

ELECTRIC GUITAR PLC

INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025

ELECTRIC GUITAR PLC

COMPANY INFORMATION

Directors

Richard Horwood
Grahame Cook
Sarfraz Munshi

Secretary

Richard Horwood

Company number

13288812

Registered office

One Bartholomew Close
London
EC1A 7BL

Auditor

Johnsons Chartered Accountants
1-2 Craven Road
London
W5 2UA

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NW1 3AN

ELECTRIC GUITAR PLC

CONTENTS

	Page
SUMMARY	4
CHAIR’S STATEMENT	5
DIRECTORS REPORT.....	7
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME.....	10
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	11
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	12
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS.....	13
NOTES TO THE HALF-YEAR FINANCIAL REPORT.....	14

ELECTRIC GUITAR PLC

SUMMARY

Six months ended 30 September 2025

Highlights

- £1.4m liabilities derecognised following the Company Voluntary Arrangement (**'CVA'**) becoming unconditional
- £0.9m net profit for the period as a result of the derecognition of the CVA liabilities
- Trading in the Company's shares restored on 2 April 2025 following initial £0.3m recapitalisation
- £0.8m further equity placing on 18 June 2025
- Trading in the Company's shares suspended again from 25 June 2025 pending new reverse takeover (**'RTO'**)
- Agreement in principle announced on 18 July 2025 to acquire Dunbar Energy Inc. (**'Dunbar'**)
- £0.5m cash at bank at 30 September 2025 to cover further anticipated RTO costs and overheads

Post balance sheet events

- CVA completed on 8 October 2025, with 'debt for equity' shares issued on 13 October 2025 in exchange for the £1.4m of liabilities and the remaining £45k of convertible loans
- Proposed Dunbar RTO discussions continue with a view to completion in Q1 2026

ELECTRIC GUITAR PLC**CHAIR'S STATEMENT****For the six months ended 30 September 2025**

I present the Company's unaudited interim results for the six months ended 30 September 2025.

Achievements during the six months ended 30 September 2025

Following approval of the Company's CVA at the end of March and the Company's initial recapitalisation and restoration to trading of its shares in April, I'm pleased to report a much more stable and positive picture compared to the prior half year.

Led during the period by Richard Horwood, who had already capably steered the Company through approval of its CVA and the initial £0.3m recapitalisation process, and with the Board strengthened at the start of April by the appointment of experienced investment manager, Sarfraz Munshi, we have been able to embark confidently on the next stage of the Company's journey.

In June we raised a further £0.8m in equity to cover the anticipated costs of our next proposed acquisition as well as our regular working capital needs, before trading in our shares was automatically again suspended under AIM rules for having spent 6 months as a cash shell.

This additional investment led in July to our being able to announce an agreement in principle to acquire US energy and digital infrastructure company, Dunbar, in an all-share transaction. Dunbar's business is focused on the provision of so-called 'behind the meter' on-site electricity generation, and the deployment of modular compute facilities, to provide a diverse range of energy and infrastructure solutions for the high-performance computing industry. Modular compute facilities are data centres built from pre-engineered, factory-made components that can be quickly deployed, scaled and relocated, offering greater agility, cost-efficiency and adaptability for modern IT needs like AI.

Although demand for datacentres and compute sites continues to grow rapidly, not least due to the rapid development of AI, it is hampered by the greatly increased demand for the large amounts of electricity they consume. Dunbar addresses this by establishing its sites close to gas wells it will control that are able to produce gas that is typically too remote from the main gas pipeline networks to be cost-effectively monetised.

Such gas can be efficiently converted into electricity on-site, reducing the need for the compute facilities to have to draw power from an increasingly overstretched electricity supply grid – hence the expression 'behind-the-meter'.

Post balance sheet events


After our CVA Supervisor settled claims from preferential creditors such as HMRC, the CVA was finally completed on 8 October 2025, with 'debt for equity' shares issued in exchange for the £1.4m liabilities and the remaining £45k of convertible loans, leaving the Company debt free.

Detailed discussions have continued since reaching the agreement in principle to acquire Dunbar, reflecting on-going developments in Dunbar's business opportunities and asset acquisitions.

ELECTRIC GUITAR PLC

Finalising these discussions has delayed the due diligence process and therefore the signing of definitive legal agreements. However, we expect the proposed RTO to be put to shareholders for approval in the first quarter of 2026.

