

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you are recommended to seek your own financial advice immediately from an independent financial adviser who is authorised under the Financial Services and Markets Act 2000 (as amended) ("FSMA") if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom.**

This document comprises a prospectus (the "**Prospectus**") relating to Mustang Energy PLC (the "**Company**" or "**Mustang Energy**") prepared for the purposes of Article 3 of the UK version of the Prospectus Regulation (EU) No 2017/1129, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (the "**Prospectus Regulation**") and has been prepared in accordance with the prospectus regulation rules of the Financial Conduct Authority (the "**FCA**") made under section 73A of FSMA (the "**Prospectus Regulation Rules**"). This Prospectus has been approved by the FCA, as competent authority under the Prospectus Regulation. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval shall not be considered as an endorsement of the quality of the securities and the issuer that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities.

The current entire issued share capital of the Company (the "**Existing Ordinary Shares**") is admitted to the Official List of the FCA (the "**Official List**") by way of a standard listing under Chapter 14 of the listing rules published by the FCA under section 73A of FSMA (the "**Listing Rules**") and to the London Stock Exchange plc's ("**London Stock Exchange**") main market for listed securities (the "**Main Market**"). The proposed acquisition (the "**Acquisition**") of Cykel AI PLC ("**Cykel**") is classed as a reverse takeover under the Listing Rules, therefore upon completion of the Acquisition the listing of all Existing Ordinary Shares will be cancelled, and application will be made for the immediate admission of the enlarged share capital of the Company (the "**Enlarged Share Capital**") to listing on the standard listing segment of the Official List and to trading on the London Stock Exchange's Main Market (together, "**Admission**" or "**Readmission**"). It is expected that Readmission will become effective and that unconditional dealings in the Ordinary Shares will commence at 8:00 a.m. on 27 June 2024. No application has been made, or is currently intended to be made, for the Ordinary Shares to be admitted to listing or trading on any other stock exchange.

The Directors and the Proposed Directors, whose names appear on page 32 of this Prospectus, and the Company accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Directors and the Proposed Directors and the Company, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

**THE WHOLE OF THE TEXT OF THIS PROSPECTUS SHOULD BE READ. YOUR ATTENTION IS SPECIFICALLY DRAWN TO THE DISCUSSION OF CERTAIN RISKS AND OTHER FACTORS SET OUT IN THE SECTION ENTITLED "RISK FACTORS" ON PAGES 13 TO 21 OF THIS PROSPECTUS.**



MUSTANG ENERGY PLC

*(Incorporated in England and Wales with company number 11155663)*

**Proposed Acquisition of Cykel AI Plc**

**Approval of waiver of Rule 9 of the City Code on Takeovers and Mergers**

**Issue of 400,345,563 New Shares**

**Admission of the Enlarged Share Capital to listing on the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange's Main Market**

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This Prospectus does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer or invitation to buy or subscribe for, Ordinary Shares in any jurisdiction where such an offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. The Acquisition will be made solely through the Scheme Document (defined below), which will contain the full terms and conditions of the Acquisition, including details of how the Acquisition may be accepted. Any acceptance or other response to the Acquisition should be made only on the

basis of the information in the Scheme Document.

The Ordinary Shares have not been and will not be registered under the US Securities Act, or the securities laws of any state or other jurisdiction of the United States or under applicable securities laws of Australia, Canada, Japan, South Africa (or their respective territories). Subject to certain exceptions, the Ordinary Shares may not be offered, sold, resold, transferred or distributed directly or indirectly, within, into or in the United States or to or for the account or benefit of persons in the United States, Australia, Canada, Japan, South Africa (or their respective territories) or any other jurisdiction where such offer or sale would violate the relevant securities laws of such jurisdiction.

This Prospectus does not constitute an offer to sell or a solicitation of an offer to purchase or subscribe for Ordinary Shares in any jurisdiction in which such offer or solicitation is unlawful or would impose any unfulfilled registration, publication or approval requirements on the Company. The Ordinary Shares may not be taken up, offered, sold, resold, transferred or distributed, directly or indirectly within, into or in the United States except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the Securities Act. There will be no public offer in the United States. The Company has not been and will not be registered under the United States Investment Company Act pursuant to the exemption provided by section 3(c)(7) thereof, and investors will not be entitled to the benefits of that Act.

The distribution of this Prospectus in or into jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possessions this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

None of the Ordinary Shares have been approved or disapproved by the SEC, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment upon or endorsed the merit of the offer of the Ordinary Shares or the accuracy or the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

**Application will be made for the Enlarged Share Capital to be admitted to a Standard Listing on the Official List. A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in companies with Premium Listings on the Official List, which are subject to additional obligations under the Listing Rules.**

**It should be noted that the FCA will not have authority to (and will not) monitor the Company's compliance with any of the Listing Rules which the Company has indicated herein that it intends to comply with on a voluntary basis, nor to impose sanctions in respect of any failure by the Company to so comply.**

The FCA is consulting on changes to the current Listing Rules which are aimed at making the UK's listing regime more accessible, effective, and competitive. The proposals are set out in Consultation Paper CP23/31 and involve the creation of new listing categories for equity shares, including (i) a new single listing category for UK listings of equity shares in commercial companies, replacing the premium listing and standard listing segments, and (ii) a transitional category for commercial companies currently listed on the standard listing segment. On 7 March 2024 the FCA published an updated draft of the new UK Listing Rules (UKLRs) instrument. The draft UKLRs are still subject to consultation and any expectation as to the impact on the Company's listing or future listing options will be on the basis of the draft UKLRs being implemented.

Copies of this Prospectus will be available during normal business hours on any day (except Saturdays, Sundays, bank and public holidays) free of charge to the public at the registered office of the Company at Keystone Law Limited, 48 Chancery Lane, London WC2A 1JF, from the date of this Prospectus to the date one month from the date of Admission. A copy of this Prospectus will be available on the Company's website at [www.mustangplc.com](http://www.mustangplc.com).

This Prospectus is dated 23 May 2024.

## NOTICE TO INVESTORS

The distribution of this Prospectus and Admission may be restricted by law in certain jurisdictions and therefore persons into whose possession this Prospectus comes should inform themselves about and observe any restrictions, including those set out below. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Ordinary Shares, or possession or distribution of this Prospectus or any other offering material in any country or jurisdiction where action for that purpose is required. Accordingly, the Ordinary Shares may not be offered or sold, directly or indirectly, and neither this Prospectus nor any other offering material or advertisement in connection with the Ordinary Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any and all applicable rules and regulations of any such country or jurisdiction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus does not constitute an offer to subscribe for any of the Ordinary Shares offered hereby to any person in any jurisdiction to whom it is unlawful to make such offer or solicitation in such jurisdiction.

This Prospectus has been approved by the FCA, as the competent authority under the Prospectus Regulation, as a prospectus which may be used to offer securities to the public for the purposes of section 85 of FSMA and of the Prospectus Regulation. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation and such approval should not be considered as an endorsement of the issuer that is the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the securities. No arrangement has been made with the competent authority in any other EEA State (or any other jurisdiction) for the use of this Prospectus as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in any jurisdiction. Issue or circulation of this Prospectus may be prohibited in countries other than those in relation to which notices are given below. This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, shares in any jurisdiction in which such offer or solicitation is unlawful.

Further details relevant for Cykel Shareholders in restricted jurisdictions are contained in the document (the "**Scheme Document**") to be despatched to Cykel Shareholders and persons with information rights relating to Cykel Shares setting out, amongst other things, the details of the Acquisition, the full terms and conditions of the Scheme and containing the notices convening the Cykel Court Meeting and the general meeting of Cykel Shareholders to be convened for the purpose of considering, and if thought fit approving, the resolutions in relation to the Acquisition (notice of which will be set out in the Scheme Document), including any adjournment, postponement or reconvention thereof (the "**Cykel General Meeting**").

### **For the attention of European Economic Area investors**

In relation to each member state of the European Economic Area which has implemented the Prospectus Regulation (each, a "**Relevant Member State**"), an offer to the public of the Ordinary Shares may only be made once the Prospectus has been passported in such Relevant Member State in accordance with the Prospectus Regulation as implemented by such Relevant Member State. For the other Relevant Member States, an offer to the public in that Relevant Member State of any Ordinary Shares may only be made at any time under the following exemptions under the Prospectus Regulation, if they have been implemented in that Relevant Member State and, subject to Article 3 of the Prospectus Regulation:

- to any legal entity which is a qualified investor, within the meaning of Article 2(e) of the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) in such Relevant Member State subject to obtaining prior consent of the Company for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation.

For the purposes of this provision, the expression 'offer to the public' in relation to any offer of Ordinary Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Ordinary Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Ordinary Shares and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

#### **For the attention of UK investors**

This Prospectus comprises a prospectus relating to the Company prepared in accordance with the Prospectus Regulation Rules and approved by the FCA under section 87A of FSMA. This Prospectus has been approved by the FCA and made available to the public in accordance with Rule 3.2 of the Prospectus Regulation Rules.

#### **For the attention of US investors**

The Ordinary Shares have not been and will not be registered under the Securities Act, as amended, or the securities laws of any state or jurisdiction of the United States, and may not be offered, sold, resold, transferred or distributed, directly or indirectly, within, into or in the United States, except pursuant to an exemption from, or in a transaction that is not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any state or jurisdiction of the United States.

Accordingly, the Ordinary Shares may only be sold: (i) within the United States or to US Persons as defined in Regulation S of the Securities Act ("**US Persons**") (wherever located) in transactions exempt from the registration requirements of the Securities Act and only to persons who are both qualified institutional buyers, as defined in Rule 144A of the Securities Act; and (ii) outside the United States to persons who are non-US Persons in offshore transactions within the meaning of, and in accordance with, Regulation S under the Securities Act.

The Ordinary Shares have not been approved or disapproved by the SEC, any state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed comment upon or endorsed the merit of the offer of the Ordinary Shares or the accuracy or the adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

#### **Available information**

The Company is not subject to the reporting requirements of section 13 or 15(d) of the US Securities Exchange Act of 1934, as amended (the "**US Exchange Act**"). For so long as any Ordinary Shares are "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act, the Company will, during any period in which it is neither subject to section 13 or section 15(d) of the US Exchange Act nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, provide, upon written request, to Shareholders and any owner of a beneficial interest in Ordinary Shares or any prospective purchaser designated by such holder or owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act. The Company expects to be exempt from reporting pursuant to Rule 12g32(b).

#### **Enforcement of judgments**

The Company is incorporated under the laws of England. It may not be possible for investors to effect service of process within the United States upon the Company, or any Directors or Proposed Directors who are not US citizens or residents of the United States, or to enforce outside the United States judgments obtained against the Company, or any Directors or Proposed Directors who are not US citizens or residents of the United States in US courts, including, without limitation, judgements based upon the civil liability provisions of the US federal securities laws or the laws of any state or territory within the United States. There is doubt as to the enforceability in the United Kingdom, in original actions or in actions for enforcement of United States court judgments, of civil liabilities predicated solely upon US federal securities laws. In addition, awards for punitive damages in actions brought in the United States or elsewhere may be unenforceable in the United Kingdom.

## CONTENTS

	<i>Page</i>
SUMMARY	6
RISK FACTORS	13
CONSEQUENCES OF A STANDARD LISTING	22
IMPORTANT INFORMATION	24
EXPECTED TIMETABLE OF PRINCIPAL EVENTS	29
STATISTICS AND DEALING CODES	31
DIRECTORS, PROPOSED DIRECTORS, SECRETARY AND ADVISERS	32
PART I INFORMATION ON THE ENLARGED GROUP	34
PART II DIRECTORS, PROPOSED DIRECTORS AND CORPORATE GOVERNANCE	45
PART III OPERATING AND FINANCIAL REVIEW	52
PART IV SHARE CAPITAL, LIQUIDITY AND CAPITAL RESOURCES AND ACCOUNTING POLICIES	58
PART V TAXATION	63
PART VI FINANCIAL INFORMATION OF THE ENLARGED GROUP	66
(A) HISTORICAL FINANCIAL INFORMATION OF THE COMPANY	66
(B) HISTORICAL FINANCIAL INFORMATION OF CYKEL	67
(C) ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF NET ASSETS	85
(D) UNAUDITED PRO FORMA CONSOLIDATED NET ASSET STATEMENT	87
PART VII ADDITIONAL INFORMATION	91
PART VIII DEFINITIONS	119
PART IX RELEVANT DOCUMENTATION AND INCORPORATION BY REFERENCE	126

## SUMMARY

### SECTION A – INTRODUCTION AND WARNINGS

The securities to which this Prospectus relates are the ordinary shares of £0.01 each in the capital of the Company (the "**Ordinary Shares**"). The ISIN for the Ordinary Shares is GB00BJ9MHH56 and the LEI of the Company is 213800QEO6L6JAS62H02. The issuer of the Ordinary Shares is Mustang Energy PLC, a public limited company, incorporated in England and Wales. Its registered office is 48 Chancery Lane, c/o Keystone Law, London WC2A 1JF, United Kingdom. The Company's telephone number is +61 416 220 007.

This Prospectus has been approved by the Financial Conduct Authority (the "**FCA**") as the competent authority for listing in the United Kingdom. The date of approval of this Prospectus is 23 May 2024. The FCA's registered address is at 12 Endeavour Square, London E20 1JN, United Kingdom and telephone number is +44 (0)20 7066 1000.

This summary should be read as an introduction to this Prospectus. Any decision to invest in the Ordinary Shares should be based on a consideration of this Prospectus as a whole by the investor. An investor could lose all or part of the invested capital. Civil liability attaches only to those persons who have tabled this summary, including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or where it does not provide, when read together with the other parts of this Prospectus, key information to aid investors when considering whether to invest in the Ordinary Shares.

### SECTION B – KEY INFORMATION ON THE ISSUER

#### WHO IS THE ISSUER OF THE SECURITIES?

The legal and commercial name of the issuer is Mustang Energy PLC (the "**Company**" or "**Mustang Energy**"). The Company was incorporated and registered as a public limited company in England and Wales on 17 January 2018. The Company is limited by shares and subject to the provisions of the Companies Act 2006 (the "**CA 2006**"). The Company's registered number is 11155663.

The principal legislation under which the Company operates and under which the Ordinary Shares have been created is the CA 2006. The LEI of the Company is 213800QEO6L6JAS62H02. The Directors of the Company as at the date of this Prospectus are Dean Gallegos, Alan Broome, Peter Wale and Simon Holden. The Directors of the Company on Readmission will be Jonathan Bixby, Nicholas Lyth, Jonathan Hives, and Robert Mayfield. The Company's auditors are PKF Littlejohn LLP, whose registered address is at 15 Westferry Circus, Canary Wharf, London E14 4HD.

#### Current operations / Principal activities and markets

The Company was formed to undertake an acquisition of a target company or business or asset(s) with operations in the energy or natural resources sectors. As a result of the global COVID-19 pandemic, the Company announced with the release of its annual report and financial statements for the year ended 31 December 2019 that it would expand its search for appropriate acquisition targets to the entire value chain of the energy industry and would also consider potential acquisitions outside of the energy and natural resources industries.

The Company was admitted to listing on the Official List of the FCA ("**Official List**") by way of a Standard Listing and to trading on the London Stock Exchange plc's ("**London Stock Exchange**") main market for listed securities ("**Main Market**") on 29 July 2019 ("**IPO**"). The Company raised £750,000 (before expenses) in conjunction with the IPO through a placing. Since the IPO, the Company has identified and reviewed several acquisition targets.

Cykel AI PLC ("**Cykel**") was incorporated in England and Wales on 22 August 2023, with company number 15088392. Cykel was admitted to trading on the Access Segment of the Aquis Stock Exchange Growth Market on 25 October 2023 and raised £1,750,000.50 via direct subscription by sophisticated and high net worth investors (the "**Cykel Fundraise**"). Cykel intends to operate a software business engaged in the development of advanced artificial intelligence ("**AI**") products, intending to offer these to consumers through a "software as a service" (SaaS) model. Cykel further intends to leverage the expertise of its board of directors, software development experience and networks in the technology sector including companies like IronPoint Technologies (sold to the Active Network), Strangeloop Networks (sold to Radware) and CTO AI Inc. to drive value creation and to establish the business. Should the Acquisition of Cykel complete, the Enlarged Group will look to implement Cykel's strategy.

The Directors and the Proposed Directors believe that the rise of potent Natural Language Processing (NLP) text generators, exemplified by OpenAI's "GPT-4," will serve as a catalyst for the widespread adoption of AI-driven business applications. As NLP-based text generators gain mainstream prominence, the Directors anticipate organisations embracing specialised "value add" applications that augment their business operations. This strategic orientation underscores the Directors' expectation of a burgeoning market for business applications propelled by the maturation of NLP technology.

## Major Shareholders

As at the date of this Prospectus, the following persons, directly or indirectly, were interested in the Company's issued share capital or voting rights which are notifiable under the DTR:

<i>Shareholder</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital as at the date of this Prospectus</i>
Acacia Resources Limited	2,471,600	20.32%
Bushveld Minerals Limited	1,880,366	15.46%
Dean Gallegos	1,630,000	13.40%
Richard Corsie MBE	1,050,000	8.63%
The Australian Special Opportunity Fund, LP	380,000	3.12%

Immediately prior to Readmission on completion of the Acquisition, the following persons, directly or indirectly, will be interested in Company's issued share capital or voting rights which are notifiable under the DTR:

<i>Shareholder</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital on Readmission</i>
Toro Consulting Ltd	95,550,000	23.16%
Fidelio Partners Pte Ltd	38,220,000	9.27%
Crowdforn Ltd	19,110,000	4.63%
California Two Pizza Ventures Inc	13,377,000	3.24%

On Readmission, no major holder of Ordinary Shares will have special voting rights and the Ordinary Shares owned by them will rank *pari passu* in all respects with other Ordinary Shares. The Ordinary Shares have attached to them full voting rights, dividend and capital distribution rights (including on a winding up) but they do not confer any rights of redemption. Save for the Concert Party, the Company is not aware of any other person who, immediately following Readmission, directly or indirectly, jointly or severally, exercises or could exercise control over the Company.

## WHAT IS THE KEY FINANCIAL INFORMATION

Upon Admission the Acquisition will be completed and the Company will be the holding company of Cykel. Accordingly, this Prospectus contains historical financial information for the Company and Cykel along with pro forma financial information for the Enlarged Group. The tables below set out summary financial information of the Company for the years ended 31 December 2023, 2022 and 2021 and for Cykel as at 31 December 2023 (given that Cykel was incorporated on 22 August 2023) as extracted from the historical financial information of the Company and Cykel set out in Part VI of this Prospectus.

