Company registration number 11155663 (England and Wales)

CYKEL AI PLC (PREVIOUSLY CALLED MUSTANG ENERGY PLC)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD 1 JANUARY 2024 TO 31 JANUARY 2025

CYKEL AI PLC (PREVIOUSLY CALLED MUSTANG ENERGY PLC)

GROUP INFORMATION

Directors	J Bixby (appointed 27 June 2024) N J Lyth (appointed 27 June 2024) J Hives (appointed 27 June 2024) R Mayfield (appointed 27 June 2024) E Collinge (appointed 8 October 2024)
Secretary	N J Lyth
Company number	11155663
Registered office	16 Great Queen Street, London WC2B 5DG
Auditor	Kreston Reeves LLP 168 Shoreditch High Street, London E1 6RA
Principal Bankers	Wise Payments Ltd 65 Clifton St, London EC2A 4JE
Registrars	Share Registrars Limited The Courtyard, 17 West Street, Farnham, Surrey GU9 7DR
Solicitors	Fladgate LLP 16 Great Queen Street, London WC2B 5DG

CYKEL AI PLC (PREVIOUSLY CALLED MUSTANG ENERGY PLC)

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CYKEL AI PLC (PREVIOUSLY CALLED MUSTANG ENERGY PLC)

CHAIRMAN'S STATEMENT

FOR THE PERIOD ENDED 31 JANUARY 2025

On 7 November 2023 the Group entered into a non-binding heads of terms to acquire the entire issued share capital of Cykel AI Development Ltd (previously named Cykel AI plc), a Company listed on the Aquis Stock Exchange Growth Market. The reason for the transaction was that it gave the Group a new strategic direction in the expanding AI sector and it gave Cykel AI Development Ltd access to the Main Board of the London Stock Exchange with potentially greater liquidity and access to capital. This transaction was defined as a Reverse Takeover.

This acquisition was completed on 20 June 2024 and resulted in 400,345,563 new shares in the Group being issued to Cykel AI Development Ltd shareholders as consideration for their shares in Cykel AI Development Ltd. As a result, on that date, Cykel AI Development Ltd became 100% wholly owned subsidiary of the Group and it delisted from the Aquis Stock Exchange Growth Market.

Mustang Energy plc changed its name to Cykel AI plc on 1 July 2024.

On 31 January 2025 all assets held by Cykel AI Development Ltd were transferred to Cykel AI plc. This is a precursor to winding up Cykel AI Development Ltd, at which time the Group will become a stand alone entity with no subsidiary.

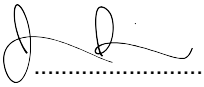
The change of strategic direction for the Group as a result of the acquisition of Cykel AI Development Ltd is to focus its efforts on the development of AI Agents in certain specific industry sectors. In the burgeoning AI sector there are subsectors the Board considers to be particularly important to the future of the adoption of AI and AI Agents is one of these. As such, the Group is developing AI Agents in the Recruitment, Sales and Research sectors and we are starting to see the first revenues being generated from these.

AI Agents are software programs that can interact with their environment, collect data, and use that data to perform tasks and achieve goals autonomously. They can reason, plan, remember, and make decisions based on the information they gather.

Subsequent to the period end, the first sales of the Recruitment-focused AI Agent have been made and this provides encouragement that the Group’s focus is the correct one.

A major influence on the financial numbers in these accounts is that of the Share Based Payment charge and as such requires explanation. The Share Based Payment charge has no impact on the cashflow of the Group.

Cykel AI Development Ltd initially issued warrants to certain individuals prior to its IPO. Upon the acquisition of Cykel AI Development Ltd by Cykel AI plc, these warrants were cancelled and replaced by warrants in Cykel AI plc. At that time, the share price of Cykel AI plc was significantly higher than the replacement warrant exercise price and, by following the appropriate accounting standard, Cykel AI plc was obliged to recognise a large Share Based Payment charge.



J Bixby
Chairman

Date: 30 May 2025

CYKEL AI PLC (PREVIOUSLY CALLED MUSTANG ENERGY PLC)

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

FOR THE PERIOD ENDED 31 JANUARY 2025

Jonathan Bixby, Executive Chairman (age 48)
Jonathan Bixby has significant experience in quoted companies, and in the technology and networking sectors, and in particular was a founder and major investor in Argo Blockchain (ARB), Guild Esports (GILD) and Cellular Goods (CBX) – all listed on the London Stock Exchange. Jonathan is also the Executive Chairman of Phoenix Digital Assets PLC and Clarify Pharma, both listed on the AQUIS market. Prior to this, Jonathan was a founder, board member and investor in East Side Games (EAGR.TO), Koho Financial and Blue Mesa Health (sold to Virgin Pulse). Previous to this, Jonathan was the CEO of Strangeloop Networks, a networking Group which focused on providing hardware appliances in data centres to speed up web-based properties. Strangeloop was sold to Radware (RDWR) in 2013. Jonathan was a founder and Chair of the Board of Ironpoint Technology which provided technology-based content management services. Ironpoint was sold to Active Network (ACTV) in 2006. Jonathan is a well-known investor and advisor to numerous healthcare, networking and software companies including Alavida, TSO Logic, Rubikloud, Neurio and Layerboom.

Nicholas (Nick) James Lyth, Finance Director (age 59)
Nick Lyth is a UK based, experienced finance director and qualified accountant with extensive experience advising quoted companies including AIM listed companies Univision Engineering Ltd, Altona Energy plc and Taihua plc and AQSE listed companies Phoenix Digital Assets PLC, Supernova Digital Assets PLC, Clarify Pharma plc and Ora Technology PLC. For two years, Mr. Lyth was Group Finance and Purchasing Director of Belle Group, a manufacturer of engineering equipment operating across Europe, the US and Asia. He was also Head of Finance at Fothergill Group, a UK manufacturer of technical industrial fabrics, between 1996 and 2003. In his early career, Nick was a management accountant at Courtaulds plc and Rotunda plc.

Ewan Collinge, CEO (age 31)
Ewan is an entrepreneur and technologist. He has launched ventures in payments, AI, SaaS, blockchain, consumer products and gaming. His track record includes two successful exits including taking Ora Technology PLC, an environmental investing platform, and Kondor AI PLC public in the UK. He founded Crowdform, a technology venture studio with teams in the UK, Brazil, Canada and Singapore, which has created digital products for over 75 startups as well as major companies like Shell, Sony, and Red Bull. Ewan is also an investor in early-stage companies and advisor to startups in the UK and Canada.

