

Proposed RTO

7<sup>th</sup> July 2023 08:00

RNS Number :

Electric Guitar PLC

7<sup>th</sup> July 2023

*This announcement contains inside information as stipulated under the UK version of the Market Abuse Regulation No 596/2014 which is part of English Law by virtue of the European (Withdrawal) Act 2018, as amended. On publication of this announcement via a Regulatory Information Service, this information is considered to be in the public domain.*

7<sup>th</sup> July 2023

Electric Guitar PLC ("ELEG")

Heads of Terms signed

Proposed Reverse Takeover and Suspension of Listing

Reverse Takeover

ELEG is pleased to announce that as of 6<sup>th</sup> July 2023 it has entered into a non-binding heads of terms to acquire (through a reverse takeover subject to regulatory and shareholder approval and due diligence) all the outstanding shares in 3radical Limited ("3radical") in an all-share transaction ("Transaction").

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

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

Suspension of Listing

The Transaction, once completed, would constitute a reverse takeover under the Listing Rules. As ELEG is not yet able to provide full disclosure under Listing Rule 5.6.15, it has requested from the Financial Conduct Authority, and been granted, a suspension of listing in its shares with immediate effect pending either the issue of an announcement providing further details on the Transaction, the publication of a prospectus, or an announcement that the Transaction is not proceeding. Any restoration of the listing prior to Admission is subject to the approval of the Financial Conduct Authority. The parties are committed to seeking a successful completion of the Transaction as soon as practicable, but there can be no absolute certainty that the Transaction will take place.

ELEG Chief Executive, John Regan, commented:

"The marketing industry is increasingly driven by shifts in attitudes toward privacy which are driving marketers to focus on first-party data and customer experience – a People First strategy. 3radical's sophisticated and

consented-first-person technology, coupled with its worldwide market presence, made it a perfect choice for Electric Guitar to join forces with."

John Hutchinson, Chairman of ELEG, added:

"We are delighted to have agreed heads of terms with 3radical. We have reviewed numerous projects since Electric Guitar's IPO last year, and believe the combination with 3radical will represent an excellent first step in meeting our stated objective of building a world-class business delivering People First technology and data for marketers to build meaningful consumer connections."

Chairman of 3radical, David Eldridge, said:

"This is an exciting and important step in 3radical's business of delivering the technology services that marketers need to power customer experiences in the post-privacy People First world. Joining with Electric Guitar as a listed business provides 3radical with access to the funding and talent needed to accelerate our growth, and also the opportunity to integrate complimentary technology to enhance our offerings as together we aggressively pursue the significant market opportunity ahead."

Further announcements and updates will be made in due course.

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