The following selected financial information relating to the Company has been prepared in accordance with UK adopted International Accounting Standards ("IFRS"). The financial information summarises the Company's financial performance and position for the audited financial years ended 31 December 2023, 31 December 2022 and 31 December 2021 (all audited) set out in the following tables:

<b>Statement of Financial position of the Company</b>	<b>As at 31 December 2023 (£) (audited)</b>	<b>As at 31 December 2022 (£) (audited)</b>	<b>As at 31 December 2021 (£) (audited)</b>
Total assets	15,216	7,089,597	5,982,675
Total equity	(314,738)	(958,900)	(400,002)
Total liabilities	329,954	8,048,497	6,382,677
Total equity and liabilities	15,216	7,089,597	5,982,675

<b>Statement of Comprehensive Income of the Company</b>	<b>Year ended 31 December 2023 (£) (audited)</b>	<b>Year ended 31 December 2022 (£) (audited)</b>	<b>Year ended 31 December 2021 (£) (audited)</b>
Revenue	-	-	-
Profit / (Loss) from operations	-	-	-
Profit / (Loss) before taxation	169,534	(558,898)	(902,624)
Taxation	-	-	-

Profit/(Loss) for the year/period	169,534	(558,898)	(902,624)
Total comprehensive loss for the year/period attributable to the equity owners	169,534	(558,898)	(902,624)
Profit / (Loss) per share	0.01	(0.05)	(0.09)

<b>Statement of Cash Flows</b>	<b>Year ended 31 December 2023 (£) (audited)</b>	<b>Year ended 31 December 2022 (£) (audited)</b>	<b>Year ended 31 December 2021 (£) (audited)</b>
Net cash flows from operating activities	(339,400)	(542,387)	(370,894)
Net cash used in investing activities	-	-	(5,418,373)
Net cash from financing activities	326,076	163,428	5,842,351
Net increase/(decrease) in cash and cash equivalent	(13,324)	(378,959)	52,994
Cash and cash equivalents at beginning of period	22,994	394,700	345,200
Cash and cash equivalents at end of period	9,239	22,994	394,700

The following selected financial information relating to Cykel has been prepared in accordance with IFRS. The financial information summarises Cykel's financial position as at 31 December 2023.

<b>Statement of Financial position of Cykel</b>	<b>As at 31<sup>st</sup> December 2023 (£'000)</b>
Total assets	1,657
Total equity	1,593
Total liabilities	64
Total equity and liabilities	1,657

<b>Statement of Comprehensive Income of Cykel</b>	<b>As at 31<sup>st</sup> December 2023 (£'000)</b>
Revenue	-
Operating loss	(1,567)
Loss before taxation	(1,567)
Total comprehensive loss for the year/period attributable to the equity owners	(1,567)
Basic & dilutive earnings per share	(0.97p)

<b>Statement of Cash Flows of Cykel</b>	<b>As at 31<sup>st</sup> December 2023 (£'000)</b>
Net cash flows from operating activities	(563)
Net cash used in investing activities	(103)
Net cash from financing activities	2,053
Net increase/(decrease) in cash and cash equivalent	1,387
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	1,387

There here has been no significant change in the financial position or performance of Cykel since 31 December 2023, being the date to which the Cykel's financial information set out in Part VI (B) of this Prospectus was prepared.

Unaudited pro forma statement of net assets as at 31 December 2023

	<b>The Company Audited net Assets as at</b>	<b>Cykel Audited net assets as at 31 December 2023</b>	<b>May 2024 CLNs adjustment (Note 3) (£)</b>	<b>CLN conversion adjustment (Note 4) (£)</b>	<b>Unaudited pro forma adjusted aggregated net</b>



	31 December 2023 (Note 1) (£)	(Note 2) (£)			assets of the Enlarged Group on Readmission
Non-current assets	1,000	103,000	-	-	104,000
Current assets	14,000	1,554,000	107,000	-	1,675,000
<b>Total Assets</b>	<b>15,000</b>	<b>1,657,000</b>	<b>107,000</b>	<b>-</b>	<b>1,779,000</b>
Current liabilities	330,000	64,000	200,000	(361,000)	233,000
<b>Total liabilities</b>	<b>330,000</b>	<b>64,000</b>	<b>200,000</b>	<b>(361,000)</b>	<b>233,000</b>
Total net assets	<b>(315,000)</b>	<b>1,593,000</b>	<b>(93,000)</b>	<b>361,000</b>	<b>1,546,000</b>

#### Notes

The pro forma statement of net assets has been prepared on the following basis:

- The audited net assets of the Company as at 31 December 2023 have been extracted without adjustment from the audited historical financial information as shown in section (A) of Part VI of this Prospectus.
- The audited net assets of Cykel as at 31 December 2023 have been extracted without adjustment from the audited historic financial information section (B) of Part VI of this Prospectus.
- An adjustment to reflect the issue of the May 2024 CLNs discussed in Paragraph 12.8 of Part VII. The May 2024 CLNs subscribed for had an aggregate nominal amount of £200,000 for a consideration of £107,000, with the difference being recognised as finance cost.
- An adjustment has been made to reflect:
  - The conversion, in full, of the Kamran Sattar CLN, into 3,506,849 Ordinary Shares at a price of 6 pence per share. This includes the nominal value and the accrued interest;
  - The conversion, in full, of the May 2024 CLNs, into 3,333,333 Ordinary Shares at a price of 6 pence per share
- No adjustments have been made to reflect the trading or other transactions, other than described above.
- The pro forma statement of net assets does not constitute financial statements.
- None of the adjustments applied within the pro forma income statement have a continuing impact.

#### Unaudited pro forma income statement for the period ended 31 December 2023

	The Company Income statements for the year ended 31 December 2023 (Note 1) (£)	Cykel Income statement for the year ended 31 December 2023 (Note 2) (£)	Readmission costs adjustment (Note 3) (£)	May 2024 CLNs adjustment (Note 4) (£)	Unaudited pro forma adjusted income statement of the Enlarged Group on Readmission
Other operating income	79,000	-	-	-	79,000
Operating loss	(470,000)	(1,567,000)	-	-	(2,037,000)
<b>Operating loss</b>	<b>(391,000)</b>	<b>(1,567,000)</b>	<b>-</b>	<b>-</b>	<b>(1,958,000)</b>
Readmission costs	-	-	(510,000)	-	(510,000)
Finance costs	(450,000)	-	-	(93,000)	(543,000)
Gain on foreign exchange	70,000	-	-	-	70,000
Other (losses)/gains	940,000	-	-	-	940,000
<b>Profit / (Loss) before tax</b>	<b>169,000</b>	<b>(1,567,000)</b>	<b>(510,000)</b>	<b>(93,000)</b>	<b>(2,001,000)</b>

Total comprehensive loss	169,000	(1,567,000)	(510,000)	(93,000)	(2,001,000)

#### Notes

The pro forma income statement has been prepared on the following basis:

1. The audited income statement of the Company for the year ended 31 December 2023 have been extracted without adjustment from the audited historical financial information as shown in section (A) of Part VI of this Prospectus.
2. The audited income statement of Cykel for the year ended 31 December 2023 have been extracted without adjustment from the audited historic financial information section (B) of Part VI of this Prospectus.
3. An adjustment to reflect the payment in cash of Readmission costs estimated at approximately £510,000 inclusive of any non-recoverable sales tax.
4. An adjustment to reflect the finance cost associated with the May 2024 CLNs, discussed in Paragraph 12.8 of Part VII.
5. No adjustments have been made to reflect the trading or other transactions of the Enlarged Group since 31 December 2023.
6. None of the adjustments applied within the pro forma income statement have a continuing impact.

### WHAT ARE THE KEY RISKS

**The Company has a relatively limited operating history and no revenues, and Cykel has limited operating history:** The Company is a special purpose acquisition company with limited operating history. Investors are relying on the ability of the Company and the Board to raise additional funds (if required) and manage the Company as a holding company. There is limited trading history of the Company's shares on which to evaluate the Company's ability to achieve its objective in accordance with its business strategy. Cykel was incorporated on 22 August 2023. It has limited operating history, and no revenues or results of operations, meaning that there is no basis on which to evaluate Cykel's performance or its ability to achieve its business objective of operating or expanding its software and users. Cykel's core software, including all front and back-end coding, integration work with third party providers, and publishing of Cykel's extension was completed in Q4 2023. However, there is no assurance that Cykel's business and pricing model will create a robust market for the AI software.

**The Company's net assets post Admission will be materially below its expected market capitalisation:** After Admission, the Company's net asset value will be materially below its market capitalisation and the consideration to be paid for Cykel. Any investment in the Company is, therefore, subject to the risk that on a winding up the amount returned per share will be less than the amount paid for the share.

**Dependence on key executives and personnel:** The Enlarged Group's performance, reputation, and ability to attract investment may be closely tied to the reputation and track record of its Directors and to 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. The loss of the services of any of the Directors and the senior manager(s) may have an adverse material effect on the business, operations, revenues, customer relationships and/or prospects of the Enlarged Group.

**Competition may limit the Enlarged Group's operations and profit:** There are many companies currently developing AI software. Many players that operate in the same field as the Enlarged Group are larger and more established, with access to substantial financial resources, larger operational capabilities, and longer track records in software development. Cykel considers that the following companies are directly competitive with it – Adept.AI, OpenAI, Microsoft Azure Cognitive Services, IBM Watson, Google Cloud Natural Language, Amazon Comprehend, UiPath, Automation Anywhere, ChatGPT (Open AI). Failure to keep up with technological advancements or to differentiate itself in a saturated market could impact the Enlarged Group's trading volumes, transaction fees, and overall revenues, potentially affecting its financial performance and market position.

**Risks relating to software development:** Some of the Enlarged Group's activities, including software development, may require third parties to provide contracting services. On 18 October 2023, Cykel entered into an agreement with Crowdform, pursuant to which Crowdform agreed to provide software support and maintenance services to Cykel for an initial term expiring on 31 December 2024, following which the Crowdform Agreement will automatically be renewed, unless it is terminated on six months' notice on either side. Additional services may be required in the future, as and when appropriate. There can be no assurance that the agreement with Crowdform will continue beyond its initial term, or that new business relationships, as and when they are required, will be successfully formed. A breach or disruption in any such relationships or failure to engage contractors could be detrimental to the future business, operating results and/or profitability of the Enlarged Group. Software development is complex, and the developed software may contain design defects or errors that are not detected until after its release. The Enlarged Group's

business would be harmed if such defects caused its users to believe the Enlarged Group's product is defective and could adversely affect the market's perception of the Enlarged Group and potentially lead to a reduction in users.

## SECTION C – KEY INFORMATION ON THE SECURITIES

### WHAT ARE THE MAIN FEATURES OF THE SECURITIES?

#### Description of the type and the class of the securities being offered

The securities the subject of the Admission are the Existing Ordinary Shares together with the New Shares all being Ordinary Shares (which together will be registered with ISIN: GB00BJ9MHH56, SEDOL number: BJ9MHH5 and TIDM: MUST).

#### Currency denomination and nominal value of the securities

The Ordinary Shares are denominated in pounds sterling. The nominal value of the Ordinary Shares is £0.01 each. The Enlarged Share Capital on Readmission will consist of 412,507,529 Ordinary Shares (comprising the Existing Ordinary Shares and the New Shares).

#### Rights attaching to the securities

On Readmission each Ordinary Share will rank *pari passu* for voting rights, dividends and return of capital on winding up. Each Ordinary Share will confer the right to receive notice of and attend all meetings of Shareholders. Each holder of Ordinary Shares present at a general meeting by proxy or by their authorised corporate representative will have one vote, and, on a poll, one vote for every Ordinary Share of which they will be a holder. All members who are entitled to receive notice under the Articles must be given notice to each general meeting. The Ordinary Shares will be eligible for dividends, if recommended by the Board. On a voluntary winding-up of the Company, the liquidator may, with the sanction of a special resolution of the Company and subject to the CA 2006, having realised the Company's assets and discharged its liabilities, divide amongst the Shareholders *in specie* the whole or any part of the assets of the Company, or vest the whole or any part of the assets in trustees upon such trusts for the benefit of the member(s) as the liquidator shall determine.

#### Relative seniority of the securities in the event of insolvency

Not applicable. The Company does not have any other securities in issue or liens over its assets and so the Ordinary Shares are not subordinated in the Company's capital structure as at the date of this Prospectus and will not be immediately following Readmission.

#### Restrictions on transferability

Subject to the terms of the articles of association of the Company (the "**Articles**"), any Shareholder may transfer all or any of their Ordinary Shares which are in certificated form by means of a transfer in any usual form or in any other form which the Board may approve. The Board may, in its absolute discretion, refuse to register the transfer of a share in certificated form unless: (i) it is only for one class of share; (ii) it is in favour of no more than four joint transferees; (iii) it is duly stamped or is duly certificated or otherwise shown to the satisfaction of the Board to be exempt from stamp duty; and (iv) it is delivered for registration to the registered office of the Company (or such other place as the Board may determine), The Board may refuse to register a transfer of uncertificated shares in any circumstances that are allowed or required by the CREST Regulations and the relevant system (as defined in the CREST Regulations).

#### Dividend policy

The Company intends to pay dividends on the Ordinary Shares following the Acquisition at such times (if any) and in such amounts (if any) as the Board determines appropriate. The Company's current intention is to retain any earnings for use in the Enlarged Group's business operations, and the Company does not anticipate declaring any dividends in the foreseeable future. The Company will only pay dividends to the extent that to do so is in accordance with the CA 2006 and all other applicable laws.

### WHERE WILL THE SECURITIES BE TRADED?

#### Application for admission to trading on a regulated market

As the Acquisition is classified as a Reverse Takeover under the Listing Rules, the London Stock Exchange will cancel trading in the Existing Ordinary Shares on the Main Market, and the FCA will cancel listing of the Existing Ordinary Shares on the standard listing segment of the Official List by 8:00 a.m. on 27 June 2024. Application will be made for the immediate admission of the Enlarged Share Capital to listing on the Official List by means of a standard listing under Chapter 14 of the Listing Rules (the "**Standard Listing**") and to trading on the Main Market ("**Readmission**"). It is expected that Readmission will become effective and that unconditional dealings in the Ordinary Shares will commence at 8:00 a.m. on 27 June 2024. The Ordinary Shares will not be listed on any other regulated market.

### WHAT ARE THE KEY RISKS SPECIFIC TO THE SECURITIES?

**Standard Listing of the Ordinary Shares affords Shareholders a lower level of regulatory protection than a Premium Listing:** A Standard Listing will afford investors in the Company a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules. A Standard Listing will not permit the Company to gain a FTSE indexation, which may have an adverse effect on the valuation of the Ordinary Shares.

**Dilution:** As Consideration Shares are being issued as consideration for the Acquisition, and the CLN Shares and the Fee Shares are also being issued, this will dilute the interests of Shareholders and/or could have an adverse effect on the market price of the Ordinary Shares. The Company may issue additional Ordinary Shares or other classes of shares in subsequent offerings or private placements. Shareholders may experience subsequent dilution, in economic and voting terms.

**Shareholders may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable:** The nature of the Company may result in little or no trading in Ordinary Shares, which may result in Shareholders being unable to dispose of their shareholdings and, accordingly, an investment in Ordinary Shares may be relatively illiquid.

#### **SECTION D – KEY INFORMATION ON THE ADMISSION TO TRADING ON A REGULATED MARKET**

##### **UNDER WHICH CONDITIONS AND TIMETABLE CAN I INVEST IN THIS SECURITY?**

###### **Terms and conditions of the offer**

Not applicable. It is expected that Readmission will become effective and that unconditional dealings will commence in the Ordinary Shares on the London Stock Exchange at 8:00 a.m. on 27 June 2024.

###### **Dilution**

Upon completion of the Acquisition, the Consideration Shares will represent approximately 95.05 per cent. of the Enlarged Share Capital. Issue of the New Shares will result in the existing shareholders being diluted from owning 100 per cent. of the Existing Ordinary Shares as at the date of this Prospectus so as to constitute 2.95 per cent. of the Enlarged Share Capital. Issue of the 150,356,684 Ordinary Shares to be issued on full exercise of the Director Options, the BMN Warrants and the Cykel Exchange Warrants, will result in the existing shareholders being diluted from owning 100 per cent. of the Existing Ordinary Shares as at the date of this Prospectus so as to constitute 2.16 per cent. of the Enlarged Share Capital.

###### **Total net proceeds / estimate of expenses**

There are no proceeds relating to the Acquisition as no shares will be issued for cash in connection with the Acquisition or Readmission. The estimated total expenses for the Company in relation to the Acquisition and Readmission are £201,350 (excluding VAT). No expenses of the Acquisition and Readmission will be charged to investors.

##### **WHY IS THIS PROSPECTUS BEING PRODUCED?**

This document, which constitutes a Prospectus pursuant to the Prospectus Regulation Rules, is being produced in connection with the Reverse Takeover and application to be made by the Company for the Enlarged Share Capital to be admitted to Standard Listing and to trading on the Main Market.

It is intended that the Acquisition will be effected by means of a court-approved scheme of arrangement under Part 26 of the Companies Act (the “**Scheme**”). The full terms and conditions of the Scheme are set out in the Scheme Document, together with an explanatory statement providing details of the Acquisition, and the notices convening the Cykel Court Meeting and the Cykel General Meeting. The Scheme Document also contains the expected timetable for the Acquisition and specifies the necessary actions to be taken by Cykel Shareholders.

There are no material conflicts of interest pertaining to the Acquisition or Readmission.

## RISK FACTORS

***Any investment in the Company and the Ordinary Shares or proceeding with the Acquisition should not be regarded as short-term in nature and involves a degree of risk, including, but not limited to, the risks in relation to the Company, the Enlarged Group and the Ordinary Shares referred to below. Prospective investors should consider carefully the following risk factors in addition to the other information presented in this Prospectus. If any of the risks described below were to occur, it could have a material effect on the Enlarged Group's business or financial condition or the results of its operations.***

***Existing Shareholders and prospective investors should note that the risks relating to the Enlarged Group, its industry and the Ordinary Shares summarised in the section of this Prospectus headed "Summary" are the risks that the Directors believe to be the most essential. However, as the risks which the Enlarged Group faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of this Prospectus headed "Summary" but also, among other things, the risks and uncertainties described below.***

***The risks referred to below are those risks the Enlarged Group and the Directors and the Proposed Directors consider to be the material risks relating to the Enlarged Group. However, there may be additional risks that the Enlarged Group, the Directors and the Proposed Directors do not currently consider to be material or of which the Enlarged Group, the Directors and the Proposed Directors are not currently aware that may adversely affect the Enlarged Group's business, financial condition, results of operations or prospects. Existing Shareholders and prospective investors should review this Prospectus carefully, in its entirety, and consult with their professional advisers before acquiring any Ordinary Shares. If any of the risks referred to in this Prospectus were to occur, the results of operations, financial condition and prospects of the Enlarged Group could be materially adversely affected. If that were to be the case, the trading price of the Ordinary Shares and/or the level of dividends or distributions (if any) received from the Ordinary Shares could decline significantly. Further, investors could lose all or part of their investment.***

### **PART A: RISKS RELATING TO THE BUSINESS AND THE ENLARGED GROUP**

**The Company has a relatively limited operating history and no revenues, and Cykel has limited operating history**

The Company has a limited operating history and no revenues. An investment in the Company is therefore subject to all the risks and uncertainties associated with a recently established business, including the risk that the Company will not achieve its objectives and that the value of an investment in the Company could decline substantially as a consequence. Any failure by the Company to achieve its objectives may adversely affect its operations and returns, if any, to Shareholders. The Company is a special purpose acquisition company with limited operating history. Investors are relying on the ability of the Company and the Board to raise additional funds (if required) and manage the Company as a holding company. There is limited trading history of the Company's shares on which to evaluate the Company'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 Company has been in achieving its business objectives.

