies in relation to such changes and fluctuations (if such strategies are in fact used); and

- legislative and/or regulatory changes, including changes in taxation regimes.

Risks and uncertainties which are material and known to the Directors are listed in the section of this document headed “Risk Factors”, which should be read in conjunction with the other cautionary statements that are included in this document.

Any forward-looking statements in this document reflect the Company’s, or as appropriate, the Directors’ current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company’s future business, results of operations, financial conditions and growth strategy. For the avoidance of doubt, nothing in this paragraph qualifies the working capital statement set out in paragraph 10 of *Part VII: Additional Information* of this document.

These forward-looking statements speak only as of the date of this document. Subject to its legal and regulatory obligations (including under the UK Prospectus Regulation), the Company expressly disclaims any obligations to update or revise any forward looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based unless required to do so by law or any appropriate regulatory authority, including FSMA, the Listing Rules, the UK Prospectus Regulation, the Disclosure Guidance and Transparency Rules, the UK MAR and, to the extent applicable, EU MAR. All subsequent written and oral forward-looking statements attributable to the Company or individuals acting on behalf of the Company are expressly qualified in their entirety by this paragraph. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

PRESENTATION OF FINANCIAL INFORMATION

The Company is newly formed and as at the date of this Prospectus has not commenced operations and has no assets or liabilities, and therefore no statutory financial statements have been prepared as at the date of this Prospectus. All future financial information for the Company is intended to be prepared in accordance with IFRS. In making an investment decision, prospective investors must rely on their own examination of the Company from time to time and the terms of the Placing.

NOTICE TO US SHAREHOLDERS AND SHAREHOLDERS IN CERTAIN RESTRICTED JURISDICTIONS

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the US or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the US.

The Ordinary Shares have not been and will not be registered under the Securities Act, or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States or of Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa, or any province or territory thereof. Subject to certain exceptions, the Ordinary Shares may not be taken up, offered, sold, resold, reoffered, pledged, transferred, distributed or delivered, directly or indirectly, and this document may not be distributed by any means including electronic transmission within, into, in or from the United States, Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa or to for the account of any national, resident or citizen of the United States or any person resident in Australia, Canada, Japan, New Zealand, the Republic of Ireland or the Republic of South Africa except in accordance with the laws of such jurisdiction. The Ordinary Shares may only be offered or sold in offshore transactions as defined in and in accordance with Regulation S promulgated under the Securities Act. Acquirers of the Ordinary Shares may not offer to sell, pledge or otherwise transfer the Ordinary Shares in the United States, or to any US Person as defined in Regulation S under the Securities Act, including resident corporations, or other entities organised under the laws of the United States, or non-US branches or agencies of such corporations unless such offer, sale, pledge or transfer is registered under the Securities Act, or an exemption from registration is available. The Company does not currently plan to register the Ordinary Shares under the Securities Act.

The ability of an Overseas Shareholder to bring an action against the Company may be limited under law. The rights of holders of Ordinary Shares are governed by English law and by the Articles. These rights differ from the rights of shareholders in typical US corporations and some other non-UK corporations.

NOTICE TO EEA SHAREHOLDERS

In relation to each member state of the EEA (each a relevant member state) with effect from and including the date on which the EU Prospectus Regulation came into force in the relevant member state (**relevant date**), no Ordinary Shares have been offered or will be offered pursuant to the Placing to the public in that relevant member state prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in the relevant member state, all in accordance with the EU Prospectus Regulation, except that with effect from and including the relevant date, offers of Ordinary Shares may be made to the public in that relevant member state at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose main activity is to invest in financial instruments;
- (b) to any legal entity which has two or more of: (i) a total balance sheet of more than €20 million; (ii) an annual turnover of more than €40 million; and (iii) own funds of €2 million as shown in its last annual or consolidated accounts;
- (c) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) in such relevant member state; or
- (d) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the EU Prospectus Regulation.

For the purpose of these provisions, the expression an “offer to the public” in relation to any Ordinary Shares in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the Placing and any Ordinary Shares to be offered so as to enable an investor to decide to purchase any Ordinary Shares, as the same may be varied in that relevant member state.

In the case of any Ordinary Shares being offered to a financial intermediary as that term is used in Article 5(1) of the EU Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Ordinary Shares acquired by it in the Placing have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their resale to, persons in circumstances which may give rise to an offer of any Ordinary Shares to the public other than their offer or resale in a relevant member state to qualified investors as so defined or in circumstances in which the prior consent of the Company has been obtained to each such proposed offer or resale. Each of the Company and its respective affiliates, and others, will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

NOTICE TO OVERSEAS SHAREHOLDERS

An Overseas Shareholder may not be able to enforce a judgment against some or all of the Directors and executive officers. The Company is incorporated under the laws of England and Wales and some of the Directors are residents of the UK. Consequently, it may not be possible for an Overseas Shareholder to effect service of process upon the Directors within the Overseas Shareholder’s country of residence or to enforce against the Directors judgments of courts of the Overseas Shareholder’s country of residence based on civil liabilities under that country’s securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any

judgments in civil and commercial matters or any judgments under the securities laws of countries other than the UK against the Directors who are residents of the UK or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Directors in any original action based solely on the foreign securities laws brought against the Company or the Directors in a court of competent jurisdiction in England or other countries.

NOTICE TO ALL SHAREHOLDERS

Copies of this document will be available on the Company's website www.electricguitarplc.com/investors from the date of this document until the date which is one month from the date of Admission.

THIRD PARTY INFORMATION

Where information contained in this document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

DATA PROTECTION

The Company may delegate certain administrative functions to third parties and will require such third parties to comply with data protection and regulatory requirements of any jurisdiction in which data processing occurs. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

- (a) verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- (b) carrying out the business of the Company and the administering of interests in the Company;
- (c) meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere; and
- (d) disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Where appropriate, it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

- (a) disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and
- (b) transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights or freedoms of prospective investors as the United Kingdom.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third-party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

DEFINED TERMS

Except for certain names of natural persons and legal entities and capitalised terms that need no further explanation, the capitalised terms used in this document, including capitalised abbreviations, are defined, or explained in *Part VIII: Definitions*, starting on page 96 of this document.

CURRENCY

Unless otherwise indicated, all references in this document to “GBP”, “£”, “pounds sterling”, “pounds”, “sterling”, “pence” or “p” are to the lawful currency of the United Kingdom; all references to “€” or “euro” are to the lawful currency of the Euro zone countries; and all references to “\$”, “US\$”, “US dollars” or “USD” are to the lawful currency of the US.

NO INCORPORATION OF WEBSITE TERMS

Except to the extent expressly set out in this document, neither the content of the Company’s website or any other website nor the content of any website accessible from hyperlinks on the Company’s website or any other website is incorporated into, or forms part of, this document.

GOVERNING LAW

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes in such laws.

NOTICE TO DISTRIBUTORS

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“Directive 2014/65/EU”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing Directive 2014/65/EU, in the case of (a) and (b), to the extent that they form part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (as may be amended from time to time, including, without limitation, by virtue of the European Union (Withdrawal Agreement) Act 2020); and (c) other local implementing measures (together, the “MiFID II Product Governance Requirements”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Placing Shares have been subject to a product approval process, which has determined that the Placing Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in Directive 2014/65/EU or the UK MiFID Laws (as applicable); and (ii) eligible for distribution through all distribution channels as are permitted by Directive 2014/65/EU or the UK MiFID Laws, as applicable (the “Target Market Assessment”).

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Shares may decline and investors could lose all or part of their investment; the Placing Shares offer no guaranteed income and no capital protection; and an investment in the Placing Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of Directive 2014/65/EU, or the UK MiFID Laws, as applicable; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Placing Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Placing Shares and determining appropriate distribution channels.

VALIDITY OF PROSPECTUS

The prospectus was approved on 24 December 2021 and is valid for a period of one year from that date. The prospectus will therefore cease to be valid on 23 December 2022. Should a significant new factor occur, or material mistake or inaccuracy be identified during the validity period, the Company would be required to issue a supplement in accordance with the Prospectus Regulation Rules. After the period of validity has expired, the Company is no longer under an obligation to issue such a supplement.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	24 December 2021
Announcement confirming results of the Placing	7 January 2022
Admission and commencement of unconditional dealings in Ordinary Shares	8 a.m. on 10 January 2022
CREST members' accounts credited in respect of Ordinary Shares in uncertificated form	10 January 2022
Despatch of definitive share certificates for Ordinary Shares in certificated form by no later than	17 January 2022

All references to time in this document are to London time unless otherwise stated.

PLACING STATISTICS

Number of Existing Ordinary Shares	17,862,776
Placing Price	3 pence
Number of Placing Shares	40,000,000
Enlarged Share Capital in issue following the issue of the Placing Shares and Admission	57,862,776
Percentage of Enlarged Share Capital represented by Placing Shares	69.13%
Gross proceeds of the Placing	£1,200,000
Proceeds of the Placing receivable by the Company (after deduction of transaction costs)	£937,950
Maximum number of Ordinary Shares capable <u>of</u> being issued pursuant to the Warrants	6,943,534
Percentage of share capital represented by Ordinary Shares issued pursuant to the Warrants (assuming all Warrants are exercised immediately following Admission and that subsequently the Company's share capital is made up of the Enlarged Share Capital and the Ordinary Shares issued pursuant to the Warrants only)	10.71%

Placing statistics assume the Placing is fully subscribed.

DEALING CODES

The dealing codes for the Ordinary Shares will be as follows:

ISIN	GB00BN11T727
SEDOL	BN11T72
TIDM	ELEG
LEI	894500943SA9KY5T9V86

DIRECTORS, AGENTS AND ADVISERS²

Directors	John Christopher Hutchinson (Non-executive Director and Chairman) John Patrick Regan (Chief Executive Officer) Luke William McKeever (Non-executive Director) <i>(All c/o the registered office)</i>
Company Secretary	John Christopher Hutchinson 1 Bartholomew Close London EC1A 7BL
Registered Office	4 th Floor, The Anchorage, 34 Bridge Street, Reading, Berkshire, RG1 2LU.
Corporate Adviser	Alexander David Securities Limited 49 Queen Victoria Street London EC4N 4SA
Placing Agent and Broker from Admission	Axis Capital Markets Limited 27 Clements Lane London EC4N 7AE
UK Solicitors to the Company	BDB Pitmans LLP 1 Bartholomew Close London EC1A 7BL
Auditors and Reporting Accountants	Anstey Bond LLP Chartered Accountants 1 Charterhouse Mews London EC1M 6BB
Registrar	Share Registrars Limited 27/28 Eastcastle Street London W1W 8DH
Bankers	Metro Bank PLC 1 Southampton Row London WC1B 5HA
Website	www.electricguitarplc.com

PART I

INFORMATION ON THE COMPANY, INVESTMENT OPPORTUNITY AND STRATEGY

1. Background to the target sector and opportunity

The Company confirms that the information extracted from third party sources in this Part has been accurately reproduced and that, as far as the Company is aware and is able to ascertain from information published by those third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The Company intends to act as a consolidator and operator in the digital advertising market. Set out below is the background to the market.

Advertising before the Internet

Before the advent of the Internet, advertisers and marketers would reach their target audience by airing their clients' advertisements on television or radio at certain times of the day, publishing them in newspapers and magazines that their audience might read, or using billboards in places where their audience would see it.

Digital Advertising

With the global reach of the internet and its extensive use for social media and purchasing activity, advertisers and marketers now use digital advertising to gain access to users of personal computers and mobile devices such as smartphones.

Digital advertising is the process of publishing promotional material through online platforms such as social media, search engines, websites, and any other program that can be accessed digitally. Digital advertisements work by using Internet-based advertising tools to research, manage, track, analyse, and improve online advertising campaigns. These advertising tools take data harvested by 'cookies' to help them identify and target customers.

Cookies

Core to these advertising tools are certain types of cookies. Cookies are small text files that reside on a user's personal computer or mobile device, and the information they contain is set and accessed by the servers of the websites that the user visits. This small file of letters and numbers is downloaded on to a user's computer or mobile device when the user visits a website. Cookies allow servers to identify the user and remember things about them. Third-party cookies are tracking codes that are placed on a web visitor's computer after being generated by another website other than your own. When a web visitor visits your site and others, the third-party cookie tracks this information and sends it to the third-party who created the cookie -- which might be an advertiser.

The information they gain allows them to suggest other items that might interest visitors. Gradually, a profile is built based on a user's browsing history on that site. Cookies were first used in the 1990s when there was little consideration of the impact they might have on an individual's privacy.

Since then, online platforms have proliferated with several becoming globally significant gateways between product and service providers and their customers. According to on-line research firm eMarketer Google has a 28.9% share of digital advertising spend in the US followed by Facebook (25.2%) and Amazon (10.3%)³. Google claim that the Google Display Network reaches 90% of all internet users, Facebook claim 2.8bn users which is roughly 50% of all internet users. As such, these platform operators have and continue to gather enormous quantities of data on consumers.

³ Figures taken from eMarketer article dated 6 April 2021.

The online advertising industry has become vast. In a report published in December 2020 by GroupM, part of WPP Plc, it estimated that global digital revenue in 2020 was US\$343bn. It went on to forecast that this would rise to US\$396.6bn in 2021.⁴

Digital Privacy

Efforts to regulate online surveillance and protect digital privacy has crystalized in the European Union ("EU") as the General Data Protection Regulation ("GDPR"), and in the United States of America ("USA") as the California Consumer Privacy Act ("CCPA"). In the United Kingdom ("UK"), the adherence to UK GDPR is monitored by the Information Commissioner's Office ("ICO")

Cookie control in the UK

In the United Kingdom ("UK"), the adherence to UK GDPR, which is the retained EU law version of GDPR as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018 and as amended by Schedule 1 to the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019 (SI 2019/419), is monitored by the Information Commissioner's Office ("ICO").

In the UK, where cookies constitute personal data the UK GDPR and the Data Protection Act 2018 (DPA 2018) will apply. The DPA 2018 sets out the framework for data protection law in the UK and sits alongside and supplements the UK GDPR. It was amended on 01 January 2021 by regulations under the European Union (Withdrawal) Act 2018, to reflect the UK's status outside the EU. The Privacy and Electronic Communications Regulations 2003 ("PECR") applies specifically to privacy and electronic communications and the rules (for example, user consent) take precedence over the UK GDPR.

On 26 August 2021 the UK government announced its intention to rewrite UK laws relating to data protection. Diverging from the data protection standards required by the EU in exchange for the free flow of data between the two regions, risks hurting UK businesses and citizens, hence general consensus is that the UK is unlikely to stray far from the general principles of GDPR.

PECR also covers the use of similar technologies for storing or accessing information, such as 'Flash' cookies and device fingerprinting.

Cookie control in the EU

In the EU, the use of cookies and trackers on websites is regulated by the GDPR and Privacy and Electronic Communications (EC Directive) Regulations 2003 that is law in all EU member states. The GDPR governs the processing of personal data of individuals inside the EU and most cookies today collect personal data from users when they visit websites. The GDPR requires websites to obtain user consent before activating cookies that will process personal data. Websites are not allowed to activate cookies and trackers that process personal data unless the user has first consented to it, unless the cookies can be deemed strictly necessary for the basic functions of the website. Personal data is any kind of information that can be directly or indirectly related to a living individual and therefore identify the user. This includes anything from names, e-mail addresses, social security numbers, but also Internet Protocol ("IP") addresses, browser specifications, search history and Unique Identifiers ("UID") that most cookies set on user browsers after a website visit.

Cookie Control in the USA

In the USA, the use of cookies and the processing of personal information is not regulated on a federal level as it is in the EU by the GDPR. Instead, some states have their own set of laws

⁴ Figures taken from This Year Next Year Global End of Year Forecast December 2020, GroupM.

governing personal information collection and digital privacy, while other states have no real protection for users.