We look forward to updating shareholders in due course.

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Grahame Cook

Chair

31 December 2025

ELECTRIC GUITAR PLC

DIRECTORS REPORT

For the six months ended 30 September 2025

The directors present their report for the six months ended 30 September 2025.

Principal activities

Following approval of the Company's CVA on 27 March 2025 and the Company's main subsidiary, 3radical Limited ('3radical'), being put into liquidation, the principal activity of the Company during the period to 30 September 2025 was that of identifying potential companies, businesses, or assets for acquisition. 3radical's liquidation is currently in progress with the value of asset realisations to be confirmed on completion, which the directors are advised is expected in the first half of 2026.

Principal risks and uncertainties

The principal risks currently faced by the Company relate to:

Failure to complete an acquisition or fund a target's operations

There is the risk of acquisitions not ultimately being completed because due diligence enquiries reveal them to be inappropriate transactions not in the interests of shareholders.

Insufficient capital

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

Reliance on income from the acquired activities

Following an acquisition, the Company will be dependent on the income generated by the acquired business or from the subsequent divestment of the acquired business to meet the Company's expenses.

Restrictions in offering Ordinary Shares as consideration for an acquisition or requirements to provide alternative consideration

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

ELECTRIC GUITAR PLC

DIRECTORS REPORT

For the six months ended 30 September 2025 (continued)

Reliance on external advisors

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

Financial review

The results for the period are set out on page 10. For the six months ended 30 September 2025, the Company reports a net profit of £900k (2024: net loss of £4,268k) for the Company and its subsidiaries ('Group').

During the six months ended 30 September 2025, the Company incurred one-off expenses in respect of the proposal to acquire US energy company Dunbar Energy Inc. in an all-share RTO, subject (inter alia) to due diligence and approval by the Company's shareholders.

Current liabilities of £1.4m included in the Company's and Consolidated Statement of Financial Position at 31 March 2025 were derecognised in April 2025 following proposals for the Company's CVA becoming unconditional. These liabilities therefore no longer existed after April 2025 and the derecognition of these has been credited to the Income Statement.

During the period, the Group incurred a net cash inflow of £297k (2024: outflow of £30k). At 30 September 2025, the Company held cash at bank of £537k.

No dividends were paid. The directors do not recommend payment of an interim dividend.

Basis of preparation

The financial statements have been prepared on a going concern basis. See note 2.3 for key matters assessed by the Directors in determining that the half-year financial statements should be prepared on a going concern basis.

Events subsequent to the reporting date

After the Company's CVA Supervisor had settled the claims from preferential creditors, the CVA was finally completed on 8 October 2025, with a total of 543,447,992 'debt for equity' 0.01p Ordinary shares issued in exchange for the £1.4m liabilities (that had already been derecognised in April) and the remaining £45k of convertible loans, leaving the Company debt free.

Detailed discussions have continued since reaching the agreement in principle to acquire Dunbar, reflecting on-going developments in Dunbar's business opportunities and asset acquisitions. While finalising these discussions has delayed the due diligence process and therefore the signing of definitive legal agreements, we currently expect the proposed RTO to be put to shareholders for approval in the first quarter of 2026.

ELECTRIC GUITAR PLC

DIRECTORS REPORT

For the six months ended 30 September 2025 (continued)

Directors

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

Sarfraz Munshi	(Non-Executive)
Richard Horwood	(Non-Executive)
Grahame Cook	(Non-Executive)

On behalf of the board

DocuSigned by:
Richard Horwood
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Richard Horwood
Director
31 December 2025

ELECTRIC GUITAR PLC**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

for the six months ended 30 September 2025

	Note	Six months ended 30/9/25 £'000	Six months ended 30/9/24 £'000
<i>Continuing operations</i>			
Other income:			
- Derecognition of liabilities	4	1,351	-
Administration expenses:			
- Acquisition costs	6	(259)	(585)
- Other costs		(193)	-
Operating profit / (loss)		899	(585)
Finance costs		(1)	(5)
Finance income- interest received		2	3
Profit / (loss) before income tax		900	(587)
Income tax		-	-
Profit / (loss) for the period from continuing operations		900	(587)
Loss from discontinued operations	7	-	(3,681)
Profit / (loss) for the period		900	(4,268)
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Gains on translation of foreign operations		-	28
Profit / (loss) and other comprehensive income for the period		900	(4,240)
<i>Earnings (loss) per share:</i>			
Basic (pence) – continuing operations	8	0.05	-
Basic (pence) – discontinued operations		-	(2.13)
Diluted (pence)		0.04	(2.13)

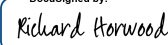
The notes on pages 14 to 27 form part of these financial statements.

