This announcement contains information which, prior to its disclosure, was inside information as stipulated under Regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310 (as amended). Upon the publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.

2 June 2025

Cykel AI PLC

("Cykel AI" or the "Company")

Annual Report and Financial Statements

Cykel AI PLC (LSE: CYK) announces that it has today published its Annual Report and Financial Statements for the period 1 January 2024 to 31 January 2025. The full audited financial statements will be uploaded to the Company website: https://www.cykel.ai/investors.

About Cykel AI
Cykel AI creates autonomous digital workers that perform complex business tasks without human supervision. The Company's expanding portfolio includes Lucy (recruitment), Samson (research analysis), and Eve (sales), all built on TaskOS - Cykel's proprietary AI agent infrastructure. Cykel's digital workers operate alongside human teams, enabling businesses of all sizes to transform their operations at scale while delivering measurable ROI. (www.cykel.ai)

Cykel AI plc	
Ewan Collinge	Via First Sentinel
First Sentinel (Corporate Adviser)	
Brian Stockbridge	brian@first-sentinel.com +44 (0) 7858 888 007

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE 13-MONTH PERIOD ENDED 31 JANUARY 2025

	Note	Jan 2024 to Jan 2025 £	Jan to Dec 2023 £
Revenue		817	-
Gross Profit		**817**	**-**
Administrative expenses	**5**	(1,607,634)	(1,567,265)
Operating loss		**(1,606,817)**	**(1,567,265)**
Reverse acquisition expenses	**8**	(1,014,405)	-
Finance income / (expenses)	**9**	2,748	-
Profit/(loss) before taxation		**(2,618,475)**	**(1,567,265)**
Income tax expense	**12**	-	-
Profit/(loss) after taxation		**(2,618,475)**	**(1,567,265)**
Other comprehensive income		-	-
Profit/(loss) and total comprehensive loss for the period		**(2,618,475)**	**(1,567,265)**
Profit/(Loss) per share from continuing operations attributable to the equity owners			
Basic profit/(loss) per share (pence per share)	**13**	**(0.02)**	**(0.97)**

The income statement has been prepared on the basis that all operations are continuing operations.

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME FOR THE 13-MONTH PERIOD ENDED 31 JANUARY 2025

	Note	Jan 2024 to Jan 2025 £	Jan to Dec 2023 £
Other operating income		3,000	78,620
Administrative expenses	**5**	(6,552,709)	(470,378)
Impairment of investment in subsidiary		(18,996,724)	-
Operating loss		**(25,546,433)**	**(391,758)**
Finance costs	**9**	(821)	(449,863)
Other gains/(losses)	**10**	-	1,011,155
Profit/(loss) before taxation		**(25,547,254)**	**169,534**
Income tax expense	**12**	-	-
Profit/(loss) after taxation		**(25,547,254)**	**169,534**
Other comprehensive income		-	-
Profit/(loss) and total comprehensive loss for the period		**(25,547,254)**	**169,534**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 31 JANUARY 2025

	Note	As at Jan 2025	As at Dec 2023
ASSETS		**£**	**£**
Non-current assets			
Property, plant and equipment	**14**	720	-
Intangible assets	**15**	252,093	103,130
Total non-current assets		**252,813**	**103,130**
Current assets			
Trade and other receivables	**16**	83,620	166,234
Cash and cash equivalents		119,282	1,387,215
Total current assets		**202,902**	**1,553,449**
Total assets		**455,715**	**1,656,579**
EQUITY AND LIABILITIES			
Equity			
Share capital	**17**	4,329,266	205,183
Share premium	**18**	17,690,550	1,847,841
Share-based payment reserve	**19**	5,508,097	1,107,266
Reverse acquisition reserve	**8**	(18,116,825)	-
Retained earnings	**21**	(9,223,930)	(1,567,265)
Total equity		**187,158**	**1,593,025**
Current liabilities			
Trade and other payables	**22**	268,557	63,553
Total current liabilities		**268,557**	**63,553**
Total liabilities		**268,557**	**63,553**
Total equity and liabilities		**455,715**	**1,656,579**

The notes on pages 36 to 60 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 30 May 2025 and
are signed on its behalf by:

N Lyth

Director
Company Registration No. 11155663

The notes on pages 36 to 60 form part of these financial statements.

PARENT COMPANY STATEMENT OF FINANCIAL POSITION
As at 31 JANUARY 2025

	Notes	As at Jan 2025	As at Dec 2023
ASSETS		**£**	**£**
Non-current assets			
Property, plant and equipment	**14**	720	519
Intangible assets	**15**	252,093	-
Total non-current assets		**252,813**	**519**
Current assets			
Trade and other receivables	**16**	83,620	5,458
Cash and cash equivalents		119,282	9,239
Total current assets		**202,902**	**14,697**
Total assets		**455,715**	**15,216**
EQUITY AND LIABILITIES			
Equity			
Share capital	**17**	4,329,266	121,620
Share premium		2,398,440	1,253,355
Share based payment reserve	**19**	5,508,097	91,100
Convertible loan note reserve	**20**	-	12,688
Merger relief reserve		-	-
Retained earnings	**21**	(12,048,645)	(1,793,501)
Total equity		**187,158**	**(314,738)**
Current liabilities			
Trade and other payables	**22**	268,557	169,067
Convertible loan notes	**23**	-	160,887
Total current liabilities		**268,557**	**329,954**
Total liabilities		**268,557**	**329,954**
Total equity and liabilities		**455,715**	**15,216**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE 13-MONTH PERIOD ENDED 31 JANUARY 2025

	Share Capital	Share Premium	Share Based Payment Reserve	Reverse acquisition reserve	Retained Earnings	Total Equity
	£	£	£	£	£	£
As at 1 Jan 2023	**-**	**-**	**-**	**-**	**-**	**-**
Loss for the period	-	-	-	-	(1,567,265)	(1,567,265)
Total comprehensive loss for the period	-	-	-	-	(1,567,265)	(1,567,265)
Shares issued during the period	205,183	2,113,318	1,107,266	-	-	3,425,767
Share issue cost	-	(265,477)	-	-	-	(265,476)
Total transactions with owners	205,183	1,847,481	1,107,266	-	-	3,160,291
As at 31 December 2023	**205,183**	**1,847,481**	**1,107,266**	**-**	**(1,567,265)**	**1,593,026**