In the US, the most extensive data protection relating to cookie control is the California Consumer Privacy Act of 2018 (CCPA). This took effect in January 2020 and only applies to the State of California. The CCPA grants consumers the right to request disclosure of the categories and specific pieces of personal information that a business has collected on them. It also grants consumers the right to request deletion, as well as the right to opt out of having their data sold to third parties. The CCPA requires that users are informed of what cookies are in operation on a website, what kind of personal information they collect and for what purposes. CCPA also requires websites to inform users of what third parties they share their personal information with. Other states are looking to follow California's lead. Nevada passed its online privacy amendment and proposals in New York and Washington, D.C., appear to be gaining momentum.

Web-browsers

As early as 2013 concern around third-party cookies emerged and two web-browsers, Safari and Firefox, took action to block them. In 2019 these two accounted for approximately 24%⁵ of the web browser market. However, in January 2020, Google announced plans to make the web more private and secure for users by also planning to phase out support for third-party cookies in Chrome with the intention to do this within three years. In April 2021, Google Chrome made up more than 64% of the web browser market.⁶

Such a sudden and substantial change to the digital advertising industry will impact a broad range of businesses, from brands advertising products and services online to the advertising technology networks, data vendors and news organisations that propagate the web with those advertisements.

Legacy Issues

The broad social drift away from historic media channels such as terrestrial television, radio, newspapers and magazines to web-based services has led to traditional marketing and advertising channels giving way to insights-driven targeting based around data collected from individual users' web browsing activities.

Older advertising agencies still have significant scale in the former channels. It might be difficult for them to pivot away quickly enough or on a sufficient scale from these legacy channels for the full economic benefit of the new opportunities to be felt.

First Party Data

With the impending limitation to the collection of third-party data, advertisers will need to go about focussing on and procuring 'first party' data for their clients on their customers. Advertisers' clients will want to regain control of data concerning their customers rather than rely on internet platform operators. For this to happen advertisers will need to maintain an effective data relationship with their clients. This will be defined by transparency, control, and value amongst other measures. Key to this will be data science, bespoke content development, and command of digital media skills.

Over 50% of agency media spend is on digital media inventory⁷. Pre-purchasing and reselling this inventory at a profit is a significant revenue stream. A new focus on first party data will depreciate

⁵ 24% taken from StatCounter, April 2019.

⁶ 64% taken from StatCounter, April 2019.

⁷ Based on figures from This Year Next Year Global End of Year Forecast December 2020, GroupM.

this revenue stream. It will be difficult for the older agencies to pivot away from this income generating activity to fulfil the needs of their clients in the new digital ecosystem.

Opportunity

In light of the above, 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.

While there has been some activity to date within the large capital advertising market, with the focus of legacy agencies' increasingly on digital advertising solutions, less attention has been paid to the smaller agencies. The Directors have identified an opportunity to invest in these agencies with few or no legacy issues with technologies that can provide alternative strategies.

Based on the Directors' experience, these agencies typically offer established digital platforms and customer bases, and an opportunity exists to acquire and develop these assets.

For the reasons outlined above, the Company has been established to make an acquisition of a target company or business in the digital advertising sector.

The Directors intend to focus principally on the categories of advertising listed above but will consider any other investment opportunities in these sectors which are expected to generate additional Shareholder value in the Company.

The Directors believe there are companies in the advertising sector that, through their founders' lack of experience or contacts in the financial industry, have been unable to source investment finance through the capital markets which would allow them to be more rapidly developed. Given that capital can be difficult to access for such companies, the Directors believe that there is an opportunity for the suppliers of such capital to offer viable funding solutions to these companies in order to allow them more rapid expansion.

The Directors believe that a number of criteria must be satisfied in order to maximise the Company's potential for success. These criteria include the ability to:

- source opportunities and analyse the risks and potential returns arising from making an acquisition of a target company, business, project or asset;
- undertake detailed due diligence of the structural and general corporate matters around making any acquisition;
- ensure that any acquisition has suitable management for the acquired operation and if necessary, strengthen their management teams with the Board or additional board appointments;
- negotiate advantageous terms in order to acquire the project, company, business or asset;
- use the listed paper and any debt facilities the Company enters into to raise sufficient funds to ensure the long-term viability any acquisition; and
- seek additional interest from investors at the appropriate time in order to maximise the returns for the Company.

Given the composition and experience of the Board, the Directors believe that the Company is able to satisfy the above criteria. The Directors believe that the combination of its experience and the criteria listed below will enable the Company to identify a suitable opportunity for the Acquisition to generate additional Shareholder value in the Company.

Accordingly, the Directors believe that the digital advertising sector presents attractive investment opportunities.

2. Company objective, business strategy and execution

Objective

The Company's objective is to acquire businesses or companies in the digital advertising sector in order to generate an attractive rate of return for Shareholders. This may be achieved predominantly through capital appreciation, by taking advantage of opportunities to invest in the digital advertising sector and operating the companies or businesses that it acquires.

The Directors' intention is to create a trading business, rather than an investment entity. The Directors consider the potential vendors of target companies or businesses will be attracted by the opportunity to hold an interest in a company which is listed on the Official List, with cash, access to capital markets and the know-how to develop the business.

Investment strategy

The Company will be focused on the identification and acquisition of companies, businesses, projects or assets which are expected to:

- be run by management with a strong track record of generating growth for shareholders and a proven experienced business record within the digital advertising sector;
- be trading in segments where opportunities exist to develop or expand digital advertising revenues.
- have high-quality clients, with at least one active marquee client with potential to 'step and repeat;'
- have fully functional and sophisticated IT platform-based infrastructure supported by strong technology partnerships such as Microsoft or Salesforce;
- be capable of delivering an improved advertising campaign backed by data;
- have a compelling case for providing the foundation or platform for a scalable business which generates substantial and sustainable free cash flow over time;
- have the ability to grow with additional capital or be replicated in other markets;
- have a sustainable competitive advantage or a unique selling proposition, perhaps arising from a product or service that is in high demand;
- have the potential for near-term cash flow and development success;
- have the potential for a significant return for the Company's shareholders; and
- be funded adequately to be able to deliver a realistic plan of achieving credible milestones and significant growth opportunities for Shareholders.

The criteria set out above are not intended to be exhaustive. Any evaluation relating to the merits of a particular Acquisition will be based, to the extent relevant, on the above factors as well as other considerations deemed relevant to the Company's business objectives and strategy by the Directors at the time.

Execution

In the first instance, the Company is seeking to make an acquisition within approximately 24 months

of Admission which would be deemed a Reverse Takeover and to this end, the Company seeks to identify and acquire a company or business in the target sector, which it will thereafter operate. It is envisaged that the company or business acquired for the Acquisition will have an enterprise value of upwards of £5 million. The Directors' preference is for the Company to acquire 100% of any potential target in the Acquisition, to obtain the full benefit of its growth prospects. An equity interest, however, of less than 100% will be considered. The Company intends to acquire one company or business only in the Acquisition but will review on an ongoing basis whether it is in the interests of the Company, or the target acquired to pursue any additional acquisitions to the Acquisition, in order to complement the Acquisition and further develop its business.

Whilst the precise form of consideration for the Acquisition cannot be determined at this time and will depend on a number of factors including the identity of the target the subject of the Acquisition, market conditions and other factors outside of the Company's control, the Directors expect that funds from the Placing will primarily be applied to the Acquisition. Depending on the company or business acquired in the Acquisition, the Company may require additional funding in order to successfully complete the Acquisition. If the Directors deem appropriate and as required, the Company may subsequently seek to raise further capital for the purposes of the Acquisition. Additionally, the Company may seek a secondary listing of the Ordinary Shares on an overseas securities market or stock exchange if the Directors consider this would be likely to facilitate the Acquisition or the raising of additional funding.

The initial equity capital base of the Company will be relatively small compared with the likely value of the Acquisition so it is anticipated that the Company will use Ordinary Shares as a material element of the consideration for the Acquisition. As the Acquisition is expected to be of a target valued at substantially more than the Company it will constitute a Reverse Takeover, and a new prospectus and a new Standard Listing application, or the appropriate listing or admission document in respect of a listing on an alternative securities market or stock exchange, will be required for the enlarged group.

The vendors of the Acquisition may receive a controlling stake in the Company as part of the transaction, which may well also result in a person or concert party owning 30% or more of the then issued Ordinary Shares. As the vendors of the Acquisition are unlikely to be connected with the Company and/or own any Ordinary Shares, the Company would in such circumstances apply for dispensation under Rule 9 of the City Code, through a vote of independent Shareholders (known as a "Whitewash"). The Company would send a circular to Shareholders setting out the information required under the City Code for a Whitewash and will require their vote at a general meeting. The Company will not otherwise seek Shareholder approval at a general meeting in respect of the Acquisition, which will represent a Reverse Takeover, unless required to do so for the purposes of facilitating the financing arrangements or for other legal or regulatory reasons. It is expected that concurrently with the Acquisition the Company will need to raise new capital (which could be substantial) by making an offer of new Ordinary Shares for cash.

The Acquisition is more likely to be successfully completed if the vendors agreed to receive Ordinary Shares as a material element of the consideration and the Company is able to raise additional capital through the issue of new Ordinary Shares. It is likely that completion of the Acquisition will be contingent on these events.

As set out in more detail in *Part II: Directors and Corporate Governance*, the Board brings considerable expertise that is specifically relevant to this stage of the Company's development, i.e., in relation to identifying, assessing and executing the Acquisition, and negotiating and securing the required financing for the Acquisition.

The current Board has a focus on financial, transactional, legal and strategic expertise, and these are key strengths that they will bring to the enlarged business following the Acquisition. The Board believes that these are the most important areas of expertise for the Company at this stage of its development, where the focus is to identify, finance and execute the Acquisition.

To implement its acquisition strategy, the Company intends to leverage the Directors' financial and commercial expertise, and to identify potential targets for the Acquisition through the Directors' extensive network of contacts spanning advertising and marketing companies.

One of the key considerations when assessing the Acquisition will be the quality of the operational management. It would be expected that, following the Acquisition, one or more of the senior management team of the acquired company or business would join the Board in order to add operational expertise at that point, especially in relation to the Acquisition. Information on the new directors would be detailed in the prospectus or other listing document that will accompany a Reverse Takeover. Additional directors and management may also be recruited externally if the Board identifies such a requirement.

The Board will only pursue an Acquisition if it believes that the terms of the Acquisition offer an opportunity to the holders of the Ordinary Shares to achieve attractive returns. The Directors are incentivised to achieve such returns through an aggregate holding of (or interest in), 8,814,000 Ordinary Shares (which is not expected to change on Admission) (see *Part VII: Additional Information* paragraph 9.1 for further information) subject to lock-in arrangements described in paragraph 10.7 of *Part VII: Additional Information*. Following completion of the Acquisition, the Company intends to implement a strategy designed to maximise Shareholder value by optimising the capital structure of the acquired activities, implementing disciplined operational improvements and strengthening management including through the services of the Directors who may assume executive roles.

Due diligence

Prior to any acquisition, including the Acquisition, the Company will undertake an appropriate due diligence exercise. This due diligence process will include a review of all relevant concerns regarding the target, as well as a consideration of the structure of the Acquisition. The process will be tailored to the individual situation and the relevant opportunity, and it is not currently possible to ascertain with any degree of certainty the length of time and costs associated with such a process. However, the due diligence process would normally be expected as a minimum to include, among other things:

- meetings with incumbent management and employees;
- visits to business premises;
- discussions with key clients;
- review of all key documents and arrangements of the target in order to produce a due diligence report addressing corporate, contractual and regulatory issues as well as broader legal information such as litigation, material contracts, employment contracts, transparency and anti-corruption policies, intellectual property holdings and relevant transactions; and
- a financial due diligence report setting out, in the case of a target with a trading history, the key points of any financial reports concerning the target for the preceding three years and any issues that have arisen from audits of that target. The report will also consider the financial controls and reporting procedures adopted in respect of the target investment and to be implemented on completion of the Acquisition. Close attention will be paid to the business plan proposed by any managers of the target and the associated working capital requirements.

Assumptions

The Company's objective and business strategy are based on a number of assumptions (including those which are set out in "Risk Factors"), including the following two key assumptions:

- the willingness of stakeholders in the target company or business (and/or of external investors) to accept or acquire shares in the Company as part of the Acquisition; and
- the availability of any potential Acquisition (which depends, in part, on the immediately above point).

Regulatory Environment

As a cash shell, the Company does not operate in a sector which is subject to a particular regulatory regime (over and above the regulatory regime governing companies incorporated in England and Wales) which would materially affect its business, nor are there any governmental, legal, economic, fiscal, monetary or political policies or factors that have materially affected its business to date.

At the time the Company completes the Acquisition, the Company could become subject to the regulatory regime applicable to the sector in which the company or business it acquires operates such as Digital Privacy. The Company further considers that there may be governmental, legal, economic, fiscal or political policies or factors that could materially affect the Company's operations following such an acquisition. In any event, the Company will consider such matters in its overall assessment of the Acquisition.

3. The Company's competitive strengths

The Directors believe that the Company should be well-placed to compete against other market participants of a similar size in the digital media and advertising sectors due to the collectively strong track record, understanding and experience of its Board in identifying, pursuing and maximising the potential opportunities and the Directors' extensive network of contacts, as outlined in this *Part I: Information on the Company, Investment Opportunity and Strategy* and in *Part II: Directors and Corporate Governance*. Additionally, the Company has considerable flexibility in how it would be able to finance the consideration for the Acquisition, which will include the Net Proceeds together with the potential to incur indebtedness and/or to issue further listed equity (whether to raise additional cash or as transaction consideration).

4. Use of proceeds

The gross proceeds of the Placing of £1,200,000 will be used to pay the expenses of Admission and the Placing (as further described in *Part III: The Placing* and at paragraph 17 of *Part VII: Additional Information*) and the Company's ongoing costs and expenses (as further described in the relevant paragraph of *Part IV: Share Capital, Liquidity and Capital Resources and Accounting Policies*).

The Net Proceeds of £937,950 will be used to investigate, carry out due diligence in respect of, evaluate potential opportunities for, and pay part or all of the consideration (if paid in cash) for, the Acquisition, as described above in paragraph 3 *Company objective, business strategy and execution*, and for associated costs including initial due diligence, directors' and advisers' fees, and other costs of sourcing, reviewing and pursuing the Acquisition.

The Directors expect that it may be necessary to raise further funds in order to complete any Acquisition, including the fees of financial, tax, legal, accounting, technical and other advisers.

5. Dividend policy

The Board will maintain a regular review of the Company's dividend policy. However, it is not intended that dividends will be paid to Shareholders in the near future. The Company's ability to pay any dividend will depend on a number of factors, including its results of operations, financial condition and profitability, free cash flow and other factors considered relevant by the Directors. The Company can therefore give no assurance that it will be able to pay dividends going forward or as to the amount of any such dividends.

PART II

DIRECTORS AND CORPORATE GOVERNANCE

1. The Board and the Directors

The Board currently comprises 3 Directors, who collectively have extensive experience and a proven track record in investment, corporate finance and business acquisition, operation and development and are well placed to implement the Company's business objective and strategy. Any further appointments to the Board would be made after due consideration to the Company's requirements and to the availability of candidates with the requisite skills and, where applicable, depth of sector experience. The Company will not be externally managed, and the Board will have full responsibility for its activities.

Details of the Directors are set out below:

John Christopher Hutchinson, (Age 60, Non-executive Chairman)

John Hutchinson is an experienced 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. In 2012 he became managing partner of the fund, responsible for £110m of investment.

John was appointed a director of Guardian Holdings Limited on 28 March 2013. He resigned on 18 May 2017.

He was also appointed a director of Evendons Close Limited on 29 October 2015 until the company was voluntarily dissolved on 28 February 2017.

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 business and remaining on the merged firm's Executive Board until April 2020.

John was a director, and the company was beneficially owned by Pitmans LLP (i.e., Sentio Costs Limited). He was appointed on 29 October 2015 until the Company was voluntarily dissolved on 25 April 2017.