ELECTRIC GUITAR PLC**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

As at 30 September 2025

		At 30 Sept 2025 £'000 (unaudited)	At 31 March 2025 £'000 (audited)
	Note		
NON-CURRENT ASSETS			
Property, plant and equipment		<u>2</u>	<u>3</u>
CURRENT ASSETS			
Receivables and prepayments		130	9
Assets classified as held for sale	12	32	32
Cash and cash equivalents		<u>537</u>	<u>240</u>
		<u>699</u>	<u>281</u>
TOTAL ASSETS		<u><u>701</u></u>	<u><u>284</u></u>
SHAREHOLDERS' EQUITY			
Share capital	9	1,481	1,286
Share premium	9	4,585	3,704
Foreign currency translation reserve		(56)	(56)
Share-based payment reserve	9	84	64
Accumulated losses		<u>(6,128)</u>	<u>(7,028)</u>
TOTAL EQUITY- (deficiency)		<u><u>(34)</u></u>	<u><u>(2,030)</u></u>
CURRENT LIABILITIES			
Borrowings	10	45	55
Trade and other payables	11	85	1,404
Liabilities classified as held for sale	12	570	570
Shares to be issued		<u>35</u>	<u>285</u>
TOTAL LIABILITIES		<u><u>735</u></u>	<u><u>2,314</u></u>
TOTAL EQUITY AND LIABILITIES		<u><u>701</u></u>	<u><u>284</u></u>

These financial statements were approved by the Board of Directors and authorised for issue on 31 December 2025 and were signed on its behalf by:

DocuSigned by:

 Richard Horwood, Director
 Company number 13288812

The notes on pages 14 to 27 form part of these financial statements.

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

for the six months ended 30 September 2025

	Share capital	Share premium	Retained losses	Share- based payment reserve	Foreign currency trans- lation reserve	Totals
	£'000	£'000	£'000	£'000	£'000	£'000
At 1 April 2025	1,286	3,704	(7,028)	64	(56)	(2,030)
<i>Changes in equity</i>						
New shares issued during the period	195	920	-	-	-	1,115
Costs of share issues	-	(39)	-	-	-	(39)
Share based payments	-	-	-	20	-	20
Profit for the period	-	-	900	-	-	900
At 30 September 2025 (unaudited)	1,481	4,585	(6,128)	84	(56)	(34)
At 1 April 2024 (audited)	289	949	(2,146)	-	-	(908)
<i>Change in equity</i>						
New shares issued during the period	927	2,700	-	-	-	3,627
Share based payments	-	-	-	49	-	49
Foreign exchange translation gains	-	-	-	-	28	28
Loss for the period	-	-	(4,268)	-	-	(4,268)
At 30 September 2024 (unaudited)	1,216	3,649	(6,414)	49	28	(1,472)

The notes on pages 14 to 27 form part of these financial statements.

ELECTRIC GUITAR PLC**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**

for the six months ended 30 September 2025

	6 months ended 30 Sept 2025 £'000 (unaudited)	6 months ended 30 Sept 2024 £'000 (unaudited)
Cash flow from operating activities		
Profit / (loss) for the period	900	(4,268)
Adjustments for:		
Derecognition of CVA liabilities	(1,351)	-
Finance costs	-	5
Finance income	(2)	(3)
Share-based payment charges	20	49
Depreciation charges	-	1
Impairment of goodwill	-	2,269
Foreign currency differences	-	(28)
(Increase) / decrease in other receivables	(117)	74
Increase in trade and other payables	94	535
Net cash used in operating activities	(456)	(1,366)
Cash flow from investing activities		
Finance income	2	3
Net cash from investing activities	2	3
Cash flow from financing activities		
Proceeds from issue of shares	751	1,323
Net proceeds from borrowings	-	10
Net cash from financing activities	751	1,333
Net increase / (decrease) in cash and cash equivalents	297	(30)
Cash and cash equivalents at the beginning of the period	240	-
Cash acquired on acquisition of subsidiaries	-	53
Cash and cash equivalents at the end of the period	537	23

The notes on pages 14 to 27 form part of these financial statements.