Jonathan Hives, Non-Executive Director (age 40)
Jonathan has worked in international financial planning for 16 years and across three continents. He has advised high-net-worth individuals and family estates in London, New York, Barcelona, Dubai, Malta and Frankfurt, practising in all areas of wealth and succession planning. He has invaluable first hand experience when it comes to cross-border financial planning. Jonathan prides himself on the service he provides, which is highly personalised, proactive and bespoke to his clients' objectives. He is an active member of the Chartered Insurance Institute, where he holds the Diploma in Financial Planning. In addition, he holds Certificates in i) Discretionary Investment Management, ii) Financial Services and iii) Life and Pensions. He is qualified as an Investment Adviser in the United States (Series 65) and as a European Financial Advisor by the European Financial Planning Association. Jonathan also holds a BA (Hons) degree in Finance & Investment Management.

Rob Mayfield, Non-Executive Director (age 52)
Rob is an experienced international entrepreneur, CEO and VC investor in various industries, focussed on bringing disruptive technology to market. Rob is currently the managing director of a technology investment fund in the Netherlands, investing in technologies associated with Leiden 46 University and the LUMC academic hospital. He previously worked as the University's Director of Technology Transfer, and is also a Director of the Leiden Centre of Entrepreneurship. Rob has extensive corporate governance experience representing the interests of VC and private institutional investors, both through Leiden University's investment fund, Libertatis Ergo Holding B.V., with 40 portfolio companies, and previously as a manager of a multinational corporate VC fund Shell Technology Ventures Fund 1 B.V., operating in Europe, US and Asia. Rob is currently a member of the supervisory board of several companies in which Libertatis Ergo Holding B.V, is an investor, such as inter alia, UNIIQ B.V (a regional investment fund), In Ovo B.V. (agritech), in which he is also chair of the compensation committee, Vitroscan BV (oncology), and Bimini Biotech BV (oncology) as well as a number of digital health technology start-ups. Rob holds a BEng (Hons) in Electrical & Mechanical Engineering from the University of Edinburgh and an MBA from INSEAD.

The directors present the strategic report for the period ended 31 January 2025.

Review of business in the period

On 20 June 2024 the Group completed a transaction whereby it acquired the entire Share Capital of an AI-focused AQSE listed company called Cykel AI Development Ltd (previously called Cykel AI plc). As of that date, the Group has been focused on further developing the AI products. On 27 June 2024 the prior Board of Directors resigned and were replaced by the Board of Directors of the acquired Cykel AI Development Ltd.

Since that date the Group has been working on developing new AI products and services. It became apparent by December 2024 that the potentially most attractive sector to develop was that of AI Agents. AI Agents are software programs that can interact with their environment, collect data, and use that data to perform tasks and achieve goals autonomously. They can reason, plan, remember, and make decisions based on the information they gather.

The Group has launched a Recruitment AI Agent since the end of the reporting period that provides candidate search and assessment for recruitment businesses and the HR departments of large organisations. This Agent has started to generate revenues.

The Group is planning to launch further AI Agents in the Sales and Research sectors during 2025.

Business Strategy
The Group is currently focused on the development of a business that uses AI Agents. The Group believe that this sector of the Artificial Intelligence market will ultimately prove to be the most productive use of AI technology. Having developed the technology to launch the Recruitment AI Agent, much of this technology can be repurposed into AI Agents in other sectors. Furthermore, the Group believes that focusing on specific, targeted industries, such as Recruitment, will be more successful than trying to offer AI Agents across a broad spectrum of industries.

Operational Review
The operational focus for the period has been on rapid, disciplined product development and efficient scaling of our digital worker platform. Following the launch of Lucy, the Recruitment AI Agent, in November 2024, we implemented an agile development focused on delivering feature enhancements including candidate sourcing, screening, outreach capabilities, search functionality, and ATS integrations. We also established account administration and billing infrastructure to support our subscription model, enabling self-serve onboarding for customers. March 2025 saw the beta launch of Samson, our AI research agent, while development of Eve, our sales agent, has progressed by leveraging shared architecture with Lucy. Significantly, we've transitioned to a multi-model LLM approach incorporating both OpenAI's capabilities and self-hosted open-source DeepSeek models, substantially reducing our system running costs.
Our operational structure has benefited from the pivot to AI agents, with their scalability reducing the need for extensive customer success and sales support roles compared to our previous enterprise AI transformation model.

Financial Review

Results for the Period to 31 January 2025
The Group incurred a total comprehensive loss for the period ending 31 January 2025 of £2,618,457 (2023 – loss of £1,567,265).

During this reporting period the Group was pre revenue and was incurring significant expense in developing AI products and Agents and developing sales channels for these. In addition the Group also incurred significant expense in relation to the completion of the Reverse Takeover Transaction.

In addition to these costs there were certain major expenses which, whilst not affecting the Group's cash, impacted the reported Loss. These were charged to meet the requirements of certain accounting treatments.

The first of these was the Share Based Payments charge which is as a result of the issuance of Warrants and Options. Cykel AI Development Ltd, had issued warrants to certain individuals before its AQSE IPO and at its AQSE IPO. These were cancelled on the date that it was acquired by the Group and were replaced by the equivalent warrants in the Group. These Warrants were initially priced at 1p for Cykel AI Development Ltd's pre AQSE IPO issue of warrants and as such identically priced warrants were issued in the Group. The Share Price of the Group at the date of issue of these warrants was significantly in excess of this price and as such, a large Share Based Payment charge was created. The Share Based Payment charge is a non-cash affecting item.

The details of the Share Based Payment Charge is in Note 18.

Financial Review (continued)

The statement of financial position shows a movement in net assets to £187,158, from an opening net asset position at 1 January 2024 of £1,593,026. The key driver in this movement is the cost of the reverse takeover transaction.

Loss per share: 0.02 pence (2023: loss per share 0.97 pence).

Cash flow
Cash operating outflows for the period were £2,270,335 (2023: £562,680).

Closing cash
As at 31 January 2025, the Group held £119,282 of cash (2023: £1,387,215).

Key Performance Indicators (KPI)
A key KPI for the Group is the invoicing of sales of AI Sales Agents. During the reporting period this was £nil. Revenue generated by AI Sales Agents has commenced post period end.

A further KPI is monthly cash burn whilst the Group is in its early stage of development with limited revenues.

The Group does not review non-financial KPIs.

Position of Group's Business
At the period end the Group's Statement of Financial Position shows net assets totaling £187,158 (2023: net assets of £1,593,026).

Environmental matters
The Board contains personnel with a good history of running businesses that have been compliant with all relevant laws and regulations and there have been no instances of non-compliance in respect of environmental matters.

Employee information
During the reporting period the Group has a Chairman, a Chief Executive Officer, a Finance Director, two Non-Executive Directors and 2 employees, all of whom were male.

