01 October 2024

Cykel AI PLC

("Cykel" or "the Company")

Interim results for the 6 months to 30 June 2024

Cykel (LSE: CYK), a UK-based technology company specialising in artificial intelligence (“AI”) products that can interact with any UI, website, or API using natural language commands, announces its unaudited financial results for the six months ended 30 June 2024.

Highlights:

- Successfully completed the acquisition of Aquis-listed Cykel AI plc (now called Cykel AI Development Ltd) on 27 June 2024 with a combined market capitalisation of approximately £20million

- The acquired Company, now called Cykel Development AI Ltd:

    - Raised a total of £0.3million in a pre-IPO funding round
    - Successfully completed an IPO on London’s AQSE Growth Market (AQSE) on 25 October 2023 with a market capitalisation of approximately £6 million
    - Raised £1.75million in total before expenses via a placing and subscription at 3p per share at flotation
    - Successfully launched the Cykel AI product and partnership program

Outlook:

• The deal flow of potential partners and clients remains strong and the Directors continue to evaluate exciting new opportunities that will generate long-term value for investors
• The Company is well positioned to take advantage of the growing B2B AI market as it continues to develop rapidly.

Commenting on the results, Jonathan Bixby, Executive Director of Cykel AI, said:

“The successful acquisition of Aquis-listed Cykel AI plc (now called Cykel AI Development Ltd) and the Company’s successful readmission to trading on 27 June 2024 and fundraise indicates investor appetite for this innovative chapter in B2B AI. It has provided us with the capital and agency to become a credible player in this nascent market. We look forward to making further progress in this exciting space as investors continue to gain confidence in the development of our technical capabilities”

The directors of Cykel AI plc accept responsibility for this announcement.

Market Abuse Regulation (MAR) Disclosure
The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulations (EU) No. 596/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ('MAR'). Upon the publication of this announcement via Regulatory Information Service ('RIS'), this inside information is now considered to be in the public domain.

For further information, please contact:

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

CYKEL AI PLC

INTERIM CONDENSED FINANCIAL STATEMENTS

FOR THE 6 MONTH PERIOD ENDED 30 JUNE 2024

INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

Interim Management Report

The successful acquisition of Aquis-listed Cykel AI plc (now called Cykel AI Development Ltd), the Company's successful readmission to trading on 27 June 2024 and recent fundraise indicate investor appetite for this innovative chapter in B2B AI. It has provided us with the capital and agency to become a credible player in this nascent market. We look forward to making further progress in this exciting space as investors continue to gain confidence in the development of our technical capabilities.

Statement of Directors' Responsibilities

The directors are responsible for preparing the interim management report in accordance with applicable law and regulations. The directors confirm that the interim condensed financial information has been prepared in accordance with International Accounting Standard 34 ('Interim Financial Reporting') as endorsed for use in the United Kingdom.

The interim management report includes a fair review of the information required by the Disclosure and Transparency Rules paragraphs 4.2.7 R and 4.2.8 R, namely:

- the interim condensed financial statements, which have been prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Company as required by DTR 4.2.4R;

- an indication of important events that have occurred during the six months ended 30 June 2024 and their impact on the condensed set of financial information and a description of the principal risks and uncertainties for the remaining six months of the year; and

- material related-party transactions during the six months ended 30 June 2024 and any material changes in the related-party transactions described in the Annual Report and Accounts for the period ended 31 December 2023.

The interim management report was approved by the Board of Directors and the above responsibility statement was signed on its behalf by:

Nick Lyth
Director

Date: 30 September 2024

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Notes	6 month period ended June 2024 (unaudited) £	6 month period ended June 2023 (unaudited) £
Revenue		466	-
Other operating income		123,000	-
Administrative expenses	**5**	(4,107,712)	(292,756)
Operating loss		**(3,984,246)**	**(292,756)**
Finance costs		(821)	(352,864)
Other gains/(losses)		-	(927,172)
Gain/(loss) on foreign exchange			53,398
Profit/(loss) before taxation		**(3,985,067)**	**(1,519,394)**
Income tax expense		-	-
Profit/(loss) after taxation		**(3,985,067)**	**(1,519,394)**
Other comprehensive income		1,968	-
Profit/(loss) and total comprehensive loss for the year		**(3,983,098)**	**(1,519,394)**
Profit/(Loss) per share from continuing operations attributable to the equity owners			
Basic profit/(loss) per share (pence per share)	**2**	**(1.03)**	**(0.15)**
Diluted profit/(loss) per share (pence per share)		**(1.03)**	**(0.15)**

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

The notes on pages 10 to 13 form part of these financial statements.