ELECTRIC GUITAR PLC

NOTES TO THE INTERIM FINANCIAL STATEMENTS

for the six months ended 30 September 2025

1. General information

Electric Guitar Plc is a public limited company, registered in England and Wales. The Company's registered office is One Bartholomew Close, London, EC1A 7BL.

In May 2024, the Company cancelled the listing of its Ordinary shares on the Standard Segment of the Official List and its Ordinary shares were admitted to trading on AIM, a market operated by the London Stock Exchange. Further to the Company's announcement of 24 December 2024 regarding the liquidation of 3radical, the Company's operating subsidiary, the Company was reclassified as a cash shell pursuant to Rule 15 of the AIM Rules. Restoration of trading in its Ordinary shares on AIM took place on 2 April 2025, and was suspended again on 25 June 2025 as it had not acquired a new trading company within 6 months of its becoming a cash shell.

Following approval of the Company's CVA on 27 March 2025 and the Company's main subsidiary 3radical being put into liquidation, the principal activity of the Company during the period to 30 September 2025 was that of identifying potential companies, businesses, or assets for acquisition. The 3radical liquidation is currently in progress with the value of asset realisations to be confirmed on completion, which the directors are advised is expected in the first half of 2026.

The functional and presentational currency is Great British Pounds Sterling ('£') and the financial statements have been rounded to nearest thousands of pounds (£'000).

2. Significant accounting policies

The following significant accounting policies have been applied:

2.1 Basis of preparation

These half-year financial statements for the Company and its subsidiaries ('the **Group**') have been prepared under the historical cost convention and in accordance with the recognition and measurement requirements of UK adopted International Financial Reporting Standards (UK adopted IFRS).

In December 2024, 3radical, the Company's main subsidiary was put into liquidation. The directors also restructured the operations and debt of the Company through a CVA in March 2025 which was formally completed in October 2025. Assets are held at their net realisable value. Liabilities are stated at their expected settlement amount.

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

for the six months ended 30 September 2025 (continued)

2. Accounting policies (continued)**2.2 3 radical Limited – liquidation basis of accounting**

As 3radical has been placed into administration and a creditors' voluntary liquidation ('CVL'), the financial position and results relating to this company and its subsidiary entities at 30 September 2025 have been accounted for on a basis other than going concern in the condensed consolidated financial statements for the period ended 30 September 2025. Accordingly, all assets and liabilities relating to these companies have been classified as current, and assets have been written down to their estimated realisable value at 30 September 2025.

2.3 Going Concern

The financial statements have been prepared on a going concern basis. The Board has assessed the Company's financial position as at 30 September 2025 and the factors which may impact the Company's ability to continue as a going concern for a period of at least 12 months from the date of approval of these financial statements.

As at 30 September 2025, the Group had a deficiency in total equity of £34,000. Excluding other income from the derecognition of liabilities arising from the CVA, the Group generated a loss for the period ended 30 September 2025 of £451,000 and a net cash outflow from operating activities of £456,000. The deficiency in equity of £34,000 at 30 September 2025 was after current liabilities of £1.4 million were derecognised in April 2025 following proposals for the Company's CVA becoming unconditional. These liabilities therefore no longer existed after April 2025.

As at 30 September 2025, liabilities include approximately £533k classified as held for sale for the 3radical Group. These entities are in liquidation and the Company has no obligation to settle these amounts.

In assessing the ability of the Company to continue as a going concern and pay its debts as and when they fall due, the directors have taken into consideration the following matters:

On 13 October 2025, the CVA was completed with 236,782,175 new Ordinary shares issued in satisfaction of all the CVA debts, and the outstanding £45,000 of CLNs were converted into 306,665,817 new Ordinary shares, leaving the Company completely free of all its pre-CVA debts.

Management and the directors have considered each of these matters and what the enlarged Group (Electric Guitar PLC as potentially enlarged by the RTO of Dunbar) is expected to look like following the completion of the anticipated RTO, which will only be completed on the basis that the transaction includes sufficient working capital for the enlarged Group's requirements for at least 12 months after completion of the RTO.

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

for the six months ended 30 September 2025 (continued)

2. Accounting policies (continued)

The directors have also assessed the Company's ability to continue as a standalone entity in the event no acquisition is pursued and completed in the period to December 2026.