Cykel was incorporated on 22 August 2023. It has limited operating history, and no revenues or results of operations, meaning that there is no basis on which to evaluate Cykel's performance or its ability to achieve its business objective of operating or expanding its software and users. On 4 December 2023, Cykel announced the beta launch of its AI-Powered Task Operating System (Task OS) designed to bring AI capabilities to task management, providing users with a platform for streamlined

workflows, intelligent task prioritisation, and cross-platform integration. There is, however, no assurance that Cykel's business and pricing model will create a robust market for the AI software.

The limited operating history of the Company and of Cykel may have an adverse material effect on the business, operations, revenues, customer relationships and/or prospects of the Enlarged Group.

#### **The Company's net assets post Admission will be materially below its expected market capitalisation**

After Admission, the Company's net asset value will be materially below its market capitalisation and the consideration to be paid for Cykel. Any investment in the Company is, therefore, subject to the risk that on a winding up the amount returned per share will be less than the amount paid for the share.

#### **Dependence on key executives and personnel**

The Enlarged Group's success may heavily depend on the skills, experience, and availability of its Directors and senior manager(s) (the latter working on a consultancy basis), and the loss of key Directors and senior manager(s) could disrupt operations and the strategic direction. The Enlarged Group's performance, reputation, and ability to attract investment may be closely tied to the reputation and track record of its Directors and to 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. Changes in the regulatory or legal environment, industry or market conditions may require the Enlarged Group to adapt its operations and depend on its Directors to effectively navigate such changes.

The loss of the services of any of the Directors and the senior manager(s) may have an adverse material effect on the business, operations, revenues, customer relationships and/or prospects of the Enlarged Group

#### **Competition may limit the Enlarged Group's operations and profit**

There are many companies currently developing AI software. Many players that operate in the same field as the Enlarged Group are larger and more established, with access to substantial financial resources, larger operational capabilities, and longer track records in software development. Cykel considers that the following companies are directly competitive with it – Adept.AI, OpenAI, Microsoft Azure Cognitive Services, IBM Watson, Google Cloud Natural Language, Amazon Comprehend, UiPath, Automation Anywhere, ChatGPT (Open AI). Further detail regarding Cykel's competitors is set out under the heading "Competitors" in paragraph 2 (*Information about Cykel*) of Part I (*Information on the Enlarged Group*) of this Prospectus.

These players may develop and deploy new technologies or features that could provide them with a competitive advantage. This could result in increased competition, pricing pressure, and potential erosion of the Enlarged Group's market share. The Enlarged Group may need to invest significant resources in developing and maintaining cutting-edge technologies, such as advanced trading algorithms or data analytics capabilities, to remain competitive. Failure to keep up with technological advancements or to differentiate itself in a saturated market could impact the Enlarged Group's trading volumes, transaction fees, and overall revenues, potentially affecting its financial performance and market position.

Competitors also have the opportunity to forge strategic partnerships and alliances with key stakeholders in the AI sector, including software developers, universities, and potential corporate clients potentially leading to enhanced competitive advantages. The Enlarged Group may be at a disadvantage should it not form such partnerships.

#### **Risks relating to software development**

Some of the Enlarged Group's activities, including software development, may require third parties to provide contracting services. On 18 October 2023, Cykel entered into an agreement with Crowdform, pursuant to which Crowdform agreed to provide software support and maintenance services to Cykel for a term expiring on 31 December 2024, following which the Crowdform Agreement

will automatically be renewed, unless it is terminated on six months' notice on either side. Additional services may be required in the future, as and when appropriate. There can be no assurance that the agreement with Crowdform will continue beyond its initial term, or that new business relationships, as and when they are required, will be successfully formed. A breach or disruption in any such relationships or failure to engage contractors could be detrimental to the future business, operating results and/or profitability of the Enlarged Group. Software development is complex, and the developed software may contain design defects or errors that are not detected until after its release. The Enlarged Group's business would be harmed if such defects caused its users to believe the Enlarged Group's product is defective and could adversely affect the market's perception of the Enlarged Group and potentially lead to a reduction in users.

### **Risks relating to artificial intelligence (AI)**

Artificial intelligence (AI) is the core of Cykel's technology. As with other developing technologies, AI presents risks and challenges that could affect its products' further development, adoption and use in the Enlarged Group's business. AI is a novel technology, its acceptance is subject to change and there may be future backlash against AI technology or certain AI use cases. AI algorithms may be flawed. Datasets may be insufficient, of lesser quality than expected, or contain biased information. If the recommendations, forecasts, responses or analyses that AI applications produce are deficient or inaccurate, the Enlarged Group could be subject to competitive harm, potential legal liability, and brand or reputational harm. The Enlarged Group's AI products may not operate properly as expected and this could negatively impact the Enlarged Group's ability to provide its AI solutions on an ongoing basis. If the Enlarged Group uses, enables or offers AI solutions that fail to operate as expected it could have a material detrimental impact on the further development of the Enlarged Group's products and/or its future business operations.

### **Use of open-source NLPs**

Cykel's technology is expected to rely on open-source NLPs such as ChatGPT. If Cykel fails to comply with the terms of any relevant open-source software licences, or providers of the relevant NLPs make their software unavailable for use, the Enlarged Group may be required to disclose its source code publicly or may be unable to continue using the relevant NLPs, which could have a detrimental impact on the Enlarged Group's business operations.

### **Risks related to intellectual property and security breaches**

The ownership and protection of AI-related intellectual property, including algorithms and models, can be complex. Although Cykel's software is not patent protected, it protects the intellectual property rights in its software by relying on legislative and other legal protections, as well as contractual restrictions such as non-disclosure and confidentiality provisions. The Enlarged Group will continually evaluate the requirements for trademark, copyright and patent protection with respect to its intellectual property assets against the related costs and reasonable necessity of obtaining them.

As a group that will be heavily reliant on its software to generate revenue, there is the risk that if the algorithm and model are leaked or accessed by unauthorised parties, it could lead to intellectual property theft, the compromise of proprietary information, and loss of competitive advantage should the Enlarged Group have such. Leaked algorithms and models could also enable malicious actors to identify vulnerabilities and exploit them, potentially leading to further security breaches or attacks. The consequences of these leaks could be severe, including financial losses, reputational damage, loss of trust among customers and partners, and potential legal actions.

### **Risks relating to data quality and data privacy**

Data is the cornerstone upon which AI models that the Enlarged Group will use are built and trained. The accuracy, completeness, and relevance of the training data are critical to the performance of AI models that the Enlarged Group will use. Poor data quality, such as missing, inaccurate, or noisy (or meaningless) data, can lead to unreliable predictions and unexpected model behaviour. If an AI system that the Enlarged Group will use learns from incomplete or incorrect data, it might make incorrect decisions in real-world scenarios.

Furthermore, AI that the Enlarged Group will use requires access to large amounts of data, which can include sensitive personal information. If not properly secured, this data can be vulnerable to breaches, leading to privacy violations and potential legal consequences.

Poor data quality and/or data privacy violations could translate into reputational damage for the Enlarged Group and have a material adverse effect on the financial position of the Enlarged Group.

#### **The Enlarged Group may face legal and regulatory risks, in particular if applicable laws or regulations change**

The rapid advancement of AI has outpaced the development of comprehensive regulations and legal regulations to govern their use. The Enlarged Group might face legal challenges or uncertain regulatory environments when developing and/or deploying AI systems. This translates into a lack of clear guidelines for companies in the AI field.

Companies developing and deploying AI are already subject to a wide range of international laws and regulations. Further detail regarding the existing and proposed laws and regulations is set out in paragraph 22 (*Regulatory Environment*) of Part VII (*Additional Information*) of this Prospectus.

There have been increasing ethical and social concerns around AI, specifically in relation to discrimination and inequality, as AI systems can sometimes make biased or discriminatory decisions, reflecting the biases present in the data they were trained on. This can lead to unfair treatment of certain groups or perpetuate societal inequalities. These issues could be addressed by policymakers in the short or medium term. Any change in the law and regulation affecting the Enlarged Group may have an effect on the Enlarged Group's ability to develop and deploy its products. In particular, regulatory change could lead to increased compliance costs, prohibition of certain types of trading, restrictions on the types of products and services which the Enlarged Group may provide in the future or on the features of such products or the way in which they are marketed. These developments could in turn potentially translate into costs and affect the financial position of the Enlarged Group.

#### **The Enlarged Group may not be able to effectively manage its growth**

There can be no guarantee that the Enlarged Group will be able to effectively manage the growth of its operations or that the Enlarged Group's personnel, systems, procedures and controls will be adequate to support its operations. Any failure of the proposed Board to effectively manage the Enlarged Group's growth and development may have material adverse effects on the Enlarged Group's business, financial condition, results and/or future operations. There is no certainty that all, or indeed any, of the elements of the Enlarged Group's strategy will develop as anticipated and that the Enlarged Group will be profitable.

#### **Risks relating to compliance with international regulations**

The Enlarged Group's growth could involve increasing trading activity in a wide range of territories. This may play a fundamental part in the Enlarged Group's strategy and business plan. Some jurisdictions might pose a higher regulatory burden, including regulatory permissions for the Enlarged Group to operate and more stringent data protections regulations. If the Enlarged Group is unable to trade (for any of these reasons) in these territories, then this could detrimentally impact the Enlarged Group's performance in the future by reducing the profit available due to lower revenue and/or increased costs.

#### **The Enlarged Group may be subject to currency risk**

Ongoing management and operational costs will be denominated in British pounds sterling. However, the Enlarged Group's growth prospects include increasing trading activity in a wide range of territories. The Enlarged Group may therefore be exposed to ongoing currency risk. Consequently, changes in the exchange rates of these currencies may negatively affect the Enlarged Group's cash flows, operating results or financial condition to a material extent.

The Enlarged Group does not intend to hedge its cash resources against risks associated with disadvantageous movements in the currency exchange rates for the time being. Although the



Enlarged Group may seek to manage its currency exchange exposure, including by active use of hedging and derivative instruments, there is no assurance that such arrangements will be entered into or available at all times when the Enlarged Group wishes to use them or that they will be sufficient to cover the risk. Therefore, currency exchange rate fluctuations may negatively affect the Enlarged Group.

### **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 and consequently on Enlarged Group's business performance and prospects. The Company cannot predict the severity or extent of these recessions and/or periods of slow growth. Accordingly, the Company's estimate of the Enlarged Group's results of operations, financial condition and prospects will be uncertain and may be adversely impacted by unfavourable general global, regional, and national macroeconomic conditions.

## **PART B: RISKS RELATING TO THE ACQUISITION**

### **Completion is subject to a number of conditions which may not be satisfied or waived**

The Acquisition is subject to the terms and conditions set out in the Scheme Document and shall only become effective if, among other things, the following events occur on or before 11.59 p.m. on the Longstop Date:

- the approval of the Scheme by a majority in number of the Cykel Shareholders who are present and vote, whether in person or by proxy, at the Cykel Court Meeting and who represent 75 per cent. in value of the Cykel Shares voted by those Cykel Shareholders;
- the resolutions required to approve and implement the Scheme being duly passed by Cykel Shareholders representing the requisite majority or majorities of votes cast at the Cykel General Meeting (or any adjournment thereof);
- the approval of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Cykel and the Company);
- the delivery of a copy of the Court Order to the Registrar of Companies;
- the Company Resolutions being passed by the requisite majority of the Shareholders at the General Meeting; and
- the FCA having acknowledged that the application for admission of the Consideration Shares to the Official List has been approved and the London Stock Exchange having acknowledged that the Consideration Shares will be admitted to trading on the Main Market.

The Scheme will lapse if:

- the Cykel Court Meeting and the Cykel General Meeting are not held by 31 December 2024 (to be set out in the Scheme Document in due course (or such later date as may be agreed between the Company and Cykel);
- the Court Hearing is not held by 31 December 2024 (or such later date as may be agreed between the Company and Cykel); and/or
- the Scheme does not become effective by no later than 11.59 p.m. on the Longstop Date,

provided, however, that the deadlines for the timing of the Cykel Court Meeting, the Cykel General Meeting and the Court Hearing as set out above may be waived by the Company, and the deadline for the Scheme to become effective may be extended by agreement between the Company and Cykel.

There is no guarantee that the Conditions will be satisfied (or waived, if applicable) in the necessary time frame and the Acquisition may, therefore, be delayed or not complete.

### **The Company's business strategy and business model are dependent on the Acquisition**

The Company's business strategy and business model depend on the effective and successful running of Cykel. There can be no guarantee that the Acquisition will be profitable, which may have a material adverse effect on the Company's business, financial condition or results of operations.

### **If Readmission does not occur by the conversion notice date of the May 2024 CLNs and the Kamran Sattar CLN, the Company would need to raise additional funds**

On 22 November 2023 the Company raised £200,000 through the Kamran Sattar CLN and on 21 May 2024 the Company raised an additional £106,666.40 through the May 2024 CLNs (together the "**New CLNs**"). The conversion notice date of the New CLNs is 7 July 2024 or such later date as may be agreed between the Company and the holders of the respective CLNs (the "**Conversion Notice Date**").

The New CLNs are automatically convertible into new Ordinary Shares if Readmission occurs on or before the Conversion Notice Date. If Readmission occurs on or before the Conversion Notice Date, the Directors, having assessed cash flow forecasts prepared for a period of at least 12 months from the date of this Prospectus, are of the opinion that the Company will have sufficient funds to meet the overhead costs of the Enlarged Group and given that upon Readmission the Acquisition will be unconditional.

If Readmission does not occur by the Conversion Notice Date, the Company would need to raise additional funds through the issuance of debt or equity to pay overhead costs. This would likely include funding of diligence costs for a potential new acquisition, preparation of a new prospectus and proposed readmission of the Company to listing and trading. These events or conditions indicate the existence of a material uncertainty that may cast doubt on the Company's ability to continue as a going concern, and may have a material adverse effect on the Company's business, financial condition or prospects.

The working capital statement in paragraph 16 (*Working capital*) of Part VII (*Additional Information*) of this Prospectus is made on the basis of the Enlarged Group.

### **The due diligence carried out in respect of the Acquisition may not reveal all relevant facts or uncover significant liabilities**

Notwithstanding the Company has conducted what the Board considers to be appropriate, practicable and focused due diligence in respect of the Acquisition, with the objective of identifying any material issues that may affect the decision to proceed with the Acquisition, there can be no assurance that the due diligence undertaken will be adequate or accurate or will reveal all relevant facts or uncover all significant liabilities or that the due diligence will result in a successful acquisition (including with respect to the formulation of a post- Acquisition business strategy). If the due diligence investigation fails to identify key information in respect of the Acquisition, it may have a material adverse effect on the Company's business, financial condition, or results of operations. Further, following the Acquisition, the Company may be subject to significant, previously undisclosed liabilities of the acquired business that were not identified during due diligence, and which could have a material adverse effect on the Company's financial condition and results of operations (especially if the due diligence is required to be undertaken in a short timeframe or in a competitive situation).

## **PART C: RISKS RELATING TO TAXATION**

### **Changes in tax law may reduce any net returns for Shareholders**

The tax treatment of holders of securities issued by the Company are subject to changes in tax laws or practices in the UK and/or any other applicable jurisdiction. Any change may reduce any net return derived by Shareholders from an investment in the Company.

**There can be no assurance that the Company will be able to make returns for Shareholders in a tax-efficient manner**

It is intended that the Company will structure its operations to maximise returns for Shareholders in as fiscally efficient a manner as is practicable. The Company will make certain assumptions regarding taxation. If those assumptions are not borne out in practice, however, taxes may be imposed with respect to any of the Company's assets, or the Company may be subject to tax on its income, profits, gains or distributions in a particular jurisdiction in excess of taxes that were anticipated. This could adversely affect the post-tax returns for Shareholders (or Shareholders in certain jurisdictions). Any change in laws or tax authority practices could also adversely affect any post-tax returns of capital to Shareholders or payments of dividends (if any, which the Company does not envisage the payment of in the foreseeable future). In addition, the Company may incur costs in taking steps to mitigate any such adverse effect on the post-tax returns for Shareholders.

**PART D: RISKS RELATING TO THE ORDINARY SHARES**

**Standard Listing of the Ordinary Shares affords Shareholders a lower level of regulatory protection than a Premium Listing**

Application will be made for the Ordinary Shares to be admitted to the standard listing segment of the Official List. A Standard Listing will afford Shareholders a lower level of regulatory protection than that afforded to investors in a company with a Premium Listing, which is subject to additional obligations under the Listing Rules. A Standard Listing will not permit the Company to gain a FTSE indexation, which may have an adverse effect on the valuation of the Ordinary Shares. The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. There can be no guarantee that the Company will ever meet such eligibility criteria or that a transition to a Premium Listing will be achieved. If the Company does not achieve a Premium Listing, the Company will not be obliged to comply with the higher standards of corporate governance or other requirements which it would be subject to upon achieving a Premium Listing and, for as long as the Company continues to have a Standard Listing, it will be required to continue to comply with the lesser standards applicable to a company with a Standard Listing.

**Dilution**

The issue of the New Shares and 150,366,688 Ordinary Shares to be issued on full exercise of the Director Options, the BMN Warrants and the Cykel Exchange Warrants will result in Shareholders being diluted from owning 100 per cent. of the Existing Ordinary Shares as at the date of this Prospectus to constitute 2.16 per cent. of the Enlarged Share Capital.

Whilst it is the opinion of the Directors that the Enlarged Group's working capital is sufficient for its present requirements, further funding outside of the period covered by the clean working capital statement in this Prospectus, i.e. outside of the period of at least 12 months from the date of this Prospectus, may be required by the Enlarged Group to develop its business model and commercial activities. If additional funds are raised through the issue of new equity or equity-linked securities of the Company other than on a pro rata basis to existing Shareholders, the percentage ownership of the existing Shareholders may be reduced. Shareholders may experience subsequent dilution. The Company may issue Ordinary Shares as consideration for potential acquisitions or investments, which would result in a dilution of Shareholders' respective shareholdings.

**Shareholders may not be able to realise returns on their investment in Ordinary Shares within a period that they would consider to be reasonable**

The nature of the Enlarged Group may result in little or no trading in Ordinary Shares, which may result in Shareholders being unable to dispose of their shareholdings and, accordingly, an investment in Ordinary Shares may be relatively illiquid. There may be a limited number of Shareholders, and this may contribute to infrequent trading in the Ordinary Shares on the LSE and volatile Ordinary Share price movements. Shareholders should not expect that they will necessarily be able to realise their investment in Ordinary Shares within a period that they would regard as reasonable. Accordingly, the Ordinary Shares may not be suitable for short-term investment. Readmission should

not be taken as implying that there will be an active trading market for the Ordinary Shares.