	Share Capital	Share Premium	Share Based Payment Reserve	Reverse acquisition reserve	Retained Earnings	Total Equity
	£	£	£		£	£
As at 1 Jan 2024	**205,183**	**1,847,841**	**1,107,266**	**-**	**(1,567,265)**	**1,593,025**
Loss for the period	-	-	-	-	(2,618,475)	(2,618,475)
Total comprehensive loss for the period	-	-	-	-	(2,618,475)	(2,618,475)
Recognition of plc equity at acquisition date	121,620	1,253,355	-	(956,685)	-	418,290
Remove Share capital of Cykel AI Development Ltd	(205,183)	(1,847,841)	(1,107,266)	2,053,024	-	(1,107,266)
Issue of shares for acquisition of subsidiary	3,921,054	15,292,110	-	(19,213,164)	-	-
Shares issued during the period	286,592	1,145,085	-	-	-	1,431,677
Issue of warrants	-	-	5,508,097	-	(5,038,190)	469,907
Total transactions with owners	4,124,083	15,842,709	4,400,831	(18,116,825)	(5,038,190)	1,212,608
As at 31 January 2025	**4,329,266**	**17,690,550**	**5,508,097**	**(18,116,825)**	**(9,223,930)**	**187,158**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE 13-MONTH PERIOD ENDED 31 JANUARY 2025

	Share Capital	Share Premium	Share Based Payment Reserve	Convertible loan note reserve	Retained Earnings	Total Equity
	£	£	£	£	£	£
As at 1 Jan 2023	**102,816**	**810,219**	**91,100**	**-**	**(1,963,035)**	**(958,500)**
Profit for the period	-	-	-	-	169,534	169,534
Total comprehensive income for the period	-	-	-	-	169,534	169,534
Shares issued during the period	18,804	443,136	-	-	-	461,940
Convertible loan notes	-	-	-	12,688	-	12,688
Total transactions with owners	18,804	443,136	-	12,688	-	474,628
As at 31 December 2023	**121,620**	**1,253,355**	**91,100**	**12,688**	**(1,793,501)**	**(314,738)**

	Share Capital	Share Premium	Share Based Payment Reserve	Merger Relief Reserve	Convertible loan note reserve	Retained Earnings	Total Equity
		£	£		£	£	£
As at 1 Jan 2024	**121,620**	**1,253,355**	**91,100**	**-**	**12,688**	**(1,793,501)**	**(314,738)**
Loss for the period	-	-	-	-	-	(25,547,254)	(25,547,254)
Total comprehensive loss for the period	-	-	-		-	(25,547,254)	(25,547,254)
Shares issued during the period	4,207,646	1,145,085	5,508,097	15,292,110	-	-	26,152,938
Shares cancelled during the period	-	-	(91,100)	-	-	-	(91,100)
Convertible loan notes	-	-	-	-	(12,688)	-	(12,688)
Reserve transfer on impairment	-	-	-	(15,292,110)	-	15,292,110	-
Total transactions with owners	4,207,646	1,145,085	5,416,997	-	(12,688)	15,292,110	26,049,150
As at 31 Jan 2025	**4,329,266**	**2,398,440**	**5,508,097**	**-**	**-**	**(12,048,645)**	**187,158**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 13-MONTH PERIOD ENDED 31 JANUARY 2025

	Note	Period ended 31 January 2025 £	Period ended 31 December 2023 £
Cash flow from operating activities			
Loss for the financial period		(2,618,475)	(1,567,265)
Adjustments for:			
Write down / Impairment		881	-
Reverse acquisition share-based payment expense		1,014,405	-
Finance costs		-	-
Interest paid		-	-
Settlement of fees through equity		207,766	-
Share based payments		(988,923)	1,107,266
Changes in working capital:			
Decrease / (Increase) in trade and other receivables		88,071	(166,234)
Increase / (decrease) in trade and other payables		35,939	63,553
Net cash used in operating activities		**(2,270,335)**	**(562,680)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,083)	-
Purchase of intangible assets		(148,963)	(103,130)
Cash acquired on acquisition		15,594	-
Net cash used in investing activities		**(134,452)**	**-**
Cash flows from financing activities			
Proceeds from issue of shares		1,301,190	2,053,024
Loans		(173,575)	-
Net cash (used in)/generated from financing activities		**1,127,615**	**2,053,024**
Net (decrease)/increase in cash and cash equivalents		**(1,277,171)**	**1,387,215**
Cash and cash equivalents at beginning of the period		1,396,453	-
Foreign exchange impact on cash		-	-
Cash and cash equivalents at end of the period		**119,282**	**1,387,215**

PARENT COMPANY STATEMENT OF CASH FLOWS
FOR THE 13-MONTH PERIOD ENDED 31 JANUARY 2025

	Note	Period ended 31 January 2025 £	Period ended 31 December 2023 £
Cash flow from operating activities			
(Loss) / profit for the financial period		(25,547,254)	169,534
Adjustments for:			
Write down / Impairment of property, plant and equipment		881	503
Write down / Impairment of investment in subsidiary		15,292,110	-
Foreign exchange movements		-	(76,076)
Finance costs		-	449,553
Interest paid			(310)
Adjustment on disposal of investments		-	(940,857)
Services settled by issue of warrants		5,416,997	-
Changes in working capital:			
Decrease / (Increase) in trade and other receivables		(78,162)	3,147
Increase / (decrease) in trade and other payables		99,482	54,795
Net cash used in operating activities		**(4,815,937)**	**(339,400)**
Cash flows from investing activities			
Purchase of intangible assets		(252,093)	-
Investments - additions		(1,083)	
Net cash used in investing activities		**(253,175)**	**-**
Cash flows from financing activities			
Proceeds from issue of shares		5,340,043	162,500
Loans		(160,887)	163,576
Net cash (used in)/generated from financing activities		**20,471,266**	**326,076**
Net (decrease)/increase in cash and cash equivalents		**110,044**	**(13,324)**
Cash and cash equivalents at beginning of the period		9,238	22,994
Foreign exchange impact on cash		-	(431)
Cash and cash equivalents at end of the period		**119,282**	**9,239**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE 13-MONTH PERIOD ENDED 31 JANUARY 2025

1 General Information

CYKEL AI PLC (Previously called Mustang Energy PLC) is incorporated and domiciled in England and Wales as a public limited company. The registered office and principal place of business is 9th Floor, 16 Great Queen Street, London, England, WC2B 5DG.