If future roles are identified, a wide-ranging search would be completed with the most appropriate individual being appointed irrespective of gender.

Social/Community/Human rights matters
The Group ensures that employment practices take into account the necessary diversity requirements and compliance with all employment laws. The Board has experience in dealing with such issues and sufficient training and qualifications to ensure they meet all requirements.

Anti-corruption and anti-bribery policy
The government of the United Kingdom has issued guidelines setting out appropriate procedures for companies to follow to ensure that they are compliant with the UK Bribery Act 2010. The Group has conducted a review into its operational procedures to consider the impact of the Bribery Act 2010 and the Board has adopted an anti-corruption and anti-bribery policy which can be accessed on the Group's website.

Principal risks and uncertainties
The Group operates in an uncertain environment and is subject to a number of risk factors. The Directors consider the following risk factors are of particular relevance to the Group's activities although it should be noted that this list is not exhaustive and that other risk factors not presently known or currently deemed immaterial may apply.

The Group is an early stage developing Group with limited operating history. Investors are relying on the ability of the Group and the Board to raise additional funds (if required) and manage the Group. There is limited trading history of the Group's shares on which to evaluate the Group's ability to achieve its objective in accordance with its business strategy. Movements in the price of shares that can occur in relation to announced events, can sometimes be an indication of how successful or not a Group has been in achieving its business objectives.

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

Unfavourable general economic conditions
The global financial markets are experiencing continued volatility and geopolitical issues and tensions continue to arise. Many countries have continued to experience recession or negligible growth rates, which have had, and may continue to have, an adverse effect on business confidence.

The Group's reputation is central to its future success, in terms of the way in which it conducts its business and the financial results which it achieves. Failure to meet the expectations of its shareholders, business partners and other stakeholders may have a material adverse effect on the Group's reputation and future revenue.

Competition in the AI Agent sector
Whilst the AI Agent sector is relatively new, it is developing quickly and there is a lot of investment in the sector. As such, new AI Agent products are being launched on a regular basis and some of these products are in the same subsectors as the Group ie. Recruitment, Sales and Research. Given the nature of these products, they are not limited geographically, for example a UK product can be purchased in USA and vice versa. So the competitive landscape is worldwide.

This competitive landscape may limit the market penetration of the Group's products.

Composition of the Board
A full analysis of the Board, its function, composition and policies, is included in the Governance Report.

Capital structure
The Group's capital consists of ordinary shares which rank pari passu in all respects and which trade on the Main Market of the London Stock There are no restrictions on the transfer of securities in the Group or restrictions on voting rights and none of the Group's shares are owned or controlled by employee share schemes.

There are no arrangements in place between shareholders that are known to the Group that may restrict voting rights, restrict the transfer of securities, result in the appointment or replacement of Directors, amend the Group's Articles of Association or restrict the powers of the Group's Directors, including in relation to the issuing or buying back by the Group of its shares or any significant agreements to which the Group is a party that take effect after or terminate upon, a change of control of the Group following a takeover bid or arrangements between the Group and its Directors or employees providing for compensation for loss of office or employment (whether through resignation, purported redundancy or otherwise) that may occur because of a takeover bid.

Section 172(1) Statement - Promotion of the Group for the benefit of the members as a whole

Group's S172 Statement

The Directors believe they have acted in the way most likely to promote the success of the Group for the benefit of its members as a whole, as required by s172 of the Companies Act 2006.

The requirements of s172 are for the Directors to:

- Consider the likely consequences of any decision in the long term,
- Act fairly between the members of the Group,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Group's employees,
- Foster the Group's relationships with suppliers, customers and others, and
- Consider the impact of the Group's operations on the community and the environment.

The Group operates as an organisation within a fast-growing and developing AI environment, and at times may be dependent on fund-raising for continued operation and/or growth. The nature of the business is understood by the Group's members, employees and suppliers, and the Directors are transparent about the cash position and funding requirements. The Group's employees are fundamental to the success of the business.

The directors understand that it is critical to engage with and understand their views and to ensure that all employees' interests are considered. To strengthen employee engagement, the Directors promote and encourage all employees to raise any concerns or suggestions with senior management without hesitation. Stakeholder engagement is fundamental to the Group's strategy. The application of the s172 requirements can be demonstrated in relation to the some of the key decisions made during the period:

Significant Events/Decisions	**Key S172 Matters affected**	**Actions and Consequences**
Strategy of acquisition of Cykel AI plc	Shareholders and business relationships	Transform the Group into one focused on AI
Focus on AI Agents	Shareholders and business relationships	Focus on specific sector niches in the AI space so as to most effectively utilise available capital

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This the strategic report is only part of the Group's annual accounts and reports and should be read as part of the whole annual report.

N Lyth

Director

Date: 30 May 2025

Introduction

The Group recognises the importance of, and is committed to, high standards of Corporate Governance. Whilst the Group is not formally required to comply with a Corporate Governance Code, the Group has looked to the requirements of the Quoted Company Alliance (QCA) Code of Corporate Governance and sought to apply aspects of the QCA Code for best practice where deemed appropriate but does not comply with the QCA Code in full. The following sections explain how the Group has applied the aspects of the Code that it considers relevant to the Group.

Compliance with the QCA Code

Whilst the Group has not sought to comply with the Code in full, there are certain provisions it specifically does not comply with, given the size and early-stage nature of the Group, as noted below:

- Principle 6 of the QCA Code requires that at least half of the board should be non-executive directors whom the board considers to be independent. Robert Mayfield is Independent. Jonathan Hives is considered to be independent in character and judgement.
- Principle 4 of the QCA Code suggests that the board should establish a Nomination Committee with at least one independent non-executive director.
- Principle 4 of the QCA Code requires that the board should establish an Audit Committee with a majority of independent non-executive directors.
- Principle 4 of the QCA Code requires that the board should establish a Remuneration Committee with at least one independent non-executive director.

The Group has not yet established a Nomination Committee due to its size and early stage nature. The Audit and Risk Committees are Robert Mayfield and Jonathan Hives. The Remuneration Committee is Jonathan Bixby and Robert Mayfield. Whilst Jonathan Bixby is not a Non Executive Director, the Group considers this appropriate given the size and early stage nature of the business.

The Board has a share dealing code that complies with the requirements of the Market Abuse Regulation and which is available on the Group's website. All persons discharging management responsibilities (comprising only the Directors at the current time) shall comply with the share dealing code at all times.

Set out below are the Group's corporate governance practices for the period ended 31 January 2025.

Leadership
The Group is headed by an effective Board which is collectively responsible for the long- term success of the Group.