He 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, (Age 52, 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 was 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.

Luke William McKeever, (Age 52, Non-executive Director)

Luke has 25 years' international experience in marketing data and technology with a focus on developing online strategies for large companies. During this time, he has risen to the position of CEO and NED of several AIM-listed and private technology businesses.

In 1994 he began as Account Director for Claritas, a marketing data services business before leading international sales and partnerships teams at Experian PLC and Alterian PLC, culminating in him becoming Chief Executive Officer of Capital ID in 2007.

In 2009, he became Chief Executive Officer of Portrait Software PLC, a formerly AIM-listed marketing technology company. The company was acquired by US-based Pitney Bowes for £44m in 2010.

Luke subsequently became CEO of OB10, a multi-national electronic invoicing platform, before it was acquired by Tungsten Corporation Plc for £101m in 2013.

From 2010 to 2018 Luke was also Non-executive Director of Metia, and between 2015-2018, he Chaired, then moved to the CEO-role of Neighbourly.com, a start-up helping large brands to manage their ESG activity, before becoming CEO of AIM-listed Attraqt Group PLC in 2018.

Attraqt provides search and merchandising solutions to online retailers around the globe. In 2020, he moved to a part-time Non-executive Director; a position he still holds.

Luke has an honours degree in Social Psychology from Sussex University (1991). He resides in Amsterdam.

Further details of the Directors' letters of appointment are set out in paragraph 9.4 of *Part VII: Additional Information* of this document.

2. Independence of the Board

None of the Directors are considered to be "independent" (using the definition set out in the Corporate Governance Code). It is intended that additional directors, both executive and non-executive, will be appointed at the time of the Acquisition and that independence will be one of the factors taken into account at that time.

3. Strategic decisions

Members and responsibility

The Board is responsible for the Company's objectives and business strategy and its overall supervision. Acquisition, divestment and other strategic decisions will all be considered and determined by the Board. The Board will provide leadership within a framework of appropriate and effective controls. The Board will set up, operate and monitor the corporate governance values of the Company, and will have overall responsibility for setting the Company's strategic aims, defining the business objective, managing the financial and operational resources of the Company and reviewing the performance of the officers and management of the Company's business both prior to and following an Acquisition. The Board will take appropriate steps to ensure that the Company complies with Listing Principles 1 and 2 as set out in Chapter 7 of the Listing Rules.

The Acquisition will be subject to Board approval. If the Acquisition is not completed within 24 months of Admission, then (unless the Acquisition has been previously announced but completes after the date falling 24 months from Admission, or the Company is in active negotiations relating to the Acquisition which is announced shortly after such date and subsequently completes) the Board will recommend to Shareholders either that the Company be wound up by special resolution (in order to return to Shareholders any remaining distributable assets) or that the Company continue to pursue the Acquisition for a further year. The Board's recommendation will then be put to a Shareholder vote.]

4. Corporate governance

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; 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.

The Company will not seek Shareholder approval at a general meeting in respect of the Acquisition, unless required to do so for the purposes of facilitating the financing arrangements or for other legal or regulatory reasons.

5. Conflicts of interest

General

Potential areas for Directors' conflicts of interest in relation to the Company include:

- the Directors are required to commit a limited amount of time to the Company's affairs and, accordingly, they may have conflicts of interest in allocating management time among various business activities;
- in the course of their other business activities, the Directors may become aware of investment and business opportunities which may be appropriate for presentation to the Company as well as the other entities with which they are affiliated. They may have conflicts of interest in determining to which entity a particular business opportunity should be presented;
- the Directors are or may in the future become affiliated with entities, including other special purpose acquisition vehicles, engaged in business activities similar to those intended to be conducted by the Company, which may include entities with a focus on target companies or businesses similar to those being sought by the Company; and
- the Directors may have a conflict of interest with respect to evaluating a particular acquisition opportunity if the retention or resignation of any of the Directors were included by a target company or business as a condition to any agreement with respect to the Acquisition.

Accordingly, as a result of these multiple business affiliations, each of the Directors may have similar legal obligations to present business opportunities to multiple entities. In addition, conflicts of interest may arise when the Board evaluates a particular business opportunity.

The Directors have, or may come to have, other fiduciary obligations, including to other companies on whose board of directors they presently sit or to other companies whose board of directors they may join in the future. To the extent that they identify business opportunities that may be suitable for the Company or other companies on whose board of directors they may sit, the Directors will honour any pre-existing fiduciary obligations ahead of their obligations to the Company. Accordingly, they may refrain from presenting certain opportunities to the Company that come to their attention in the performance of their duties as directors of such other entities unless the other companies have declined to accept such opportunities or clearly lack the resources to take advantage of such opportunities. Additionally, the Directors may become aware of business opportunities that may be appropriate for presentation to the Company as well as the other entities with which they are or may be affiliated.

John Hutchinson is an LLP Member of BDB Pitmans, the Company's legal advisers, as well as a Director of the Company and has disclosed this conflict of interests. Save for fees payable to BDB Pitmans, as legal advisers to the Company, as at this date, there are no conflicts of interest to disclose.

Other conflict of interest limitations

To further minimise potential conflicts of interest, in the event that the Company intends to acquire an entity that is an affiliate of any of the Directors (for example, an entity of which any Director is a director or significant shareholder), such Director shall not take part in any aspect of the Acquisition. Notwithstanding the provisions of the Articles, such Director shall not vote on any board decisions in relation to the Acquisition (nor shall they form part of the quorum required for any such board meetings).

The Directors are free to become affiliated with other entities engaged in similar business activities prior to its identifying and acquiring a target company or business. Each of the Directors has agreed that if such person or entity becomes involved following the date of this document and prior to the

completion of the Acquisition with entities with similar acquisition criteria to the Company's, any potential opportunities that fit such criteria would first be presented to the Company.

6. Lock-in agreements

Each of the holders of Existing Ordinary Shares has undertaken to Axis Capital and the Company not to dispose of any interest they hold in the Existing Ordinary Shares (or in any additional shares in the Company acquired by them by reference to such Existing Ordinary Shares) for the period commencing on the date of Admission until the business day after completion of a first Acquisition. Each such party has further undertaken that, for a further period of 12 months following such Acquisition, they will not dispose of any such interest other than with the prior written consent of both the Company and its broker for the time being and will only make such disposals through the Company's broker in such manner as they may require with a view to maintenance of an orderly market. Further details of the lock-in agreements are set out in paragraph 9.1 of *Part VII: Additional Information* of this document. At Admission the Ordinary Shares subject to these lock-in undertakings represent 30.87% of the Enlarged Share Capital.

PART III

THE PLACING

Description of the Placing

Under the Placing, gross proceeds of £1,200,000 before expenses have been raised and 40,000,000 Placing Shares have been subscribed by, and will, conditional on Admission, be issued to, investors at the Placing Price of 3 pence per Ordinary Share. Net of the cash expenses of Admission (expected to be approximately £262,050, including irrecoverable VAT), this will be approximately £937,950. The Placing will only be completed if the full £1,200,000 is raised.

The Company intends to apply the Net Proceeds in pursuit of the objective set out in paragraph 2, *Company objective, business strategy and execution*, and in accordance with paragraph 4, *Use of proceeds*, in *Part I: Information on the Company, Investment Opportunity and Strategy*.

The Placing has been offered to investors in the United Kingdom and certain other jurisdictions by way of placing letters or subscription agreements on substantially similar terms. Conditional on, amongst other things, Admission occurring on or prior to 10 January 2022 (or such later time and/or date as may be agreed with the Company's placing agents, being not later than 31 January 2022), each investor under the Placing has irrevocably agreed to acquire those Placing Shares allocated to it under its placing letter or subscription agreement (as the case may be). Each investor has paid, or will on Admission pay, the Placing Price for the Placing Shares subscribed for by it to Company's bank account or to the relevant placing agent for the account of the Company as set out in such investor's placing letter or subscription agreement.

The completion of the Placing is conditional on Admission taking place. If Admission does not occur for any reason, monies received under the subscription agreements will be returned without interest. The Placing is not being underwritten, and no entities have given a firm commitment to act as intermediaries in secondary trading or to provide liquidity through bid and offer rates nor are any stabilisation mechanisms in place in respect of the Ordinary Shares. There are no over-allotment facilities or 'green shoe' in existence in respect of the Placing and Admission. Multiple subscriptions from one party will be aggregated and considered one subscription.

Confirmation of the completion of the Placing will be announced via an RIS on Admission, which is expected to take place at 8.00 a.m. on 7 January 2022 (or such later time and/or date as may be agreed, being not later than 31 January 2022).

The Placing Shares have been made available to institutional and certain non-institutional investors in the UK and certain other jurisdictions. In accordance with Listing Rule 14.2.2, at Admission at least 10% of the Ordinary Shares of this listed class will be in public hands (as defined in the Listing Rules).

Equity commitment of the Directors, major shareholders and significant investors

The Company was incorporated on 24 March 2021 with an initial share capital of £0.01 divided into 1 share of £0.01. Following incorporation, the following Ordinary Shares were allotted:

- (a) on 17 May 2021, 16,149 Ordinary Shares were subscribed for and issued and allotted at a price of £0.01 per Ordinary Share which were fully paid up;
- (b) on 18 May 2021, 5,000 Ordinary Shares were subscribed for and issued and allotted at a price of £20 per Ordinary Share which were fully paid up;
- (c) on 9 June 2021, 1,002 Ordinary Shares were subscribed for and issued and allotted at a price of £20 per Ordinary Share which were fully paid up;
- (d) on 16 June 2021, 4,984,200 Ordinary Shares were subscribed for and issued and allotted at a price of £0.01 per Ordinary Share which were fully paid up; and

- (e) on 27 August 2021, 791,000 Ordinary Shares were subscribed for and issued and allotted at a price of £0.02528445 per Ordinary Share which were fully paid up.
- (f) On 20 September 2021, pursuant to resolutions passed at a general meeting of the Company, each of the ordinary shares of 1p each in the capital of the Company were sub-divided into 2 ordinary shares of 0.5p each and, following such sub-division, 5,797,352 new ordinary shares of 0.5p each were issued to shareholders as a bonus issue, such new ordinary shares being paid up at par out of monies standing to the credit of the Company's share premium account.
- (g) On 20 September 2021, a total of 470,720 Ordinary Shares of 0.5p each were issued and allotted to Axis Capital and Alexander David at a price of £0.01264223 per Ordinary Share. These Ordinary Shares were issued in satisfaction of cash sums that would otherwise have been payable to Axis Capital and Alexander David in connection with their engagement by the Company.

The following table sets out, to the extent known to the Company, subscriptions under the Placing made by major Shareholders, members of the Company's management, supervisory or administrative bodies, and investor subscriptions, for more than 5% of the Placing Shares:

Name	Description	Ordinary Shares being subscribed for in the Placing	Percentage of Placing Shares being subscribed for	Percentage of Ordinary Shares held at Admission
Sanderson Capital Partners	Investor	10,950,000	27.38%	18.92%

Admission, dealings, and CREST

Application has been made to the FCA for the Enlarged Share Capital to be admitted to the Standard Listing segment of the Official List and to the London Stock Exchange for such shares to be admitted to trading on the London Stock Exchange's Main Market for listed securities.

Admission is expected to take place and unconditional dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8.00 a.m. on 10 January 2022 (or such later time and/or date as may be agreed between the Company and the placing agents, being not later than 31 January 2022). Dealings on the London Stock Exchange before Admission will only be settled if Admission takes place. All dealings in Ordinary Shares prior to commencement of unconditional dealings will be at the sole risk of the parties concerned.

CREST is the system for paperless settlement of trades in listed securities. CREST allows securities to be transferred from one person's CREST account to another's without the need to use share certificates or written instruments of transfer in accordance with the CREST Regulations.

The Articles permit the holding of Ordinary Shares in uncertificated form under the CREST system. Application has been made for the Ordinary Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares following Admission may take place within the CREST System if any Shareholder so wishes. CREST is a voluntary system and holders of Ordinary Shares who wish to receive and retain share certificates will be able to do so. An investor applying for Ordinary Shares in the Placing will receive Ordinary Shares in certificated form.

Selling and transfer restrictions

The distribution of this Prospectus and the offering, issue and on-sale of Ordinary Shares in certain jurisdictions may be restricted by law and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions, including those

described below. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

None of the Ordinary Shares may be offered for subscription, sale, purchase or delivery, and neither this Prospectus nor any other offering material in relation to the Ordinary Shares may be circulated in any jurisdiction where to do so would breach any securities laws or regulations of any such jurisdiction or give rise to an obligation to obtain any consent, approval or permission, or to make any application, filing or registration.

European Economic Area

In relation to each member state of the EEA (each a relevant member state) with effect from and including the date on which the EU Prospectus Regulation came into force in the relevant member state (**relevant date**), no Ordinary Shares have been offered or will be offered pursuant to the Placing to the public in that relevant member state prior to the publication of a prospectus in relation to the Ordinary Shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in the relevant member state, all in accordance with the EU Prospectus Regulation, except that with effect from and including the relevant date, offers of Ordinary Shares may be made to the public in that relevant member state at any time:

- (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose main activity is to invest in financial instruments;
- (b) to any legal entity which has two or more of: (i) a total balance sheet of more than €20 million; (ii) an annual turnover of more than €40 million; and (iii) own funds of €2 million as shown in its last annual or consolidated accounts;
- (c) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) in such relevant member state; or
- (d) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of Ordinary Shares shall result in a requirement for the publication by the Company of a prospectus pursuant to Article 3 of the EU Prospectus Regulation.

For the purpose of these provisions, the expression an “offer to the public” in relation to any Ordinary Shares in any relevant member state means the communication in any form and by any means of sufficient information on the terms of the Placing and any Ordinary Shares to be offered so as to enable an investor to decide to purchase any Ordinary Shares, as the same may be varied in that relevant member state.

In the case of any Ordinary Shares being offered to a financial intermediary as that term is used in Article 5(1) of the EU Prospectus Regulation, such financial intermediary will also be deemed to have represented, acknowledged and agreed that the Ordinary Shares acquired by it in the Placing have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their resale to, persons in circumstances which may give rise to an offer of any Ordinary Shares to the public other than their offer or resale in a relevant member state to qualified investors as so defined or in circumstances in which the prior consent of the Company has been obtained to each such proposed offer or resale. Each of the Company and its respective affiliates, and others, will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

US

The Offer is not a public offering (within the meaning of the Securities Act) of securities in the US. The Ordinary Shares have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the US and may not be offered or sold in the US except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. Accordingly, the Company may offer Ordinary Shares in an “offshore transaction” as defined in, and in reliance on, Regulation S.

Other jurisdictions

Investors in jurisdictions other than the European Economic Area should consult their professional advisers as to whether they require any governmental or other consent or need to observe any formalities to enable them to subscribe for or buy any Placing Shares under the Placing.

Withdrawal rights

If the Company is required to publish any supplementary prospectus, investors who have applied for Placing Shares under the Placing will have at least two clear business days following publication of the relevant supplementary prospectus to withdraw their application to acquire Placing Shares in its entirety. The right to withdraw an application to subscribe for or acquire Placing Shares in these circumstances will be available to all investors. If an application to acquire Placing Shares under the Placing is not withdrawn within the stipulated period, such application will remain valid and binding. Details of how to withdraw an application will be made available if a supplementary prospectus is published.

PART IV

SHARE CAPITAL, LIQUIDITY AND CAPITAL RESOURCES AND ACCOUNTING POLICIES

1. Share capital

The Company was incorporated on 24 March 2021 in England and Wales under CA 2006 as a private limited company and re-registered as a public limited company on 24 June 2021.

Details of the current issued share capital of the Company are set out in paragraph 4.10 of *Part VII: Additional Information*. As at Admission, the share capital of the Company is expected to be £289,314 divided into 57,862,776 issued Ordinary Shares of £0.005 each.