The Company's principal activities and nature of its operations are disclosed in the Strategic Report.

2 Accounting Policies

IAS 8 requires that management shall use its judgement in developing and applying accounting policies that result in information which is relevant to the economic decision-making needs of users, that are reliable, free from bias, prudent, complete and represent faithfully the financial position, financial performance and cash flows of the entity.

Regular way purchases and sales of financial assets are accounted for at trade date.

2.1 Basis of preparation

The financial statements have been prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

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 £.

The financial statements have been prepared under the historical cost convention modified for the revaluation of plant and equipment and intangible assets to fair value as determined by the relevant accounting standard.

The Company has adopted the applicable amendments to standards effective for accounting periods commencing on 1st January 2024. The nature and effect of these changes as a result of the adoption of these amended standards did not have an impact on the financial statements of the Company and, hence, have not been disclosed.

The Company has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective – see note 3 for reference.

The company changed its accounting reference date from 31 December to 31 January during the period. As a result, the current financial statements cover a 13-month period from 1 January 2024 to 31 January 2025, compared to the prior financial period of 12 months ended 31 December 2023.

As a result, the amounts presented in the primary financial statements are not entirely comparable to the prior period figures due to the difference in length of reporting periods and the reverse acquisition.

2 Accounting Policies (Continued)

This affects all statements, including the:

- Statement of Comprehensive Income
- Statement of Changes in Equity
- Statement of Cash Flows

On 27th June 2024, Mustang Energy PLC (now renamed Cykel AI PLC) completed a reverse takeover of Cykel AI PLC (now renamed Cykel AI Development Ltd). Following the transaction, Mustang Energy PLC changed its name to Cykel AI PLC, while Cykel AI PLC was renamed Cykel AI Development Ltd.

The transaction has been accounted for as a reverse acquisition in accordance with IFRS 3 (Business Combinations). As the legal structure of the group has changed, the financial statements are presented as a continuation of Mustang Energy PLC (now known as Cykel AI PLC) with the assets, liabilities, and operations of Cykel AI PLC (now known as Cykel AI Development Ltd) included from the acquisition date.

For accounting purposes, Mustang Energy PLC (now known as Cykel AI PLC) is the legal acquirer and the accounting acquiree, and Cykel AI PLC (now known as Cykel AI Development Ltd) is the accounting acquirer. However, due to the name changes, the consolidated financial statements are now presented under the name Cykel AI PLC, which represents the combined entity post-acquisition.

Following the reverse acquisition, future consolidated financial statements will continue to reflect the Group structure led by Cykel AI PLC (previously called Mustang Energy PLC) as the legal acquirer, with newly acquired subsidiaries consolidated from their respective acquisition dates. Changes in ownership interests that do not result in a loss of control will be accounted for as equity transactions.

The comparative figures presented in these financial statements for the company reflect the historical results of Mustang Energy PLC (now known as Cykel AI PLC). The comparative results for the group reflect the results of Cykel AI PLC (now known as Cykel AI Development Ltd plus Mustang Energy PLC (now known as Cykel AI PLC) legally acquired 100% of the issued share capital of Cykel AI PLC (now known as Cykel AI Development Ltd) by issuing 1.911 of its own shares for each share in Cykel AI PLC (now known as Cykel AI Development Ltd). The fair value of the consideration given was determined as the market value of shares issued, amounting to £19m. The identifiable assets acquired, and liabilities assumed were measured at their fair values on the acquisition.

Mustang Energy PLC's (now known as Cykel AI PLC) costs of obtaining the listing arising from the transaction amounted to £1.014k and has been recognised as a cost in the statement of

comprehensive income. It represents the excess of the consideration transferred over the fair value of the net identifiable assets acquired.

The results of the combined entity, now trading as Cykel AI PLC, are consolidated from the acquisition date. All acquisition-related costs have been expensed as incurred. This reflects the substance of the transaction, which is the continuation of the financial statements of Mustang Energy PLC's (now known as Cykel AI PLC) as the accounting acquirer. The comparative information presented in these
consolidated financial statements is that of Mustang Energy PLC's (now known as Cykel AI PLC), as though it had always been part of the consolidated group.

2.2 Going concern

The Company has successfully raised additional capital to execute its plan of development of AI Agents, specifically in the Recruitment, Sales and Research sectors totaling £1,900,000 gross since the successful Reverse Takeover, indicating that there is substantial investor appetite for exposure to the AI Agent sector.

However, there is no guarantee that this appetite will continue despite attempts to fundraise in the future.

These events or conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. The financial statements do not include any adjustments that may be necessary if the Company was not a going concern but note that the auditors make reference to going concern by way of a material uncertainty over the ability of the company to fund the recurring and projected expenditure.

The Directors consider that despite this uncertainty it remains appropriate to prepare the financial statements on a going concern basis.

2.3 Revenue Recognition

Provision of Services

Revenue from the provision of services is recognised in the period in which the services are rendered, by reference to the stage of completion of the transaction at the end of the reporting period. The stage of completion is measured based on the proportion of services performed to date as a percentage of the total services to be performed.

Interest Income

Interest income is recognized on an accrual basis, using the effective interest method, which allocates interest over the relevant period.