The role of the Board - The Board sets the Group's strategy, ensuring that the necessary resources are in place to achieve the agreed strategic priorities, and reviews management and financial performance. It is accountable to shareholders for the creation and delivery of strong, sustainable financial performance and long- term shareholder value. To achieve this, the Board directs and monitors the Group's affairs within a framework of controls which enable risk to be assessed and managed effectively. The Board also has responsibility for setting the Group's core values and standards of business conduct and for ensuring that these, together with the Group's obligations to its stakeholders, are widely understood throughout the Group. The Board has a formal schedule of matters reserved which is provided later in this report.

Board Meetings - The core activities of the Board are carried out in scheduled meetings of the Board and ad hoc Management Meetings. The Board Meetings are timed to link to key events in the Group's corporate calendar and regular reviews of the business are conducted. Ad hoc Management Meetings are arranged to consider matters which require decisions outside the scheduled meetings. During the period, the full Board met on 5 occasions. Outside the scheduled meetings of the Board, the Directors maintain frequent contact with each other to discuss any issues of concern they may have relating to the Group or their areas of responsibility, and to keep them fully briefed on the Group's operations. Where Directors have concerns which cannot be resolved about the running of the Group, or a proposed action, they will ensure that their concerns are recorded in the Board minutes.

Matters reserved specifically for Board - The Board has a formal schedule of matters reserved that can only be decided by the Board. The key matters reserved are the consideration and approval of:

- The Group's overall strategy;
- Financial statements and dividend policy;
- Management structure including succession planning, appointments and remuneration; material acquisitions and disposals, material contracts, major capital expenditure projects and budgets;
- Capital structure, debt and equity financing and other matters;
- Risk management and internal controls;
- The Group's corporate governance and compliance arrangements; and
- Corporate policies.

Summary of the Board's work in the period – During the period, the Board considered all relevant matters within its remit, but focused in particular on the establishment of the Group and the identification of suitable investment opportunities for the Group to pursue, the associated due diligence work as required and the decisions thereon.

Attendance at meetings:

Member	**Position**	**Meetings attended**
Alan Broome, AM	Resigned in period	2/2
Dean Gallegos	Resigned in period	2/2
Peter Wale	Resigned in period	2/2
Simon Holden	Resigned in period	2/2
Jacqueline Yee	Resigned in period	-
Jonathan Bixby	Chairman	3/3
Nicholas Lyth	Finance Director	3/3
Ewan Collinge	Chief Executive Officer	1/1
Jonathan Hives	Non Executive Director	3/3
Robert Mayfield	Non Executive Director	3/3

The Chairman, Jonathan Bixby, proposes and seeks agreement to the Board Agenda and ensures adequate time for discussion.

The QCA Code also recommends the submission of all directors for re-election at annual intervals. No Director will be required to submit for re-election until the first annual general meeting of the Group following the issuance of a prospectus and the Group's shares are relisted and trading.

The terms and conditions of appointment of Non-Executive Directors will be made available upon written request.

Other governance matters - All of the Directors are aware that independent professional advice is available to each Director in order to properly discharge their duties as a Director.

The Group Secretary - The Group Secretary is Nicholas Lyth who is responsible for the Board complying with UK procedures.

Upon the Reverse takeover, the board comprised two Executive Directors and two Non Executive Directors. Upon the appointment of the Chief Executive Officer, the number of Executive Directors increased to three. Biographical details of the Board members are set out on page 2 of this report.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2025

Leadership (continued)
The Directors are of the view that the Board consists of Directors with an appropriate balance of skills, experience, independence and diverse backgrounds to enable them to discharge their duties and responsibilities effectively.

Independence - Non-executive Directors bring a broad range of business and commercial experience to the Group. The Board considers Robert Mayfield to be independent in character and judgement; this has been explored in more detail on page 15.

Appointments – the Board is responsible for reviewing the structure, size and composition of the Board and making recommendations to the Board with regards to any required changes.

Commitments – All Directors have disclosed any significant commitments to the Board and confirmed that they have sufficient time to discharge their duties.

Induction - All new Directors received an informal induction as soon as practical on joining the Board. No formal induction process exists for new Directors, given the size of the Group, but the Chairman ensures that each individual is given a tailored introduction to the Group and fully understands the requirements of the role.

Board performance and evaluation – The Chairman normally carries out an annual informal appraisal of the performance of the other Directors which takes into account the objectives set in the previous period and the individual's performance in the fulfilment of these objectives.

Accountability
The Board is committed to providing shareholders with a clear assessment of the Group's position and prospects. This is achieved through this report and as required other periodic financial and trading statements. The Board has made appropriate arrangements for the application of risk management and internal control principles.

Internal controls - The Board of Directors reviews the effectiveness of the Group's system of internal controls in line with the requirement of the QCA Code. The internal control system is designed to manage the risk of failure to achieve its business objectives. This covers internal financial and operational controls, compliance and risk management. The Group had necessary procedures in place for the period under review and up to the date of approval of the Annual Report and financial statements. The Directors acknowledge their responsibility for the Group's system of internal controls and for reviewing its effectiveness. The Board confirms the need for an ongoing process for identification, evaluation and management of significant risks faced by the Group. The Directors carry out a risk assessment before signing up to any commitments.

The Directors are responsible for taking such steps as are reasonably available to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

At the present, due to the size of the Group, there is no internal audit function. The requirement for internal audit will be kept under regular review.

External auditor
The Group's external auditor is Kreston Reeves LLP. The external auditor has unrestricted access to the Board. The Board is satisfied that Kreston Reeves LLP has adequate policies and safeguards in place to ensure that auditor objectivity and independence are maintained. The external auditors report to the Board annually on their independence from the Group. In accordance with professional standards, the partner responsible for the audit is changed every five periods. The current auditor, Kreston Reeves LLP was first appointed by the Group in August 2023, and therefore the current partner is due to rotate off the engagement after completing the audit for the period ended 31 January 2030. Having assessed the performance objectivity and independence of the auditors, the Board currently intends to reappoint Kreston Reeves LLP as auditors to the Group at the 2025 Annual General Meeting.

£25,000 plus VAT was accrued for, payable to Kreston Reeves LLP, in relation to the audit of the 31 January 2025 financial statements.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 JANUARY 2025

Shareholder relations

Communication and dialogue – Open and transparent communication with shareholders is given high priority and there is regular dialogue with institutional investors, as well as general presentations made at the time of the release of the annual and interim results. All Directors are kept aware of changes in major shareholders in the Group and are available to meet with shareholders who have specific interests or concerns. The Group issues its results promptly to individual shareholders and also publishes them on the Group's website. Regular updates to record news in relation to the Group and the status of its acquisition plans are included on the Group's website. Shareholders and other interested parties can subscribe to receive these news updates by email by registering online on the website free of charge.