All of the issued Ordinary Shares will be in registered form, and capable of being held in certificated or uncertificated form. The Registrar will be responsible for maintaining the share register. Temporary documents of title will not be issued. The ISIN of the Ordinary Shares is GB00BN11T727. The SEDOL number of the Ordinary Shares is BN11T72. The Company's LEI is 894500943SA9KY5T9V86.

2. Liquidity and capital resources

Sources of cash and liquidity

The Company's initial source of cash will be the gross proceeds of the Placing. It will initially use such cash to fund the expenses of Admission and the Placing, including the expenses incurred in the incorporation and establishment of the Company, Admission and initial listing fees, legal, registration, printing, advertising and distribution costs and any other applicable expenses. The Company projects these costs to be approximately £262,050 (including irrecoverable VAT). The remaining Net Proceeds will be used to fund the costs and expenses to be incurred in connection with seeking to identify and effect an Acquisition. Additionally, the Company intends to use such Net Proceeds to fund (all or part of) the consideration for an Acquisition. The Net Proceeds will be in cash at the bank and available for deployment as necessary in due course.

The Company may raise additional capital from time to time. This may include capital to be raised in connection with an Acquisition or add-on acquisitions to the Acquisition. Such capital is expected to be raised through share issues (such as rights issues, open offers or private placings) or borrowings. As at the date of this document, the Company has accrued expenses of £1,415.

The Company may also, to the extent possible and in accordance with all relevant legal and regulatory requirements, make an Acquisition or fund part of an Acquisition through share-for-share exchanges.

In addition to capital raised from new equity, the Company may choose to finance all or a portion of an Acquisition with debt financing. The forms of debt financing to be used by the Company are expected to be limited to bank financing, although no such financing arrangements will be in place at Admission.

Debt financing for an Acquisition will be assessed with reference to the capacity of the target company or business to support gearing. Any such borrowings are expected to be incurred by the target (which, depending on the structure of an Acquisition, may become a subsidiary of the Company in due course). However, the Company retains flexibility to incur borrowings itself if it considers it appropriate in the relevant circumstances. Any costs associated with the debt financing are likely to be paid with the proceeds of such financing.

If debt financing is utilised, there will be additional servicing costs. Furthermore, while the terms of any such financing cannot be predicted, such terms may subject the Company to financial and operating covenants or other restrictions, including restrictions that might limit the Company's ability to make distributions to Shareholders.

As substantially all of the cash raised by the Company (including cash from subsequent share offers) will (or is expected to) be used in connection with an Acquisition, following an Acquisition the Company's future liquidity will depend in the medium to longer term primarily on: (i) the timing and sale of the company or business it acquires; (ii) the Company's management of available cash; (iii) cash distributions on sale of existing assets; (iv) the use of borrowings, if any, to fund short-term liquidity needs; and (v) dividends or distributions from any subsidiary companies that become subsidiaries of the Company due to an Acquisition or future acquisitions.

Ongoing costs and expenses

The Company's principal use of the Net Proceeds will be to fund research and investigation, including due diligence, into suitable opportunities for acquisition that will fulfil the Company's objective, being to acquire a company or business in the digital media and advertising sectors. In addition, the Net Proceeds will be used to fund the day-to-day expenses to be incurred by the Company, and to fund part or all of the consideration (if paid in cash) for the Acquisition.

The Directors expect that it may be necessary to raise further funds in order to complete any Acquisition, including to pay the fees of financial, tax, legal, accounting, technical and other advisers.

The Net Proceeds will be used to investigate, carry out due diligence in respect of, and evaluate potential opportunities for the Acquisition, as described above in paragraph 2, *Company objective, business strategy and execution of Part I: Information on the Company, Investment Opportunity and Strategy*, and for associated costs including initial due diligence and advisers' fees.

Over time and in accordance with the Company's business strategy, the Company expects to make distributions to Shareholders in accordance with the Company's dividend policy from time to time.

The expenses that the Company expects to fund through the gross proceeds of the Placing (and income earned on the Net Proceeds) total a minimum of £228,600 in the first year, to include:

- all costs relating to raising capital, including the Placing. This will include the expenses incurred in the incorporation and establishment of the Company, Admission and ongoing listing fees, legal, registration, printing, advertising and distribution costs and any other application expenses. The Company projects these costs to approximately £262,050 (including irrecoverable VAT);
- Directors' fees, projected at £121,000 in the first 12 months following Admission;
- operational costs and expenses which will include (but will not be limited to) the fees and expenses of the Registrar, as well as regulatory, audit and licence fees, intellectual property fees, insurance and other similar costs and ongoing listing fees, legal, registration, printing, advertising and distribution costs and any other applicable expenses, projected to total £ 107,600 in the first year.

The Company's day-to-day expenses as well as transaction costs will be paid with income generated on uninvested cash and (following an Acquisition) revenue received through distributions or payments from any subsidiaries and, if the Company considers it appropriate or desirable for flexibility, through short-term borrowings (to the extent that it is able to effect such borrowings).

Capitalisation and indebtedness

As at the date of this document, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness, and has not entered into any mortgage, charge or security interest, and the Company's issued share capital consists of 17,862,776 Ordinary Shares of £0.005 with no legal reserve or other reserves. The Ordinary Shares are fully paid up.

The Company's unaudited capitalisation as at 30 November 2021 (being the latest practicable date

prior to the publication of this document) is set out below:

Shareholders' equity:

	As at 30 November 2021
	£
(a) Share capital	140,201
(b) Legal reserve	-
(c) Other reserves	-
Total	-
	140,201

The Company's unaudited indebtedness as at 30 November 2021 (being the latest practicable date prior to the publication of this document) is set out below:

Net indebtedness:

	As at 30 November 2021
	£
Cash	103,131
Liquidity	162
Current financial receivable	(1,415)
Other current financial debt	(1,415)
Current financial debt	<u>(1,253)</u>
Net current financial indebtedness	<u>101,878</u>
Net financial indebtedness	

As at 30 November 2021, the Company had no indirect or contingent indebtedness.

Statement of Material Change

There has been no material change in the Company's capitalisation and indebtedness since 30 November 2021 (being the latest practicable date prior to the publication of this document).

Accounting policies and financial reporting

The Company's financial year end is 31 March and the next set of financial statements will be for the year to 31 March 2022. The Company will present its financial statements in accordance with IFRS.

Dividend policy

The Company intends that its cash resources will be used for the acquisition of a company or business and development of that company or business following Admission as such, no dividends are intended to be paid in the short term. Any earnings in the short term are expected to be retained for use in business operations, not being distributed until the Company has an appropriate level of distributable profits. Therefore, the Company intends to pay dividends on the Ordinary Shares at such times (if any) and in such amounts (if any) as the Board determines appropriate in its absolute

discretion. The Company does not anticipate declaring any dividends in the foreseeable future. The declaration and payment by the Company of any dividends and the amount of them will be in accordance with, and to the extent permitted by, all applicable laws and will depend on the results of the Company's operations, its financial position, cash requirements, prospects, profits available for distribution and other factors deemed to be relevant at the time. The Company has not paid any dividends to date.

PART V

TAXATION

1. United Kingdom Taxation

The comments set out below are based on the current UK tax law and what is understood to be current HMRC practice which are subject to change at any time (potentially with retrospective effect). They are intended as a general guide only and apply only to Shareholders who are resident and domiciled (in the case of individuals) and resident (in the case of companies) in (and only in) the UK (except to the extent that specific reference is made to Shareholders resident outside the UK), who hold their Ordinary Shares as investments (other than under an individual savings account (**ISA**) and who are the absolute beneficial owners of those Ordinary Shares and any dividends paid thereon.

It is not intended to be, nor should it be construed as legal or tax advice.

The comments set out below do not deal with the position of certain classes of Shareholders, such as dealers in securities, broker dealers, insurance companies, collective investment schemes or Shareholders who have or are deemed to have acquired their Ordinary Shares by virtue of an office or employment. Shareholders who are in doubt as to their position or who are subject to tax in any jurisdiction other than the UK should consult their own professional advisers immediately.

Prospective investors should consult their own independent professional advisers on the potential tax consequences of subscribing for, purchasing, holding or selling Ordinary Shares under the laws of their country and/or state of citizenship, domicile or residence.

Taxation of dividends

The Company will not be required to withhold tax at source on any dividends it pays to its Shareholders.

Dividends paid on the Ordinary Shares to individuals' resident in the UK for taxation purposes or who carry on a trade, profession or vocation in the UK through a branch or agency and who hold Ordinary Shares for the purposes of such trade, profession or vocation, or for such branch or agency, may be liable to income tax. Each individual has a tax-free dividend allowance which exempts the first £2,000 (**Nil Rate Amount**) of dividend income. Dividend income in excess of the tax-free allowance will be liable to income tax in the hands of individuals at the rate of 7.5% to the extent that it is within the basic rate band, 32.5% to the extent that it is within the higher rate band and 38.1% to the extent it is within the additional rate band.

Dividend income that is within the Nil Rate Amount counts towards an individual's basic or higher rate limits - and will therefore impact on the level of savings allowance to which they are entitled, and the rate of tax that is due on any dividend income in excess of the Nil Rate Amount. In calculating into which tax band any dividend income over the Nil Rate Amount falls, savings and dividend income are treated as the highest part of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

Dividends paid on the Ordinary Shares to UK resident corporate Shareholders will generally (subject to anti-avoidance rules) fall within one or more of the classes of dividend qualifying for exemption from corporation tax. Shareholders within the charge to corporation tax are advised to consult their independent professional tax advisers in relation to the implications of the legislation.

Non-UK resident Shareholders may also be subject to tax on dividend income under any law to which they are subject outside the UK. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

Disposals of Ordinary Shares

A disposal of Ordinary Shares by a Shareholder (other than those holding shares as dealing stock, who are subject to separate rules) who is resident in the UK for tax purposes or who is not so resident in the UK but carries on business in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation, depending on the Shareholder's circumstances and subject to any available exemption or relief.

Such an individual Shareholder who is subject to UK income tax at the higher or additional rate will be liable to UK capital gains tax on the amount of any chargeable gain realised by a disposal of Ordinary Shares at the rate of 20%.

Such an individual Shareholder who is subject to income tax at the basic rate only should only be liable to capital gains tax on the chargeable gain up to the unused amount of the Shareholder's basic rate band at the rate of 10% and at a rate of 20% on the gains above the basic rate band.

Individuals may benefit from certain reliefs and allowances (including a personal annual exemption allowance, which presently exempts the first £12,300 of gains from tax for the tax year 2020-21).

For such Shareholders that are bodies corporate they will generally be subject to corporation tax (rather than capital gains tax) at a rate of 19% on any chargeable gain realised on a disposal of Ordinary Shares.

Inheritance Tax

The Ordinary Shares will be assets situated in the UK for the purposes of UK inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax, even if the holder is neither domiciled in the UK nor deemed to be domiciled there (under certain rules relating to long residence or previous domicile). Generally, UK inheritance tax is not chargeable on gifts to individuals if the transfer is made more than seven complete years prior to death of the donor. For inheritance tax purposes, a transfer of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit. Special rules also apply to close companies and to trustees of settlements who hold shares in the Company bringing them within the charge to inheritance tax. Holders of shares in the Company should consult an appropriate professional adviser if they make a gift of any kind or intend to hold any shares in the Company through such a company or trust arrangement. They should also seek professional advice in a situation where there is potential for a double charge to UK inheritance tax and an equivalent tax in another country or if they are in any doubt about their UK inheritance tax position.

Stamp Duty and Stamp Duty Reserve Tax (SDRT)

The statements below summarise the current position and are intended as a general guide only to Stamp Duty and SDRT. Certain categories of person are not liable to Stamp Duty or SDRT, and special rules apply to agreements made by broker dealers and market makers in the ordinary course of their business.

No UK Stamp Duty or SDRT will be payable on the issue of Ordinary Shares, other than as explained below.

The transfer on sale of Ordinary Shares will generally be liable to ad valorem Stamp Duty at the rate of 0.5% (rounded up to the nearest multiple of £5) of the amount or value of the consideration paid. An exemption from Stamp Duty will be available on an instrument transferring Ordinary Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. The purchaser normally pays the Stamp Duty. An unconditional agreement to transfer such shares will be generally liable to SDRT, at the rate of 0.5% of the consideration paid, but such liability will be cancelled or a right to a repayment in respect of the SDRT liability will arise if the agreement is

completed by a duly stamped transfer within six years of the agreement having become unconditional. SDRT is the liability of the purchaser.

Paperless transfers of shares within the CREST system are generally liable to SDRT (at a rate of 0.5% of the amount or value of the consideration payable) rather than Stamp Duty, and SDRT on relevant transactions settled within the system or reported through it for regulatory purposes will be collected by CREST. Deposits of shares into CREST will not generally be subject to SDRT unless the transfer into CREST is itself for consideration.

The statements in this section relating to Stamp Duty and SDRT apply to any Shareholders irrespective of their residence, summarise the current position and are intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries.

PART VI

FINANCIAL INFORMATION ON THE COMPANY

A) ACCOUNTANT'S REPORT ON THE HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

The Directors
Electric Guitar PLC
4th Floor
The Anchorage
34 Bridge Street
Reading
Berkshire
RG1 2LU
United Kingdom

The Directors
Axis Capital Markets Limited
27 Clements Lane
London
EC4N 7AE
United Kingdom

24 December 2021

Dear Sirs

Introduction – Historic Financial Information

We report on the financial information of Electric Guitar PLC (the “Company”) for the period from 24 March 2021 to 25 May 2021, (the “Historical Financial Information”) set out in this *Part VI* of the Company’s prospectus dated 24 December 2021 (the “Prospectus”). This Historical Financial Information has been prepared for inclusion in the Prospectus on the basis of the accounting policies set out in note 2 of the financial information. This report is required by item 18.1 of Annex 1 to the UK PR Regulation (the “Prospectus Regulation”) and is given for the purpose of complying with that requirement and for no other purpose.

Responsibilities

The directors of the Company (the “Directors”) are responsible for preparing the financial information in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”).

It is our responsibility to form an opinion on the financial information and to report our opinion to you.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the Prospectus Regulations, consenting to its inclusion in the Prospectus.

Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom.

We are independent of the Company in accordance with relevant ethical requirements as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included an assessment of evidence relevant to the amounts and disclosures in the Historical Financial Information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information underlying the financial statements and whether the accounting policies are appropriate to the entities' circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement, whether caused by fraud or other irregularity or error.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America, or other jurisdictions outside the United Kingdom, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of the Company as at the periods stated and of its results, cash flows and changes in equity for the period from 24 March 2021 to 25 May 2021 in accordance with International Financial Reporting Standards as adopted by the European Union.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 1 of the UK Prospectus Regulation.