### **Volatility associated with the Ordinary Shares**

Investors should recognise that the price of securities and the income from them can go down as well as up. The price at which the Ordinary Shares may trade and the price which the Shareholders may realise for their Ordinary Shares will be influenced by many factors, some specific to the Enlarged Group and some which may affect quoted companies generally. These factors could include the performance of the Enlarged Group's operations, large purchases or sales of Ordinary Shares, liquidity (or absence of liquidity) in the Ordinary Shares, currency fluctuations, legislative or regulatory changes and general economic conditions. The value of the Ordinary Shares will fluctuate and may not reflect their underlying asset value which could result in Shareholders not realising the underlying value of their investment.

### **Other classes of shares**

The Company may issue additional Ordinary Shares or other classes of shares in subsequent offerings or private placements. Shareholders may experience subsequent dilution, in economic and voting terms.

### **On completion of a reverse takeover, the FCA will seek to cancel the listing of the Ordinary Shares and they may not be readmitted to trading thereafter**

The Listing Rules provide that the FCA will generally seek to cancel the listing of a listed company's securities when it completes a reverse takeover. In such circumstances, a company may seek the readmission to listing either simultaneously with completion of any such acquisition or as soon thereafter as is possible but there is no guarantee that such readmission would be granted by the FCA.

The cancellation of the listing of the Ordinary Shares materially reduces liquidity in such shares which may affect an investor's ability to realise some or all of its investment and/or the price at which such investor can effect such realisation. There is unlikely to be a market for shares as the listing has been cancelled and the Ordinary Shares are not readmitted, the Company will not be able raise any equity or debt financing on the public market or carry out a further acquisition using listed share consideration, which will restrict its business activities and particularly result in incurring unnecessary costs.

### **Sales of Ordinary Shares by the Board, or other significant Shareholders or members of the Concert Party or the possibility of such sales, may affect the market price of the Ordinary Shares**

Sales of Ordinary Shares or interests in Ordinary Shares by the Board, or other significant Shareholders or members of the Concert Party could cause the market price of the Ordinary Shares to decline. Whilst such persons may sell their Ordinary Shares in the market, a substantial amount of Ordinary Shares being sold, or the perception that sales of this type could occur, could cause the market price of the Ordinary Shares to decline. This may make it more difficult for Shareholders to sell the Ordinary Shares at a time and price that they deem appropriate.

### **Following Readmission, the Concert Party will be interested in approximately 48.74 per cent. of the Enlarged Share Capital. For so long as the Concert Party remains, in aggregate, a significant shareholder group of the Company, it will continue to have the ability to affect or influence the Company and the interests of the Concert Party may not necessarily be aligned with those of the other Shareholders**

For so long as the members of the Concert Party remain, in aggregate, a significant shareholder group of the Company, they will continue to have the ability, through the votes attaching to their Ordinary Shares, to affect or influence the Company's legal and capital structure, matters requiring shareholder approval, including corporate transactions, as well as the election of, and any changes in, the Board

and approving other changes to its operations. Furthermore, the interests of the Concert Party may not necessarily be aligned with those of the other Shareholders.

**Dividend payments on the Ordinary Shares are not guaranteed and the Company does not intend to pay dividends in the foreseeable future**

The Board will maintain a regular review of the Enlarged Group's dividend policy. However, it is not intended that dividends will be paid to Shareholders in the near future (for more details see paragraph 4 in Part IV of this Prospectus). The Enlarged Group's ability to pay any dividend will depend on several factors, including its results of operations, financial condition and profitability, free cash flow and other factors considered relevant by the Board. The Enlarged Group can therefore give no assurance that it will be able to pay dividends going forward or as to the amount of any such dividends.

**PART E: RISKS RELATING TO THE COMPANY'S RELATIONSHIP WITH THE PROPOSED DIRECTORS AND CONFLICTS OF INTEREST**

**The Proposed Directors will allocate their time to other businesses leading to potential conflicts of interest in their determination as to how much time to devote to the Company's affairs**

The non-executive Proposed Directors are not required to commit their full time to the Company's affairs, which could create a conflict of interest when allocating their time between the Company's operations and their other commitments. The non-executive Proposed Directors are engaged in other business endeavours and are not obligated to devote any significant number of hours to the Company's affairs. If the non-executive Proposed Directors' other business affairs require them to devote more substantial amounts of time to such affairs, it could limit their ability to devote time to the Company's affairs and this may in turn have a material adverse effect on the Enlarged Group's business or results of operations.

Furthermore, some of the Proposed Directors are engaged and/or may become engaged in other businesses developing AI powered products. In particular:

- Cykel's executive chairman, Jonathan Bixby, is also executive chairman of Kondor AI PLC ("Kondor"). Cykel's financial director, Nicholas Lyth, is a shareholder and a consultant (via Dark Peak Services Ltd) of Kondor and a business associate of Jonathan Bixby. Kondor is also an AI business but operating in a different market to that of Cykel. Kondor intends to operate a software business engaged in the development of advanced AI products with a particular focus on vision-based AI. The Directors and the Proposed Directors (excluding Jonathan Bixby) are satisfied that Kondor is not a competitor of the Company, and that Mr Bixby will be able to fulfil his duties to the Enlarged Group whilst also providing services to Kondor.
- Cykel's non-executive director, Robert Mayfield, is also an independent director of Flex Labs Inc ("Flex"), which is engaged in the development of advanced AI middleware products. The Directors and the Proposed Directors (excluding Robert Mayfield) are satisfied that Flex is not a competitor of the Company, and that Mr Mayfield will be able to fulfil his duties to the Enlarged Group whilst also providing services to Flex.
- In addition, Jonathan Bixby (through Toro Consulting Limited) is a long-standing business associate of Mike Edwards, who is a director of Flex and (through Pioneer Media Holdings, Inc and Marallo Holdings Inc) is interested in c32% of the share capital of Flex. The Directors and the Proposed Directors (excluding Jonathan Bixby) are satisfied that Mr Bixby will be able to fulfil his duties to the Enlarged Group whilst also being directly or indirectly interested in Flex.

## CONSEQUENCES OF A STANDARD LISTING

As the Acquisition is classified as a Reverse Takeover under the Listing Rules, upon completion of the Acquisition, the listing on the standard listing segment of the Official List of all of the Existing Ordinary Shares will be cancelled and an application will be made for the immediate admission of the Enlarged Share Capital to listing on the Official List by means of a Standard Listing and to trading on the Main Market of the London Stock Exchange pursuant to Chapter 14 of the Listing Rules which sets out the requirements for a Standard Listing.

The Ordinary Shares will be listed under Chapter 14 of the Listing Rules and, consequently, a significant number of the Listing Rules will not apply to the Company. Shareholders will therefore not receive the full protection of the Listing Rules associated with a Premium Listing.

The Company will comply with Listing Principles 1 and 2 set out in Chapter 7 of the Listing Rules at Listing Rule 7.2.1 which applies to all companies with their securities admitted to the Official List.

As a company with a Standard Listing, the Company will not be required to comply with the provisions of, amongst other things:

- Chapter 6 of the Listing Rules containing additional requirements for the listing of equity securities, which are only applicable for companies with a Premium Listing.
- Chapter 7 of the Listing Rules setting out the Premium Listing Principles as contained in Listing Rule 7.2.1A that companies with a Standard Listing are not required to comply with.
- Chapter 8 of the Listing Rules regarding the appointment of a listing sponsor to guide the Company in understanding and meeting its responsibilities under the Listing Rules in connection with certain matters. The Company has not appointed and does not intend to appoint such a sponsor in connection with Readmission.
- Chapter 9 of the Listing Rules regarding continuous obligations for a company with a Premium Listing, which includes, inter alia, requirements relating to further issues of shares, the ability to issue shares at a discount in excess of 10% of market value, notifications and contents of financial information that are not applicable to the Company.
- Chapter 10 of the Listing Rules relating to significant transactions, meaning that the Acquisition, and any subsequent additional acquisitions by the Company, will not require shareholder approval under this Chapter (although such approval may be required for the purposes of facilitating the financing arrangements or for other legal or regulatory reasons).
- Chapter 11 of the Listing Rules regarding related party transactions. However, the Company is obliged to comply with DTR 7.3 relating to related party transactions. DTR 7.3 requires the Company to establish and maintain adequate procedures, systems and controls to enable it to assess whether a transaction or arrangement with a related party is in the ordinary course of business and has been concluded on normal market terms, and to (i) make an announcement (ii) gain board approval and (iii) ensure the related party or their associates do not vote in any resolution, relating to material related party transactions.
- Chapter 12 of the Listing Rules regarding purchases by the Company of its own shares.
- Chapter 13 of the Listing Rules regarding the form and content of circulars to be sent to shareholders.

In addition to the above, companies with a Standard Listing are not required to comply with the below eligibility and ongoing requirements for a Premium Listing:

- Companies with a Standard Listing are not required to: (i) exercise operational control over the business it carries on as its main activity; or (ii) carry on an independent business as their main activity.
- The UK Corporate Governance Code does not apply directly to companies with a Standard Listing. However, pursuant to paragraph 7.2 of the DTR, companies with a Standard Listing are still required to make a statement in the directors' report covering the governance code to which the issuer is subject in relation to the financial reporting process and certain details of its share capital. The directors of companies with a Standard Listing are also required to include a description of the internal control and risk management systems and the composition of committees. The Company will comply with such requirements set out in DTR 7.2.
- A Standard Listing does not require a company to offer pre-emption rights pursuant to the Listing Rules.

In addition, companies with a Standard Listing are not eligible for inclusion in the UK series of FTSE indices.

The Company is not currently eligible for a Premium Listing under Chapter 6 of the Listing Rules. Following the Acquisition, the Board may seek to transfer the Company from a Standard Listing to either a Premium Listing or other appropriate stock market (although there can be no guarantee that the Company will fulfil the relevant eligibility criteria at the time and that a transfer to a Premium Listing or other appropriate stock market will be achieved). If a transfer to a Premium Listing is possible (and there can be no guarantee that it will be) and the Company decides to transfer to a Premium Listing, the various Listing Rules highlighted above as rules with which the Company is not required to comply will become mandatory and the Company will comply with the continuing obligations contained within the Listing Rules (and the Disclosure Guidance and Transparency Rules) in the same manner as any other company with a Premium Listing.

The FCA is consulting on changes to the current Listing Rules which are aimed at making the UK's listing regime more accessible, effective, and competitive. The proposals are set out in Consultation Paper CP23/31 and involve the creation of new listing categories for equity shares, including (i) a new single listing category for UK listings of equity shares in commercial companies, replacing the premium listing and standard listing segments, and (ii) a transitional category for commercial companies currently listed on the standard listing segment. On 7 March 2024 the FCA published an updated draft of the new UK Listing Rules (UKLRs) instrument. The draft UKLRs are still subject to consultation and any expectation as to the impact on the Company's listing or future listing options will be on the basis of the draft UKLRs being implemented.

**IT SHOULD BE NOTED THAT THE FCA WILL NOT HAVE THE AUTHORITY TO (AND WILL NOT) MONITOR THE COMPANY'S COMPLIANCE WITH ANY OF THE PREMIUM LISTING RULES (WHICH DO NOT APPLY TO THE COMPANY), NOR TO IMPOSE SANCTIONS IN RESPECT OF ANY FAILURE BY THE COMPANY TO SO COMPLY. HOWEVER, THE FCA WOULD BE ABLE TO IMPOSE SANCTIONS FOR NON-COMPLIANCE WHERE THE STATEMENTS REGARDING COMPLIANCE IN THIS PROSPECTUS ARE THEMSELVES MISLEADING, FALSE OR DECEPTIVE.**

## IMPORTANT INFORMATION

In deciding whether to invest in the Ordinary Shares, prospective investors should rely only on the information contained in this Prospectus. No person has been authorised to give any information or make any representations other than as contained in this Prospectus and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors or the Proposed Directors. Without prejudice to the Company's obligations, to the extent applicable, under FSMA, the UK Prospectus Regulation, the Listing Rules and the DTR, the delivery of this Prospectus shall not, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this Prospectus or that the information contained herein is correct as at any time after its date.

Prospective investors must not treat the contents of this Prospectus or any subsequent communications from the Company, the Directors, the Proposed Directors or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters.

The section headed "Summary" beginning on page 6 of this Prospectus should be read as an introduction to this Prospectus. Any decision to invest in the Ordinary Shares should be based on consideration of this Prospectus as a whole by the investor. In particular, investors must read the sections headed "*What are the key risks specific to the issuer?*" and "*What are the key risks specific to the securities?*" of the Summary together with the risks set out in the section headed "Risk Factors" beginning on page 13 of this Prospectus.

This Prospectus is being furnished by the Company, for information purposes only, solely in connection with Readmission. Any reproduction or distribution of this Prospectus, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose is prohibited.

This Prospectus does not constitute, and may not be used for the purposes of, an offer to sell or an invitation or the solicitation of an offer or invitation to subscribe for or buy, any Ordinary Shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) in which, or to any person to whom, it is unlawful to make such offer, solicitation or invitation. The distribution of this Prospectus in certain jurisdictions may be restricted. Accordingly, persons outside the UK who obtain possession of this Prospectus are required by the Company, the Directors and the Proposed Directors to inform themselves about, and to observe, any restrictions as to the distribution of this Prospectus under the laws and regulations of any territory including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction by the Company, the Directors or the Proposed Directors that would permit a public offering of the Ordinary Shares in any jurisdiction where action for that purpose is required nor has any such action been taken with respect to the possession or distribution of this Prospectus other than in any jurisdiction where action for that purpose is required. Neither the Company, the Directors nor the Proposed Directors accept any responsibility for any violation of any of these restrictions by any person(s).

The Ordinary Shares have not been and will not be registered under the US Securities Act, or under any relevant securities laws of any state or other jurisdiction in the United States, or under the applicable securities laws of Australia, Canada, Japan or South Africa. Subject to certain exceptions, the Ordinary Shares may not be offered, sold, resold, reoffered, pledged, transferred, distributed or delivered, directly or indirectly, within, into or in the United States, Australia, Canada, Japan or South Africa or to any national, resident or citizen of the United States, Australia, Canada, Japan or South Africa.

**The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any federal or state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or confirmed the accuracy or determined the**



**adequacy of the information contained in this Prospectus. Any representation to the contrary is a criminal offence in the United States.**

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's objectives will be achieved.

It should be remembered that the price of the Ordinary Shares, and any income from such Ordinary Shares, can go down as well as up.

This Prospectus should be read in its entirety before making any investment in the Ordinary Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Articles, which prospective investors should review.

### **Data protection**

The Company may delegate certain administrative functions to third parties and will require such third parties to comply with data protection and regulatory requirements of any jurisdiction in which data processing occurs. Such information will be held and processed by the Company (or any third party, functionary or agent appointed by the Company) for the following purposes:

- verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;
- carrying out the business of the Company and the administering of interests in the Company;
- meeting the legal, regulatory, reporting and/or financial obligations of the Company in the United Kingdom or elsewhere; and/or
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Where appropriate it may be necessary for the Company (or any third party, functionary or agent appointed by the Company) to:

- disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and/or
- transfer personal data to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as the UK.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data is disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

In providing such personal data, investors will be deemed to have agreed to the processing of such personal data in the manner described above. Prospective investors are responsible for informing any third-party individual to whom the personal data relates of the disclosure and use of such data in accordance with these provisions.

### **Forward-looking statements**

This Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "may", "will", "should", "could" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the Prospectus and include

statements regarding the intentions, beliefs or current expectations of the Company and the Board concerning, among other things: (i) the Enlarged Group's objective, investment and financing strategies, results of operations, financial condition, capital resources, prospects, capital appreciation of the Ordinary Shares and dividends; and (ii) future deal flow and implementation of active management strategies, including with regard to an investment. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performances. The Enlarged Group's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies may differ materially from the forward-looking statements contained in this Prospectus. In addition, even if the Enlarged Group's actual performance, results of operations, financial condition, distributions to Shareholders and the development of its financing strategies are consistent with the forward-looking statements contained in this Prospectus, those results or developments may not be indicative of results or developments in subsequent periods.

Prospective investors should carefully review the "Risk Factors" section of this Prospectus for a discussion of additional factors that could cause the Enlarged Group's actual results to differ materially, before making an investment decision. For the avoidance of doubt, nothing in this paragraph constitutes a qualification of the working capital statement contained in paragraph 17 of Part VII of this Prospectus.

Forward-looking statements contained in this Prospectus apply only as at the date of this Prospectus. Subject to any obligations under the Listing Rules, the DTR, the Prospectus Regulation Rules and the UK Market Abuse Regulation, the Company undertakes no obligation publicly to update or review any forward-looking statements, whether as a result of new information, future developments or otherwise.

#### **Notice to US shareholders and shareholders in certain restricted jurisdictions**

The Ordinary Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the US or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Ordinary Shares or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the US.

The Ordinary Shares have not been and will not be registered under the US Securities Act, or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States or of Australia, Canada, Japan, South Africa or any province or territory thereof. Subject to certain exceptions, the Ordinary Shares may not be taken up, offered, sold, resold, reoffered, pledged, transferred, distributed or delivered, directly or indirectly, and this Prospectus may not be distributed by any means including electronic transmission within, into, in or from the United States, Australia, Canada, Japan, South Africa or to for the account of any national, resident or citizen of the United States or any person resident in Australia, Canada, Japan or South Africa except in accordance with the laws of such jurisdiction. The Ordinary Shares may only be offered or sold in offshore transactions as defined in and in accordance with Regulation S promulgated under the US Securities Act. Acquirers of the Ordinary Shares may not offer to sell, pledge or otherwise transfer the Ordinary Shares in the United States, or to any US Person as defined in Regulation S under the US Securities Act, including resident corporations, or other entities organised under the laws of the United States, or non-US branches or agencies of such corporations unless such offer, sale, pledge or transfer is registered under the US Securities Act, or an exemption from registration is available. The Company does not currently plan to register the Ordinary Shares under the US Securities Act.

The Acquisition is proposed to be effected by means of a scheme of arrangement under the laws of the United Kingdom. A transaction effected by means of a scheme of arrangement is not subject to proxy solicitation or tender offer rules under the United States Exchange Act of 1934 (the "**Exchange Act**"). The Acquisition is subject to UK procedural and disclosure requirements, which are different from certain United States procedural and disclosure requirements. The financial information included or incorporated by reference in this Prospectus has been or will be prepared in accordance with IFRS and may not be comparable to financial information of US companies or companies whose

financial statements are prepared in accordance with generally accepted accounting principles in the United States.

The ability of an Overseas Shareholder to bring an action against the Company may be limited under law. The rights of holders of Ordinary Shares are governed by English law and by the Articles. These rights differ from the rights of shareholders in typical US corporations and some other non-UK corporations.