The Directors are available to meet with institutional shareholders to discuss any issues and gain an understanding of the Group's business, its strategies and governance. Meetings can also be held with the corporate governance representatives of institutional investors when requested.

Annual General Meeting - At every AGM individual shareholders will be given the opportunity to put questions to the Chairman and to other members of the Board that may be present. Notice of the AGM is sent to shareholders at least 21 working days before the meeting. Details of proxy votes for and against each resolution, together with the votes withheld are announced to the London Stock Exchange and are published on the Group's website as soon as practical after the meeting.

Approved on behalf of the Board of Directors by:

J Bixby
Chairman

Date: 30 May 2025

REMUNERATION REPORT

FOR THE PERIOD ENDED 31 JANUARY 2025

This remuneration report sets out the Group's policy on the remuneration of executive and non- executive directors together with details of Directors' remuneration packages and service contracts for the period ended 31 January 2025.

The Group's remuneration committee is comprised of Jonathan Hives and Jonathan Bixby. The remuneration committee is to meet at least twice a year and has as its remit the determination and review of, among others, the remuneration of executives on the Board and any share incentive plans of the Group.

Remuneration Policy

In setting the policy, the Board has taken the following into account:

- The need to attract, retain and motivate individuals of a calibre who will ensure successful leadership and management of the Group;
- The Group's general aim of seeking to reward all employees fairly accordingly to the nature of their role and their performance;
- Remuneration packages offered by similar companies within the same sector;
- The need to align the interests of shareholders as a whole with the long-term growth of the Group; and
- The need to be flexible and adjust with operational changes throughout the term of this policy.

Future Policy Table

Element	Purpose	Policy	Operation	Opportunity & Performance Conditions
Executive Directors				
Base salary	To award for services provided	Based on recommendations of the remuneration committee, with comparison with other companies of a similar size & sector	Paid monthly & reviewable annually	N/A
Pension	N/A	Statutory, where appropriate	N/A	N/A
Annual Bonus	N/A	Based on recommendations of the remuneration committee in relation to the contributions of the Group	N/A	N/A
Share options	Incentives	Based on recommendations of the remuneration committee as part of a management incentive, where appropriate	N/A	N/A

Element	Purpose	Policy	Operation	Opportunity & Performance Conditions
Non-Executive Directors				
Base salary	To award for services provided	The Board as a whole determines the remuneration of Non-exec Directors based on the recommendations of the Chairman & Comparison with other companies of a similar size & sector	Paid monthly & reviewable annually	N/A
Pension	N/A	Statutory where appropriate	N/A	N/A
Benefits	N/A	None provided	N/A	N/A
Annual Bonus	N/A	No element of remuneration for performance	N/A	N/A
Share options	N/A	Not awarded	N/A	N/A

Notes to the future policy table

The Directors shall also be paid by the Group all travelling, hotel and other expenses as they may incur in attending meetings of the Directors or general meetings or otherwise in connection with the discharge of their duties.

There are no requirements or guidelines for the director to own shares in the Group.

REMUNERATION REPORT

FOR THE PERIOD ENDED 31 JANUARY 2025

Directors Remuneration (audited)

Details of Directors' remuneration during the period ending 31 January 2025 is as follows:

Name	Director fees period ended 31 January 2025 (£)	Director fees year ended 31 December 2023 (£)	Pro Rated Percentage period on year increase / (decrease)
Jonathan Bixby	130,000	40,000	8.3
Nicholas Lyth	65,000	10,000	116.7
Ewan Collinge	58,000	-	-
Jonathan Hives	13,000	2,250	92.6
Robert Mayfield	26,000	5,929	46.2
A Broome	-	7,500	(100.0)
D Gallegos	-	61,000	(100.0)
S Holden	-	5,880	(100.0)
P Wale	-	-	-
J Lee	-	6,000	(100.0)
Total	**292,000**	**138,559**	**110.7**

Terms of appointment

Director	Year of appointment	Number of years completed	Date of current engagement letter
Jonathan Bixby	2023	1	25 August 2023
Nicholas Lyth	2023	1	25 August 2023
Ewan Collinge	2024	-	06 October 2024
Jonathan Hives	2023	1	18 October 2023
Robert Mayfield	2023	1	18 October 2023

Consideration of shareholder views

The Board will consider shareholder feedback received and guidance from shareholder bodies. This feedback, plus any additional feedback received from time to time, is considered as part of the Group's annual policy on remuneration.

Warrants and Options

The Group consider it important that the Directors are aligned with the interests of the Company and its shareholders. It uses the issuance of Warrants and Options to help achieve this. Warrants were issued in Cykel AI Development Ltd before its IPO on Aquis Stock Exchange to incoming Directors. As these were pre IPO they were issued at an exercise price of 1p per warrant. These were subsequently converted into Warrants in Cykel AI plc (previously called Mustang Energy plc) also at an exercise price of 1p per warrant.

Options have also been awarded to certain employees so as to align them with the interests of shareholders and these were issued at an exercise price of 5.5p per Option, this being the prevailing share price at the time.

REMUNERATION REPORT

FOR THE PERIOD ENDED 31 JANUARY 2025

Policy for new appointments

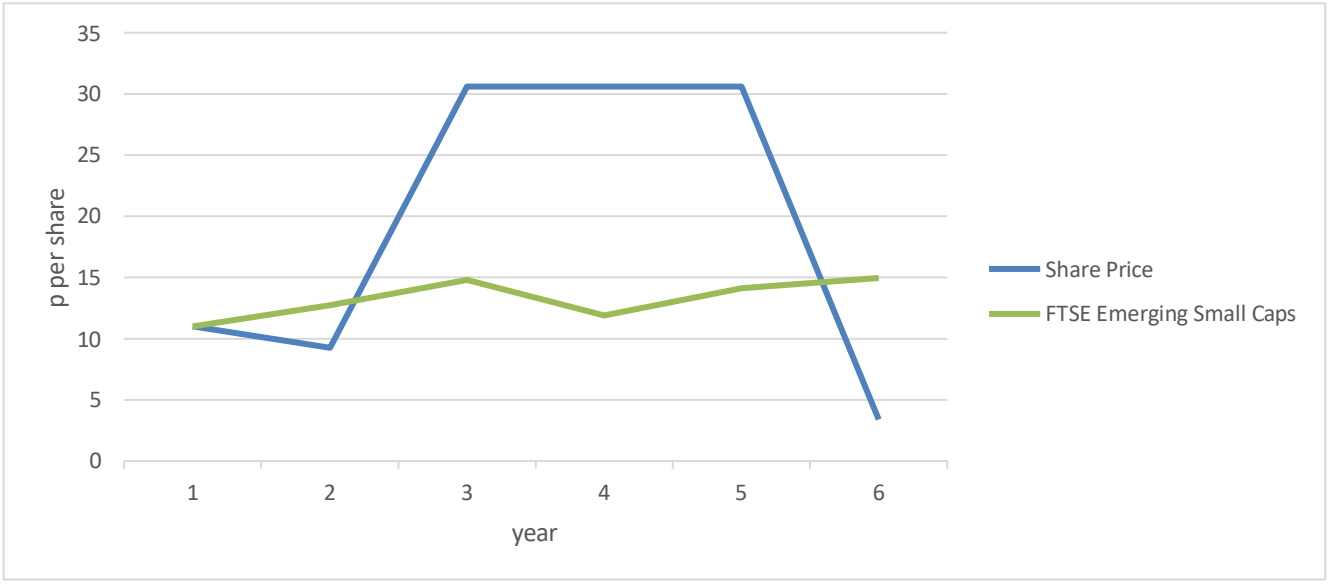
Base salary levels will take into account market data for the relevant role, internal relativities, the individual's experience and their current base salary. Where an individual is recruited at below market norms, they may be re- aligned over time (e.g. two to three years), subject to performance in the role. Benefits will generally be in accordance with the approved policy.