Yours faithfully

Anstey Bond LLP

Chartered Accountants & Registered Auditors
1 Charterhouse Mews
London
EC1N 6BB
United Kingdom

B) HISTORICAL FINANCIAL INFORMATION OF THE COMPANY

Statement of Profit or Loss and Other Comprehensive Income for the period 24 March 2021 to 25 May 2021

	Notes	Period Ended 25 May 2021 £
CONTINUING OPERATIONS		
Revenue		-
Administrative expenses		<u>(6,272)</u>
OPERATING LOSS		<u>(6,272)</u>
LOSS BEFORE INCOME TAX		(6,272)
Income tax	4	<u>-</u>
LOSS FOR THE PERIOD		(6,272)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX		<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u><u>(6,272)</u></u>

Electric Guitar PLC

**Statement of Financial Position
for the period ended 25 May 2021**

	Notes	2021 £
ASSETS		
CURRENT ASSETS		
Trade and other receivables	5	162
Cash and cash equivalents	6	<u>95,143</u>
		<u>95,305</u>
TOTAL ASSETS		<u>95,305</u>
EQUITY		
SHAREHOLDERS' EQUITY		
Called up share capital	7	212
Share premium	8	99,950
Retained earnings	8	<u>(6,272)</u>
TOTAL EQUITY		<u>93,890</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	9	<u>1,415</u>
TOTAL LIABILITIES		<u>1,415</u>
TOTAL EQUITY AND LIABILITIES		<u>95,305</u>

Electric Guitar PLC

**Statement of Changes in Equity
for the period ended 25 May 2021**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Changes in equity				
Issue of share capital	212	-	99,950	100,162
Total comprehensive income	<u>-</u>	<u>(6,272)</u>	<u>-</u>	<u>(6,272)</u>
Balance at 25 May 2021	<u>212</u>	<u>(6,272)</u>	<u>99,950</u>	<u>93,890</u>

Electric Guitar PLC

**Statement of Cash Flow
for the period to 25 May 2021**

	Notes	2021 £
Cash flows from operating activities		
Cash generated from operations	1	(5,019)
Net cash from operating activities		<u>(5,019)</u>
Cash flows from financing activities		
Share issue		<u>100,162</u>
Net cash from financing activities		<u>95,143</u>
(Decrease)/increase in cash and cash equivalents		95,143
Cash and Cash equivalents at beginning of period	2	<u>-</u>
Cash and cash equivalents at end of period	2	<u><u>95,143</u></u>

Electric Guitar PLC

**Notes to Statement of Cash Flow
for the period 24 March 2021 to 25 May 2021**

1. RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	£
Loss before income tax	(6,272)
Increase in trade and other receivables	(162)
Increase in trade and other payables	<u>1,415</u>
Cash generated from operations	<u><u>(5,019)</u></u>

2. CASH AND CASH EQUIVALENTS

Period ended 25 May 2021

	£
Cash and cash equivalents	<u><u>95,143</u></u>

Electric Guitar PLC

Notes to the Financial Statements for the period 24 March 2021 to 25 May 2021

1. STATUTORY INFORMATION

Electric Guitar PLC is a public limited company, registered in England and Wales.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards, IFRIC interpretations (collectively IFRS), and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, as adopted by the European Union. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Financial instruments Classification

The Company classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss - designated
- Receivables
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained or incurred and takes place at initial recognition. Classification is re-assessed on an annual basis.

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability, or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss excludes dividends and interest.

Receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Foreign currencies

A foreign currency transaction is recorded, on initial recognition in GB Pounds, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items, or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in GB Pounds by applying to the foreign currency amount the exchange rate between the GB Pound and the foreign currency at the date of the cash flow.

Electric Guitar PLC

Notes to the Financial Statements for the period 24 March 2021 to 25 May 2021

2. ACCOUNTING POLICIES - continued

Provisions and contingencies

Provisions are recognised when:

- the Company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Contingent assets and contingent liabilities are not recognised.

Going concern

The financial statements have been prepared on the going concern basis. The Directors have produced financial projections for the company for the next twelve months and beyond.

Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. The collections are expected either immediately or within 30 days, hence they are classified as current assets.

Trade receivables are recognised initially at fair value, and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

A provision for impairment is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

Trade and other payables

Trade payables are initially measured at fair value.

Cash and cash equivalents

In the company's statement of cash flows, cash and cash equivalents includes cash on hand and deposits held at call with banks.

3. EMPLOYEES AND DIRECTORS

There were no staff or Directors costs for the period ended 25 May 2021.

Electric Guitar PLC

Notes to the Financial Statements for the period 24 March 2021 to 25 May 2021

4. INCOME TAX

Analysis of tax expense

No liability to UK corporation tax arose for the period ended 25 May 2021.

5. TRADE AND OTHER RECEIVABLES

	2021
	£
Current:	
Debtors	162

6. CASH AND CASH EQUIVALENTS

	2021
	£
Bank accounts	95,143
	95,143

7. CALLED UP SHARE CAPITAL

			2021
			£
Allotted, issued and fully paid:			
Number:	Class:	Nominal	
212,000	Ordinary	value:	
		0.01	212

8. RESERVES

	Retained Earnings	Share premium	Totals
	£	£	£
Deficit for the period	(6,272)	-	(6,272)
Share issue	-	99,950	99,950
At 30 June 2019	(6,272)	281,312	(93,678)

9. TRADE AND OTHER PAYABLES

	2021
	£
Current:	
Accruals and deferred income	1,415

10. ULTIMATE CONTROLLING PARTY

There is no controlling party.

C) REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF NET ASSETS

The Directors
Electric Guitar PLC
4th Floor
The Anchorage
34 Bridge Street
Reading
Berkshire
RG1 2LU
United Kingdom

The Directors
Axis Capital Markets Limited
27 Clements Lane
London
EC4N 7AE
United Kingdom

24 December 2021

Dear Sirs

Electric Guitar PLC - Pro Forma Financial information

We report on the unaudited pro forma statement of net assets as at 24 December 2021, (the “Pro Forma Statement of Net Assets”) set out in Part VI (Unaudited Pro Forma Statement of Net Assets) of Electric Guitar PLC (the “Company”) prospectus (the “Prospectus”) dated 24 December 2021, which has been prepared on the basis described, for illustrative purposes only, to provide information about how the admission of the Company to the standard segment of the Official List of the Financial Conduct Authority and the issue of the New Ordinary Shares might have affected the net assets presented on the basis of the accounting policies adopted by the Company in preparing the financial information in accordance with the IFRS requirements.

This report has been prepared at the issuer’s request and is required by item 18.4 of Annex 1 to the UK PR Regulations (the “**Prospectus Regulation**”) and is given for the purpose of complying with that item and for no other purpose.

Responsibilities

It is the responsibility of the directors of the Company (the “Directors”) to prepare the Pro Forma Financial Information in accordance with item 18.4.1 of Annex 1 of the UK Prospectus Regulations.

It is our responsibility to form an opinion, as required by the Prospectus Regulations, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the Prospectus Regulation, consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept any responsibility for such reports or opinions beyond that owed to those to whom those reports, or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with Standards of Investment Reporting issued by the Financial Reporting Council in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the Directors.

We are independent of the Company in accordance with relevant ethical requirements as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 1 of the UK Prospectus Regulation.

Yours faithfully

Anstey Bond LLP

Chartered Accountants & Registered Auditors
1 Charterhouse Mews
London
EC1M 6BB
United Kingdom

D) UNAUDITED PRO FORMA STATEMENT OF NET ASSETS

Set out below is the unaudited pro-forma statement of net assets of the Company as at 25 May 2021 (the “Pro Forma Statement of Net Assets”). The Pro Forma Statement of Net Assets has been prepared on the basis set out in the notes below to illustrate the effect of the Admission, and the receipt of the funds from the Placing, on the net assets of the Company had the Admission occurred on 24 December 2021, and has been prepared for illustrative purposes only. Because of its nature, the Pro Forma Statement of Net Assets addresses a hypothetical situation and, therefore, does not represent the Company’s actual financial position. It is based on the schedules used in preparing the financial statements balance sheet as at 25 May 2021 set out in *Part VI* and the effect of the Admission and Placing, as stated in this Prospectus.

Users should read the whole of this document and not rely solely on the summarised financial information contained in this *Part VI (Unaudited Pro Forma Statement of Net Assets)*.

The report on the Pro Forma Statement of Net Assets is set out in *Part VI (Unaudited Pro Forma Accountants’ Report)* of this document.

Unaudited Pro Forma Statement of Net Assets

	Group net assets as at 25 May 2021 (Note 1)	Net Cash receipt of New Ordinary Shares Issued (Note 2)	Unaudited pro forma net assets of the Company
	£	£	£
Assets			
<i>Current assets</i>			
Trade and other receivables	162		162
Cash and cash equivalents	95,143	1,200,000	1,295,143
Total assets	95,305	1,200,000	1,295,305
Liabilities			
<i>Current liabilities</i>			
Trade and other payables	1,415	262,050	263,465
Total current liabilities	1,415	262,050	263,465
Total liabilities	1,415	262,050	263,465
Net assets	93,890	937,950	1,031,840

Notes:

1. The financial information relating to the Company has been extracted without adjustment from the audited financial information set out in *Part VI (Historical Financial Information of the Company)* of this Prospectus.
2. The Private Placing of up to £1,200,000 (40 million Ordinary Shares) at an issue price of 3 (three) pence per share. The cost of the issue is shown as a liability to the company and is reflected in this statement by the liability of £262,050.

PART VII

ADDITIONAL INFORMATION

1. Responsibility

The Company and each of the Directors, whose names appear on Page 36 of this document, accept responsibility for this document. To the best of the knowledge of the Company and the Directors, the information contained in this document is in accordance with the facts and this document makes no omission likely to affect its import.

2. Competent Authority Approval

This prospectus has been approved by the FCA, as competent authority under the UK Prospectus Regulation. The FCA only approves this prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation and such approval should not be considered as an endorsement of the issuer that is the subject of this prospectus, nor as an endorsement of the quality of the securities that are the subject of this prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

3. The Company

- 3.1 The Company's legal and commercial name is Electric Guitar PLC.
- 3.2 The Company was incorporated in England and Wales on 24 March 2021 under the name Electric Guitar Limited with registered number 13288812 as a private limited company under CA 2006. On 24 June 2021, the Company was re-registered as a public limited company with the name Electric Guitar PLC. The domicile of the Company is the United Kingdom. The Company's Legal Entity Identifier is 894500943SA9KY5T9V86.
- 3.3 The principal legislation under which the Company operates is CA 2006. The liability of the members is limited to the amount, if any, unpaid on the shares respectively held by them.
- 3.4 The Company's registered office is at The Anchorage, 4th Floor, 34 Bridge Street, Reading, Berkshire RG1 2LU. The Company's telephone number is 01189 570444 and its website is www.electricguitarplc.com.
- 3.5 The Company has not yet commenced trading or operations. To date, the Company's activities have been limited to organisational matters and matters relating to Admission and the Placing.
- 3.6 The Company does not have any subsidiaries, joint ventures or investments or any investments in progress or any future investments on which its management bodies have made firm commitments.
- 3.7 On 17 June 2021, the Company adopted the Articles in substitution for and to the exclusion of the Company's then existing articles of association.

4. Share Capital

- 4.1 In accordance with CA 2006, the Company has no limit on its authorised share capital.
- 4.2 On incorporation of the Company one Ordinary Share was subscribed for and issued and allotted at a price of £0.01 per Ordinary Share which was fully paid up.
- 4.3 On 17 May 2021, 16,149 Ordinary Shares were subscribed for and issued and allotted at a price of £0.01 per Ordinary Share which were fully paid up.

- 4.4 On 18 May 2021, 5,000 Ordinary Shares were subscribed for and issued and allotted at a price of £20 per Ordinary Share which were fully paid up.
- 4.5 On 9 June 2021, 1,002 Ordinary Shares were subscribed for and issued and allotted at a price of £20 per Ordinary Share which were fully paid up.
- 4.6 On 16 June 2021, 4,984,200 Ordinary Shares were subscribed for and issued and allotted at a price of £0.01 per Ordinary Share which were fully paid up.
- 4.7 On 27 August 2021, 791,000 Ordinary Shares were subscribed for and issued and allotted at a price of £0.02528445 per Ordinary Share which were fully paid up.
- 4.8 On 20 September 2021, pursuant to resolutions passed at a general meeting of the Company, each of the ordinary shares of 1p each in the capital of the Company were sub-divided into 2 ordinary shares of 0.5p each and, following such sub-division, 5,797,352 new ordinary shares of 0.5p each were issued to shareholders as a bonus issue, such new ordinary shares being paid up at par out of monies standing to the credit of the Company's share premium account.
- 4.9 On 20 September 2021, a total of 470,720 Ordinary Shares of 0.5p each were issued and allotted to Axis Capital and Alexander David at a price of £0.01264223 per Ordinary Share. These Ordinary Shares were issued in satisfaction of cash sums that would otherwise have been payable to Axis Capital and Alexander David in connection with their engagement by the Company.
- 4.10 The issued share capital of the Company at the date of this document and on Admission will be as follows:

	Number of Ordinary Shares allotted and fully paid	Nominal value of Ordinary Shares
Current	17,862,776	£0.005
On Admission	40,000,000	£0.005

4.11 Pursuant to resolutions passed at a general meeting of the Company held on 20 September 2021:

- (a) in accordance with section 551 CA 2006, the directors were generally and unconditionally authorised to allot shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company (**Rights**) up to an aggregate nominal amount of £1,200,000 (one million, two hundred thousand pounds), provided that this authority shall, unless renewed, varied or revoked by the Company, expire on the earlier of (i) the Company's first annual general meeting following the adoption of these Articles and (ii) 31 December 2022, save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted or Rights to be granted and the Directors may allot shares or grant Rights in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired; and
- (b) in accordance with section 570 of the Act, the Directors were generally empowered to allot equity securities (as defined in section 560 of the Act) pursuant to the

authority conferred by the resolution referred to above, as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall (a) be limited to the allotment of equity securities up to an aggregate nominal amount of £400,000, and (b) expire on the earlier of (i) the Company's first annual general meeting following the adoption of these Articles and (ii) 31 December 2022, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement notwithstanding that the power conferred by this resolution has expired.

- 4.12 The Ordinary Shares will, with effect from Admission, be listed on the Official List and will be traded on the Main Market of the London Stock Exchange. The Ordinary Shares are not currently listed or traded, and no application has been or is being made for the admission of the Ordinary Shares to listing or trading, on any other stock exchange or securities market.
- 4.13 Each Placing Share will rank in full for all dividends and distributions declared made or paid after their issue and otherwise *pari passu* in all respects with each Existing Ordinary Share and will have the same rights (including voting and dividend rights and rights on a return of capital).
- 4.14 The Company has created A-Series Warrants to subscribe for a total of up to 5,786,278 new Ordinary Shares at an exercise price equal to 150 per cent. of the Placing Price. At Admission a total of 3,599,064 of these A-Series Warrants have been granted to the Directors, subject to certain vesting provisions which are described at paragraph 10.4 below. The remaining 2,187,214 A-Series Warrants remain unallocated at Admission and may in the future be granted to members of the Company's management team, either subject to the vesting provisions described at paragraph 10.4 below or to such alternative vesting provisions as may be approved by the Board upon grant. Any A-Series Warrants which have not vested and been exercised prior to the seventh anniversary of Admission will lapse. Further details of the A-Series Warrants are set out in paragraph 10.4 below of this *Part VII: Additional Information*.
- 4.15 The Company has agreed to grant B-Series Warrants to subscribe for a total of 1,157,256 Ordinary Shares at an exercise price equal to 150 per cent. of the Placing Price to the Company's placing agent from Admission, Alexander David Securities Limited. The B-Series Warrants are exercisable for a period of three years from completion of the first Acquisition. Further details of the B-Series Warrants are set out in paragraph 10.5 below of this *Part VII: Additional Information*.
- 4.16 Except for the Company's obligations to issue and allot Ordinary Shares pursuant to the Placing and, conditional upon exercise and, where appropriate, vesting, the Warrants, there are no rights and/or obligations over the Company's unissued share or loan capital nor do there exist any undertakings to increase the Company's share or loan capital.
- 4.17 No share of the Company is under option or has been agreed conditionally or unconditionally to be put under option other than disclosed in paragraphs 4.14 and 4.15 above.
- 4.18 The Company does not have in issue any securities not representing share capital nor any shares which are held by or on behalf of the Company itself, and there are no outstanding convertible securities issued by the Company.
- 4.19 The participation (as a percentage) in share capital and voting rights for existing Shareholders before and after the capital increase resulting from the Placing, on the basis that existing Shareholders do not participate in the Placing, are as follows:

	Immediately prior to Admission	Immediately following Admission

Share Capital	100%	30.87%
Voting	100%	30.87%

4.20 Shareholders do not have any entitlement to participate in the Placing.

4.21 The net asset value per Ordinary Share is as follows:

	Immediately prior to Admission	Immediately following Admission
Net asset value Per Ordinary Share	£0.0054	£0.0178

4.22 The Ordinary Shares may be held in either certificated form or under the CREST system.

4.23 Except as disclosed in this paragraph, since the date of incorporation of the Company: (i) there has been no change in the amount of the issued share or loan capital of the Company; and (ii) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share capital of the Company.