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

	Notes	As at 30 June 2024 (unaudited) £	As at 31 December 2023 (audited) £
ASSETS			
Non-current assets			
Property, plant and equipment		266	518
Intangible assets		221,408	103,130
Total non-current assets		**221,674**	**103,648**
Current assets			
Trade and other receivables	3	100,468	171,691
Cash and cash equivalents		515,036	1,396,453
Total current assets		**615,504**	**1,568,144**
Total assets		**837,178**	**1,671,793**
EQUITY AND LIABILITIES			
Equity			
Share capital		798,310	326,803
Share premium		3,481,746	3,101,196
Share-based payment reserve	5	4,070,756	1,198,366
Acquisition reserve		(392,105)	-
Convertible loan note reserve		-	12,688
Retained earnings		(7,343,864)	(3,360,766)
Total equity		**614,843**	**1,278,288**
Current liabilities			
Trade and other payables	4	222,335	232,618
Convertible loan notes		-	160,887
Total current liabilities		**222,335**	**393,505**
Total liabilities		**222,335**	**393,505**
Total equity and liabilities		**837,178**	**1,671,793**

The notes on pages 10 to 13 form part of these financial statements.

INTERIM PARENT COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

	Notes	As at 30 June 2024	As at 31 December 2023
ASSETS		**£**	**£**
Non-current assets			
Property, plant and equipment		266	518
Total non-current assets		**266**	**518**
Current assets			
Trade and other receivables	3	1,000	5,458
Cash and cash equivalents		29,420	9,238
Total current assets		**30,420**	**14,696**
Total assets		**30,686**	**15,214**
EQUITY AND LIABILITIES			
Equity			
Share capital		201,021	121,620
Share premium		1,519,531	1,253,355
Share based payment Reserve		91,100	91,100
Convertible loan note reserve		-	12,688
Retained earnings		(1,860,689)	(1,793,501)
Total equity		**(49,037)**	**(314,738)**
Current liabilities			
Trade and other payables	4	79,723	169,065
Convertible loan notes		-	160,887
Total current liabilities		**79,723**	**329,952**
Total liabilities		**79,723**	**329,952**
Total equity and liabilities		**30,686**	**15,214**

The notes on pages 10 to 13 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 30 September 2024 and are signed on its behalf by:

N Lyth

Director
Company Registration No. 11155663

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

	Issued Share Capital	Share Premium	SBP Reserve	Convertible loan note reserve	Acquisition reserve	Retained Earnings	Total Equity
	£	£	£	£	£	£	£
As at 1 Jan 2023	**102,816**	**810,219**	**91,000**	**-**	**-**	**(1,963,035)**	**(958,500)**
Profit for the year	-	-	-	-	-	(1,519,394)	(1,519,394)
Total comprehensive income for the year	-	-	-	-	-	(1,519,394)	(1,519,394)
Shares issued during the year	-	-	-	-	-	-	-
Issue of convertible loan notes	-	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-
Period ended 30 June 2023	**102,816**	**810,219**	**91,000**	**-**	**-**	**(3,482,429)**	**(2,478,294)**

	Issued Share Capital	Share Premium	SBP Reserve	Convertible loan note reserve	Acquisition reserve	Retained Earnings	Total Equity
	£	£	£	£	£	£	£
As at 1 Jan 2024	**326,803**	**3,101,196**	**1,198,366**	**12,688**	**-**	**(3,360,766)**	**1,278,287**
Profit for the year	-	-	-	-	-	(3,983,098)	(3,983,098)
Total comprehensive income for the year	-	-	-	-	-	(3,982,098)	(3,983,098)
Shares issued during the year	471,507	380,550	2,872,390	-	-	-	3,724,447
Issue of convertible loan notes	-	-	-	(12,688)	-	-	(12,688)
Acquisitions	-	-	-	-	(392,105)	-	(392,105)
Total transactions with owners	471,507	380,550	2,872,390	(12,688)	(392,105)	-	3,319,653
Period ended 30 June 2024	**798,310**	**3,481,746**	**4,070,756**	**-**	**(392,105)**	**(7,343,864)**	**614,843**

The notes on page 10 to 13 form part of these financial statements.