2.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the income statement.

2.5 Non-current investments

Investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially
measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

2.6 Impairment of intangible assets

At each reporting end date, the Company reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the
extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an
individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment
loss been recognised for the asset (or cash-generating unit) in prior periods. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.8 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as measured at fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. This includes the company's equity investments. Financial assets not classified as fair value through profit or loss are initially measured at fair value plus transaction costs.

Financial assets held at amortised cost

Financial assets held at amortised cost comprise trade and other receivables and cash and cash equivalents. These assets are non-derivative financial assets with fixed or determinable payments that
are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g., trade receivables), but also incorporate other types of financial assets where the
objective is to hold their assets in order to collect contractual cash flows and the contractual cash flows are solely payments of the principal and interest. They are initially recognised at fair value plus
transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The company applies the expected credit loss model in respect of other receivables. The company tracks changes in credit risk, and recognises a loss allowance based on lifetime ECLs at each reporting
date. Lifetime ECLs are determined using all relevant, reasonable and supportable historical, current and forward looking information that provides evidence about the risk that the other receivables will default and the amount of losses that would arise as a result of that default. Analysis indicated that the company will fully recover the carrying value of the other receivables, so no ECL has been recognised in the current period.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the
recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

2.9 Financial liabilities

Financial liabilities include borrowings and trade and other payables. These are recognised initially at fair value, net of transaction costs incurred, and are subsequently stated at amortised cost, using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged,
cancelled, or they expire.

2.10 Equity and reserves

Share capital is determined using the nominal value of shares that have been issued.

The Share premium account includes any premiums received on the initial issuing of the Share capital. Any transaction costs associated with the issuing of shares are deducted from the Share premium account, net of any related income tax benefits.

The Share-based payment reserve is used to recognise the grant date fair value of options and warrants issued but not exercised.

The reserve acquisition reserve represents the difference between the nominal value of the shares issued by the legal parent (accounting acquiree) to effect the business combination, and the share capital and share premium of the accounting acquirer immediately before the reverse acquisition.

Retained losses include the accumulated losses of the current and prior periods as reported in the statement of comprehensive income, net of any dividends declared and paid.

2.11 Earnings per share

The Company presents basic and diluted earnings per share data for its Ordinary Shares.

Basic earnings per Ordinary Share is calculated by dividing the profit or loss attributable to Shareholders by the weighted average number of Ordinary Shares outstanding during the period.

Diluted earnings per Ordinary Share is calculated by adjusting the earnings and number of Ordinary Shares for the effects of dilutive potential Ordinary Shares.

2.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2.13 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are
subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset
or liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are classified as current.

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in a hybrid contract with financial liability hosts are treated as separate derivatives when they meet the definition of a derivative, their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value through profit or loss.

Derivative assets embedded within financial liability hosts are combined with the corresponding financial liability host and are shown net in the statement of financial position.

2.14 Taxation

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

Current tax

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

The company is registered in England and Wales and is taxed at the company standard rate of 25%.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in
the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the
temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the

company has a legally enforceable right to offset current tax assets and liabilities, and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

2.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

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

No new UK-adopted IAS, amendments or interpretation became effective in the period ended 31 January 2025 which has a material effect on this financial information.

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective:

Standard	Standard name	Effective date
IAS 21	Effects of Changes in Foreign Exchange Rates	1 January 2025
IFRS 7 / IFRS 9	Classification and Measurement of Financial Instruments	1 January 2026
IFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027

It is not anticipated that adoption of the standards and interpretations listed above will have a material impact on the current financial position and performance of the company.

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make estimates and judgements and form assumptions that affects the reported amounts of the assets, liabilities, revenue and costs
during the periods presented therein, and the disclosure of contingent liabilities at the date of the financial information. Estimates and judgements are continually evaluated and based on management's historical experience and other factors, including future expectations and events that are believed to be reasonable.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

4 Critical accounting judgements and key sources of estimation uncertainty (Continued)

Share-based payments
The directors have applied the Black-Scholes pricing model to assess the costs associated with the share-based payments. The Black-Scholes model is dependent upon several inputs where the directors must exercise their judgement, specifically: risk-free investment rate; expected share price volatility at the time of the grant; and expected level of redemption. The assumptions applied by the directors, and the associated costs recognised in the financial statement are outlined note 19 in these financial statements.

Intangible Assets
Intangible assets are recognised when it is probable that the expected future economic benefits attributable to the asset will flow to the Group, and the cost of the asset can be measured reliably. Intangible assets acquired separately are initially measured at cost. Intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised
development costs, are not capitalised, and expenditure is recognised in the income statement in the period in which it is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over their estimated useful economic lives and are assessed for impairment whenever there is an indication that the asset may be impaired. The amortisation period and method are reviewed at least at each financial period end.
Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually or more frequently when an indication of impairment exists. The assessment of indefinite life is also reviewed annually to determine whether the indefinite life continues to be supportable.

5 Operating costs and administrative expenditure

GROUP Administrative Expenses	Period ended 31 Jan 2025 £	Period ended 31 Dec 2023 £
Directors' fees	(292,000)	(67,188)
Legal, professional and regulatory fees	(787,184)	(181,401)
Operations costs	(1,227,275)	(210,685)
Other expenses	(772)	(730)
Share based payment charge	699,596	(1,107,266)
	(1,607,634)	**(1,567,265)**

5 Operating costs and administrative expenditure (Continued)

COMPANY Administrative Expenses	Period ended 31 Jan 2025 £	Period ended 31 Dec 2023 £
Directors' fees	(79,500)	(57,252)
Legal, professional and regulatory fees	(712,574)	(355,716)
Operations costs	(343,638)	(57,410)
Other expenses	-	-
Share based payment charge	(5,416,997)	-
	(6,552,709)	**(470,378)**