Cashflow projections have also been prepared on this basis which support the directors' view that the Company has sufficient facilities to meet its obligations for the period to 31 December 2026 and pay its debts as they fall due. There is, however, no guarantee the directors would be successful in raising additional financing for its future growth and working capital should this be required. This matter indicates that a material uncertainty exists that may cast significant doubt on the ability of the Company to continue as a going concern at the time of approval of the condensed financial statements.

The key matters assessed by the directors in considering the ability of the Company to continue as a going concern for the period to 31 December 2026 are summarised below.

- The directors have assessed the ability of the Company to continue as a going concern both as a standalone entity (should the anticipated RTO not complete) and in the anticipated scenario where the RTO of Dunbar concludes. The proposed terms of the Dunbar acquisition include a condition requiring Dunbar to have raised sufficient working capital for the enlarged Group for 18 months. There is however no guarantee that the proposed transaction will be completed in accordance with the proposed terms or that the Group, as enlarged by the RTO of Dunbar, will perform in accordance with any projections prepared for the period following completion.
- Management has prepared detailed cashflow forecasts for the Company on a standalone basis (should the anticipated RTO not proceed to completion) and the management of Dunbar is preparing similar forecasts for the enlarged Group for the 18-month period following completion of the proposed RTO of Dunbar. Before entering into binding contracts to acquire Dunbar, the directors will review and approve Dunbar's forecasts, following thorough testing of them by the Company's RTO reporting accountants.
- As part of its assessment of the forecasts, certain sensitivity analyses will be run on the forecast model for the enlarged Group. In the event the enlarged Group's actual sales for the period ending 12 months after completion of the proposed RTO would be lower than forecast and certain controllable costs were to be deferred, the tests will be required to show that the Group should still have the ability to operate and pay its debts as and when they fall due for the same period as above, but this cannot be guaranteed.
- In the event that the proposed RTO does not proceed, and no other acquisitions are pursued in the year to 31 December 2026, the Company would continue to be a cash shell. As noted above, the standalone forecasts prepared by the Company show that the Company has sufficient facilities to meet its obligations for the period to 31 December 2026 and pay its debts as they fall due.

ELECTRIC GUITAR PLC**NOTES TO THE INTERIM FINANCIAL STATEMENTS****for the six months ended 30 September 2025 (continued)****2. Accounting policies (continued)**

- There is, however, no guarantee the directors would be successful in raising additional financing for its future growth and working capital should this be required.

The financial statements do not include adjustments should the going concern basis be inappropriate. Nonetheless, in view of the successful track record of raising financing in the last year from both equity and debt sources and other available funding options, the directors are confident they would be successful in raising any necessary financing within the next 12 months from the date of approval of the financial statements.

For these reasons, the directors continue to adopt the going concern basis in preparing the financial statements.

2.4 Basis of consolidation

The financial statements of the Group consolidate the results of the Company and its subsidiary entities. A subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its influence over the entity.

The financial statements of subsidiaries are included in the condensed consolidated financial statements from the date on which control commences until the date on which control ceases.

The consolidated financial statements present the results of the Company and its subsidiaries (the Group) as if they formed a single entity. Intercompany transactions and balances, including unrealised gains/losses between group companies are therefore eliminated in full.

Where the Group ceases to control a subsidiary, the subsidiary is deconsolidated from the date which control ceases. The net assets of the subsidiary are included in a disposal calculation along with any consideration received from the disposal, with any gain or loss recognised in the Statement of Profit and Loss.

2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank.

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

for the six months ended 30 September 2025 (continued)

2. Accounting policies (continued)**2.6 Share capital and share premium**

Share capital represents the nominal value of shares that have been issued. Share premium includes any premiums received on issue of share capital. Any transactions costs associated with the issuing of shares are deducted from share premium.

2.7 Provisions for liabilities

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

Provisions are charged as an expense to the income statement in the period that the group becomes aware of the obligation and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, after taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the balance sheet.

2.8 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accruals and accounts payable are classified as current liabilities if payment is due within one year or less. Trade payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

2.9 Financial liabilities

All financial liabilities are recognised in the condensed consolidated statement of financial position when the Company or its subsidiaries becomes party to the contractual provision of a financial instrument.

Financial liabilities measured at amortised cost

Financial liabilities held at amortised cost comprise trade payables and other payables and borrowings.

These financial liabilities are initially measured at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a market rate on the balance of the liability carried in the condensed consolidated statement of financial position.