### **Notice to Overseas Shareholders**

An Overseas Shareholder may not be able to enforce a judgment against some or all the Board and executive officers. The Company is incorporated under the laws of England and Wales. Consequently, it may not be possible for an Overseas Shareholder to effect service of process upon the Board within the Overseas Shareholder's country of residence or to enforce against the Board's judgments of courts of the Overseas Shareholder's country of residence based on civil liabilities under that country's securities laws. There can be no assurance that an Overseas Shareholder will be able to enforce any judgments in civil and commercial matters or any judgments under the securities laws of countries other than the UK against the Board who are residents of the UK or countries other than those in which judgment is made. In addition, English or other courts may not impose civil liability on the Board in any original action based solely on the foreign securities laws brought against the Company or the Board in a court of competent jurisdiction in England or other countries.

### **Notice to all Shareholders**

Copies of this Prospectus will be available on the Company's website [www.mustangplc.com](http://www.mustangplc.com) from the date of this Prospectus.

### **Third party data**

Where information contained in this Prospectus has been sourced from a third party, the Company, the Directors and the Proposed Directors confirm that such information has been accurately reproduced and, so far as they are aware and have been able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Where third party information has been used in this Prospectus, the source of such information has been identified. The Company takes responsibility for compiling and extracting, but has not independently verified, market data provided by third parties or industry or general publications and takes no further responsibility for such data. Reference materials include various historical and recent publications.

### **Currency presentation**

Unless otherwise indicated, all references in this Prospectus to "GBP", "£", "pounds sterling", "pounds", "sterling", "pence" or "p" are to the lawful currency of the United Kingdom; all references to "€" or "euro" are to the lawful currency of the Euro zone countries; and all references to "\$", "US\$", "US dollars" or "USD" are to the lawful currency of the US.

### **No incorporation of website**

The contents of the Company's website, any website mentioned in this Prospectus or any website directly or indirectly linked to these websites have not been verified and do not form part of this Prospectus, and prospective investors should not rely on them other than in relation to the copy of the Articles and those documents that are listed as incorporated by reference in Part IX (*Relevant Documentation and Incorporation by Reference*) of this Prospectus.

### **Definitions**

A list of defined terms used throughout this Prospectus is set out in "Definitions" beginning at page 119 of this Prospectus.

**Governing law**

Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales and are subject to changes in such laws.

## EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Announcement of the Acquisition	9.00 a.m. on 10 May 2024
Publication of this Prospectus	23 May 2024
Posting of the Circular and the Scheme Document	24 May 2024
Latest time and date for receipt of Forms of Proxy (or appointing a proxy electronically or submitting a proxy via CREST) for the General Meeting	11 a.m. on 18 June 2024
Cykel Court Meeting	11.00 a.m. on 20 June 2024
Cykel General Meeting	11.15 a.m. on 20 June 2024
<b>General Meeting</b>	<b>11.00 a.m. on 20 June 2024</b>
The following dates are indicative only and are based on the current expectations of the Directors and the Proposed Directors and may be subject to change:	
Court Hearing to seek sanction of the Scheme	25 June 2024 <sup>(2)</sup>
Last day of dealings in, and for registration of transfers of, and disablement in CREST of Cykel Shares	26 June 2024 <sup>(3)</sup>
Scheme Record Time	6.00 p.m. on 26 June 2024
<b>Scheme Effective Date</b>	<b>26 June 2024 <sup>(4)</sup></b>
Completion of the Acquisition	the Scheme Effective Date
Issue of the Consideration Shares, the CLN Shares and the Fee Shares	by no later than 8.00 a.m. on 27 June 2024
Cancellation of trading of Existing Ordinary Shares	by no later than 8.00 a.m. on 27 June 2024
<b>Admission of the Enlarged Share Capital effective and commencement of unconditional dealings in the Ordinary Shares</b>	<b>8:00 a.m. on 27 June 2024</b>
Cancellation of listing and admission to trading of Cykel Shares	8.00 a.m. on 27 June 2024
CREST members' accounts credited in respect of Ordinary Shares, the New Shares (as the case may be) in uncertificated form	on or soon after 8.00 a.m. on 27 June 2024 but not later than 14 days after the Scheme Effective Date
Despatch of definitive share certificates for Ordinary Shares, the New Shares (as the case may be) in certificated form	not later than 9 July 2024
Longstop Date	31 December 2024 <sup>(5)</sup>

### Notes:

- (1) Each of the times and dates above is subject to change without further notice. References to a time of day are to London time.

- (2) The Court Hearing to sanction the Scheme is expected to be held on 25 June 2024. Cykel will give adequate notice of the date and time of the Court Hearing to sanction the Scheme, once known, by issuing an announcement through a Regulatory Information Service.
- (3) Dealings in Cykel on the AQSE have been suspended since 18 January 2024.
- (4) The Court Order is expected to be delivered to the Registrar of Companies following the Scheme Record Time on 26 June 2024, which date will then become the Scheme Effective Date. The Scheme will become effective pursuant to its terms upon the Court Order being delivered to the Registrar of Companies, which date will then become the Scheme Effective Date and operate by reference to this time.
- (5) This is the latest date by which the Scheme may become Effective unless Cykel and the Company agree (and, if required, the Panel consents to and the Court approves) a later date.

## STATISTICS

Total number of Existing Ordinary Shares as at the date of this Prospectus	12,161,966
Total number of Consideration Shares to be issued pursuant to the Acquisition	392,105,381
Total number of New Shares to be issued	400,345,563
Total number of BMN Warrants in issue as at the date of this Prospectus	636,986
Total number of Cykel Exchange Warrants to be issued	141,044,698
The Enlarged Share Capital following Acquisition and Admission	412,507,529 Ordinary Shares
Number of Consideration Shares to be issued pursuant to the Acquisition as a percentage of the Enlarged Share Capital	95.05 per cent.
Number of New Shares as a percentage of the Enlarged Share Capital	97.05 per cent.
Estimated expenses for the Company in relation to the Acquisition and Readmission	£201,350
Expected opening price at Readmission	4.9p
Expected market capitalisation of the Company at the Closing Price	£20,212,869

## DEALING CODES

ISIN for the Ordinary Shares	GB00BJ9MHH56
SEDOL for the Ordinary Shares	BJ9MHH5
LEI	213800QEO6L6JAS62H02
TIDM	MUST

## DIRECTORS, PROPOSED DIRECTORS, SECRETARY AND ADVISERS

<b>Mustang Energy Directors</b>	Alan John Broome, AM ( <i>Non-Executive Chairman</i> ) (*) Dean Lloyd Gallegos ( <i>Managing Director</i> ) (*) Peter Verdun Wale ( <i>Non-Executive Director</i> ) (*) Simon William Holden ( <i>Non-Executive Director</i> ) (*)  <i>(*) to resign upon Readmission</i>
<b>Cykel Directors</b>	Jonathan Bixby ( <i>Executive Chairman</i> ) Nicholas Lyth ( <i>Financial Director</i> ) Jonathan Hives ( <i>Non-Executive Director</i> ) Robert Mayfield ( <i>Non-Executive Director</i> )
<b>Proposed Directors</b>	Jonathan Bixby ( <i>Executive Chairman</i> ) Nicholas Lyth ( <i>Financial Director</i> ) Jonathan Hives ( <i>Non-Executive Director</i> ) Robert Mayfield ( <i>Non-Executive Director</i> )
<b>Mustang Energy Company Secretary</b>	Simon William Holden
<b>Cykel Company Secretary</b>	Nicholas Lyth
<b>Company Secretary on Admission</b>	Nicholas Lyth
<b>Mustang Energy Registered Office</b>	48 Chancery Lane c/o Keystone law London WC2A 1JF
<b>Cykel Registered Office</b>	16 Great Queen Street London WC2B 5DG
<b>Registered Office on Admission</b>	16 Great Queen Street London WC2B 5DG
<b>Mustang Energy Website</b>	<a href="http://www.mustangplc.com">www.mustangplc.com</a>
<b>Cykel Website</b>	<a href="http://www.cykel.ai">www.cykel.ai</a>
<b>Website on Admission</b>	<a href="http://www.cykel.ai">www.cykel.ai</a>
<b>Legal Advisers to Mustang Energy</b>	Druces LLP Salisbury House London Wall London EC2M 5PS
<b>Legal Advisers to Cykel</b>	Fladgate LLP 16 Great Queen Street London WC2B 5DG



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London  
E14 4HD

**Reporting Accountants to Cykel**

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168 Shoreditch High St  
London E1 6RA

**Auditors**

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**Corporate Adviser in respect of advice relating to the Rule 9 waiver procedure**

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**Bank**

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London  
WC1B 5HA

## PART I

### INFORMATION ON THE ENLARGED GROUP

#### 1. Information about the Company

The Company was incorporated as a public limited company on 17 January 2018 in accordance with the laws of England and Wales.

The Company was formed to undertake an acquisition of a target company or business or asset(s) with operations in the energy or natural resources sectors. As a result of the global COVID-19 pandemic, the Company announced with the release of its annual report and financial statements for the year ended 31 December 2019 that it would expand its search for appropriate acquisition targets to the entire value chain of the energy industry and would also consider potential acquisitions outside of the energy and natural resources industries.

On 29 July 2019, Mustang Energy completed its IPO and was admitted to listing on the Official List by way of a Standard Listing and to trading on the Main Market. The Company raised £750,000 (before expenses) in conjunction with the IPO through a placing.

In March 2021, the Company completed the March 2021 Placing raising gross proceeds of £167,160. The subscriber of the March 2021 Placing Shares was Acacia Resources Limited ("**Acacia**").

The March 2021 Placing proceeds were used to provide additional working capital for the Company and to allow it to have sufficient cash resources to undertake due diligence on potential acquisitions. In conjunction with the March 2021 Placing, the Company and Acacia agreed to invest together in:

- manufacturing assets involved in the energy transition process with a relative focus on the energy storage/battery value chain; and
- the development of renewable energy projects where there is scope to include stationary energy storage.

Concurrent with the March 2021 Placing:

- the Company granted Acacia 1,671,600 options at exercise price of 18 pence per option and with an expiry date of 12 months from the date of admission of the Placing Shares (7 April 2021) – these options were not exercised and lapsed;
- the Company granted Acacia the right, for so long as it owns no less than 10 per cent. of the total voting rights of the Company and subject to prior consultation with the Board, to appoint one director to the Board as may be nominated by it from time to time. As at the date of this Prospectus, Acacia has not exercised this right; and

Acacia purchased 800,000 Ordinary Shares from two previous shareholders of the Company on an off-market basis.

#### *Attempted VRFB-H Acquisition*

Since the IPO, the Company identified and reviewed several potential acquisition targets, including an initial acquisition of 22.1 per cent. of VRFB Holdings Limited ("**VRFB-H**"), a private limited company incorporated in Guernsey which was announced on 27 April 2021, in consideration of \$7.524 million (the "**Initial Acquisition**"). The consideration was funded by the Company through the issue, in April 2021, of US\$8,000,000 10 per cent. unsecured convertible loan notes (the "**2021 CLNs**") to certain investors, including Acacia which was the Company's largest shareholder at the time. VRFB-H held a 50% interest in Enerox GmbH. Acacia held approximately 27.4% of VRFB-H with Bushveld Energy Limited, a subsidiary of BMN, holding the balance of VRFB-H's share capital. Acacia is wholly owned by Mr Jose Borromeo, a resident of the Philippines.

The Initial Acquisition was classified as a reverse takeover under the Listing Rules and accordingly the listing of, and trading in, the Company's shares was suspended. Readmission of the Company's shares to listing on the Official List and to trading on the LSE's Main Market would require the publication of a prospectus approved by the FCA.

The Initial Acquisition was subject to backstop arrangements, pursuant to which, if re-admission of the enlarged group's shares to listing on the Official List and to trading on the LSE's Main Market did not take place by 31 December 2021 (the "**Long Stop Date**"), the Initial Acquisition would be unwound by way of the Company transferring all of the shares it acquired in VRFB-H to Bushveld Energy, and BMN redeeming the 2021 CLNs by issuing new ordinary shares to the holders of the 2021 CLNs. In consideration of the backstop arrangements, if triggered, BMN would be entitled to a fee equal to 5 per cent., subsequently reduced to 2 per cent., of the funds raised under the 2021 CLNs (principal and interest), to be satisfied by the issue of new ordinary shares in the capital of the Company. The Long Stop Date was extended a number of times, with the final extension being to 31 July 2023.

On 3 August 2022, the Company announced a further conditional agreement with Acacia to acquire an additional 27.4% interest in VRFB-H. On 28 November 2022, the Company announced it had entered into conditional agreements with Bushveld Energy to acquire further 50% interest in VRFB-H.

On 9 August 2023, the Company announced it was unable to meet the conditions of the proposed acquisition of VRFB-H by 31 July 2023, and the conditional acquisition agreements therefore terminated. In addition, the backstop arrangements were triggered and the Initial Acquisition was unwound, such that the Company's 22.1 per cent. interest in VRFB-H (consisting of 3,730 ordinary shares in VRFB-H) was transferred to BMN on 15 August 2023, and BMN redeemed the 2021 CLNs (principal and interest) by issue of shares in BMN to the noteholders. As a result, the Company no longer holds any interest in VRFB-H.

Given that the Initial Acquisition was unwound, the prospectus that would have been required for readmission of the Company's shares to listing on the Official List and to trading on the LSE's Main Market was not published.

#### *Acquisition*

On 7 November 2023 the Company and Cykel entered into entered into a non-binding heads of terms for the Acquisition (the "**Heads of Terms**"), on the basis of 1.911 new Mustang share for each Cykel share. This ratio has been calculated on the basis of a valuation of £1,000,000 of the Company, and a valuation of Cykel at c £19.22 million based on a ten-day volume weighted average price (VWAP) up to 7 November 2023, being the date of the Head of Terms.

Under the Heads of Terms, the Acquisition, if made, is conditional upon satisfaction or waiver (where relevant) the conditions, including the satisfactory completion by each of the parties of financial, legal and commercial due diligence. Further conditions are set out in the Scheme Document and in paragraph 1.4 of Part VII (*Additional Information*) of this Prospectus.

On 19 January 2024 the Company and Cykel, pursuant to Rule 2.4 of the City Code, made a joint announcement of a possible offer for Cykel by the Company. The announcement by the Directors and the Proposed Directors pursuant to Rule 2.7 of the City Code of a firm intention of the Company to make an offer for Cykel (the "**Rule 2.7 Announcement**"), setting out that the parties have reached agreement on the terms and conditions of the recommended Acquisition of Cykel by the Company has been made on 10 May 2024. Further details regarding the Acquisition are set out in the Scheme Document and in paragraph 1.4 of Part VII (*Additional Information*) of this Prospectus.

#### *Bushveld Minerals Loan Agreement*

On 25 January 2022, the Company and Bushveld Minerals entered into a loan agreement pursuant to which Bushveld Minerals agreed to originally lend US\$220,000 (approximately £176,000) to the Company, interest-free, for general working capital purposes (the "**Loan**"). The Loan commenced on

25 January 2022 and ran to and including 31 December 2023 (the “**Term**”).

The Company had to repay any amount outstanding on the Loan to Bushveld Minerals in full on 31 December 2023. The Company also had the option to repay the Loan during the course of the Term by way of a single cash payment or by way of an issue of new ordinary shares in itself to Bushveld Minerals equivalent to the amount of the Loan at an issue price of the greater of (i) 20 pence per share; and (ii) the average volume weighted average price of a share for the consecutive 10 dealing days ending on the dealing day immediately preceding the repayment date, together with warrants for every two new ordinary shares issued.

The agreement was amended and restated on 10 January 2023, pursuant to which the amount of the Loan was increased to US\$320,000. An additional tranche amount of US\$100,000 was agreed to be made available for drawdown on 13 January 2023 increasing the Loan to US\$420,000.

The Company announced on 12 September 2023 and 20 November 2023 that it agreed to repay the Loan in full by the issue 1,273,972 shares to Bushveld Minerals. The Company also announced it would issue Bushveld Minerals with 1 warrant for every two shares issued, with an exercise price of 30 pence and an exercise period of 12 months after issue.

Further details of this agreement and the BMN Warrant Instrument are set out at paragraphs 12.3 and 12.6 of Part VII (*Additional Information*) of this Prospectus.

#### *Convertible Loan Note Agreements*

On 21 May 2024, the Company executed convertible loans pursuant to which Jonas Chow, Matthew Lumb and Penelope Szeto subscribed for notes with an aggregate principal nominal amount of £200,000 (the “**May 2024 CLNs**”), for a consideration of £106,666.40. The notes were subscribed for in (i) one tranche of nominal amount of £90,000 by Jonas Chow; (ii) one tranche of nominal amount of £56,250 by Matthew Lumb; and (iii) one tranche of nominal amount of £53,750 by Penelope Szeto, all on 21 May 2024. The subscription is conditional on the approval of the Company’s and Cykel’s shareholders of the Acquisition and Readmission. The notes have a conversion price of 6 pence and were to be redeemed either by Jonas Chow, Matthew Lumb or Penelope Szeto serving a conversion notice in relation to their respective convertible loan notes, or the Company serving a conversion notice to Jonas Chow, Matthew Lumb or Penelope Szeto in relation to their respective convertible loan notes, any such notice to take effect no later than 7 July 2024. If conversion of the notes would have the effect of potentially triggering the requirement to make a mandatory offer under the City Code, Conversion of the notes would not be permitted without the prior approval of the Panel.

The notes will be converted in full by the Company and 3,333,333 Ordinary Shares (the “**May 2024 CLNs Shares**”) will be issued to the noteholders, subject to shareholder approval at the General Meeting, on 27 June 2024.

On 22 November 2023, the Company executed a convertible loan pursuant to which Kamran Sattar subscribed for a principal amount of £200,000 (the “**Kamran Sattar CLN**”). The notes were subscribed for in one tranche on £200,000 on 22 November 2023. The notes had an interest rate of 10% per annum, a conversion price of 6 pence and were to be redeemed either by Kamran Sattar serving a conversion notice, or the Company serving a conversion notice to take effect no later than 7 July 2024. If conversion of the notes would have the effect of potentially triggering the requirement to make a mandatory offer under the City Code, conversion of the notes would not be permitted without the prior approval of the Panel.

The notes will be converted in full by the Company and 3,506,849 Ordinary Shares (the “**Kamran Sattar CLN Shares**”) will be issued to the noteholder, subject to shareholder approval at the General Meeting, on 27 June 2024.

## **2. Information about Cykel**

Following completion of the Acquisition, the Company will hold 100 per cent. of the issued share capital of Cykel and Cykel will become a wholly owned subsidiary of the Company.

## ***Introduction***

Cykel was incorporated in England and Wales on 22 August 2023, with company number 15088392.

Cykel intends to operate a software business engaged in the development of advanced artificial intelligence (AI) products, intending to offer these to consumers through a “software as a service” (SaaS) model. Cykel intends to leverage the expertise of its board of directors, software development experience and networks in the technology sector including companies like IronPoint Technologies (sold to the Active Network), Strangeloop Networks (sold to Radware) and CTO AI Inc. to drive value creation and to establish the business. In addition, Cykel’s board of directors believes it has a proven capability in transaction origination and strategic business plan execution to achieve significant growth.