6 Auditors Remuneration

GROUP	Period ended 31 Jan 2025 £	Period ended 31 Dec 2023 £
Fees payable to the Company's auditor for the audit of the Company financial statements	(48,500)	(19,500)
Fees payable to the company's auditor for other non-audit services	(28,000)	(35,000)
	(76,500)	**(54,500)**

PARENT	Period ended 31 Jan 2025 £	Period ended 31 Dec 2023 £
Fees payable to the Company's auditor for the audit of the Company financial statements	(48,500)	(47,000)
Fees payable to the company's auditor for other non-audit services	(25,000)	(25,000)
	(73,500)	**(72,000)**

7 Directors' Remuneration

Directors' remuneration for the Company is set out below and as per Directors Remuneration report:

Their aggregate remuneration comprised:

GROUP	Period ended 31 Jan 2025 £	Period ended 31 Dec 2023 £
Director's Wages and salaries	45,500	7,250
Director's Social security	-	33
Director's fees	246,500	59,900

7 Directors' Remuneration (Continued)

GROUP	Period ended 31 Jan 2025	Period ended 31 Dec 2023
	£	£
Share based payments	**224,688**	**808,390**
	513,688	**875,573**

Settlement and termination agreements during the period amounted to £Nil (2023: £Nil), included within the totals above.

Highest paid director remuneration:

	Jan 2024 to Jan 2025	Jan to Dec 2023
Director's fees	101,500	40,000
Share based payments	224,688	538,927
	326,188	538,967

The average number of employees (including directors) during the same period was 10 (2023: 9).

GROUP	2025	2023	2025	2023
Gender Analysis	Male	Male	Female	Female
	10	8	-	1

PARENT	Period ended 31 Jan 2025	Period ended 31 Dec 2023
	£	£
Director's Wages and salaries	3,500	56,381
Director's Social security	-	871
Directors' remuneration and fees	76,000	
Director's Pension costs	-	-
	79,500	**57,252**

Settlement and termination agreements during the period amounted to £Nil (2023: £Nil), included within the totals above.

The highest paid director received remuneration of £58,000 (2023: £61,000).
The average number of employees (including directors) during the same period was 6 (2023: 5).

PARENT	2025	2023	2025	2023
Gender Analysis	Male	Male	Female	Female
	6	4	-	1

8 Reverse Acquisition

On 27 June 2024, Mustang Energy PLC (now known as Cykel AI PLC) legally acquired, through a share-for-share exchange, the entire share capital of Cykel AI PLC (now known as Cykel AI Development Ltd), whose principal activity is the provision of advanced artificial intelligence solutions in the technology sector.

Subsequent to the acquisition, Mustang Energy PLC changed its name to Cykel AI PLC and, to differentiate the entities, Cykel AI PLC changed its name to Cykel Development Ltd. Although the transaction resulted in Cykel AI PLC (now known as Cykel Development Ltd) becoming a wholly-owned subsidiary of Mustang Energy PLC (now known as Cykel AI PLC), the transaction constituted a reverse acquisition, as the previous shareholders of Cykel AI PLC (now known as Cykel Development Ltd) own
a substantial majority of the Ordinary Shares of Mustang Energy PLC (now known as Cykel AI PLC) and the executive management of Cykel AI PLC (now known as Cykel Development Ltd) assumed key leadership roles within Cykel AI PLC (formerly Mustang Energy PLC).

In substance, the shareholders of Cykel Development Ltd (previously known as Cykel AI PLC) acquired a controlling interest in Mustang Energy PLC, and the transaction has therefore been accounted for as a reverse acquisition. Given that the Mustang Energy PLC's activities prior to the acquisition were primarily focused on maintaining its LSE Listing, raising equity finance, and seeking acquisition
opportunities, it did not meet the definition of a trading business in accordance with IFRS 3 Business Combinations.

As such, this reverse acquisition does not constitute a business combination and has been accounted for in accordance with IFRS 2 Share-based Payments and the associated IFRIC guidance. Despite not
qualifying as a business combination, Cykel AI PLC (previously known as Mustang Energy PLC) is now the legal parent and is required to apply IFRS 10 Consolidated Financial Statements and prepare consolidated financial statements. These financial statements have been prepared using the reverse acquisition methodology. Instead of recognising goodwill, the difference between the equity value given up by Cykel Development Ltd's shareholders and their share of the fair value of the net assets
acquired is recorded as a share-based payment expense. On reverse acquisition, this charge reflects, in substance, the cost of acquiring a main market LSE listing.

On 27 June 2024, Mustang Energy PLC (now known Cykel AI PLC) issued 392,105,382 ordinary shares to acquire the 205,183,350 ordinary shares of Cykel AI PLC (now known as Cykel Development Ltd). This represented an issuance of 1.911 Mustang Energy PLC shares per Cykel AI PLC share. Based on a share price of £0.049, Mustang Energy's investment in Cykel AI PLC was valued at £19,213,164, prior to share-based payment charges for the period.

Cykel AI PLC (previously known as Mustang Energy PLC), is the legal parent, however, is treated on consolidation as the accounting acquiree, the consolidated financial statements reflect the accounts of Mustang Energy PLC (now known as Cykel AI PLC) since the date of acquisition, and the historical information of Cykel AI PLC (now known as Cykel Development Ltd). The fair value of the shares deemed to have been issued by Mustang Energy PLC was

calculated at £1,014,405 based on an assessment of the purchase consideration for a 100% holding of Cykel AI PLC (now known as Cykel AI Development Ltd).

8 Reverse Acquisition (Continued)

According to IFRS 2, the value of the reverse acquisition expense is calculated as the difference between the deemed cost and the fair value of the net assets as of the acquisition date. The table below summarizes the components of the reverse acquisition:

Component	£ Amount
Deemed Cost	1,014,405
Office equipment	518
Trade and other receivables	1,004
Cash and Cash Equivalents	29,420
Trade and Other Payables	(30,105)
Net Assets Acquired deemed negligeable	837
Reverse acquisition expense	1,014,405

The difference between the deemed cost of £1,014,405 and the negligeable fair value of the net assets of £837 resulted in £1,014,405 being expensed within "reverse acquisition expenses" in accordance
with IFRS 2 Share-Based Payments on reverse acquisition, reflecting the economic cost to Cykel Development Ltd's shareholders of acquiring a quoted entity.