INTERIM PARENT COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

	Issued Share Capital	Share Premium	SBP Reserve	Convertible loan note reserve	Acquisition reserve	Retained Earnings	Total Equity
	£	£	£	£	£	£	£
As at 1 Jan 2023	**102,816**	**810,219**	**91,000**	**-**	**-**	**(1,963,035)**	**(958,500)**
Profit for the year	-	-	-	-	-	(1,519,394)	(1,519,394)
Total comprehensive income for the year	-	-	-	-	-	(1,519,394)	(1,519,394)
Shares issued during the year	-	-	-	-	-	-	-
Issue of convertible loan notes	-	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	-	-	-
Period ended 30 June 2023	**102,816**	**810,219**	**91,000**	**-**	**-**	**(3,482,429)**	**(2,478,294)**

	Issued Share Capital	Share Premium	SBP Reserve	Convertible loan note reserve	Acquisition reserve	Retained Earnings	Total Equity
	£	£	£	£	£	£	£
As at 1 Jan 2024	**121,620**	**1,253,355**	**91,100**	**12,688**	**-**	**(1,793,501)**	**(314,738)**
Profit for the year	-	-	-	-	-	(67,189)	(67,189)
Total comprehensive income for the year	-	-	-	-	-	(67,189)	(67,189)
Shares issued during the year	471,507	266,176	-	-	-	-	737,683
Issue of convertible loan notes	-	-	-	(12,688)	-	-	(12,688)
Acquisitions	-	-	-	-	(392,105)	-	(392,105)
Total transactions with owners	471,507	266,176	-	(12,688)	(392,105)	-	332,890
Period ended 30 June 2024	**593,127**	**1,519,531**	**91,100**	**-**	**(392,105)**	**(1,860,689)**	**(49,037)**

The notes on page 10 to 13 form part of these financial statements.

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

	Note	6 month period ended June 2024 £	6 month period ended June 2023 £
Cash flow from operating activities			
Loss for the financial year		(3,983,098)	(1,519,394)
Adjustments for:			
Write down / Impairment		252	252
Foreign exchange movements		-	(53,398)
Finance costs		815	352,798
Interest paid		6	-
Adjustment on disposal of investments		(1,485)	927,172
Services settled by issue of warrants	5	(2,986,764)	-
Changes in working capital:			
Decrease / (Increase) in trade and other receivables		71,223	(15,919)
Increase / (decrease) in trade and other payables		(10,283)	134,501
Net cash used in operating activities		**(935,806)**	**(173,988)**
Cash flows from investing activities			
Purchase of intangible assets		(118,278)	-
Net cash used in investing activities		**(118,278)**	**-**
Cash flows from financing activities			
Proceeds from issue of shares		172,666	-
Loans		-	163,575
Net cash (used in)/generated from financing activities		**172,666**	**163,575**
Net (decrease)/increase in cash and cash equivalents		**(881,417)**	**(10,413)**
Cash and cash equivalents at beginning of the period		1,396,453	22,994
Foreign exchange impact on cash		-	(6,117)
Cash and cash equivalents at end of the period		**515,036**	**6,464**

The accompanying notes on pages 10 to 13 form part of the financial statements

INTERIM PARENT COMPANY STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

	Note	6 month period ended June 2024 2024 £'000	6 month period ended June 2023 2023 £
Cash flow from operating activities			
Loss for the financial year		(67,189)	(1,519,394)
Adjustments for:			
Write down / Impairment		252	252
Foreign exchange movements		-	(53,398)
Finance costs		815	352,798
Interest paid		6	-
Adjustment on disposal of investments		(1,485)	927,172
Services settled by issue of warrants		-	-
Changes in working capital:			
Decrease / (Increase) in trade and other receivables		4,458	(15,919)
Increase / (decrease) in trade and other payables		(89,342)	134,501
Net cash used in operating activities		**(152,485)**	**(173,988)**
Cash flows from investing activities			
Purchase of intangible assets		-	-
Net cash used in investing activities		**-**	**-**
Cash flows from financing activities			
Proceeds from issue of shares		172,666	-
Loans		-	163,575
Net cash (used in)/generated from financing activities		**172,666**	**163,575**
Net (decrease)/increase in cash and cash equivalents		**20,182**	**(10,413)**
Cash and cash equivalents at beginning of the period		9,238	22,994
Foreign exchange impact on cash		-	(6,117)
Cash and cash equivalents at end of the period		**29,420**	**6,464**

The accompanying notes on pages 10 to 13 form part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

1 Accounting policies

Company information

CYKEL AI PLC is a public company limited by shares incorporated and domiciled in England and Wales. The registered office is 16 Great Queen Street, London, England, WC2B 5DG.

The principal activities of the company are set out in the Directors Report on page 1.