In September 2023, Cykel raised initial capital of c. £568,500, which enabled it to formulate its business plan, specifically for product development, marketing and operations. On 25 October 2023 the Company was admitted to trading on the Access Segment of the Aquis Stock Exchange Growth Market and raised £1,750,000.50 through its fundraise.

## ***Strategy***

### *Overview*

At the heart of Cykel's product strategy lies the belief that the rise of potent Natural Language Processing (NLP) text generators, exemplified by OpenAI's "GPT-4," will serve as a catalyst for the widespread adoption of AI-driven business applications. As NLP-based text generators gain mainstream prominence, Cykel anticipates organisations embracing specialised "value add" applications that augment their business operations. This strategic orientation underscores Cykel's expectation of a burgeoning market for business applications propelled by the maturation of NLP technology.

Central to Cykel's business vision is the aspiration to achieve genuine general intelligence, a system proficient in emulating every action within the human capacity on computers. This vision is predicated on the creation of a foundational model meticulously trained to harness the capabilities of all existing software tools, application programming interfaces (APIs), and web-based applications. Cykel is actively involved in the development of a machine learning model that seamlessly engages with all facets of the user's computer environment. Cykel is spearheading a novel methodology for task execution, translating user objectives articulated in plain language into tangible actions executed within their daily software applications.

This model is intricately designed and trained to execute commands in response to natural language directives, specifically within the realm of computer interfaces. The introduction of Cykel's technology represents the initial steps towards establishing a foundational model poised to proficiently utilize a diverse range of established software tools, APIs, and websites.

Some specific examples include (i) allowing a sales team to add opportunities, leads, accounts and contacts to a Customer Relationship Management system like Salesforce.com; (ii) allowing a user to manage work tools like spreadsheets, emails, contacts, calendars, presentation, decks and documents; (iii) allowing an analyst to research a specific subject and write a research paper.

Cykel’s business strategy can be broken down into several core elements:

#### (a) Product Development

Currently, Cykel is at an early stage of operations and in its development phase. Prior to its incorporation, Leo Mercier and Ewan Collinge, founders of Cykel, completed the ideation and concept development stage for the Cykel AI software. Crowdform (of which Leo Mercier and Ewan Collinge are directors and co-founders), which owned this intellectual property has transferred all resulting intellectual property rights in the Cykel AI software to Cykel.

Crowdfom is a leading digital product and venture activation studio that creates innovative platforms, apps and websites for global brands and startups. Crowdfom has offices in London and Sao Paulo, Brazil, and has a team of over 15 designers, developers and strategists that bring powerful digital products to life for dozens of companies globally.

As a result of the work completed, Cykel has developed AI-Powered Task Operating System as a Google Chrome extension. As announced by Cykel on 4 December 2023, this core software, including all front and back-end coding, integration work with third party providers, and publishing of Cykel's extension was completed in Q4 2023. Cykel's AI-Powered Task Operating System (Task OS) is designed to bring AI capabilities to the world of task management, providing users with a platform for streamlined workflows, intelligent task prioritisation, and cross-platform integration.

Key Features of Cykel's Beta Task OS Include:

- **Smart Task Management:** The Task OS employs advanced AI algorithms to automate task prioritisation, ensuring that users focus on the most critical objectives.
- **Workflow Optimisation:** With AI-assisted recommendations, the system enables users to make informed decisions and optimize their workflow for enhanced productivity.
- **Seamless Integration:** Task OS integrates seamlessly with a wide range of applications and tools, providing a unified hub for task and project management.
- **Cross-Platform Compatibility:** Users can access the Task OS from multiple devices, promoting flexibility and accessibility for effective task management anytime, anywhere.
- **Security & Privacy:** Cykel AI places a strong emphasis on data security, implementing state-of-the-art measures to safeguard user data and privacy.

(b) Sales and Marketing

#### *Marketing strategy and plan*

Cykel will aim to make its AI software available on a "freemium" basis. As such, the basic usage tier would be free, but 'software as a service' (SaaS) fees would be charged over a certain number of requests per month. Cykel intends to offer three subscription tiers: bronze, silver and gold. This is anticipated to allow Cykel to serve both occasional clients and more active clients on a cost-efficient basis. Cykel intends to generate revenue, and achieve profitability, by increasing its client base, and by selling Cykel's additional tiered services to such client base.

Cykel will aim to make its platform available to partners and B2B customers. In order to make these audiences aware of Cykel's services, Cykel intends to market primarily through digital channels. Cykel envisages that it will advertise on web properties such as Instagram, TikTok, LinkedIn, search engines (through keywords), and through display advertising on a range of relevant websites.

Cykel has developed a comprehensive forward-facing website (<https://www.cykel.ai>) that allows prospective customers to understand the product offering and to get started using the product.

Cykel's directors believe that there is pent-up demand for a trusted high-end smart task management product, and that such advertising will target the relevant user base most effectively. Cykel's approach to advertising and marketing is to be present where customers are. Cykel's directors recognise that customers are increasingly utilising a range of online and offline channels and there is, therefore, an opportunity to reach the Company's target market through a combination of these channels.

Cykel considers that technology and analytics driven approach towards marketing and social media will provide an efficient, cost-effective way for Cykel to advertise to new and existing customers alike, as well as manage and track the effectiveness of marketing spending to enable Cykel to effectively target its marketing budget.

Cykel expects to utilise paid and organic channels to increase awareness of its brands and attract new customers. In time, Cykel intends to expand marketing efforts to include a variety of paid advertising across digital channels (such as online video, social media, display, search engine marketing, and sponsored content) and offline channels (such as, direct mail, podcasts, and radio).

In addition to paid channels, many of the new customers are expected to originate organically – from word-of-mouth and referrals from existing customers, as well as from increasing awareness of Cykel's core product offerings over time. Cykel may also offer a referral bonus to existing customers, and should Cykel be able to retain a high level of non-paid or low-cost customer acquisitions, this will reduce the level of marketing investment required to continue growth.

Cykel will measure the efficacy of new customer acquisition and will use these metrics to inform the marketing spend and channel mix. Cykel expects that a number of customers will be acquired through the Company's customer referral program.

### *Sales strategy and plan*

Cykel has developed a sales plan that focuses on establishing and growing its AI-based task management product in the B2B market.

The initial steps are rooted in comprehensive experience and product development, enabling Cykel to gain invaluable insights into its target industries, assess competitors, and identify key pain points experienced by potential customers. Armed with this knowledge, Cykel intends to refine and hone the product to address specific industry needs and compliance requirements, ensuring it was tailored to serve its B2B clientele effectively.

Cykel's pre-launch preparations have been characterized by the development of the marketing plan outlined above and lead development. Engaging marketing materials, website content (<https://www.cykel.ai/>), and product demos have been crafted to effectively communicate the product's value proposition.

As at the date of this Prospectus, Cykel has one employee dedicated to sales and marketing. Cykel intends to gradually expand the sales and marketing team, subject to its ability to generate sufficient revenue to cover the costs of such team. Such sales and marketing team is intended to have deep expertise in B2B software solutions is being built and augmented by Cykel's AI product, allowing Cykel to engage with potential customers more effectively. The establishment of pricing strategies, informed by competitive analysis and cost structures, and the setting of initial sales targets and KPIs will be pivotal to the strategy's success.

Cykel plans to embark on the path of product launch and initial sales. Cykel expects to officially introduce its AI-based task management product to the market in Q2 2024 and to launch a targeted marketing campaign that will aim to generate significant initial interest. Concurrently, Cykel would initiate its sales outreach efforts, reaching out to identified leads and prospects. The primary focus during this phase is to secure a few key reference customers, whose success stories would serve as powerful endorsements of the product.

As Cykel transitions into Q3 and Q4 2024, the sales efforts are expected to shift towards scaling and expansion. Cykel would analyse the initial sales data, allowing it to make data-driven adjustments to its strategies and its hiring. The growing demand could further necessitate the expansion of the sales team, subject to Cykel's cash resources at that time, to ensure that Cykel could accommodate the increasing interest in its product. Exploring partnerships with industry influencers and complementary software providers could further bolster Cykel's market presence. To ensure high customer satisfaction, Cykel would, subject to its ability to generate sufficient revenue, initiate the establishment of a dedicated customer support and success team.

Through the latter half of 2024 and into 2025 Cykel expects to actively pursue strategic partnerships with industry associations, resellers, and integrators. Cykel will remain committed to refining its product based on customer feedback and evolving market needs, aiming to ensure its continued relevance and competitiveness. It would further explore the possibility of expansion into new

geographical regions and industries to extend its growth horizons. Additionally, Cykel plans to introduce a customer referral program to harness the power of word-of-mouth marketing and further expand its customer base.

Through 2025 and beyond Cykel expects to focus on marketing and sales optimisation. Data analytics would enable Cykel to gain deeper insights into customer behavior and preferences, informing its strategies and decision-making processes. Cykel will aim to fine-tune and scale its sales process based on these insights, ensuring it is aligned with customer needs.

Targeted marketing campaigns are expected to be launched to re-engage existing customers and acquire new ones, while the implementation of customer loyalty programs and upselling strategies aimed to increase revenue per customer.

Throughout the sales journey, customer support and retention will remain at the forefront of the Cykel's efforts. Cykel will maintain a steadfast commitment to providing excellent customer support and comprehensive training to guarantee customer satisfaction. Customer feedback would be collected and meticulously analysed, driving continuous product improvements.

Cykel's customer retention strategy will aim to reduce churn rates, solidifying its relationships with existing clients. Cykel would actively encourage customer referrals and reviews, building a strong and reputable presence in the B2B market.

Cykel's sales plan is a dynamic and well-structured journey, navigating through various phases to successfully establish its AI-based task management product in the competitive B2B market. Cykel's commitment to understanding customer needs, ongoing product refinement, strategic partnerships, and a customer-centric approach is believed to pave the way for sustained growth and market dominance.

Cykel will monitor performance of its sales and marketing plan and will consider its continued appropriateness on an ongoing basis. It is noted that Cykel's expected sales and marketing spend, as assumed by the plan, is intended to be scalable up or down. As such, Cykel would closely monitor the cash resources available to it at the relevant time, including any revenues it may expect to generate, before committing to expansion of its sales and marketing team, approving marketing campaigns or otherwise committing to additional sales and marketing costs. Similarly, Cykel would monitor the size of its sales and marketing team, against the ongoing performance of its business plan, its financial position and its cash resources.

#### *Specialised Skills and Knowledge*

Cykel believes that it has the skilled personnel required to develop, operate and maintain its software to the level of commercialisation and operation desired, including individuals with the software development and quality management skills required. Cykel intends to retain additional service providers on an as-needed basis as its operations continue.

#### *Competitors*

The Board believes that competition within the NLP AI software landscape is in a relatively early stage of development, both with respect to the number of competitors and the degree of competition. There are, however, a number of competitors with significantly greater technical, financial and other resources than those of the Company.

Cykel considers the following companies to be directly competitive with it:

- Adept.AI: AdeptAI has developed its ACT-1 transformer which can interpret and action direct voice commands in a digital world.
- OpenAI: OpenAI, known for developing the GPT series of language models, is a prominent player in the NLP domain. Their models, such as GPT-3, offer advanced natural language understanding and generation capabilities, making them potential rivals to Cykel's products.



- Microsoft Azure Cognitive Services: Microsoft's suite of AI and NLP tools includes Cognitive Services, offering capabilities for language understanding, sentiment analysis, and text generation. These tools compete in the same space as Cykel's offerings.
- IBM Watson: IBM's Watson platform includes various AI-driven services, including language understanding and processing. Watson's natural language capabilities make it a competitor in the NLP market.
- Google Cloud Natural Language: Google's NLP offerings, part of Google Cloud, provide tools for sentiment analysis, entity recognition, and other language-related tasks.
- Amazon Comprehend: Amazon Web Services offers Amazon Comprehend, an NLP service that analyses text for insights and relationships.
- UiPath: UiPath is a leading robotic process automation (RPA) company that focuses on automating business processes. While not directly in the NLP domain, their automation tools could be seen as competitors in the broader space of automating tasks.
- Automation Anywhere: Similar to UiPath, Automation Anywhere provides RPA solutions to automate repetitive tasks. Their technology could compete with Cykel AI's products in terms of task automation.
- ChatGPT (OpenAI): OpenAI's ChatGPT is designed to facilitate interactive conversations with users, making it a potential competitor to Cykel's conversational AI capabilities.

Cykel believes that its technology is differentiated in that it will rely on open-source NLP's like ChatGPT. By relying on open-source technology as a basis for its learning model, Cykel will be able to roll out its product in a more cost-effective way and will rely on the underlying NLP technology to get better and better with time. The other competitors in the list above are all writing their own underlying NLP models.

*Cykel's business model is based on the following key assumptions:*

Cykel believes that there will be a significant demand in both the short and longer term for its AI products based on the following assumptions:

- *Adoption of AI will continue to grow over the long term*

Cykel's directors believe that the overall growth of AI will continue to grow, creating a continued customer base for the Company. If this assumption does not materialise, that would affect the growth of Cykel's customer base and, accordingly, Cykel's ability to expand its sales and marketing and to generate revenue by selling additional tiers of its software services.

- *The market for services in AI software products will continue to grow*

It is anticipated that companies currently wishing to incorporate AI products will continue to want to do so and, as the market continues to grow and become a greater part of mainstream society, additional corporate demand would be created particularly for users new to the market or who value an easy-to-use product. If this assumption does not materialise, that would affect Cykel's ability to expand its sales and marketing and to generate revenue by selling additional tiers of its software services.

- *If regulated, AI platforms will be regulated in such a way that allows Cykel to continue to operate in the jurisdictions where it operates or intends to operate*

Cykel's directors believe that governments and regulators are currently reviewing and will continue to keep under review their legislative approach to, and regulatory regime regarding, AI and may introduce new laws and regulations governing AI. Cykel's directors believe that any legal or regulatory regimes introduced will seek to promote higher standards of conduct and transparency as opposed to an outright ban on AI, which would have an impact on trading

activities (for example, by requiring that companies selling AI based products or services hire additional personnel to comply with new laws and regulations) and therefore the Company's core business.

- *Key partnerships with third parties will be implemented as anticipated*

Cykel intends to work closely with third parties to achieve its business objectives and therefore will aim to enter into definitive agreements with third parties. Furthermore, Cykel will be reliant upon the prompt and complete performance by third parties of their obligations to it.

### ***Sensitivity Analysis and mitigation***

- *Regulatory oversight*

Cykel believes that regulatory attitudes worldwide to AI and related activities will change over time. The ability to use AI may, in the future, be regulated by individual countries and could be regulated in a way that does not allow Cykel to continue to operate in the jurisdictions where it intends to operate. On an ongoing basis, and in particular as the regulatory approach in relevant countries becomes clearer, Cykel will look at other ways to mitigate this risk.

- *Slowing AI Adoption*

Cykel believes that the continuing expansion of the AI market will enable Cykel to meet its objectives. Cykel also believes that there would be opportunities for Cykel's services even if growth in AI falters. Slower growth may lead to older, less optimised and less well funded competitors to reduce their operations or exit the market and may inhibit newer competitors from entering the market at this time, thereby favouring Cykel.

- *Lack of take-up of Cykel's AI platform and risk of operating an AI platform*

Cykel may be unable to achieve its targets if the take-up of its AI platform offering is significantly lower than expected. In addition, Cykel cannot be certain that its AI platform will be well received by clients or that it will be able to develop its service offering quickly enough to adapt to changes in market trends and the demands of clients. Even if it does, such changes may require the appointment or recruitment of additional staff with appropriate experience at additional expense.

AI platforms may not succeed due to competition in the market. An inability to attract clients or charge competitive but profitable fees may cause revenues to decline and, as a result, Cykel may be unable to achieve its growth targets.

Cykel, however, believes that it will be able to control its costs to a certain extent as its main expenditure will be in respect of employed staff and contractors. Cykel also anticipates that it will be able to change or re-price its offerings to meet customer demand or market circumstances. Finally, Cykel believes that it can triage marketing spend up and down depending on conversion rates for its products.

### *Regulatory environment*

For detail on the regulatory environment, please see paragraph 22 (*Regulatory Environment*) of Part VII (*Additional Information*) of this Prospectus.

## **3. Market Overview and Opportunity**

The quest for artificial conversation has persistently outpaced technological capabilities in delivering compelling dialogue. Early iterations of NLP exhibited surprising engagement despite their simplicity. A notable example is ELIZA, developed at the Massachusetts Institute of Technology between 1964 and 1966. As one of the earliest NLP programs, ELIZA aimed to highlight the superficiality of human-machine conversation. By simulating conversation through basic pattern matching and pre-determined responses, ELIZA managed to convince human participants of its understanding.

The advent of ELIZA and early NLP experiments underscored the human inclination to anthropomorphise and attribute consciousness to artificial conversational partners, even when their capabilities were limited to rudimentary pattern recognition. This phenomenon has consistently driven the pursuit of captivating conversational AI, and it was only a matter of time until technology could deliver this capability at scale.

The transition from supervised to unsupervised learning has profoundly accelerated the evolution of NLP. Until recently, most advancements in NLP relied on supervised learning, where AI learned from labelled datasets. However, this approach's limitations were evident, considering the effort required to classify datasets and the restriction to a fraction of available data. Furthermore, supervised learning lacked the dynamism to adapt to new inputs without re-training.

Unsupervised learning, in contrast, unshackles NLP from these constraints. This technique enables AI to derive meaning from unlabelled data by independently extracting features and patterns.

Notably, the advancement of language models stems from unsupervised learning. In 2018, OpenAI introduced the GPT language model, demonstrating how a generative language model trained on extensive unstructured text can produce remarkable results. The subsequent release of GPT-2 in 2019 showcased tenfold improvements, both in power and data volume. However, it was the unveiling of GPT-3 in 2020 that truly revolutionised the field. With a staggering 175 billion parameters and training on 570GB of text, GPT-3's textual output closely mirrors human-generated text. The quality is so remarkable that concerns arose about its potential to generate fake news. However, GPT-3's capabilities extend beyond fake news generation, as demonstrated by its creative, witty, and often profound text generation that rivals human conversations.

#### *Global AI Spending*

The AI market has undergone significant growth and continues on an upward trajectory. International Data Corporation (IDC) forecasts that global spending on AI, encompassing software, hardware and AI-centric services, will reach USD \$154 billion in 2023, reflecting a 26.9% increase from the previous year. The integration of AI across various consumer products is projected to drive a compound annual growth rate of 27.0% from 2022 to 2026, with AI-centric systems spending projected to exceed USD \$300 billion by 2026.

IDC's data also highlights that AI investment's key focuses include sales and customer service functions, such as augmented customer service agents, sales process recommendation, and program advisors. These areas are anticipated to receive investment from diverse industries and collectively account for over a quarter of AI spending in 2023, equivalent to USD \$38.5 billion. These projections reflect the significant opportunity and potential inherent in Cykel's ongoing product development.