Voting on Remuneration Report and Policy

At the most recent Annual General Meeting of Cykel AI plc (previously called Mustang Energy plc) 7,086,136 votes were received in favour of accepting the Remuneration Report and Policy which was 100% of votes cast.

Share Price

The following graph illustrates the performance of the Company's share price against the FTSE Emerging Small Caps index over the period December 2019 to January 2025:



Relocation and Incidental Expenses

For external and internal appointments, the Board may agree that the Group will meet certain relocation and/or incidental expenses as appropriate.

Policy on payments for loss of office

Notice periods are contractually negotiated and generally follow normal industry practice of three months. Loss of office payments are in accordance with this notice period.

Approved on behalf of the Board of Directors by:

Jonathan Bixby
Chairman

Date: 30 May 2025

CYKEL AI PLC (PREVIOUSLY CALLED MUSTANG ENERGY PLC)

DIRECTORS REPORT

FOR THE PERIOD ENDED 31 JANUARY 2025

The directors present their report and financial statements for the period 1 January 2024 to 31 January 2025. The corporate governance statement set out on pages 7 to 8 forms part of this report.

A commentary on the business is included in the Chairman's Statement on page 1.

Principal activities

Following the completion of the acquisition of Cykel AI Development Ltd, the Group has focused on developing AI-centred products. By the end of 2024 it became clear that the sector with most potential was that of AI Agents.

AI Agents are software programs that can interact with their environment, collect data, and use that data to perform tasks and achieve goals autonomously. They can reason, plan, remember, and make decisions based on the information they gather.

The Group has launched a Recruitment AI Agent that provides candidate search and assessment for recruitment businesses and the HR departments of large organisations. This Agent has started to generate revenues.

The Group is planning to launch further AI Agents in the Sales and Research sectors in the current period.

Results and dividends

The results for the period are set out on page 29.

The Directors do not propose a dividend in respect of the period ended 31 January 2025. No dividend was paid in the year to 31 December 2023.

Directors

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

J S L Yee	(resigned 3 January 2024)
D L Gallegos	(resigned 27 June 2024)
A J Broome	(resigned 27 June 2024)
S W Holden	(resigned 27 June 2024)
P V Wale	(resigned 27 June 2024)
J Bixby	(appointed 27 June 2024)
N J Lyth	(appointed 27 June 2024)
J Hives	(appointed 27 June 2024)
R Mayfield	(appointed 27 June 2024)
E Collinge	(appointed 8 October 2024)

Directors' interests

The directors' interests in the shares of the Group at the date of signing were as stated below:

Director	Position	Appointed	Ordinary Shares	Warrants	Options
J Bixby (1)	Executive Chairman	27 June 2024	31,550,000	55,752,442	-
N J Lyth	Finance Director	27 June 2024	1,178,000	19,298,922	-
J Hives	Non-Executive Director	27 June 2024	-	4,288,649	-
R Mayfield	Non-Executive Director	27 June 2024	-	4,288,649	-
E Collinge	Chief Executive Officer	8 October 2024	3,822,000	5,360,811	20,000,000
JSL Lee	Resigned in period	18 May 2020	-	-	-
DL Gallegos	Resigned in period	17 Jan 2018	1,630,000	-	5,625,000
AJ Broome	Resigned in period	17 Jan 2018	140,000	-	600,000
SW Holden	Resigned in period	1 Aug 2018	340,000	-	600,000
PV Wale	Resigned in period	17 Jan 2018	340,000	-	600,000

(1) J Bixby's Ordinary Shares and Warrants are held by Toro Consulting Ltd, a Group which he controls

Substantial shareholders

As at 31 January 2025, the total number of issued Ordinary Shares with voting rights in the Group was 432,926,576. Details of the Group's capital structure and voting rights are set out in note 21 to the financial statements.

As at the date of approval of this report the Group had a total number of issued Ordinary Shares with voting rights in the Group of 457,926,576. The Group has been notified of the following interests of 3 per cent or more in its issued share capital.

Party name	Number of Ordinary Shares	% of Share Capital
Charitable Impact Foundation (Canada)	64,000,000	13.98%
Toro Consulting Ltd (1)	31,550,000	6.89%
Crowdform Ltd	19,110,000	4.17%

(1) Toro Consulting Ltd is a Group controlled by J Bixby

Financial instruments

Details of the use of the Group's exposure to financial risk are contained in note 21 of the financial statements.

Post reporting date events

Fundraising

On 26 February 2025 the Group announced that it had successfully raised gross proceeds of £800,000 via the placing of 25,000,000 new Ordinary Shares at a price of 3.2p per share.

Future developments

Further details of the Group's future developments are set out in the Strategic Report on pages 9 to 14.

Auditor

The Board appointed Kreston Reeves LLP as auditors of the Group. They have expressed their willingness to continue in office and it is currently intended that a resolution to reappoint them will be proposed at the Annual General Meeting.

Energy and carbon report

The Group is aware that it needs to measure its operational carbon footprint in order to limit and control its environmental impact. However, given the very limited nature of its operations during the period under review, it has not been practical to measure its carbon footprint.

In the future, the Group will only measure the impact of its direct activities, as the full impact of the entire supply chain of its suppliers cannot be measured practically.

The Group is exempt from the Streamlined Energy & Carbon Reporting (SECR) requirements since energy consumption is less than 40,000 kWh of energy in the reporting period.