ELECTRIC GUITAR PLC

NOTES TO THE INTERIM FINANCIAL STATEMENTS for the six months ended 30 September 2025 (continued)

2. Accounting policies (continued)

2.9 Financial liabilities (continued)

Subsequent measurement

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

2.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

2.11 Business combinations

The condensed consolidated half-year financial statements incorporate the results of Electric Guitar plc and its subsidiaries as at 30 September 2025 and for the six months period then ended using the acquisition method of accounting.

Business combinations falling within the scope of IFRS 3 Business Combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the group.

The Group measures goodwill at the acquisition date as the fair value of the consideration transferred less the fair value of identifiable assets acquired and liabilities assumed.

Costs relating to the acquisition, other than those associated with the issue of equity instruments, are expensed as incurred.

3. Critical accounting judgements and estimates

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

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

ELECTRIC GUITAR PLC**NOTES TO THE INTERIM FINANCIAL STATEMENTS****for the six months ended 30 September 2025 (continued)****3. Critical accounting judgements and estimates (continued)**

Critical accounting judgements applied by the directors in preparing these half-year financial statements are disclosed in the basis of preparation (Note 2.1), basis other than going concern (Note 2.3) accounting policies and the derecognition of liabilities described in Note 4 .

4. Other income

	6 months ended 30 Sept 2025 £'000	6 months ended 30 Sept 2024 £'000
Derecognition of liabilities	1,351	-
	1,351	-

Current liabilities of £1.4m included in the Company's and Consolidated Statement of Financial Position at 31 March 2025 have been derecognised in April 2025 following proposals for the Company's CVA becoming unconditional. These liabilities therefore no longer existed after April 2025.

The CVA Supervisor completed the administration of the CVA, and the Company issued the fixed pool of 236,782,175 new Ordinary shares to its former creditors, representing 8.6 per cent. of the enlarged equity, as approved by its creditors and members in full satisfaction of its pre-CVA liabilities. The outstanding balance of the emergency convertible loans was at the same time automatically converted into 306,665,817 new Ordinary shares, fully eliminating the rest of the Company's pre-CVA debts.

5. Employees and directors' remuneration

	6 months ended 30 Sept 2025 £'000	6 months ended 30 Sept 2024 £'000
Wages and salaries	48	587
Social security costs	-	64
Other pension costs	-	6
	48	657

6. Acquisition costs

During the six months ended 30 September 2025, the Company incurred one-off expenses in respect of the proposal to acquire U.S. energy company Dunbar Energy Inc. in an all-share RTO, subject (inter alia) to due diligence and approval by the Company's shareholders.

ELECTRIC GUITAR PLC**NOTES TO THE INTERIM FINANCIAL STATEMENTS****for the six months ended 30 September 2025 (continued)**

In the comparative six month period to 30 September 2024, the Company incurred costs in connection with the acquisition of subsidiaries and admission to AIM.

	6 months ended 30 Sept 2025 £'000	6 months ended 30 Sept 2024 £'000
Professional fees - purchase of subsidiaries	-	520
Listing fees	-	15
Other professional fees	259	50
	259	585

7. Discontinued operations

	6 months ended 30 Sept 2025 £'000	6 months ended 30 Sept 2024 £'000
Results of discontinued activities		
Revenue	-	57
Cost of sales	-	(34)
Gross profit	-	23
Impairment of goodwill	-	(2,269)
Administrative expenses	-	(1,433)
Operating loss	-	(3,679)
Finance costs	-	(2)
Loss before income tax	-	-
Income tax	-	-
Net loss for the year from discontinued operations	-	(3,681)
Cash flows used in discontinued operations		
Net cash used in operating activities	-	(772)
Net cash used in investing activities	-	-
Net cash from financing activities	-	738
Net cash used in discontinued operations		(34)

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

for the six months ended 30 September 2025 (continued)

8. Earnings / (loss) per share

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

	6 months ended 30 Sept 2025	6 months ended 30 Sept 2024
Profit / (loss) for the period attributable to equity holders of the Company (£'000):		
- Continuing activities	900	-
- Discontinued activities	-	(4,268)
Weighted average number of Ordinary shares (basic)	1,771,471,843	200,322,398
Weighted average number of Ordinary shares (diluted)	2,110,196,168	200,322,398
Basic earnings / (loss) per share (pence):		
- Continuing activities	0.05	-
- Discontinued activities	-	(2.13)
	0.05	(2.13)
Diluted earnings / (loss) per share (pence):		
- Continuing activities	0.04	-
- Discontinued activities	-	(2.13)
	0.04	(2.13)

For the comparative period, share warrants issued by the Company have an anti-dilutive effect on loss per share. Hence, under IFRS diluted loss per share is shown as being the same as basic loss per share.