4.24 To the best of the Directors' knowledge, no-one, directly or indirectly, acting jointly, exercise or could exercise control over the Company.

4.25 The ISIN number in respect of the Ordinary Shares is GB00BN11T727. The Ordinary Shares are and will be created and issued under CA 2006 and are denominated in pounds sterling.

4.26 The registrars of the Company are Share Registrars Limited. They will be responsible for maintaining the register of members of the Company.

5. Objects of the Company

The Company's objects and purposes are unrestricted.

6. Articles of association

The Articles, which were adopted by a written resolution passed on 17 June 2021, contain, amongst others, provisions to the following effect:

6.1 *Limited liability*

The liability of the Company's members is limited to the amount (if any) unpaid on the shares in the Company held by them.

6.2 *Unrestricted objects*

The objects of the Company are unrestricted.

6.3 *Change of name*

The Articles allow the Company to change its name by resolution of the Board. This is in addition to the power of the Company under section 77 of the Act to change its name by special resolution.

Share rights

6.4 *Rights of different classes of shares*

Subject to any rights attached to any existing shares, the Company may issue shares with such rights or restrictions as the Company may by ordinary resolution determine or, in the absence of any such determination, as the Board may decide. Subject to any rights attached to any existing shares, the Company may also issue shares which are to be redeemed or which, at the option of the Company or the holder, are liable to be redeemed. The Board may decide the terms, conditions and manner of redemption of any redeemable shares which are issued.

6.5 *Voting rights*

Subject to any rights or restrictions as to voting attached to any shares and to any suspension or abrogation of voting rights pursuant to the Articles:

- (a) on a vote on a resolution on a show of hands, every member present (not being present by proxy) and entitled to vote on the resolution has one vote and every proxy present who has been duly appointed by a member entitled to vote on the resolution has one vote (save that a proxy who has been appointed by more than one member has one vote for and one vote against if he has been instructed to vote in different ways on the resolution); and
- (b) on a vote on a resolution on a poll, every member who is present in person or by proxy and entitled to vote on the resolution has one vote for every share of which he is the holder.

Unless the Board otherwise decides, no member is entitled in respect of any share held by him to vote on any resolution at a shareholders meeting, either in person or by proxy, if any call or other sum presently payable by him to the Company in respect of that share remains unpaid.

6.6 *Variation of rights*

If at any time the capital of the Company is divided into different classes of share, the rights attached to any class may be varied either with the written consent of the holders of not less than three-fourths in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate meeting of the holders of the issued shares of that class and may be so varied either while the Company is a going concern or during or in contemplation of a winding up. The quorum at any such separate meeting (other than an adjourned meeting) shall be not less than two persons entitled to vote and holding or representing by proxy at least one-third in nominal value of the issued shares of the relevant class (excluding any shares of that class held as treasury shares).

6.7 *Transfer of shares*

A member may transfer all or any of his shares which are in certificated form by an instrument of transfer in any usual form or common form or in any other form approved by the Board. The instrument of transfer must be signed by or on behalf of the transferor and, if the share is not fully paid, by or on behalf of the transferee. A member may transfer all or any of his shares which are in uncertificated form by means of a relevant system in accordance with the CREST Regulations.

The Board may refuse to register the transfer of a share which is not fully paid or on which the Company has a lien provided that, in the case of a class of shares admitted to trading on the Main Market of the London Stock Exchange, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.

The Board may refuse to register a transfer of a certificated share unless the instrument of transfer is:

- (a) in respect of only one class of share;
- (b) in favour of not more than four persons jointly; and
- (c) lodged (duly stamped if required) at the place where the register of members is situated (or such other place as the Board may appoint) accompanied (except in the case of a transfer by a person to whom the Company is not by law required to issue a certificate and to whom a certificate has not been issued) by the certificate for the share to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer.

The Board may refuse to register a transfer of an uncertificated share in the circumstances set out in the CREST Regulations or if the transfer is in favour of more than four persons jointly.

Subject to the above and subject to the transfer restrictions summarised in the paragraph headed "Suspension of rights attaching to shares" below, the Articles contain no restrictions on the free transferability of fully paid shares.

6.8 *Pre-emption rights*

There are no pre-emption rights under the Articles in respect of transfers of issued shares or the allotment of new shares.

Section 561 of the Act confers on holders of Ordinary Shares rights of pre-emption in respect of the allotment by the Company of equity securities (as defined in section 560 of the Act) which are, or are to be, paid up in cash. Under these statutory pre-emption rights, the Company is, subject to certain limited exceptions, required to offer to allot the equity securities concerned to holders of Ordinary Shares on a pro rata basis before allotting them to other persons. These statutory pre-emption rights have been disapplied to the extent set out in paragraph 6.15.

6.9 *Suspension of rights attaching to shares*

Under section 793 of the Act, the Company may send out a notice (a "section 793 notice") to any person whom the Company knows or has reasonable cause to believe to be interested in its shares (or to have been so interested at any time during the preceding three years) asking for information concerning his interest in the shares and information concerning any other interest in the shares of which he is aware. Where a person receives a section 793 notice and fails to provide the information required by the notice within the time specified in it, the Company can apply to the court for an order directing that the relevant shares be subject to restrictions. The effect of a court order imposing restrictions is that (i) any transfer of the shares is void, (ii) no voting rights are exercisable in respect of the shares, (iii) no further shares may be issued in right of the shares or in pursuance of an offer made to the holder of them, and (iv) except in a liquidation, no payment may be made of sums due from the Company on the shares (whether in respect of capital or otherwise). The Articles also contain provisions for the imposition of restrictions on shares in circumstances where a person fails to comply with a section 793 notice which are described below.

If a member, or any other person appearing to be interested in shares held by that member, has been served with a section 793 notice and has failed in relation to any shares (the "default shares" which expression includes any further shares issued in respect of those shares) to give the Company the information required by the notice for a period of 14 days from the date of its service, then (unless the Board otherwise determines) the following sanctions apply:

- (a) the member is not entitled in respect of the default shares to attend or to vote (either in person or by proxy) at any meeting or on a poll or to exercise any other right conferred by membership in relation to shareholder meetings;

- (b) where the default shares represent 0.25 per cent. or more in nominal value of the issued shares of any class of shares (excluding any shares of that class held as treasury shares):
- (c) any dividend or any other amount payable in respect of the default shares is to be withheld by the Company (without the Company being liable to pay interest on it) and the member is not entitled to elect to receive shares in lieu of dividend; and
- (d) save for an excepted transfer, no transfer of any default shares is to be registered unless the member is not himself in default in supplying the information required and he proves to the satisfaction of the Board that no person in default in supplying the information required is interested in any of the shares included the subject of the transfer.

Where the sanctions described above apply, they cease to have effect (and any dividend or other money withheld becomes payable) at the expiry of seven days (or such shorter period as the Board may decide) following the earlier of:

- (a) the date on which the Company receives notification that the default shares have been transferred by means of an excepted transfer; and
- (b) the date on which the Company receives, in a form satisfactory to the Board, all of the information required by the relevant section 793 notice.

For the purposes of the above, an "excepted transfer" is (i) a transfer by way of acceptance of a takeover offer, (ii) a transfer in consequence of a sale made through a recognised investment exchange or any other stock exchange outside the UK on which the Company's shares are normally traded or (iii) a transfer which is shown to the satisfaction of the Board to be made in consequence of a sale of the whole of the beneficial interest in the shares to a person who is unconnected with the member and with any other person appearing to be interested in the shares.

6.10 *Dividends*

The Company may by ordinary resolution declare dividends to be paid to members according to their respective rights and interests in the profits of the Company. However, no dividend shall exceed the amount recommended by the Board. If and so far as in the opinion of the Board, the profits of the Company available for distribution justify such payments, the Board may declare and pay (i) interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as the Board thinks fit and (ii) fixed dividends on any class of shares carrying a fixed dividend on the dates prescribed for the payment of those dividends.

Except as otherwise provided by the rights attaching to, or the terms of issue of, any shares, all dividends shall be declared and paid according to the amounts paid up on the shares in respect of which the dividend is declared and paid and shall be apportioned and paid proportionately to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. For this purpose, no amount paid up on a share in advance of the date on which a call is payable shall be treated as paid up on the share.

Unless otherwise provided by the rights attaching to the share, no dividend payable in respect of a share shall bear interest as against the Company. The Board may deduct from any dividend payable to any person in respect of a share all such sums as may be due from that person to the Company on account of calls or otherwise in relation to shares in the Company.

Any unclaimed dividend may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. Any dividend which has remained unclaimed for a period of 12 years after it was declared or became due for payment shall, if the Board so resolves, be forfeited and shall cease to remain owing by the Company.

The Board may, with the prior authority of an ordinary resolution of the Company, offer holders of Ordinary Shares (excluding Ordinary Shares held as treasury shares) the right to elect to receive new Ordinary Shares, credited as fully paid, instead of cash in respect of all or any part of any dividend specified by the ordinary resolution. The ordinary resolution may specify a particular dividend or dividends (whether declared or not) or may specify all or any dividends declared within a specified period, but such period may not end later than the fifth anniversary of the date of the meeting at which the resolution is passed.

6.11 *Distribution of assets on liquidation*

If the Company is wound up (whether the liquidation is voluntary, under supervision of the court or by the court), the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by legislation, divide among the members in specie the whole or any part of the assets of the Company. For this purpose, the liquidator may set such value as he considers fair on any one or more class or classes of property and may determine how such division shall be carried out as between members or classes of members. The liquidator may, with the same authority, may transfer the whole or any part of the assets to trustees on such trusts for the benefit of members as he thinks fit.

General meetings

6.12 *Annual general meetings*

In accordance with the requirements of the Act, the Company must hold a general meeting as its annual general meeting in each six-month period following its accounting reference date.

6.13 *Convening of general meetings*

The Board may call a general meeting whenever it thinks fit. The Board must, on the requirement of the members under the Act, call a general meeting in accordance with the requirements of the Act.

The Board may make whatever arrangements it considers fit to allow those entitled to do so to attend and participate in any general meeting (including by electronic means and/or from multiple locations), provided that general meetings are not held exclusively on an electronic basis.

6.14 *Notice of general meetings*

General meetings must be called by at least such minimum period of notice as is required under the Act which, in the case of an annual general meeting, is 21 clear days' notice and, in the case of other general meetings, is 14 clear days' notice. Notice of the meeting must be given to the members (other than any members who, under the Articles or by virtue of any restrictions imposed on any shares, are not entitled to receive notice from the Company) to the Directors and to the auditors of the Company. The accidental omission to send notice of a general meeting to any person entitled to receive it does not invalidate the proceedings of the meeting.

Every notice of a general meeting must specify (i) the time, date and place of the meeting, (ii) (in the case of an annual general meeting) that the meeting is an annual general meeting, (iii) the general nature of the business to be transacted at the meeting and (iv) any intention to propose a resolution as a special resolution. In addition, the notice must specify, with reasonable prominence, that a member is entitled to appoint another person as his proxy to exercise all or any of his rights to attend and to speak and vote at the meeting, that a member may appoint more than one proxy in relation to a meeting provided that each proxy is appointed to exercise the rights attached to different shares and that a proxy need not be a member.

6.15 *Quorum*

No business is to be transacted at any general meeting unless a quorum is present. The quorum for a general meeting is two members present in person or by proxy and entitled to vote on the business to be transacted at the meeting.

6.16 *Method of voting*

At any general meeting, a resolution put to the vote of the meeting is to be decided on a show of hands unless (before or on the declaration of the result on a show of hands) a poll is demanded in accordance with the Articles.

Directors

6.17 *Number and appointment of Directors*

Unless and until otherwise determined by the Company by ordinary resolution, the number of Directors shall not be less than two but shall not be subject to any maximum number. Directors may be appointed by the Company by ordinary resolution or by the Board, in each case either to fill a casual vacancy or as an addition to the existing Board.

A Director is not required to hold any shares in the Company by way of qualification.

6.18 *Retirement of Directors*

At each annual general meeting, any Director:

- (a) who has been appointed by the Board since the preceding annual general meeting; or
- (b) who held office at the time of the two preceding annual general meetings and who did not retire at either of them; or
- (c) who has held office with the Company, other than employment or executive office, for a continuous period of nine years or more at the date of the meeting,

shall retire from office but shall be eligible for re-appointment.

6.19 *Removal of a Director by resolution of the Company*

In addition to any power of removal conferred by the Act, the Company may by ordinary resolution remove any Director from office and appoint another person in place of a Director so removed.

6.20 *Vacation of office*

The Articles provide for the office of a Director to be vacated in the following circumstances:

- (a) if he resigns or offers to resign and the Board resolves to accept such offer;
- (b) if he ceases to be a Director by virtue of any provision of the Act, is removed from office pursuant to the Articles or the Act or becomes prohibited by law from acting as a Director;
- (c) if he becomes bankrupt, has an interim receiving order made against him, makes any arrangement with or compounds with his creditors generally or applies to the court for an interim order under the Insolvency Act 1986 in connection with a voluntary arrangement under that Act;

- (d) if he is, or may be, suffering from mental disorder or is otherwise incapable of managing his affairs and either:
 - (i) an order is made by any court or official having jurisdiction (whether in the UK or elsewhere) in matters concerning mental disorder for his detention or for the appointment of a receiver, *curator bonis* or other person to exercise powers with respect to his property or affairs; or
 - (ii) he is admitted to hospital following an application for admission for treatment under the Mental Health Act 1983 or any similar legislation in any other jurisdiction,and the Board resolves that his office be vacated;
- (e) if he is absent from meetings of the Board for a period of six consecutive months without the permission of the Board and his alternate Director (if any) has not attended in his place during that period and the Board resolves that his office be vacated;
- (f) (without prejudice to any claim for damages which he may have for breach of any contract between him and the Company) if he is removed from office by a notice in writing addressed to him at his last known address signed by at least three fourths in number of his co-Directors; or
- (g) in the case of any Director who holds any executive office with the Company, if his appointment as such is terminated or expires and the Board resolves that his office be vacated.

6.21 *Alternate directors*

Any Director may appoint any other Director to be his alternate and may remove any alternate appointed by him. Any appointment or removal of an alternate Director is effected by notice to the Company signed by the Director making or revoking the appointment and sent to or received by the Company at the registered office of the Company or at an address specified by the Company for the purpose of communication by electronic means or tabled at a meeting of the Board or in any other manner approved by the Board.

6.22 *Directors' remuneration and expenses*

Each Director is entitled to be paid by way of remuneration for his services as a Director such fee as may be decided by the Board but the aggregate of all fees so paid to Directors must not exceed £2.5 million per annum (or such higher amount as may be decided by ordinary resolution of the Company). Such fee shall be distinct from and additional to any salary, remuneration or other benefits which may be paid or provided to a Director under any other provision of the Articles.

Any Director who performs any special or extra services which in the opinion of the Board are outside the scope of his ordinary duties as a Director and not in his capacity as a holder of employment or executive office may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may decide in addition to any remuneration paid or provided for pursuant to any other provision of the Articles.

The salary or remuneration of any Director appointed to hold any employment or executive office shall be such as the Board may decide and may be either a fixed sum of money or may, in whole or in part, be governed by business done or profits made or otherwise decided by the Board. Any such salary or remuneration may be in addition to or in lieu of any fee payable to him for his services as a Director under the Articles.

Each Director is entitled to be repaid all reasonable travelling, hotel and other expenses properly incurred by him in or about the performance of his duties as a Director, including any expenses incurred in attending meetings of the Board or any committee of the Board or shareholder meetings.

6.23 *Pensions and other benefits*

The Board may exercise all the powers of the Company to provide pensions or other retirement or superannuation benefits, death or disability benefits or other allowances or gratuities (whether by insurance or otherwise) to or for the benefit of, amongst other persons, any past or present director of the Company or any of its subsidiary undertakings, members of his family and his dependants.