1.1 Basis of preparation and statement of compliance

The interim condensed financial statements are for the six months ended 30 June 2024 and have been prepared in accordance with IAS 34 'Interim Financial Reporting'; the International Accounting Standards endorsed for use in the United Kingdom ("IFRS"); on a going concern basis and under the historical cost convention except for revaluation of certain financial instruments.

The interim condensed financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. They do not include all of the information required in annual financial statements in accordance with IFRS, and should be read in conjunction with the financial statements for the year ended 31 December 2023.

The condensed financial information presented here for the year ended 31 December 2023 does not constitute the Company's statutory accounts for that year, but is derived from those accounts. Statutory accounts for the year ended 31 December 2023 have been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under s498(2) or (3) of the Companies Act 2006.

The condensed financial information for the period ended 30 June 2024 has not been audited or reviewed in accordance with the International Standard on Review Engagements 2410 issued by the Auditing Practices Board.

1.2 Accounting policies, critical estimates and judgements

The accounting policies, methods of computation, critical estimates and judgements followed in the interim condensed financial statements are in accordance with those followed in preparing the financial statements for the year ended 31 December 2023.

A number of amendments to IFRS became applicable for the current reporting period. The Company did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

The preparation of the interim condensed interim financial statements requires directors to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these judgements and estimates.

2 Loss per share

	6 month period ended June 2024	6 month period ended June 2023
	£	£

Number of shares		
Weighted average number of ordinary shares for basic and diluted earnings per share	387,097,983	10,281,600
Loss		
Loss for the period from continued operations	(3,985,067)	(1,519,394)
Loss per share for continuing operations		
Basic loss per share	(1.03)	(0.15)
Diluted loss per share	(1.03)	(0.15)

The share options and warrants are considered to be anti-dilutive.

3 Trade and other receivables

GROUP	**30 June 2024 £**	**31 December 2023 £**
VAT recoverable	68,126	93,902
Prepayments	29,842	75,289
Other receivables	2,500	2,500
	100,468	**171,691**

COMPANY	**30 June 2024 £**	**31 December 2023 £**
VAT recoverable	1,000	5,458
	1,000	**5,458**

4 Trade and other payables

GROUP	30 June 2024 £	31 December 2023 £
Trade payables	174,307	129,900
Accruals	43,210	95,968
Social security and other taxation	4,818	6,750
	222,335	**232,618**

COMPANY	30 June 2024 £	31 December 2023 £
Trade payables	45,655	100,474
Accruals	34,040	63,240
Social security and other taxation	28	5,351
Other payables		
	79,723	**169,065**

5 Share based payment reserve

GROUP	£
Balance as at 31 December 2023	1,198,366
Warrants issued in the period[1]	3,979,656
Warrants lapsed/expired during the period[2]	(1,107,266)
Share based payment reserve total	**4,070,756**
Warrants issued in the period[3]	114,374

[1] On the 26th June 2024 the Company granted 102,927,586 warrants to staff and contractors. The warrants vested on grant, have an expiry date of 3 years from 25 October 2023, and an exercise price of 1 pence.

On the 26th June 2024 the Company granted a further 38,117,116 warrants to staff and contractors. The warrants vested on grant, have an expiry date of 5 years from 25 October 2023, and an exercise price of 3 pence.

[2] Reversal of all warrant valuations made prior to the reverse takeover of Cykel AI Plc by Mustang Energy Plc

[3] On the 1st May 2024 the Company granted 7,425,000 warrants to the previous management of Mustang Energy Plc. The warrants vested on grant, expire on the 26th October 2026, and have an exercise price of 5 pence.

6 Going Concern

The Company had not yet commenced trade in the Interim period. However, the Directors are of the opinion that the Company has adequate working capital to meet its obligations over the next 12 months. The Directors have focused on carefully managing administrative costs in relation to the Company and anticipate and forecast that the Company will be strongly cash generative. As a result, the Directors have adopted the going concern basis of accounting in the preparation of the interim financial statements.

7 Events after reporting date

On the 8th July 2024, the Company announced a placement of 5,833,333 new ordinary shares of £0.01 each in the share capital of the Company ("Ordinary Shares") at an issue price of 6p per Ordinary Share, raising gross proceeds of £350,000 (before expenses).

On the 30th September 2024, The Company announced a placement of 14,285,714 new ordinary shares of £0.01 each in the share capital of the Company ("Ordinary Shares") at an issue price of 5.25p per Ordinary Share, raising gross proceeds of circa £750,000 (before expenses).