The reverse acquisition reserve which arose from the reverse takeover is made up as follows:

Component	£ Amount
Pre-acquisition equity in Cykel AI PLC	(2,053,024)
Retained earnings of Mustang Energy PLC	1,793,501
Investment in Cykel PLC	19,213,164
Reverse acquisition expense	(1,014,405)
Reverse acquisition reserve	**17,939,235**

9 Finance income / (expenses)

GROUP	Jan 2024 to Jan 2025 £	Jan to Dec 2023 £
Interest received	2,748	-
Total interest income	2,748	-

COMPANY	Jan 2024 to Jan 2025 £	Jan to Dec 2023 £
Interest on convertible loan notes (note 23)	(815)	(449,553)
Other interest payable	(6)	(310)
Total interest expense	(821)	(449,863)

10 Other gains and losses

PARENT	Jan 2024 to Jan 2025 £	Jan to Dec 2023 £
Net gain on disposal of investments and novation of CLNs	-	1,868,029
Fair value (loss)/gain on investments (a)	-	(927,172)
Net exchange gain/(loss)	-	70,298
Gain/loss on acquisition	-	1,011,155

The above gains and losses have arisen following the disposal of the following investments held at fair value through profit or loss over the 2023 period:

- Shares in an unlisted entity
- The November 2023 Convertible Loan Notes

Please refer to Mustang Energy PLC's (now known Cykel AI PLC) historical financial statements for further information on these investments.

11 Employees

	Jan 2024 to Jan 2025 Number	Jan to Dec 2023 Number
Employees	3	-

Their aggregate remuneration comprised:	Jan 2024 to Jan 2025 £	Jan to Dec 2023 £
Wages and salaries	130,761	-
Social security costs	20,861	-

12 Income tax expense

The charge for the period can be reconciled to the profit/(loss) per the income statement as follows:

	Jan 2024 to Jan 2025 £	Jan to Dec 2023 £
Profit/(loss) before taxation	(2,618,475)	(1,567,265)
Expected tax charge/(credit) based on a corporation tax rate of 25.00% (2023: 23.50%)	(654,619)	(297,780)
Effect of expenses not deductible in determining taxable profit	933,384	
Utilisation of tax losses not previously recognised	-	-
Unutilised tax losses carried forward	278,715	-
Depreciation on assets not qualifying for tax allowances	(50)	-
Taxation charge for the period	**-**	**-**

At the reporting date the company had accumulated tax losses of approximately £2,664,000 (2023 - £1,230,000) available for carry forward against future trading profits.

12 Income tax expense (Continued)

On 15 March 2023 it was announced that from 1 April 2023 the UK corporation tax rate would increase from 19% to 25% for profits over £250,000. Profits between £50,000 and the £250,000 threshold will continue to be taxed at a rate of 19%.

A deferred tax asset has not been recognised because of uncertainty over future taxable profits arising from the same trade against which the losses may be used. Tax losses can be carried forward indefinitely.

13 Earnings per share

Number of shares	Jan 2024 to Jan 2025 Number	Jan to Dec 2023 Number
Weighted average number of ordinary shares for basic earnings per share	128,956,172	162,278,523
Effect of dilutive potential ordinary shares (does not apply for losses):		
Weighted average number outstanding share options	-	-
Weighted average number of ordinary shares for diluted earnings per share	-	-

Earnings Continuing operations	Jan 2024 to Jan 2025 £	Jan to Dec 2023 £
Profit/loss for the period from continued operations	(2,618,475)	(1,567,265)

Earnings per share for continuing operations	2025 £ per share	2023 £ per share
Basic earnings per share	(0.02)	(0.97)
Diluted earnings per share	(0.02)	(0.97)

14 Property, plant and equipment

GROUP

2025	Plant and equipment £
Cost	
At 31 December 2023	-
Additions	1,083
At 31 January 2025	**1,083**

14 Property, plant and equipment (Continued)

GROUP	Plant and equipment £
Accumulated depreciation and impairment	
At 31 December 2023	-
Charge for the period	363
At 31 January 2025	**363**
Net Book value at 31 January 2025	**720**

PARENT 2025	Plant and equipment £
Cost	
At 31 December 2023	2,686
Additions	1,083
Disposals	(2,686)
At 31 January 2025	**1,083**

PARENT	Plant and equipment £
Accumulated depreciation and impairment	
At 31 December 2023	2,168
Disposals	(2,686)
Charge for the period	881
At 31 January 2025	**363**
Net Book value at 31 January 2025	**720**

PARENT 2023	Plant and equipment £
Cost	
At 31 December 2022	2,686
Additions	-
At 31 December 2023	**2,686**
Accumulated depreciation and impairment	
At 31 December 2022	**1,664**
Charge for the period	**503**
At 31 December 2023	**2,167**
Net Book value at 31 December 2023	**519**

15 Intangible assets

Intellectual property

GROUP

2025	**Intangible assets**
	£
Cost	
At 31 December 2023	103,130
Additions	148,963
At 31 January 2025	**252,093**
Accumulated amortisation and impairment	
At 31 December 2023	-
Charge for the period	-
At 31 January 2025	-
Net Book value at 31 January 2025	**252,093**

GROUP	**Intangible assets**
2023	**£**
Cost	
At 31 December 2022	-
Additions	103,130
At 31 December 2023	**103,130**

Accumulated amortisation and impairment	**£**
At 31 December 2022	-
Charge for the period	-
At 31 December 2023	-
Net Book value at 31 December 2023	**-**

Intellectual property

PARENT

2025	**Intangible assets**
	£
Cost	
At 31 December 2023	-
Additions (a)	252,093
At 31 January 2025	**252,093**

15 Intangible assets

PARENT 2025	Intangible assets £
Accumulated amortisation and impairment	
At 31 December 2023	-
Charge for the period	-
At 31 January 2025	-
Net Book value at 31 January 2025	**252,093**

(a) As part of the reverse takeover transaction, the intangible assets held in Cykel AI PLC (now known as Cykel AI development Ltd were transferred to Cykel AI PLC (previously called Mustang Energy PLC).