The Task Force on Climate-related Financial Disclosures (TCFD) aim to provide investors, lenders, and other stakeholders with information necessary to assess climate-related risks and opportunities. The Group takes various actions throughout our local operations to mitigate the potential impacts of our activities. We recognise the benefits of disclosing climate-related financial information, but due to our small scale and stage of development, have not yet fully implemented the TCFD recommendations.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards (UK-adopted IAS).

Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. The Directors

are also required to prepare financial statements in accordance with the rules of the London Stock Exchange.

In preparing these financial statements, International Accounting Standard 1 requires that directors:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and accounting estimates that are reasonable and prudent;
- State whether they have been prepared in accordance with UK-adopted international accounting standards, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business; and
- Prepare a director's report, a strategic report and director's remuneration report which comply with the requirements of the Companies Act 2006.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

They are also responsible to make a statement that they consider that the annual report and accounts, taken as a whole, is fair, balanced, and understandable and provides the information necessary for the shareholders to assess the Group's position and performance, business model and strategy.

The directors are responsible for the maintenance and integrity of the Group website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Directors' responsibilities pursuant to Disclosure and Transparency Rule

Each of the Directors, whose names and functions are listed on page 2 confirm that, to the best of their knowledge and belief:

- the financial statements have been prepared in accordance UK-adopted IAS and give a true and fair view of the assets, liabilities, financial position and loss of the Group; and

- the Annual Report and financial statements, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that they face.

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

Strategic report

The Group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of the review of the business during the period.

Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Group's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Going Concern

The Group 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.

There is no guarantee that this appetite will continue although the Group has received a letter of comfort from its broker in terms of its willingness to continue to support the Group in its development.

These events or conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group'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 Group 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 Group 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.

On behalf of the board

.....
Nicholas Lyth
Director

Opinion

We have audited the financial statements of Cykel AI PLC (the 'Parent Company') and its subsidiaries (the "Group"), for the period ended 31 January 2025 which comprise the Consolidated and Company Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Statement of Cashflows and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- the financial statements of Cykel AI PLC give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 January 2025 and of the Group's and Parent Company's loss for the period then ended and of the Group's and Parent Company's cashflow positions as at 31 January 2025;
- the Group and Parent Company financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- the Group and Parent Company financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Reverse Takeover

We draw attention to Note 8 to the financial statements, which describes the reverse takeover transaction that occurred during the period, whereby Cykel AI Development Limited (formerly known as Cykel AI PLC) acquired Cykel AI PLC (formerly known as Mustang Energy PLC), resulting in Cykel AI Development Limited (formerly known as Cykel AI PLC) being identified as the accounting acquirer in accordance with IFRS. As a result, these financial statements have been prepared as a continuation of the financial statements of Cykel AI Development Limited (formerly known as Cykel AI PLC), with the comparative information also being that of Cykel AI Development Limited (formerly known as Cykel AI PLC). Our opinion is not modified in respect of this matter.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group and the Parent Company, the accounting processes and controls, and the industry in which they operate.
We determined the components of the Group by considering the overall structure of the Group and the Parent Company, the nature of their accounting processes and controls, and the industry in which they operate. Our scoping considerations for the Group audit were based on both financial information (such as the size and financial significance of each component) and the assessment of audit risk. We then tailored our audit approach to ensure sufficient audit work was performed across these components to enable us to express an opinion on the Group's

financial statements as a whole.

Our scoping considerations for the Group audit were based both on financial information and risk. In total we have identified 2 distinct components within the group financial statements.

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion. Based on our professional judgement, we determined materiality and performance materiality for the financial statements of the Group and of the Parent Company as follows:

	Group financial statements	Parent company financial statements
Materiality	£57,800	£21,000
Basis for determining materiality	2% of normalised expenditure	2% of normalised expenditure
Rationale for benchmark applied [Include details of any normalization applied to the benchmark]	As this is a start up, the group is currently just spending money in order to be able to create revenue and currently has no revenue streams or sales. Therefore, expenses are the largest value in the financial statements and would have the most relevance to the readers of the financial statements.	As this is a start up, the company is currently just spending money in order to be able to create revenue and currently has no revenue streams or sales. Therefore, expenses are the largest value in the financial statements and would have the most relevance to the readers of the financial statements.
Performance materiality	£40,500	£14,700
Basis for determining performance materiality	70% of materiality	70% of materiality
Reporting threshold	£2,900	£1,100
Basis for determining reporting threshold	5% of materiality	5% of materiality

We reported all audit differences found in excess of our reporting threshold to the audit committee.

For each Group component within the scope of our Group audit, we determined performance materiality that is less than our overall Group performance materiality. The performance materiality determined for each Group company was between £14,700 and £25,800.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters, including going concern, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

<table>
<tr><th colspan="2">Reverse Acquisition</th></tr>
<tr><td>Significance and nature of the key audit matter

During the period, the Group completed a reverse acquisition whereby Cykel AI Development Limited (formerly known as Cykel AI PLC) legally acquired Cykel AI PLC (formerly known as Mustang Energy PLC), but for accounting purposes, Cykel AI PLC (formerly known as Mustang Energy PLC) was identified as the accounting acquirer.

This is a complex, judgmental area requiring significant management judgment in determining the accounting acquirer, measuring consideration transferred, identifying and valuing acquired net assets, and applying IFRS.

The reverse acquisition has a material impact on the financial statements, including the comparative financial information presented.</td><td>How our audit addressed the key audit matter

Our audit procedures included, among others:

• Evaluating management's assessment of the transaction against the criteria in IFRS to determine the accounting acquirer;

• Reviewing the terms and structure of the acquisition agreement and assessing whether the accounting treatment is appropriate;

• Assessing the identification and valuation of the assets acquired and liabilities assumed;

• Recalculating the reverse acquisition reserve recognised as part of the transaction;

• Evaluating the adequacy and accuracy of the related disclosures in Note 8 to the financial statements.