#### **4. Enlarged Group's Strategy and Principal Activities**

The Enlarged Group will follow Cykel's strategy set out above in paragraph 2 (*Information about Cykel*) of this Part I.

The Enlarged Group's main product will be Cykel AI, a Natural Language Processing software. In building and growing its software, the Enlarged Group intends to emphasise the following use case:

- Google Software: The ability to manage Google Sheets, Docs, Slides, Forms, Email and Calendar.
- Microsoft Software: The ability to manage Microsoft Excel, Word, PowerPoint, and Outlook emails and Calendar.
- Salesforce Software: The ability to manage contacts, leads, emails, opportunities, sales and support.
- Shopify Software: The ability to manage all Shopify selling capabilities.

- Amazon Software: The ability to manage all Amazon selling capabilities.
- Tableau Software: The ability to manage all analytics capabilities.

## **5. Readmission and Dealings**

Readmission is expected to take place and dealings in the Ordinary Shares are expected to commence on the London Stock Exchange at 8:00 a.m. on 27 June 2024. No application has been or is currently intended to be made for the Ordinary Shares to be admitted to listing or dealt with on any other stock exchange. When admitted to trading, the Ordinary Shares will be registered with ISIN number GB00BJ9MHH56 and SEDOL number BJ9MHH5.

Dealings on the London Stock Exchange before Readmission will only be settled if Readmission takes place. All dealings in Ordinary Shares prior to the commencement of unconditional dealings will be on a “when issued basis”, will be of no effect if Readmission does not take place, and will be at the sole risk of the parties concerned. No application has been or is currently intended to be made for the Ordinary Shares to be admitted to listing or dealt with on any other stock exchange.

The CREST accounts designated by holders that have requested delivery of their Ordinary Shares in uncertificated form are expected to be credited with the relevant new Ordinary Shares on the date of Readmission. Where applicable, definitive share certificates in respect of Ordinary Shares where holders have requested delivery in certificated form are expected to be despatched, by post at the risk of the recipients, to the relevant holder(s) not later than 9 July 2024. No temporary documents of title will be issued. Prior to the despatch of definitive share certificates in respect of any Ordinary Shares held in certificated form, transfers of such shares will be certified against the register of members of the Company.

The Ordinary Shares are in registered form and may be held in certificated or uncertificated form.

## **6. CREST**

CREST is the system for paperless settlement of trades in listed securities operated by Euroclear UK & International Limited. CREST allows securities to be transferred from one person’s CREST account to another’s without the need to use share certificates or written instruments of transfer. The Articles permit the holding of Ordinary Shares in uncertificated form under the CREST system.

Application has been made for the Ordinary Shares to be admitted to CREST with effect from Readmission. Accordingly, settlement of transactions in the Ordinary Shares following Readmission may take place within the CREST system if any Shareholder so wishes. CREST is a voluntary system and Shareholders who wish to receive and retain share certificates will be able to do so.

## **7. Proceeds and Expenses**

There are no proceeds relating to the Acquisition as no shares will be issued for cash in connection with the Acquisition or Readmission. Consideration Shares are being issued as consideration for the Acquisition.

The estimated total expenses for the Company in relation to the Acquisition and Readmission are £201,350 (exclusive of VAT). No expenses of the Acquisition or Readmission will be charged to the investors.

**PART II**  
**DIRECTORS, PROPOSED DIRECTORS AND CORPORATE GOVERNANCE**

**1. The Directors**

The Board as at the date of this Prospectus comprises five directors (the details of each are set out below in this paragraph 1 (*The Directors*) of this Part II), who collectively have extensive experience and a proven track record in investment, corporate finance, business acquisition, operation and development. The board of directors of Cykel as at the date of this Prospectus comprises four directors (the details of each are set out below in paragraph 2 (*The Proposed Directors*) of this Part II), who are a knowledgeable and experienced group of professionals with the capability and relevant experience to successfully implement and execute the Enlarged Group's objective and strategy. Any further appointments to the Board would be made after due consideration to the Enlarged Groups requirements and to the availability of candidates with the requisite skills and, where applicable, depth of sector experience.

The Company will not be externally managed, and the Proposed Directors will have full responsibility for its activities.

Details of the Directors are as follows:

**Alan John Broome**, *Non-Executive Chairman* (age 74)

Alan Broome is a metallurgist with over 40 years' experience in mining and metals. A well-known figure in the Australian mining industry, Alan has extensive board experience, both as a director and chairman, of a number of listed and unlisted energy, mining and mining technology companies. Over the last 20 years, Alan has had in-depth experience in oil exploration and production, coal mining, equipment, services and research sectors, in the UK, Australia and abroad. Alan is currently non-executive chairman of Strategic Minerals plc, a minerals production and development company incorporated and registered in England and Wales and listed on the AIM market of the London Stock Exchange.

**Dean Lloyd Gallegos**, *Managing Director* (age 56)

Dean Gallegos has significant experience in financial markets in both institutional/retail advisory and corporate advisory roles. This included being a founder and principal of an Australian based stockbroking and corporate advisory firm between 1995 and 2002. Since that time, he has acted in an executive capacity in numerous mineral and energy focused public companies in Australia and Singapore. Since 2006, he has focused on energy-related projects, principally in the US (including Texas, Louisiana and Alaska) in both the onshore and offshore environments. Dean specialises in the identification of projects and the funding of the development of those projects through equity, debt and mezzanine financing. He has in-depth experience from both an operational and financial perspective in respect to the requirements of the exploration, discovery and subsequent production of oil and gas projects.

**Peter Verdun Wale**, *Non-Executive Director* (age 54)

Peter Wale brings a thorough understanding of financial markets and investment management with over 25 years of diverse professional investing experience across developed and emerging markets. He has worked for various American fund managers, including Fidelity Investments, and was a partner at an international hedge fund for 12 years. Peter remains an investor, mainly in the resources sector, and has an extensive network of contacts. He is an executive director and significant shareholder of Strategic Minerals plc and a director of Cornwall Resources Limited, where he has been actively involved in the development of the companies' strategy and investor communications.

**Simon William Holden**, *Non-Executive Director* (age 48)

Simon Holden is an experienced corporate finance and capital markets lawyer. He advises issuers in connection with initial public offerings and secondary fundraisings, start-ups and growth companies

on alternative finance, and public and private companies in respect of domestic and cross border mergers and acquisitions. Simon has an in-depth understanding of the UK quoted company sector, having advised on a significant number of AIM and Main Market transactions; acting for issuers, nominated advisers and brokers. He was called to the Bar of England & Wales (Lincoln's Inn) in 1999 and was subsequently admitted as a Solicitor in England & Wales in 2002. He is currently company secretary of Iofina plc (AIM: IOF), Primorus Investments plc (AIM: PRIM), Synairgen plc (AIM: SNG) and Alteration Earth PLC (LSE: ALTE) and Tertre Rouge Assets PLC (LSE: TRA).

Each of Mr Broome, Mr Gallegos, Mr Wale and Mr Holden will resign on Readmission as directors.

## **2. Proposed Directors**

The details of the Proposed Directors who will be appointed to the Board on Readmission and their backgrounds are as follows:

### **Jonathan Bixby, Executive Chairman (age 46)**

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 company 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, Neuroio and Layerboom.

### **Nicholas (Nick) James Lyth, Finance Director (age 57)**

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.

### **Jonathan Hives, Non-Executive Director (age 39)**

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 51)**

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

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, UNIQ 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.

### **3. Independent Directors**

None of the Proposed Directors will be considered to be "independent" (using the definition set out in the UK Corporate Governance Code), as set out in paragraph 5 (*Corporate Governance*) of this Part II.

### **4. Strategic decisions**

The Board will be responsible for the Enlarged Group's objectives and business strategy and its overall supervision. Acquisition, divestment, and other strategic decisions will be considered and determined by the Board.

The Board will provide leadership within a framework of appropriate and effective controls. The Board will set up, operate, and monitor the corporate governance values of the Enlarged Group, and will have overall responsibility for setting the Enlarged Group's strategic aims, defining the business objective, managing the financial and operational resources of the Enlarged Group and reviewing the performance of the officers and management. The Board will take appropriate steps to ensure that the Enlarged Group complies with Listing Principles 1 and 2 as set out in Chapter 7 of the Listing Rules.

### **5. Corporate Governance**

As a company with a Standard Listing, the Company is not required to comply with the provisions of the UK Corporate Governance Code. However, the Board are committed to maintaining high standards of corporate governance and intend, so far as is appropriate given the Enlarged Group's size and nature, to voluntarily comply with the principles of the QCA Code. Due to the size of the Enlarged Group the Directors and the Proposed Directors acknowledge that full adherence to certain other principles of the QCA Code may be delayed until such time as it becomes appropriate for the Enlarged Group, taking into account its size, to comply with them in full. As such, the Company notes that:

- on Admission, none of the Proposed Directors will be deemed independent due to their interests in the Company, as set out in paragraphs 9.1 and 9.2 of Part VII (*Additional Information*). The Directors and the Proposed Directors, however, believe that the size and composition of the Board on Admission will be appropriate given the size and stage of development of the Enlarged Group;
- a Board evaluation process will initially be conducted through strategy review and future planning discussion, including the consideration of, performance of the directors against the Enlarged Group's strategy from time to time.

To demonstrate the Enlarged Group's adherence to the QCA Code, the Board will hold timely board meetings as issues arise which require the Board's attention. The Board will be responsible for the management of the business of the Enlarged Group, setting the strategic direction of the Enlarged Group and establishing its policies. It will be the Proposed Directors' responsibility to oversee the

financial position of the Enlarged Group and monitor its business and affairs, on behalf of the Shareholders, to whom they are accountable. The primary duty of the Board will be to act in the best interests of the Enlarged Group at all times. The Board also addresses issues relating to internal control and the Enlarged Group's approach to risk management.

In order to implement its business strategy, the Company will establish the following committees, with effect from Admission:

#### *Audit and Risk Committee*

The Board will establish an Audit and Risk Committee with formally delegated duties and responsibilities. The Audit and Risk Committee will be chaired by Jonathan Hives and its other member will be Rob Mayfield. The Audit and Risk Committee will meet at least twice a year and will be responsible for ensuring the financial performance of the Enlarged Group is properly reported on and monitored, including reviews of the annual and interim accounts, results announcements, internal control systems and procedures and accounting policies, as well as keeping under review the categorisation, monitoring and overall effectiveness of the Enlarged Group's risk assessment and internal control processes, and to review the Enlarged Group's internal financial controls and the Enlarged Group's internal control and risk management systems.

#### *Remuneration Committee*

The remuneration committee, which will comprise Jonathan Bixby and Rob Mayfield, will be responsible for the review and recommendation of the scale and structure of remuneration for the Enlarged Group's, including any bonus arrangements or the award of share options with due regard to the interests of the shareholders and the performance of the Enlarged Group. The Remuneration Committee will be chaired by Rob Mayfield and will meet at least once a year.

## **6. Conflicts of interest**

As at the date of this Prospectus, the Board is unaware of any existing conflicts of interest affecting any of the Proposed Directors. However, this does not mean that future potential conflicts of interest will not arise. Potential areas for 'Proposed Directors' conflicts of interest in relation to the Enlarged Group include (but are not limited to):

- The Proposed Directors are required to commit a limited amount of time to the Enlarged Group's affairs and, accordingly, they may have conflicts of interest in allocating time among various business activities.
- In the course of their other business activities, the Board may become aware of investment and business opportunities which may be appropriate for presentation to the Enlarged Group as well as the other entities with which they are affiliated. They may have conflicts of interest in determining to which entity a particular business opportunity should be presented.
- The Board are or may in the future become affiliated with entities engaged in business activities similar to those intended to be conducted by the Enlarged Group.

Accordingly, as a result of these multiple business affiliations, each of the Proposed Directors may have similar legal obligations to present business opportunities to multiple entities. In addition, conflicts of interest may arise when the Board evaluates a particular business opportunity.

The Proposed Directors have, or may come to have, other fiduciary obligations, including to other companies on whose board of directors they presently sit or to other companies whose board of directors they may join in the future. To the extent that they identify business opportunities that may be suitable for the Enlarged Group or other companies on whose board of directors they may sit, the Directors and the Proposed Directors will honour any pre-existing fiduciary obligations ahead of their obligations to the Company. Accordingly, they may refrain from presenting certain opportunities to the Enlarged Group that come to their attention in the performance of their duties as directors of such other entities unless the other companies have declined to accept such opportunities or clearly lack the resources to take advantage of such opportunities. Additionally, the Directors and the Proposed Directors may become aware of business opportunities that may be appropriate for presentation to the Enlarged Group as well as the other entities with which they are or may be



affiliated.

Furthermore, some of the Proposed Directors are engaged and/or may become engaged in other businesses developing AI powered products. In particular:

- Cykel's executive chairman, Jonathan Bixby, is also executive chairman of Kondor. Cykel's financial director, Nick Lyth, is a shareholder and a consultant (via Dark Peak Services Ltd) of Kondor and is a business associate of Jonathan Bixby. Kondor is also an AI business but operating in a different market to that of Cykel. Kondor intends to operate a software business engaged in the development of advanced AI products with a particular focus on vision-based AI.
- Cykel's non-executive director, Robert Mayfield, is also an independent director of Flex, which is engaged in the development of advanced AI middleware products.
- In addition, Jonathan Bixby (through Toro Consulting Limited) is a long-standing business associate of Mike Edwards, who is a director of Flex and (through Pioneer Media Holdings, Inc and Marallo Holdings Inc) is interested in c32% of the share capital of Flex.

Nick Lyth is also a director of Streaks, and Jonathan Bixby (through Toro Consulting Limited) is interested in c10.4% of the share capital of Streaks. Although Streaks offers two core products in the gaming and conversational AI space, it is not considered a competitor to Cykel, as it is a user of AI applications, but is not engaged in development of AI applications or algorithms.

The Directors and the Proposed Directors (in each case excluding Jonathan Bixby, Nick Lyth or Robert Mayfield, respectively) are satisfied that each of Mr Bixby, Mr Lyth and Mr Mayfield will be able to fulfil his duties to the Enlarged Group whilst also being directly or indirectly interested in Kondor, Streaks and/or Flex.

Cykel has adopted a conflict of interest policy pursuant to which each director has committed to (i) declare any conflicts, as they may arise as well as annually, and (ii) recuse themselves from voting on matters where they are financially interested, including on matters of their compensation.

## **7. Share dealings**

The Company has adopted and the Enlarged Group will operate a share dealing code governing the share dealings of the Board and any applicable employees with a view to ensuring compliance with UK MAR.

The Company has adopted and the Enlarged Group will operate a share dealing policy regulating trading and confidentiality of inside information for the Board and other persons discharging managerial responsibilities (and persons closely associated with them) which contains provisions appropriate for a company whose shares are admitted to trading on the Official List (particularly relating to dealing during 'closed periods' which will be in line with UK MAR). The Enlarged Group will take all reasonable steps to ensure compliance by the Board and any relevant employees with the terms of the share dealing policy.

## **8. Concert Party**

### *Takeover bids*

The City Code is issued and administered by the Takeover Panel. The Company is subject to the City Code and therefore its Shareholders are entitled to the protections afforded by the City Code.

### *Mandatory bids*

Rule 9 of the City Code provides that, except with the consent of the Takeover Panel, when: (a) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company; or (b) any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of a company but does not hold shares carrying more than 50 per cent of such voting

rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he (together with those acting in concert with him) is interested, then, in either case, that person and/or other persons acting in concert with him, would normally be required to extend offers in cash, at the highest price paid by him (or any persons acting in concert with him) for shares in the company within the preceding 12 months, to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights. If the concert party holds shares which in the aggregate carry more than 50 per cent. of the voting rights of the company, the concert party, as a whole, may acquire further interests in shares without incurring any obligation under Rule 9 of the City Code to extend any offers. However, if any individual members of the concert party acquire further interests in shares, they will be subject to the provisions set out in Note 4 on Rule 9.1 of the City Code.

The members of the Concert Party (as more fully detailed below) are presumed by the Takeover Panel to be acting in concert for the purposes of the City Code.

Immediately following Readmission, the Concert Party will hold Ordinary Shares carrying more than 30 per cent. of the voting share capital of the Company and will be subject to the provisions set out in Note 4 on Rule 9.1 of the City Code. Accordingly, if as a result of an acquisition of an interest in Ordinary Shares from another member of the Concert Party a single member comes to be interested in Ordinary Shares carrying 30 per cent. or more or, if already interested in Ordinary Shares carrying over 30 per cent., acquires an interest in any other Ordinary Shares carrying voting rights, the factors which the Panel will take into account in considering whether to waive the obligation to make an offer include (i) whether the leader of the Concert Party or the member with the largest individual interest in Ordinary Shares has changed and whether the balance between the interests in the Concert Party has changed significantly; (ii) the price paid for the interest in Ordinary Shares acquired; and (iii) the relationship between the persons acting in concert and how long they have been acting in concert. In addition, given that the Concert Party will hold Ordinary Shares carrying more than 30 per cent. of the voting share capital of the Company but will not hold Ordinary Shares carrying more than 50 per cent. of such voting capital, an offer obligation will arise if an interest in any other Ordinary Shares carrying voting rights is acquired from non-members of the Concert Party.

In case the members of the Concert Party exercise all of their respective warrants following Readmission, the Concert Party members would be beneficially interested in approximately 61.05 per cent. of the Enlarged Share Capital. As the Concert Party will hold more than 50 per cent. of the voting rights in the Company, any member of the Concert Party would not be able to acquire any further Ordinary Shares without incurring an obligation to make a general offer for the Company in accordance with Rule 9 of the City Code unless: (i) that member of the Concert Party is interested in Ordinary Shares carrying 30 per cent. or more of the voting rights in the Company but does not hold shares carrying more than 50 per cent. of the voting rights in the Company; or (ii) that member of the Concert Party's interest in Ordinary Shares would increase to shares carrying 30 per cent. or more of the voting rights in the Company, in which case the Takeover Panel may deem such an obligation to have arisen.

#### *Relationships between the Concert Party*

Due to their association as shareholders in Cykel on Readmission and other ongoing business and investment relationships between them (as more fully detailed below), the members of the Concert Party are presumed by the Takeover Panel to be acting in concert for the purposes of the City Code.

The relationships between the Concert Party are as follows - the members of the Concert Party are certain shareholders and advisers of Cykel as at admission of Cykel to trading on the Access Segment of the Aquis Stock Exchange Growth Market in October 2023, being Toro Consulting Ltd (beneficially owned by Jonathan Bixby (a director and the founder of Cykel) and Shannon Wall (Jonathan Bixby's wife)), Fidelio Partners Pte Ltd, California Two Pizzas Ventures Inc, Nicholas Lyth (a director of Cykel), First Sentinel Corporate Finance Ltd, Brian Stockbridge (director of First Sentinel Corporate Finance Ltd), Alpha Capital Group Ltd (company controlled by Andrew Blaylock, director of Clear Capital Markets Ltd), AB Trading and Investing Ltd (company owned by Andrew Blaylock, director of Clear Capital Markets Ltd), B Roberts Equity Trading Ltd (company owned by Bob Roberts, director of Clear Capital Markets Ltd), Daniel Pellard (director of Clear Capital Markets Ltd), Clear Capital Markets Ltd,

Robert Mayfield (a director of Cykel) and Jonathan Hives (a director of Cykel), who will together hold in aggregate approximately 48.74 per cent. of the Enlarged Share Capital.