PARENT 2023	Intangible assets £
Cost	
At 31 December 2022	-
At 31 December 2023	-

GROUP	Intangible assets
Accumulated amortisation and impairment	**£**
At 31 December 2022	-
Charge for the period	-
At 31 December 2023	-
Net Book value at 31 December 2023	**-**

16 Trade and other receivables

GROUP	As at Jan 2025 £	As at Dec 2023 £
VAT recoverable	73,537	88,445
Prepayments	10,083	75,289
Other receivables	-	2,500
	83,620	**166,234**

16 Trade and other receivables (Continued)

PARENT	As at Jan 2025 £	As at Dec 2023 £
VAT recoverable	73,537	5,458
Prepayments	10,083	-
Other receivables	-	-
	83,620	**5,458**

17 Share capital

	Number of £0.01 shares	Share Capital £
As at 1 January 2024	**121,619,966**	**121,620**
Shares issued in the period for reverse takeover (a)	392,105,381	3,921,054
Shares issued in placing and subscriptions 8 July 2024 (b)	5,833,333	58,333
Shares issued in placing and subscriptions 22 October 2024 (c)	14,285,714	142,857
Shares issued to settle debt	5,033,333	50,333
Shares issued to settle convertible loans	3,506,849	35,069
As at 31 Jan 2025	**432,926,576**	**4,329,266**

(a) On 27th June 2024, Mustang Energy PLC (now known as Cykel AI PLC), completed its reverse takeover process with Cykel AI PLC (now known as Cykel Development Ltd). The reverse takeover was completed in the form of a share for share exchange and the ratio was 1:1.911.
(b) On 8 July 2024, the Group issued 5,833,333 shares raising £408,333 before costs
(c) On 22 October 2024, the Group issued 14,285,714 shares raising £892,857 before costs

18 Share premium

	Share Premium £
As at 1 January 2024	**1,847,481**
Shares issued in placing and subscriptions	1,110,000
Shares issued for acquisition of subsidiary	15,292,110
Transfer of capital to reserve acquisition reserve	(1,847,841)
Share capital of the Company at acquisition	1,548,631
Shares issued to settle convertible loans	137,842
Issue of warrants	31,215
Share based payments	(419,248)
As at 31 Jan 2025	**17,690,550**

19 Share-based payments reserve

	£
Balance as at 1 January 2024	91,100
Warrants issued in the period	5,508,097
Warrants cancelled in the period	(91,100)
Balance as at 31 January 2025	**5,508,097**

On 1st May 2024 the Company granted:
- 7,425,000 employee warrants with an expiry date of 2.5 periods from the grant date and an exercise price of 5 pence.

On 26th June 2024 the Company granted:
- 83,628,664 Employee warrants with an expiry date of 2.2 periods from the grant date and an exercise price of 1 pence.
- 19,298,922 Adviser warrants with an expiry date of 2.2 periods from the grant date and an exercise price of 1 pence.
- 38,117,116 Adviser warrants with an expiry date of 4.3 periods from the grant date and an exercise price of 3 pence.

On 8th October 2024 the Company granted:
- 33,000,000 Employee warrants with an expiry date of 10 periods from the grant date and an exercise price of 5.25 pence.

The estimated fair values of options which fall under IFRS 2, and the inputs used in the Black-Scholes pricing model to calculate those fair values are as follows:

Date of grant warrants	Number of Warrants	Share price	Exercise price	Expected volatility	Expected life	Risk Free rate	Expected dividends
01 May 2024	7,425,000	£0.05	£0.05	100%	0.9	4.15%	0.0%
26 Jun 2024	102,927,586	£0.05	£0.01	100%	0.6	4.15%	0.0%
26 Jun 2024	38,117,116	£0.05	£0.03	100%	1.1	4.15%	0.0%
08 Oct 2024	33,000,000	£0.05	£0.05	100%	2.1	4.15%	0.0%

The following warrants over ordinary shares have been granted by the Company and are outstanding:

Grant date	Expiry period	Exercise price	Outstanding at 31 January 2025	Exercisable at 31 January 2025
01 May 2024	2.5 periods from issue	£0.05	7,425,000	7,425,000
26 Jun 2024	2.2 periods from issue	£0.01	102,927,586	102,927,586

19 Share-based payments reserve (Continued)

Grant date	Expiry period	Exercise price	Outstanding at 31 January 2025	Exercisable at 31 January 2025
26 Jun 2024	4.3 periods from issue	£0.03	38,117,116	38,117,116
08 Oct 2024	10 periods from issue	£0.05	33,000,000	13,750,000
			181,469,702	162,219,702

	As at 31 Jan 2025	
	Weighted average exercise price	Number of warrants
Outstanding at the beginning of the period	-	-
Cancelled during the period (warrants)	-	-
Vested during the period	1.99p	162,219,702
Issued during the period	2.31p	181,469,702
Outstanding at the end of the period	2.31p	181,469,702
Exercisable at the end of the period	1.99p	162,219,702

Share-Based Payment Method of Settlement

The Group operates share-based payment schemes under which the entity receives services from employees as consideration for equity instruments (equity-settled) or incurs a liability to transfer cash
or other assets based on the value of its shares (cash-settled).

Equity-Settled Share-Based Payments

Equity-settled share-based payments are measured at the fair value of the equity instruments at the grant date. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the shares that will eventually vest, with a corresponding increase in equity.

Key considerations include:

- Fair value is determined using Black-Scholes model.
- Non-market vesting conditions are considered by adjusting the number of awards expected to vest.
- Market conditions are included in the grant-date fair value measurement and are not subsequently adjusted.