ELECTRIC GUITAR PLC

NOTES TO THE INTERIM FINANCIAL STATEMENTS
for the six months ended 30 September 2025 (continued)

9. Share Capital

	30 Sept 2025 £'000	31 March 2025 £'000
Issued and fully paid		
2.21m Ordinary shares of 0.01p each and 257.1m Deferred shares of 0.49p each	1,481	1,286
(31/3/25 – 257.1m Ordinary shares of 0.01p each and 257.1m Deferred shares of 0.49p each)		

Movements in issued share capital during the six months ended 30 September 2025 were as follows:

	No. of Ordinary shares of 0.01p each	Nominal Value £'000	Share premium £'000
At beginning of period	257,145,740	1,286	3,704
<i>Shares issued</i>			
- Subscription shares	875,000,000	87	213
- CLN shares	68,147,959	7	3
- Placing of shares	968,750,000	97	678
- Shares issued in settlement of fees	37,500,000	4	26
- Costs of share issues	-	-	(39)
At end of period	2,206,543,699	1,481	4,585

On 2 April 2025, the Company issued Ordinary shares pursuant to the CVA Proposals having been approved:

- Completion of a fundraise by way of Subscription for 875,000,000 new Ordinary shares in the Company at 0.034p per Ordinary share for a total of £300,000;
- a total of 68,147,959 new Ordinary shares were issued pursuant to the automatic conversion of £10,000 of CLNs in accordance with, inter alia, completion of the Subscription;

On 18 June 2025, the Company raised £775,000 (before expenses) by way of a placing ('the **Placing**') of a total of 968,750,000 new Ordinary shares of 0.01 pence each in the Company at a price of 0.08 pence per new Ordinary share.

The net proceeds of the Placing are being used to fund the Company's anticipated costs of an acquisition and for general working capital.

ELECTRIC GUITAR PLC**NOTES TO THE INTERIM FINANCIAL STATEMENTS**
for the six months ended 30 September 2025 (continued)

On the same date, the Company announced that Novum Securities Limited (now AlbR Capital Limited) had been appointed as a Joint Broker to the Company with immediate effect. To keep the Company's running costs low, it issued 37,500,000 new Ordinary shares to Novum at the issue price of 0.08 pence per share in full satisfaction of its £30,000 annual broking retainer fee.

Issue of warrants

On 6 May 2025, the Company agreed to issue, in aggregate, 100,000,000 warrants to subscribe for new Ordinary shares to Richard Horwood and Sarfraz Munshi on the following terms, to align their interests with those of all the shareholders, and to compensate them for their unremunerated work:

	Richard Horwood	Sarfraz Munshi	
Warrant Terms	Number	Number	Total
Exercise price £0.001 for a term of 12 months from 13 October 2025, the date of admission of the CVA Creditor Shares	25,000,000	25,000,000	50,000,000
Exercise price £0.0015 for a term of 18 months from 13 October 2025, the date of admission of the CVA Creditor Shares	25,000,000	25,000,000	50,000,000

The warrants cannot be exercised if it would cause either of the directors (and those deemed to be acting in concert with him) to be interested in more than 29.99% of the issued share capital and total voting rights of the Company at any time. The issue of the warrants to Mr Horwood and Mr Munshi are deemed related party transactions pursuant to Rule 13 of the AIM Rules for Companies.

A summary of the warrants and options granted in the period ended 30 September 2025 is as follows:

	2024 Warrants	CLN Warrants	2025 Warrants	Employee Plan Options	Consultant Plan Options
Outstanding at 31 March 2025	6,920,990	187,406,889	-	24,442,015	9,628,268
Issued in the period	-	-	100,000,000	-	-
Outstanding at 30 September 2025	6,920,990	187,406,889	100,000,000	24,442,015	9,628,268

The total expense recognised in the Statement of Comprehensive Income during the period ended 30 September 2025 in respect of the awards over Ordinary shares was £20,000 (2024: £49,000).