Based on the procedures performed, we found the accounting treatment of the reverse acquisition, including the identification of the accounting acquirer, the measurement of the consideration transferred, and the recognition and disclosure of the transaction, to be consistent with the requirements of IFRS.</td></tr>
<tr><td colspan="2">Key observations

We have no concerns over the material accuracy of the reverse takeover transaction in the financial statements. However, given the unusual nature of the transaction we have included comments within an Emphasis of Matter paragraph within this audit report.</td></tr>
</table>

Going Concern	
Significance and nature of the key audit matter	**How our audit addressed the key audit matter** Our audit procedures included, among others:
Management is required to assess the Group's ability to continue as a going concern for at least 12 months from the date of approval of the financial statements. Following the reverse acquisition and the LSE re-admission, the Group is in a transitional period and may face uncertainties related to cash flow projections, funding availability, and execution of its revised business strategy. The going concern assessment involved significant judgment, particularly in relation to forecast assumptions, the timing and availability of funding, and the Group's ability to meet its obligations as they fall due. Accordingly, we identified going concern as a key audit matter.	• Evaluating management's going concern assessment and testing the reliability of the underlying forecasts covering at least the 12-month period from the date of approval of the financial statements; • Assessing the key assumptions used in the forecasts, including revenue growth, cost controls, and timing of anticipated financing or capital inflows; • Considering the Group's available cash resources and committed funding facilities as at the reporting date; • Performing sensitivity analysis to assess the impact of changes in key assumptions on the forecasted cash position; • Reviewing post-period-end developments, including sales pipeline and evaluating their potential impact on the going concern status; • Reviewing the adequacy of disclosures relating to going concern in Note 2.2. Based on the audit procedures performed, we found that management's use of the going concern basis of accounting was appropriate. However, due to the uncertainty surrounding the Group's ability to secure additional funding within the forecast period, we concluded that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Accordingly, we have included a separate section titled Material Uncertainty Related to Going Concern in our auditor's report.
Key observations We have no significant concerns over the material accuracy of Going Concern in the financial statements. However, as explained above, we have included a Material Uncertainty Related to Going Concern in our auditor's report due to the inherent uncertainty of obtaining future funding.	

Material uncertainty relating to going concern

We draw attention to Note 2.2 in the financial statements, which indicates that there is a significant threat to the going concern status of the group.

Cykel AI PLC (formerly known as Mustang Energy PLC) is in the business of developing the AI-centered products. In order to undertake this work, there will need to be sufficient amounts of cash held in the business which, at the balance sheet date, was £119,232 (2023: £1,387,215).

The group has incurred significant losses, totaling to £2,618k in the period ended 31 January 2025 (31 December 2023: loss of £1,567k). These losses are attributable to the start-up nature of the business which at the date of this audit report has yet to change significantly. The group is attempting to reduce costs in the 2025 financial period and seek additional external financing which could generate sufficient cash to sustain trade for an extended period.

Post period-end, the company has reported cumulative losses of over £600k, reinforcing concerns around cash burn and profitability.

Management has indicated plans to raise new funding in July 2025. Whilst the Directors have a credible history of raising capital in the past and maintain confidence in their ability to do so again; there are no binding agreements or completed transactions currently in place and therefore the timing and certainty of future fundraising remain uncertain. The Group is therefore not in a position to self-finance and will require additional external funding which, at the date of this audit report, is not secured.

As a result of the significant threat to going concern, we have completed the following audit work as part of our evaluation of going concern:

- Overheads and debt costs assumptions – we considered projected overheads into 2025/26 period and beyond to ensure that these were reasonable after considering both the current and expected future profile of the business moving forward;
- Have evaluated the design and implementation of key internal controls over management's assessment of going concern, considering in detail the rationale provided and whether this was consistent with our understanding as well as audit evidence obtained;
- Credit / cash control management assumptions – we identified within the forecasting the most significant cash inflows and ensured that the valuation and timing of these inflows were reasonable;
- We performed sensitivity analysis to assess the level of working capital headroom should key assumptions be less favorable than included in management’s model;
- We considered post period end performance data available, including the Group’s future commitments, to gain additional assurance over the effectiveness of management’s intention to remain as a going concern.

Based on the work we have performed we have gained sufficient assurance in order to rely on management’s forecasting in forming our assessment. We have also gained assurance over the credibility of management’s ambitions over the next 12 months, which drives the sustainability of Cykel AI PLC. We have further confirmed the adequacy of working capital available in order to settle external liabilities as they fall due and where this is not available we have reviewed the directors’ assessment that they can raise the funding required through future share capital raises.

However, whilst we have evaluated future cash inflows as reasonable, there are significant levels of uncertainty surrounding both their valuation and timing and at the dates of the audit report future any funding has not been secured. Should all or part of this funding not be received, or product development experience a lack of advancement, the Group could incur severely detrimental effects on the future operations of the business.

Therefore, the above uncertainties indicate that a significant threat to the business exists which leads to our assessment that there is material uncertainty that may cast significant doubt on the Group’s and the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinion on the Remuneration report

Kreston Reeves has audited the Remuneration report set out on pages 12 to 16 of the Annual Report for the financial period. The Directors of the Company are responsible for the preparation and presentation of the Remuneration report in accordance with the Companies Act 2006. Kreston Reeves' responsibility is to express an opinion on the Remuneration report, based on our audit conducted in accordance with International Accounting Standards. In Kreston Reeves' opinion, the Remuneration report of the Group for the period complies with the requirements of the Companies Act 2006.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Corporate Governance Statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's and Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the UK Listing Rules.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement (set out on page 25), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the group and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to reduce expenditure and management bias in accounting. Audit procedures performed by the group engagement team included:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are those that relate to the reporting; and
- Detailed discussions were held with management to identify any known or suspected instances of non-compliance with laws and regulations; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Performing analytical procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud;
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance and reviewing correspondence with relevant tax and regulatory authorities; and

- Performing integrity testing to verify the legitimacy of banking records obtained from management; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the period-end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be

communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters which we are required to address (Main market LSE-listings Only)

We were appointed by the Audit Committee in the period to audit the financial statements. Our total uninterrupted period of engagement is 1 period, covering the financial period ended 31 January 2025.

The non-audit services prohibited by the Financial Reporting Council's Ethical Standard were not provided to the Group or the Parent company and we remain independent of the Group and the Parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit Committee.

Use of our Report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Anne Dwyer BSc(Hons) FCA (Senior Statutory Auditor)
For and on behalf of
Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
London
Date: 30 May 2025

CYKEL AI PLC (Previously called Mustang Energy PLC)
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.

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

CYKEL AI PLC (Previously called Mustang Energy PLC)
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**

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

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

CYKEL AI PLC (Previously called Mustang Energy PLC)
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.

CYKEL AI PLC (Previously called Mustang Energy PLC)
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**

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.

CYKEL AI PLC (Previously called Mustang Energy PLC)

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**

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

CYKEL AI PLC (Previously called Mustang Energy PLC)

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**

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

CYKEL AI PLC (Previously called Mustang Energy PLC)
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**

The accompanying notes on pages 36 to 60 form part of the financial statements

CYKEL AI PLC (Previously called Mustang Energy PLC)
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**

The accompanying notes on pages 36 to 60 form part of the financial statements

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.

2 Accounting Policies (Continued)

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:

2 Accounting Policies (Continued)

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 Accounting Policies (Continued)

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.

2 Accounting Policies (Continued)

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.

2 Accounting Policies (Continued)

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

2 Accounting Policies (Continued)

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**

27 Financial instruments and associated risks (Continued)

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.