Cash-Settled Share-Based Payments

Cash-settled share-based payments are measured at the fair value of the liability incurred. The liability is remeasured at each reporting date and at the date of settlement, with changes in fair value recognised in profit or loss.

Key considerations include:

19 Share-based payments reserve (Continued)

- Fair value is determined at each reporting date until the liability is settled.
- Changes in fair value are recognised as an expense in the income statement.
- The liability is presented as a provision in the statement of financial position.

Modification of Share-Based Payment Arrangements

If the terms of an equity-settled award are modified, the Group recognises the incremental fair value granted, calculated as the difference between the fair value of the modified award and the original award at the date of the modification.

20 Convertible loan note reserve

	Jan 2024 to Jan 2025 £	Jan to Dec 2023 £
At the beginning of the period	(12,688)	-
Other movements	12,688	(12,688)
At the end of the period	-	(12,688)

21 Retained losses

The retained losses reserve represents cumulative profits and losses, net of dividends paid and other adjustments.

22 Trade and other payables

GROUP	As at Jan 2025 £	As at Dec 2023 £
Trade payables	182,665	29,426
Accruals	78,700	32,728
Social security and other taxation	7,192	1,399
	268,557	**63,553**

PARENT	Jan 2024 to Jan 2025 £	Jan to Dec 2023 £
Trade payables	182,665	100,476
Accruals	78,700	63,240
Social security and other taxation	7,192	5,351
	268,557	**169,067**

23 Convertible loan notes

Borrowings held at amortised cost:	Jan 2024 to Jan 2025 £	Jan to Dec 2023 £
Convertible loan notes	-	160,887

On 23 November 2023 the company issued November 2023 CLNs. The proceeds from the November 2023 CLNs were used to satisfy trade creditors and future working capital. The November 2023 CLNs matured on the 31 May 2024 and were converted automatically on readmission at a conversion price of 6 pence.

The movement in the carrying value of the CLN host liability is detailed below:

	£
Balance at 1 January 2023	**7,751,742**
Issue of loan notes	1,766,598
Interest charge	449,553
Equity component	(12,688)
Exchange loss	(436,384)
Derecognition of CLN	(9,357,934)
Balance at 31 December 2023	**160,887**
Balance at 31 December 2023	**160,887**
Interest charge	815
Equity component	12,688
Derecognition of CLN	(174,390)
Balance at 31 January 2025	**-**

24 Events after the reporting date

On the 25 February 2025, Cykel AI PLC (Previously called Mustang Energy PLC) issued 25,000,000 new ordinary shares of 1p each in the share capital of the Company at an issue price of 3.2p per Ordinary Share, a 1.5% premium to the 25 February 2025 closing price, raising gross proceeds of £800,000 (before expenses). The Placing Shares, have been issued and fully paid and rank pari passu in
all respects with the existing Ordinary Shares in issue and therefore will rank equally for all dividends or other distributions declared, made or paid after the issue of the Placing Shares.

The net proceeds of the Placing will be used to fund: (i) the further development of Eve, Cykel's Sales specialist automated digital worker; (ii) the release of Samson, Cykel's Sales research analyst automated digital worker; and (iii) the Company's general working capital requirements.

25 Related party transactions

Remuneration of key management personnel
The remuneration of key management personnel, including directors, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

The company made payments to the following companies in relation to directors' fees:

		Jan 2024 to Jan 2025	Jan to Dec 2023
		£	£
Mr Jonathan Bixby	Toro Consulting Ltd	130,000	40,000
Mr Ewen Collinge	Aros Ventures Ltd	58,000	-
Mr Robert Mayfield	Hunter Equity Management B.V.	26,000	5,000
Mr Nick Lyth	Dark Peak Services Ltd	32,500	15,000
		246,500	**60,000**

The accrued remuneration payable to the directors at the reporting date was as detailed below:

		£
Mr Jonathan Bixby	Toro Consulting Ltd	10,000
Mr Ewen Collinge	Aros Ventures Ltd	29,000
Mr Robert Mayfield	Hunter Equity Management B.V.	2,000
		41,000

These related party transactions are at an arm's length basis.

26 Controlling party

The company has no immediate or ultimate controlling party.

27 Financial instruments and associated risks

The Group has the following categories of financial instruments at the period end:

	As at Jan 2025	As at Dec 2023
	£	£
Financial assets at amortised cost:		
Cash and cash equivalents	119,282	1,387,214
Other receivables	83,620	166,234
	202,902	**1,553,448**
Financial liabilities at amortised cost:		
Trade payables	189,857	30,825
	189,857	**30,825**

There are no material differences between the fair value and the book value of the financial assets and
liabilities. All financial liabilities are carried as current liabilities therefore there is no difference between present value (carrying value) and undiscounted value (and there is no maturity of financial liabilities in more than one period).

IFRS 13 requires the provision of information about how the company establishes the fair values of financial instruments. Valuation techniques are divided into three levels based on the quality of inputs:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 inputs are inputs other than quoted prices included in level 1 that are observable, directly or
  indirectly; and
- Level 3 inputs are unobservable.

The company has exposure to the following risks from the use of financial investments:

Liquidity risk

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. Although the cash balance at the period-end cannot cover the total financial obligations at the period-end, the company is currently in discussions with existing shareholders of the company to raise these funds, the directors are confident that sufficient funds will be raised. The financial obligations are minimal therefore the company is unlikely to be exposed to significant liquidity risk.

Credit risk

The company does not generate any revenue therefore there is no exposure to credit risk from revenue.

The company's financial assets as at the date of financial position were minimal and deemed recoverable.

Equity price risk

At period-end the Company did not have an interest in any assets and therefore there is no exposure to

equity price risk.

Interest rate risk

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in interest rates. The company is not exposed to interest rate risk as it has no assets or interest-bearing liabilities.

Capital management

The company’s objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholders, to provide benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the company consists of equity attributable to the equity holders of the company, comprising issued capital and retained earnings. The capital structure of the company is managed and monitored by the Directors.