ELECTRIC GUITAR PLC

NOTES TO THE INTERIM FINANCIAL STATEMENTS
for the six months ended 30 September 2025 (continued)

10. Reserves

Share premium account

The share premium account includes any premiums received on issue of share capital.

Any transaction costs associated with the issuing of shares are deducted from share premium.

Share-based payment reserve

The share based payment reserve represents the cumulative fair value of the charge/(credit) in respect of share warrants granted and recognised as an expense in the Income Statement.

Foreign currency translation reserve

The translation reserve comprises translation differences arising from the translation of financial statements of the Group’s foreign entities into Sterling (£).

Accumulated losses

This reserve records accumulated losses brought forward and carried forward.

10. Financial Liabilities – Borrowings - due less than one year

	30 Sept 2025 £’000	31 March 2025 £’000
<i>Current liability:</i>		
Convertible loan notes	<u>45</u>	<u>55</u>

Convertible loan notes

In order to provide the necessary cashflow to facilitate preparation for a CVA proposal to be put to creditors, Sanderson Capital Partners Limited and Grahame Cook (a director), being connected creditors, advanced to the Company £45,000 and £10,000 respectively as Convertible Unsecured Loans, which, conditional upon approval by creditors and shareholders of the proposal, were to be converted to 374,813,777 new Ordinary shares.

Grahame Cook’s £10,000 loan was converted on 2 April 2025, as described above, and Sanderson’s £45,000 convertible loan converted upon the issue of the new Ordinary shares in the Company being issued under the CVA in October 2025.

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

for the six months ended 30 September 2025 (continued)

11. Trade and other payables

	30 Sept 2025	31 March 2025
Trade creditors	62	616
Social security and other taxes	-	97
Pension payable to directors' personal SPPs	-	57
Accrued expenses and deferred income	23	572
Other creditors	-	62
	85	1,404

Trade payables and accruals primarily comprise amounts payable for services received from third parties. The Group has financial risk management policies in place to monitor that all payables are paid within the pre-agreed credit terms. The directors consider that the fair value approximates the carrying value.

12. Current assets and liabilities held for sale

3radical Limited and its subsidiaries and Mymyne Limited are presented as a disposal group held for sale following the appointment of the liquidators for 3radical and the striking off notice for Mymyne.

The expected settlement of the disposal group is not known at the date of this report.

	30 Sept 2025	31 March 2025
Assets classified as held for sale:		
Plant and equipment	1	1
Cash at bank	18	18
Trade and other receivables	13	13
Total	32	32
	30 Sept 2025	31 March 2025
Liabilities classified as held for sale:		
Trade and other payables	543	543
Borrowings	27	27
Total	570	570

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

for the six months ended 30 September 2025 (continued)

13. Related party transactions

During the period, the Company entered into the following transactions with related parties, all of which were conducted on an arm's length basis:

- See note 10 for details of transactions entered into with Sanderson Capital and Grahame Cook with regard to the issue of convertible loan notes during the reporting period.
- In May 2025, the Company agreed to issue, in aggregate, 100,000,000 warrants to subscribe for new Ordinary shares as disclosed in Note 9 above.
- In June 2025, as part of a placing to raise £775k, Sanderson Capital and Mayford 1TN Limited each subscribed for 187,500,000 new Ordinary shares. As substantial shareholders with 13.88 per cent. and 29.16 per cent. respectively of the Company's issued share capital, their participation in the placing was a related party transaction pursuant to Rule 13 of the AIM Rules for Companies.
- In August and October 2025, the Company paid John Regan, a former director who stepped down on 1 April 2025 and was therefore still a related party under AIM Rules for Companies, a total fee of £10,000 to assist the Company in administering the processes leading up to the proposed RTO and other matters. An additional fee of £2,000 that would be self-financing and payable only if and when received by the Company, has not yet been paid.

14. Post balance sheet events**Completion of CVA**

On 13 October 2025, the CVA Supervisor completed the administration of the CVA, and the Company issued the fixed pool of 236,782,175 new Ordinary shares to its former creditors at 0.014674 per share, amounting to £34,745 and representing 8.6 per cent. of the enlarged equity, as approved by its creditors and members in full satisfaction of its pre-CVA liabilities.

The outstanding balance of the emergency convertible loans of £45,000 was at the same time automatically converted into 306,665,817 new Ordinary shares (at 0.014674 per share), fully eliminating the rest of the Company's pre-CVA debts.

15. Controlling party

The Company considers that there is no ultimate controlling party.