The Board may also exercise all the powers of the Company to purchase and maintain insurance for or for the benefit of, amongst other persons, any past or present director of the Company or any of its subsidiary undertakings.

6.24 *Borrowing powers*

Subject to the provisions of the Companies Acts 2006, the Board may exercise all the powers of the Company:

- (a) to borrow money;
- (b) to mortgage or charge all or any part of its undertaking, property and assets (both present and future) and uncalled capital; and
- (c) to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

6.25 *Proceedings of the Directors*

Subject to the provisions of the Articles, the Board may regulate its proceedings as it thinks fit. The quorum necessary for the transaction of business may be determined by the Board and, unless so determined at any other number, shall be two. A duly convened meeting of the Board at which a quorum is present is competent to exercise all or any of the powers vested in or exercisable by the Board. Questions arising at any meeting of the Board shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting has a second or casting vote.

A resolution in writing signed by all the Directors who would have been entitled to vote on the resolution at a meeting of the Board (provided that those Directors would have formed a quorum at such a meeting) is as valid and effective as a resolution duly passed at a meeting of the Board.

6.26 *Directors' conflicts of interest*

The Board may authorise any situation or matter in which a Director (an "Interested Director") has, or can have, a direct or indirect interest which conflicts, or possibly may conflict, with the interests of the Company and which would, if not so authorised, result in the Interested Director being in breach of his statutory duty to avoid conflicts of interest. An Interested Director seeking authorisation of a conflict of interest must declare to the Board the nature and extent of his interest giving rise to the conflict as soon as reasonably practicable. An Interested Director must not be counted in the quorum or vote in respect of any resolution of the Board giving such authorisation.

Where the Board authorises a situation or matter, it may impose on the Interested Director such terms for the purpose of dealing with the conflict of interest as the Board may determine.

6.27 *Permitted interests of Directors*

A Director, notwithstanding his office, may:

- (a) be a party to or otherwise interested in any transaction or arrangement with the Company or in which the Company is directly or indirectly interested;
- (b) hold any other office or place of profit with the Company (except that of auditor) in conjunction with the office of Director or act by himself or through a firm with which he is associated in a professional capacity for the Company or any body corporate in which the Company is directly or indirectly interested (otherwise than as auditor);
- (c) be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested (including by the holding of shares or other securities) in, any body corporate promoted by the Company or in which the Company is otherwise directly or indirectly interested or as regards which the Company has any powers of appointment; and
- (d) be a director of any body corporate in which the Company is not directly or indirectly interested if, at the time of his appointment as a director of that other company, such appointment cannot reasonably be regarded as giving rise to a conflict of interest.

If a Director has any interest referred to above, he must, subject to certain exceptions, declare the nature and extent of that interest to the Board. The declaration must be made as soon as is reasonably practicable and, in the case of an interest in a proposed transaction or arrangement with the Company, before the Company enters into the transaction or arrangement.

6.28 *Directors not liable to account*

A Director is not liable to account to the Company for any benefit which he derives from any transaction or arrangement or from any office, employment, position or relationship or from any interest in any body corporate if the relevant matter has been authorised by the Board (subject, in any such case, to the terms of such authorisation) or is permitted under the Articles.

No transaction or arrangement is liable to be avoided on the grounds that a Director has an interest in it (or derives a benefit from it) if the interest has been authorised by the Board or is permitted under the Articles.

6.29 *Restrictions on voting by Directors*

A Director must not vote on (or be counted in the quorum in relation to) any resolution of the Board (or of a Board committee) concerning any transaction or arrangement in which he has a direct or indirect interest. However, this prohibition does not apply to any resolution concerning a transaction or arrangement in which his interest cannot reasonably be regarded as likely to give rise to a conflict of interest or to any resolution concerning:

- (a) the giving of any guarantee, security or indemnity to the Director or any other person in respect of (i) money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings or (ii) a debt or other obligation of the Company or any of its subsidiary undertakings for which the Director has assumed responsibility (in whole or in part and whether alone or jointly with others) under a guarantee or indemnity or by the giving of security;
- (b) an offer by the Company or any of its subsidiary undertakings of securities for subscription, purchase or exchange, in which offer the Director is or may be entitled to participate as a holder of securities or in the underwriting or sub-underwriting of which he is to participate;
- (c) a transaction or arrangement in which he has an interest only by virtue of an interest in shares, debentures or other securities of the Company or by reason of any other interest in or through the Company;

- (d) a transaction or arrangement concerning any other body corporate in which the Director (or any person connected with him) is interested (directly or indirectly) and whether as an officer, shareholder, creditor, employee or otherwise, if he and any persons connected with him do not to his knowledge hold an interest in shares representing one per cent or more of either any class of the equity share capital of that body corporate or the voting rights available to members of that body corporate;
- (e) a transaction or arrangement concerning the adoption, modification or operation of a pension fund, superannuation or similar scheme or retirement, death or disability benefit scheme or employees' share scheme which relates both to directors and employees of the Company or any of its subsidiary undertakings and does not accord to any Director as such any privilege or benefit not accorded to the employees to whom the fund or scheme relates;
- (f) a transaction or arrangement for the benefit of employees of the Company or of any of its subsidiary undertakings under which the Director benefits in a similar manner to the employees and which does not accord to any Director as such any privilege or benefit not accorded to the employees to whom the transaction or arrangement relates;
- (g) any proposal relating to the purchase or maintenance of insurance against any liability for the benefit of any Directors (or of persons who include Directors);
- (h) the giving of indemnities in favour of Directors; and
- (i) the funding of expenditure incurred or to be incurred by any Director in defending any criminal or civil proceedings or in connection with an application to the court for relief or in defending him in any investigation by, or against action proposed to be taken by, a regulatory authority or the doing of anything to enable any Director to avoid incurring any such expenditure.

A Director must not vote on (or be counted in the quorum in relation to) any resolution of the Board concerning his own appointment as the holder of any office or place of profit with the Company or any company in which the Company is interested.

6.30 *Indemnification of Directors*

Subject to the Act, every Director is entitled to be indemnified by the Company against any liability incurred by him in connection with any negligence, default, breach of duty or breach of trust in relation to the Company or any associated company (other than any liability to the Company or any associated company or any liability of the kind referred to in section 234(3) of the Act) and any other liability incurred by him in the performance of his duties.

Subject to the Act, the Company may provide a Director with funding to meet his expenditure in defending any criminal or civil proceedings in connection with any alleged negligence, default, breach of duty or breach of trust in relation to the Company or any associated company. The Company may also provide a Director with funding to meet his expenditure in connection with any investigation or action undertaken by a regulatory authority.

The above is a summary only of certain provisions of the Articles. The full provisions of the Articles are available on the Company's website at <https://www.electricguitarplc.com>.

7. **Substantial Shareholders**

- 7.1 Except for the interests of those persons set out in this paragraph and in paragraph 9.1 below, the Directors are not aware of any interests in Ordinary Shares which, at the date of this document and immediately following Admission, would amount to 3% or more of the Company's issued share capital:

Name	Ordinary Shares as at the date of this document	Percentage of Existing Ordinary Shares	Ordinary Shares on Admission	Percentage Of Enlarged Share Capital
John Patrick Regan	4,068,000	22.77%	4,068,000	7.03% ^{*8}
John Hutchinson	2,373,000	13.28%	2,373,000	4.10% [*]
Stephen Kent	2,373,000	13.28%	2,373,000	4.10%
Brian Arthur Basham	2,373,000	13.28%	2,373,000	4.10%
Jason David Batten	2,373,000	13.28%	2,373,000	4.10%
Luke William McKeever	2,373,000	13.28%	2,373,000	4.10%
Axis Capital Markets Ltd	893,150	5.00%	893,150	1.54%
Sanderson Capital Partners	0	0.00%	10,950,000	18.92%

7.2 No major holder of Ordinary Shares, either as listed above, or as set out in paragraph 9 of this *Part VII: Additional Information*, has voting rights different from other holders of Ordinary Shares.

7.3 So far as the Company is aware, there are no arrangements in place the operation of which may at a subsequent date result in a change of control of the Company.

8. The Directors

8.1 The Directors and their respective functions are as follows:

John Christopher Hutchinson (*Non-executive Director and Chairman*)

John Patrick Regan (*Chief Executive Officer*)

Luke William McKeever (*Non-executive Director*)

8.2 The business address of each of the Directors is the Company's registered office.

9. Directors' interests in the Company including terms of appointment

9.1 The interests of the Directors and persons connected with them, within the meaning of sections 252 and 253 CA 2006, in the share capital of the Company, at the date of this

document and immediately following Admission, all of which are beneficial, are:

Name	Ordinary Shares as at the date of this document	Percentage of Existing Ordinary Shares	Ordinary Shares on Admission	Percentage of Enlarged Share Capital
John Christopher Hutchinson	2,373,000	13.28%	2,373,000	4.10%
John Patrick Regan	4,068,000	22.77%	4,068,000	7.03%
Luke William McKeever	2,373,000	13.28%	2,373,000	4.10%

9.2 Except as disclosed in paragraph 9.1, none of the Directors nor any person connected with them, within the meaning of sections 252 and 253 CA 2006, is interested in the share capital of the Company, or in any related financial products referenced to the Ordinary Shares.

9.3 There are no outstanding loans or options granted by the Company to any Director, nor has any guarantee been provided by the Company for their benefit other than the A-Series Warrants described in Paragraph 10.4 below.

9.4 The Company has entered into the following letters of appointment:

- (a) an agreement with John Christopher Hutchinson dated 24 December 2021, conditional upon Admission, pursuant to which Mr Hutchinson was appointed as a non-executive director and chairman of the Company for an annual fee of £12,000, payable monthly in arrears. Following completion by the Company of the first Acquisition, unless he is no longer engaged by the Company or a Group Company and he or the Company or such Group Company has not given or received notice of termination of engagement, Mr Hutchinson will receive a bonus payment (before the deduction of tax or any other applicable sum) which will be an amount equal to £X where:

$$\text{£X} = \text{NM} \times \text{£1,916.67}; \text{ and}$$

NM = the number of whole calendar months which elapse between (i) Admission and (ii) completion of the Acquisition.

Mr Hutchinson will be expected to devote at least three days a month to performing his duties for the Company. The appointment is for an initial term of 3 years and is terminable on 1 month's notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr Hutchinson is unable to perform his duties to the reasonable satisfaction of the Board. The letter of appointment is governed by English law; and

- (b) an agreement with Luke William McKeever dated 24 December 2021, conditional upon Admission, pursuant to which Mr McKeever was appointed as a non-

executive director of the Company for an annual fee of £35,000 payable monthly in arrears. Mr McKeever will be expected to devote at least three days a month to performing his duties for the Company. The appointment is for an initial term of 3 years and is terminable on 1 month's notice on either side. No compensation is payable for loss of office and the appointment may be terminated immediately if, among other things, Mr McKeever is unable to perform his duties to the reasonable satisfaction of the Board. The letter of appointment is governed by English law.

- 9.5 The Company has also entered into a service agreement with John Patrick Regan dated 24 December 2021, conditional upon Admission, pursuant to which Mr Regan was appointed as chief executive officer of the Company. Under the terms of the agreement, Mr Regan is required to work full-time on the Company's matters. Mr Regan will be paid a gross annual salary of £36,000. In addition to his annual salary, Mr Regan is also entitled to a bonus of £50,000 (before the deduction of tax or any other applicable sum) following completion by the Company of the first Acquisition. This bonus will only be payable to Mr Regan if he is still employed by the Company or a Group Company on the date such bonus is due.

The employment of Mr Regan will continue until terminated by either party giving 6 months' written notice to the other. In addition, the Company may terminate the employment of Mr Regan without notice in certain circumstances. The agreement contains confidentiality, non-competition and non-solicitation provisions effective for a period of 6 months following the termination of Mr Regan's employment. The agreement is governed by English law.

- 9.6 The aggregate remuneration paid and benefits in kind granted to the Directors for the period from incorporation to Admission, under the arrangements in force at the date of this document, amount to £0. It is estimated that the aggregate remuneration payable to the Directors from the date of Admission to 31 March 2022 under arrangements that are in force and that will come into effect on Admission will amount to £30,250.
- 9.7 Except as set out above, there are no liquidated damages or other compensation payable by the Company upon early termination of the contracts of the Directors. None of the Directors has any commission or profit-sharing arrangements with the Company.
- 9.8 Except as provided for in paragraph above, the total emoluments of the Directors will not be varied as a result of Admission.
- 9.9 Except as disclosed in this paragraph 9, there are no existing or proposed service contracts between the Company and any of the Directors which are not terminable on less than 12 months' notice, nor have any of their letters of appointment or service contracts been amended in the six months prior to the date of this document.
- 9.10 There are no pension, retirement or similar benefits established by the Company, nor are any such arrangements proposed.
- 9.11 In addition to their directorships of the Company, the Directors are or have been members of the administrative, management or supervisory bodies or partners of the following companies or partnerships (which, unless otherwise stated, are incorporated in the UK) within the five years prior to the publication of this document:

<i>Director/Senior Manager</i>	<i>Current Appointments</i>	<i>Previous Appointments</i>
John Christopher Hutchinson	Pitsec Limited Flodatix Limited Tracesa Technology Limited	SafetoNet Limited Rockfire Resources Plc Guardian Holdings Limited

	BDB Pitmans LLP Totaltec Oilfield Services Limited Corvum Partnership LLP Lake Developments (Chew Magna) Limited	Evendons Close Limited Sentio Costs Limited Adcamp LLP Tracesa Limited
John Patrick Regan	Prospect Technology Ltd Human Technology Ltd Mymyne Ltd Bradshott Ltd	
Luke William McKeever	Attraqt Group Plc Hopdore Ltd	Neighbourly Limited Kintell Limited Metia Group Ltd

9.12 Other than the Directors, there are no other members of the Company's administrative, management or supervisory bodies.

9.13 Other than as disclosed in this paragraph 9, no Director:

- (a) has, within the past five years, had any convictions in relation to fraudulent offences in the five years preceding the date of this document;
- (b) was, within the past five years, associated with any bankruptcy, receivership, administration or liquidation in their capacity as a member of the administrative, management or supervisory bodies of a company or partnership, or as a senior manager; or
- (c) been, within the past five years, subject to any official public criticisms or sanctions by any statutory or regulatory authority (including designated professional bodies) nor has such Director been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any company or partnership.

9.14 The founders of the Company are John Christopher Hutchinson, John Patrick Regan, Brian Arthur Basham, Stephen Kent, Jason David Batten, and Luke William McKeever.

9.15 Brian Basham resigned as a director of the Company on 26 October 2021.

9.16 No Director has been interested in any transaction with the Company which was unusual in its nature or conditions or significant to the business of the Company during the current financial year which remains outstanding or unperformed.

9.17 In the case of those Directors who have roles as directors of companies other than the Company or are otherwise interested in other companies or businesses, although there are no current conflicts of interest, it is possible that the general duties under Chapter 2 of Part 10 CA 2006 and fiduciary duties owed by those Directors to companies or other businesses of which they are directors or otherwise interested in from time to time may give rise to conflicts of interest with the duties owed to the Company. Except as mentioned above and in paragraph 6 of *Part II: Directors and Corporate Governance*, there are no potential conflicts of interest between the duties owed by the Directors to the Company and their private interests or other duties.

- 9.18 Other than the Directors themselves, the Board does not believe that there are any other senior managers who are relevant in establishing that the Company has the appropriate expertise and experience for the management of the Company's business.

10. Material Contracts

The following material contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company in the period since incorporation or are other contracts that contain provisions under which the Company has an obligation or entitlement which is material to the Company as at the date of this document.

10.1 *Placing letters and subscription agreements*

Placing letters or subscription agreements have been entered into between the placing agents or the Company respectively and each subscriber for shares in the Placing and under such agreements, each subscriber agrees to subscribe for Placing Shares at a price of 3 pence per Placing Share. The placing letters and subscription agreements are conditional, amongst other things, on Admission having become effective on or before 8.00 a.m. on 10 January 2022 (or such later date as may be agreed between the Company and the placing agents). The agreements are governed by English law.

10.2 *Axis Capital Broker Agreement*

On 14 April 2021, the Company entered into a broker agreement with Axis Capital Markets Limited (Axis Capital) pursuant to which Axis Capital agreed to act as the Company's broker on an ongoing basis from Admission and as placing agent in connection with the Placing. The Company has provided customary undertakings and indemnities to Axis Capital.

Under the terms of this agreement Axis Capital Limited is entitled to a broking commission of 6 per cent. and a 1 per cent. registration/processing fee of the gross aggregate value of the funds raised from investors introduced by it in the Placing. Axis Capital is also entitled to 578,628 B-Series Warrants as set out in paragraph 10.5 below. Axis Capital may share all or part of its commission and B-Series Warrants with introducers. The agreement is governed by English law.

10.3 *Alexander David Engagement Letter*

On 23 April 2021, the Company signed an engagement letter with Alexander David Securities Limited (Alexander David) pursuant to which Alexander David agreed to provide unregulated corporate services to the Company in connection with the listing on the LSE Standard Segment. The Company has provided customary undertakings and indemnities to Alexander David.

Under the terms of this engagement letter Alexander David is entitled to fees of £45,000 (£20,000 payable upon signing of the engagement letter, £5,000 payable on submission of the Prospectus and another £20,000 payable on Admission). Alexander David is also entitled to 578,628 B-Series Warrants as set out in paragraph 10.5 below. The agreement is governed by English law.

10.4 *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 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 Warrants (the "**Allocated A-Series Warrants**") have been 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
Luke McKeever	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 have 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.

10.5 ***Warrant Instrument for B-Series Warrants granted to Axis Capital and Alexander David***

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. 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.

The Warrant Instrument is governed by English law.

10.6 ***Agreement with Brian Basham and Warwick Management Limited***

On 26 October 2021 the Company entered into an agreement with Brian Basham and Mr Basham’s consulting company Warwick Management Limited (“**WML**”) pursuant to which the Company has agreed to pay to WML, conditional upon completion of an Acquisition (or Acquisitions) which are funded via an issue or issues of Ordinary Shares raising at least £12 million, the sum of £70,000 (plus any applicable VAT) in consideration for certain advice and assistance provided to the Company prior to Admission.

10.7 ***Registrar Agreement***

The Company and the Registrar have entered into an agreement dated 8 June 2021 (Registrar Agreement), pursuant to which the Registrar has agreed to act as registrar to the Company and to provide transfer agency services and certain other administrative services to the Company in relation to its business and affairs with effect from Admission. The Registrar is entitled to receive an annual fee for the provision of its services under the Registrar Agreement. The annual fee will be calculated on the basis of the number of holders of shares in the Company and the number of transfers of such shares.

This agreement is for an initial period of 12 months and thereafter terminable by no less

than 6 months' written notice.

The Registrar Agreement is governed by English law.

10.8 Lock-in agreement

Pursuant to lock-in undertakings dated 24 December 2021, each of the Directors, Alexander David, Axis Capital [and each of the other holders of the Existing Ordinary Shares has agreed with the Company and (save as regards its own lock-in undertaking) Axis Capital not to dispose of any interest they hold in the Existing Ordinary Shares or in any additional shares in the Company acquired by them by reference to such Existing Ordinary Shares, for the period commencing on the date of Admission until the business day after completion of a first Acquisition. Each such party has further undertaken, for an additional period of 12 months following an Acquisition, that they will not dispose of any such interest other than with the prior written consent of both the Company and its broker for the time being and will only make such disposals through the Company's broker in such manner as they may require with a view to maintenance of an orderly market. The undertakings are subject to certain usual and limited exceptions (such as disposals pursuant to a takeover of the Company, a court order or the death of a locked-in party etc.).

11. Working capital

The Company is of the opinion that the working capital available to the Company, taking into account the Net Proceeds, is sufficient for the Company's present requirements, that is, for at least the next 12 months from the date of this document.

12. Litigation

There are no, and have not been, any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened so far as the Company is aware) since the Company's incorporation which may have, or have had in the recent past, significant effects on the financial position or profitability of the Company.

13. Intellectual property

The Company is not dependent on any patents or licences, industrial, commercial or financial contracts, or new manufacturing processes, where such are of fundamental importance to the Company's business or profitability.

14. Premises

The Company does not own any premises or hold any leasehold interests in any properties.

15. Employees

Save for John Regan (currently the Company's only executive director) the Company has not had any employees since incorporation.

16. Related Party Transactions

Except with respect to the appointment letters and service agreement entered into between the Company and each Director, the Company has not been a party to any related party transaction since its incorporation other than disclosed in this *Part VII: Additional Information*.

17. No significant change and narrative statement

Save for the allotment and issue of the Existing Ordinary Shares, the Placing, and the contingent liabilities assumed by the Company to pay various fees and the expenses connected to the Placing and Admission (all of which have caused a significant change in the financial position of the

Company due to the Company not having commenced trading), there has been no significant change in the financial position or performance of the Company since the date of the Company's incorporation.

18. Mandatory bids and compulsory acquisition rules relating to ordinary shares

- 18.1 Other than as provided by the City Code and Chapter 28 CA 2006, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules that apply to the Ordinary Shares.
- 18.2 The City Code is issued and administered by the Takeover Panel.
- 18.3 The City Code applies to the Company and the Shareholders will be entitled to the protection afforded by the City Code.
- 18.4 There have been no public takeover bids for the Company's shares.

Mandatory bid provisions

- 18.5 Under Rule 9 of the City Code, when: (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons in which he is already interested and in which persons acting in concert with him are interested) carry 30% or more of the voting rights of a company subject to the City Code; or (ii) any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30% but not more than 50% of the voting rights of such a company, and such person or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then, except with the consent of the Takeover Panel, that person, and any person acting in concert with him, must make a general offer in cash to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights to acquire the balance of the shares not held by him and his concert party.
- 18.6 Except where the Takeover Panel permits otherwise, an offer under Rule 9 of the City Code must be in cash and at the highest price paid within the 12 months prior to the announcement of the offer for any shares in the company by the person required to make the offer or any person acting in concert with him. Offers for different classes of equity share capital must be comparable; the Takeover Panel should be consulted in advance in such cases.

Squeeze-out

- 18.7 Under CA 2006, if a "takeover offer" (as defined in section 974 CA 2006) is made for the Ordinary Shares and the offeror were to acquire, or unconditionally contract to acquire, not less than 90% in value of the Ordinary Shares to which the offer relates and not less than 90% of the voting rights carried by the Ordinary Shares to which the offer relates, it could, within three months of the last day on which its takeover offer can be accepted, compulsorily acquire the remaining 10%. The offeror would do so by sending a notice to outstanding members telling them that it will compulsorily acquire their Ordinary Shares and then, six weeks later, it would execute a transfer of the outstanding Ordinary Shares in its favour and pay the consideration for the outstanding Ordinary Shares to the Company, which would hold the consideration on trust for outstanding members. The consideration offered to the minority shareholder whose shares are compulsorily acquired must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.

Sell-out

- 18.8 CA 2006 also gives minority members a right to be bought out in certain circumstances by

an offeror who has made a takeover offer. If a takeover offer related to all the Ordinary Shares and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90% in value of the Ordinary Shares and not less than 90% of the voting rights carried by the Ordinary Shares, any holder of Ordinary Shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those Ordinary Shares. The offeror is required to give any member notice of its right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority members to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on members notifying them of their sell-out rights. If a member exercises its rights, the offeror is entitled and bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

19. Trend Information

The Company is a cash shell which has not yet made the Acquisition. As a result, there has been no activity regarding production, sales, inventory and costs and selling prices from which to form a trend.

At the time the Company completes an Acquisition, the Company will be exposed to the trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the prospects of that business, and therefore those of the Company. Until such time as the target of the Acquisition is identified, the Company is not able to identify such factors.

20. General

- 20.1 Anstey Bond was appointed as the auditors to the Company on 17 May 2021. Anstey Bond is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales at the address of 1 Charterhouse Mews, London, EC1M 6BB.
- 20.2 Anstey Bond which has no material interest in the Company, has given and has not withdrawn its written consent to the issue of this document with the inclusion of the references to its name.
- 20.3 The total costs and expenses of or incidental to the Placing and Admission payable by the Company are expected to be approximately £262,050 (including irrecoverable VAT).
- 20.4 The Directors are not aware of any environmental issues which may affect the Company's utilisation of its tangible fixed assets (if any).
- 20.5 The Company's accounting reference date is 31 March.
- 20.6 The financial information relating to the Company contained in this document does not constitute statutory accounts for the purposes of section 434 CA 2006.
- 20.7 Since incorporation, the Company has not made up any financial statements or published any financial information.
- 20.8 The Placing Shares will be issued and allotted under the laws of England and their currency will be pounds sterling.
- 20.9 The Placing Price represents a premium of 500% pence above the nominal value of an Ordinary Share which is £0.005.

21. Documents available for inspection

Copies of the following documents may be viewed on the Company's website at

www.electricguitarplc.com/investors or inspected at the offices of BDB Pitmans LLP, 1 Bartholomew Close, London, EC1A 7BL during normal business hours of any weekday (Saturdays, Sundays and public holidays excepted) from the date of this document until a date one month following Admission:

- 21.1 the Articles;
- 21.2 the consent letter of Anstey Bond;
- 21.3 the consent letter of Alexander David Securities Limited
- 21.4 this document;
- 21.5 the letters of appointment and service agreement of Directors referred to above in paragraphs 9.4 and 9.5 of this *Part VII: Additional Information*; and
- 21.6 the material contracts referred to above in paragraph 10 of this Part VII.

Dated: 24 December 2021

PART VIII

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

A-Series Warrants	the A-Series Warrants granted by the Company to the Directors in respect of 5,786,278 new Ordinary Shares in aggregate, further details of which are set out in paragraph 10.4 of <i>Part VII: Additional Information</i> .
B-Series Warrants	the B-Series Warrants granted by the Company to its placing agent, Axis Capital Markets Limited and to Alexander David in respect of 1,157,256 new Ordinary Shares in aggregate, further details of which are set out in paragraph 10.4 of <i>Part VII: Additional Information</i> .
Acquisition	the acquisition by the Company of a target company or business as part of the Company's overall business objective and strategy, as described in Part I: Information on the Company, Investment Opportunity, and Strategy of this document.
Admission	the effective admission of the Ordinary Shares to listing on the Official List and trading on the London Stock Exchange's Main Market for listed securities.
Articles	the articles of association of the Company.
Board or Directors	the directors of the Company whose names are set out on page 36 of this document.
CA 2006	the Companies Act 2006.
City Code	the City Code on Takeovers and Mergers published by the Takeover Panel.
Company	Electric Guitar PLC, incorporated in England and Wales with registered number 13288812
Corporate Governance Code	the UK Corporate Governance Code, published by the Financial Reporting Council.
CREST	the paperless share settlement system and system for the holding and transfer of shares in uncertified form in respect of which Euroclear UK & Ireland Limited is the Operator (as defined in the CREST Regulations).
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755).

Disclosure Guidance and Transparency Rules or DTR	the disclosure guidance published by the FCA, and the transparency rules made by the FCA under section 73A of FSMA, as amended from time to time.
Enlarged Share Capital	the issued ordinary share capital of the Company on Admission and immediately following completion of the Placing, comprising the Existing Ordinary Shares and the Placing Shares.
European Economic Area or EEA	territories comprising the European Union together with Norway, Iceland and Liechtenstein.
Existing Ordinary Shares	the 17,862,776 Ordinary Shares in issue at the date of this prospectus.
EU Market Abuse Regulation or EU MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing the Directive of the European Parliament and of the Council of 28 January 2003 and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
FCA or Financial Conduct Authority	the Financial Conduct Authority of the United Kingdom Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA in the exercise of its functions in respect of, among other things, the admission to the Official List.
FSMA	the Financial Services and Markets Act 2000.
Group Company	means the Company and its subsidiaries and Group Company means any of them.
HMRC	HM Revenue & Customs.
IFRS	International Financial Reporting Standards, as adopted by the UK.
Listing Rules	the Listing Rules of the FCA.
London Stock Exchange	London Stock Exchange plc.
Net Proceeds	the funds received by the Company under the Placing less any expenses paid or payable in connection with Admission, the Placing and the setup and initial capitalisation of the

	Company.
Official List	the Official List maintained by the FCA.
Ordinary Shares	ordinary shares of £0.005 each in the capital of the Company, including, where the context requires, the Placing Shares.
Overseas Shareholders	holders of Ordinary Shares who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK or persons who are nominees or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the UK which may be affected by the laws or regulatory requirements of the relevant jurisdictions.
Placing	the proposed conditional placing of the Placing Shares by or on behalf of the Company at the Placing Price and on the terms and subject to the conditions set out in this document.
Placing Price	3 pence per Ordinary Share.
Placing Shares	The 40,000,000 new Ordinary Shares which are proposed to be issued pursuant to the Placing.
Premium Listing	a Premium Listing on the Official List under Chapter 6 of the Listing Rules.
Prospectus Regulation Rules	the prospectus regulation rules made by the FCA under section 73(A) of FSMA, as amended from time to time.
Registrar	Share Registrars Limited, incorporated in England and Wales with registered number 4715037.
Regulation S	Regulation S promulgated under the Securities Act.
Regulated Information Service or RIS	one of the regulated information services authorised by the FCA to receive, process and disseminate regulator information in respect of listed companies.
Reverse Takeover	a transaction defined as a reverse takeover in Listing Rule 5.6.4R.
Securities Act	the United States Securities Act of 1933, as amended.
Shareholders	holders of Ordinary Shares.

Standard Listing	a standard listing on the Official List under Chapter 14 of the Listing Rules.
subsidiary	has the meaning given to it by section 1159 CA 2006.
Takeover Panel	the Panel on Takeovers and Mergers.
UK or United Kingdom	the United Kingdom of Great Britain and Northern Ireland.
UK MAR	the UK version of the EU Market Abuse Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by the Market Abuse (Amendment) (EU Exit) Regulations 2019.
UK MiFID Laws	<p>(i) the Financial Services and Markets Act 2000 (Markets in Financial Instruments) Regulations 2017 (SI 2017/701), The Data Reporting Services Regulations 2017 (SI 2017/699) and the Financial Services and Markets Act 2000 (Regulated Activities) (Amendment) Order 2017 (SI 2017/488), and any other implementing measure which operated to transpose Directive 2014/65/EU in to UK law before 31 January 2020 (as amended and supplemented from time to time including by: (1) Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018; (2) The Financial Regulators' Powers (Technical Standards etc.) and Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2019 (SI 2019/576); (3) The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019; and (4) The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019; and</p> <p>(ii) the UK version of Regulation (EU) No 600/2014 of the European Parliament, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time including by: (a) Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2018; (b) The Financial Regulators' Powers (Technical Standards etc.) and Markets in Financial Instruments (Amendment) (EU Exit) Regulations 2019 (SI 2019/576); (c) The Financial Services (Miscellaneous) (Amendment) (EU Exit) Regulations 2019; and (d) The Financial Services (Electronic Money, Payment Services and Miscellaneous Amendments) (EU Exit) Regulations 2019.</p>
UK Prospectus Amendment Regulations	the Prospectus (Amendment etc.) (EU Exit)

2019

Regulations 2019/1234

UK Prospectus Regulation

the UK version of the EU Prospectus Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (as amended and supplemented from time to time (including but not limited to, by the UK Prospectus Amendment Regulations 2019 and The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019))

United States, US or USA

the United States of America, its territories and possessions.

Warrants

The A-Series warrants and B-Series warrants.