*Effect of Readmission*

Subject to Readmission, the Concert Party will, at the date of Readmission, hold the following number of Ordinary Shares:

Concert member	Party	Current holding in the Company			Holding post-Readmission		
		Number of Ordinary Shares	% of issued share capital	Number of warrants	Number of Ordinary Shares	% of Enlarged Share Capital	Number of warrants
Toro Consulting Ltd		Nil	Nil	Nil	95,550,000	23.16%	55,752,442
Fidelio Partners Pte Ltd		Nil	Nil	Nil	38,220,000	9.27%	Nil
California Two Pizzas Ventures Inc		Nil	Nil	Nil	13,377,000	3.24%	Nil
Alpha Capital Group Ltd		Nil	Nil	Nil	11,466,000	2.78%	Nil
First Sentinel Corporate Finance Ltd*		Nil	Nil	Nil	8,044,000	1.95%	15,446,760
AB Trading and Investing Ltd		Nil	Nil	Nil	7,644,000	1.85%	Nil
B Roberts Equity Trading Ltd		Nil	Nil	Nil	7,644,000	1.85%	Nil
Daniel Pellard		Nil	Nil	Nil	7,644,000	1.85%	Nil
Nicholas Lyth		Nil	Nil	Nil	6,688,500	1.62%	19,298,922
Brian Stockbridge		Nil	Nil	Nil	4,777,500	1.16%	Nil
Clear Capital Markets Ltd		Nil	Nil	Nil	Nil	Nil	31,247,654
Robert Mayfield		Nil	Nil	Nil	Nil	Nil	4,288,649
Jonathan Hives		Nil	Nil	Nil	Nil	Nil	4,288,649
<b>Total</b>		<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>201,055,000</b>	<b>48.74%</b>	<b>130,323,076</b>

\* includes 400,000 First Sentinel Fee Shares

On Readmission, the Concert Party will hold Ordinary Shares representing approximately 48.74 per cent. of the Enlarged Share Capital.

The Takeover Panel has confirmed that, on account of the disclosures made in this Prospectus, the obligation under Rule 9 of the City Code will not apply.

## PART III

### OPERATING AND FINANCIAL REVIEW

#### Mustang

*The following operating and financial review contains financial information that has been extracted or derived without material adjustment from Mustang Energy's audited financial information for the years ended 31 December 2023, 31 December 2022 and 31 December 2021 which are the only relevant periods, included in "Part VI (A) – Historical Financial Information of the Company" prepared in accordance with International Financial Reporting Standards (IFRS).*

*The following discussion should be read in conjunction with the other information in this Prospectus, in particular with the entire "Part VI (A) – Historical Financial Information of the Company" and "Part VI (D) – Unaudited Pro Forma Consolidated Statement of Net Assets and Income Statement for the Enlarged Group". This discussion contains forward-looking statements, which, although based on assumptions that the Directors consider reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. Investors should read the notice in relation to forward-looking statements contained on pages 25-26 of this Prospectus.*

*The key risks and uncertainties include but are not limited to those described in the section of this Prospectus entitled "Risk Factors" on pages 13-21 of this Prospectus.*

#### Overview

The Company was formed as a special purpose acquisition company to undertake an acquisition of a target company or business or asset(s) with operations in the energy or natural resources sectors. The Company was admitted to listing on the Official List by way of a Standard Listing and to trading on the London Stock Exchange Main Market for listed securities on 29 July 2019. The Company raised £750,000 (before expenses) in conjunction with the IPO through a placing.

As a result of the global COVID-19 pandemic, the Company announced with the release of its annual report for the year ended 31 December 2019 on 13 May 2020, that it would expand its search for appropriate acquisition targets to the entire value chain of the energy industry and would also consider potential acquisitions outside of the energy and natural resources industries.

In February 2021, 210,000 warrants that were issued to the Company's broker in the IPO were exercised raising gross proceeds of £21,000.

Since the IPO, the Company identified and reviewed several acquisition targets. On 12 March 2021 the Company announced that Acacia had made a strategic investment in the Company by subscribing to a placing of 1,671,600 new Ordinary Shares for gross proceeds totalling £167,160. Acacia also acquired an additional 800,000 Ordinary Shares from existing shareholders and became the Company's largest shareholder with 2,471,600 Ordinary Shares, which represented 24.03% of the Company. Since the placing to Acacia, the Company has not issued any further Ordinary Shares.

Since the IPO, the Company identified and reviewed several potential acquisition targets, including an initial acquisition of 22.1 per cent. of VRFB Holdings Limited ("**VRFB-H**"), a private limited company incorporated in Guernsey which was announced on 27 April 2021. VRFB-H indirectly holds a 40% interest in Enerox GmbH. Acacia holds approximately 27.4% of VRFB-H with Bushveld Energy Limited, a subsidiary of Bushveld Minerals, holding the balance of VRFB-H's share capital. Acacia is wholly owned by Mr Jose Borromeo, a resident of the Philippines.

On 3 August 2022, the Company announced a further conditional agreement with Acacia to acquire an additional 27.4% interest in VRFB-H. On 28 November 2022, the Company announced it had entered into conditional agreements with Bushveld Energy to acquire further 50% interest in VRFB-H.

On 9 August 2023, the Company announced it was unable to meet the conditions of the proposed acquisition of VRFB-H by 31 July 2023, and the conditional acquisition agreements therefore terminated.

#### **2021**

The total comprehensive loss in 2021 was £902,264 (2020: £231,901). An additional key driver of the increased loss for the year were finance costs of £601,891 (2020: nil) which comprise interest payable

on loan notes of £491,631 and a fair value loss on the loan note derivative of £110,260. These arose as a consequence of the the aborted VRFB-H acquisition .

The statement of financial position showed a movement in net liabilities to £400,002 (from an opening net assets position at 1 January 2021 of £327,587). To account for the movement in the US\$/£ during the year there was an increase in the investments balance to £5,573,333 (from £5,416,847 at the time of investment) and the corresponding increase in borrowings to £6,329,952 (from £5,667,316 at the time of financing) that resulted from the aborted VRFB-H acquisition .

## **2022**

The total comprehensive loss in 2022 was £558,898 (2021: £902,624). An additional driver of the loss for the year were finance costs of £656,871 (2021: £601,891) which comprised interest payable on loan notes of £670,240 (2021: £491,631) and a fair value gain on the loan note derivative of £13,384 (2021: £110,260 loss). These have arisen in the year as a consequence of the aborted VRFB-H acquisition.

The statement of financial position shows a movement in net liabilities to £958,900 from an opening net liability position at 1 January 2022 of £400,002. To account for the movement in the US\$/£ during the year there was an increase in the investments balance to £7,056,976 (31 December 2021: £5,573,333) and the corresponding increase in borrowings to £7,934,226 (31 December 2021: £6,329,952) that have resulted from the initial stages of the aborted acquisition VRFB-H.

## **2023**

In 2023 the Company was focused on the compilation of a prospectus to facilitate Readmission. The total comprehensive profit for the year was £169,534 which comprised administrative costs of £470,378, interest payable on the loan notes of £449,863, adjustment of fair value of the investments of £927,172 offset by a gain in disposal of a financial asset at amortised cost of £1,868,029 and foreign exchange gain of £70,298.

The statement of financial position shows a movement in net liabilities to £314,738 from an opening net liability position on 1 January 2023 of £958,900. To account for the disposal of the investment during the year there was a decline in the investments balance to £Nil (31 December 2022: £7,056,976) and the corresponding decrease in borrowings to £Nil (31 December 2022: £7,751,742).

The tables below sets out summary financial information of Mustang Energy Plc, as derived from the audited financial information as of 31 December 2023, 31 December 2022 and 31 December 2021. The Company's audited financial information has been prepared in accordance with IFRS.

There have been no other significant changes to the Company's financial condition and operating results during or subsequent to the period covered by the historic information provided other for that noted within this Prospectus.

## Statement of Financial Position

	2023	2022	2021
	£	£	£
<b>Non-current assets</b>			
Property, plant and equipment	519	1,022	1,525
Investments held at FVTPL	-	7,056,976	5,573,333
	519	7,057,998	5,574,858
<b>Current assets</b>			
Trade and other receivables	5,458	8,605	13,117
Cash and cash equivalents	9,239	22,994	394,700
	14,697	31,599	407,817
<b>Total assets</b>	15,216	7,089,597	5,982,675
<b>Current liabilities</b>			
Trade and other payables	169,067	114,271	52,725
Other borrowings	-	182,484	-
Convertible loan notes	160,887	7,751,742	6,329,952
	329,954	8,048,497	6,382,677
<b>Net current liabilities</b>	(315,257)	(8,016,898)	(5,974,860)
<b>Total liabilities</b>	329,954	8,048,497	6,382,677
<b>Net liabilities</b>	(314,738)	(958,900)	(400,002)
<b>Equity</b>			
Called up share capital	121,620	102,816	102,816
Share premium account	1,253,355	810,219	810,219
Share based payment reserve	91,100	91,100	91,100
Other Reserves	12,688	-	-
Retained losses	(1,753,901)	(1,963,035)	(1,404,137)
<b>Total equity</b>	(314,738)	(958,900)	(400,002)

**Statement of Comprehensive Income**

	<b>2023</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Other Operating Income	78,620	-	-
Administrative Expenses	(470,378)	(608,693)	(274,927)
<b>Operating Loss</b>	<b>(391,758)</b>	<b>(608,693)</b>	<b>(274,927)</b>
Finance Costs	(449,863)	(656,871)	(601,891)
Other gains/(losses)	1,011,155	706,666	(25,806)
<b>Profit/(Loss) before Taxation</b>	<b>169,534</b>	<b>(558,898)</b>	<b>(902,264)</b>
Income tax expense	-	-	-
<b>Profit/(Loss) and total comprehensive loss for the year</b>	<b>169,534</b>	<b>(558,898)</b>	<b>(902,264)</b>

## Statement of Cash Flows

	2023 £	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Cash absorbed by operations	(339,090)	(542,372)	(370,984)
Interest paid	(310)	(15)	-
<b>Net cash outflow from operating activities</b>	<b>(339,400)</b>	<b>(542,387)</b>	<b>(370,984)</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment	-	-	(1,526)
Purchase of investments	-	-	(5,416,847)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>-</b>	<b>(5,418,373)</b>
<b>Financing activities</b>			
Proceeds from issue of shares	-	-	188,160
Share issue costs	-	-	(13,125)
Issue of convertible loans	162,500	-	5,667,316
Proceeds from borrowings	163,576	163,428	-
<b>Net cash generated from financing activities</b>	<b>326,076</b>	<b>163,428</b>	<b>5,842,351</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(13,324)</b>	<b>(378,959)</b>	<b>52,994</b>
Cash and cash equivalents at beginning of year	22,994	394,700	345,200
Effect of foreign exchange rates	(431)	7,253	(3,494)
Cash and cash equivalents at end of year	9,239	22,994	394,700



## **Cykel**

Cykel was incorporated on 22 August 2023 with the name Cykel AI plc.

Before its listing in October 2023, Cykel has raised gross proceeds of £568,500. This took the form of the issue of 100,000,000 Cykel ordinary shares at 0.1p per share and 46,850,000 Cykel ordinary shares at 1.0p per share.

In the period ending 31 August 2023 Cykel raised gross proceeds of £100,000 which was unpaid and therefore has £100,000 Other Receivables and £100,000 share capital. The £100,000 other receivables related to the issuance of 100,000,000 Cykel ordinary shares at 0.1p and this was paid in full prior to Cykel's listing.

On 18 September 2023 Cykel issued 48,000,000 warrants to Cykel Directors and advisors. These warrants have an exercise price of 1.0p and expire on 25 October 2026.

On 25 October 2023 Cykel raised gross proceeds of £1,750,000.50 via direct subscription for 58,333,350 Cykel ordinary shares at 3.0p per share by sophisticated and high net worth investors.

On 25 October 2023 Cykel issued 11,385,170 warrants to brokers in respect of the fundraising. These warrants have an exercise price of 3.0p and expire on 25 October 2028.

On 4 December 2023 Cykel announced that it had successfully launched the beta version of its AI-powered Task Operating System.

## PART IV

### SHARE CAPITAL, LIQUIDITY AND CAPITAL RESOURCES AND ACCOUNTING POLICIES

#### 1. Share capital

The Company was incorporated on 18 August 2021 in England and Wales under CA 2006 as a public limited company.

Details of the current issued share capital of the Company are set out in paragraph 5 of Part VII of this Prospectus.

All the issued Ordinary Shares will be in registered form, and capable of being held in certificated or uncertificated form. The Registrar will be responsible for maintaining the Company's share register. Temporary documents of title will not be issued. The ISIN of the Ordinary Shares is GB00BJ9MHH56. The SEDOL number of the Ordinary Shares is BJ9MHH5. The Company's LEI is 213800QEO6L6JAS62H02.

The consideration for the Acquisition will be £19,213,164, to be satisfied by the issue of 392,105,381 Consideration Shares, representing approximately 95.05 per cent. of the Enlarged Share Capital immediately following Readmission.

As at Readmission, the Enlarged Share Capital will be £4,125,075 divided into 412,507,529 Ordinary Shares of £0.01 each.

#### 2. Financial position

The Company has not yet commenced operations. The historical financial information in respect of the Company and Cykel is set out in Part VI of this Prospectus.

#### 3. Liquidity and capital resources

##### *Sources of cash and liquidity*

The Company's source of cash is the balance of funds raised by Cykel prior to the date of this document, which amounts to approximately £857,000 plus recoverable VAT of £156,000, totalling £1,013,000 as at 31 March 2024, before remaining expenses of the Acquisition and Readmission. It will use some of the cash to fund the remaining expenses of the Acquisition and Readmission, including listing fees, legal, registration and any other applicable expenses. The Company projects the total costs of Acquisition and Readmission to be approximately £576,500 (exclusive of VAT).

The Enlarged Group may raise additional capital from time to time. Such capital is expected to be raised through share issues (such as rights issues, open offers or private placings) or borrowings. Any capital raised by the Enlarged Group, via equity and/or debt financing, in the period covered by the clean working capital statement in this Prospectus, i.e. in the period of at least 12 months from the date of this Prospectus, would not be for the purpose of meeting working capital requirements or for use in progressing the business plan as set out in this Prospectus. As at 31 March 2024, the Company has borrowings of nil, £45,000 accrued expenses and expenses payable in connection with the Acquisition and Readmission, of which £247,000 has been paid with £329,500 payable from 1 April 2024 onwards.

In addition to capital raised from new equity, the Enlarged Group may choose to finance its activities with debt financing. The forms of debt financing to be used by the Enlarged Group are expected to be limited to bank financing, although no such financing arrangements will be in place at Readmission. Any costs associated with the debt financing are likely to be paid with the proceeds of such financing. If debt financing is utilised, there will be additional servicing costs. Furthermore, while the terms of any such financing cannot be predicted, such terms may subject the Enlarged Group to financial and operating covenants or other restrictions, including restrictions that might limit the Company's ability to make distributions to Shareholders.

### *Ongoing costs and expenses*

The Enlarged Group's principal use of its cash will be to fund general working capital expenses.

The expenses that the Company expects to fund through its cash holding total a minimum of approximately £857,000 plus recoverable VAT of £156,000 totalling £1,013,000 in the first year following Readmission, which shall include:

- all costs relating to the Acquisition and Readmission. This will include the expenses incurred in ongoing listing fees, legal, registration and any other application expenses. The Company projects these costs from 1 April 2024 onwards to be approximately £329,500 for the Enlarged Group;
- operational costs and expenses which will include (but will not be limited to) the fees and expenses of the Registrar, as well as regulatory, audit fees, insurance and other similar costs and ongoing listing fees, legal, registration and any other applicable expenses, projected to total £381,000;
- product development costs relating to upgrading the product being developed by Crowdfunder for Cykel to maximise customer acceptance. The Company expects these costs to be circa £102,500;
- sales and marketing costs relating to performance of Cykel's sales and marketing plan. The Company expects initial sales and marketing costs to be circa £80,000 per year, including National Insurance costs. As set out in paragraph 2 (*Information about Cykel*) of Part I (*Information on the Enlarged Group*) of this Prospectus, under the heading *Sales strategy and plan*, these costs are expected to be scalable up or down. As such, Cykel would closely monitor the cash resources available to it at the relevant time, including any revenues it may expect to generate, before committing to additional sales and marketing costs; and
- management costs, including recruitment of a Group CEO. The Company expects these costs to be circa £120,000 per year.

### The Company

#### *Capitalisation and Indebtedness*

As at the date of this Prospectus and save as detailed in paragraph 1 of Part I, the Company has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness.

The following table shows the Company's capitalisation and indebtedness as at 29 February 2024 and has been extracted without material adjustment the unaudited management accounts to 29 February 2024.

	29 February 2024
<b>Total Current Debt</b>	<b>(£)</b>
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	189,302
<b>Total Non-Current Debt</b>	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	-
<b>Shareholder Equity</b>	29 February 2024
	<b>(£)</b>
Share Capital	121,620
Share premium	1,253,355
Reserves	106,716
<b>Total</b>	<b>1,481,691</b>

As at 22 May 2024, being the latest practicable date prior to the publication of this Prospectus, there has been no material change in the capitalisation of the Company since 29 February 2024.

The following table sets out the indebtedness of the Company as at 29 February 2024 and has been extracted without material adjustment from the unaudited management accounts of the Company as at that date.

	29 February 2024 (£)
A. Cash	5,799
B. Cash equivalents	-
C. Other current financial assets	-
D. Liquidity (A) + (B) + (C)	<u>5,799</u>
E. Current financial debt	189,302
F. Current portion of non-current financial debt	-
G. <b>Current financial indebtedness</b> (E) + (F)	<u>189,302</u>
H. <b>Net current financial indebtedness</b> (G) – (D)	<u>183,503</u>
I. Non-current financial debt (excl. current portion and debt instruments)	-
J. Debt instruments	-
K. Non-current trade and other payables	-
L. Non-current financial indebtedness (I) + (J) + (K)	<u>-</u>
M. Total financial indebtedness (H) + (L)	<u><b>183,503</b></u>

As at 29 February 2024, the Company had no indirect or contingent indebtedness.

As at 22 May 2024, being the latest practicable date prior to the publication of this Prospectus, there has been no material change in the indebtedness of the Company since 29 February 2024.

#### Cykel

##### *Capitalisation and Indebtedness*

As at the date of this Prospectus and save as detailed in paragraph 2 of Part I, Cykel has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness.

The following table shows Cykel's capitalisation and indebtedness as at 29 February 2024 and has been extracted without material adjustment from the unaudited management accounts of that date.

	29 February 2024 (£)
<b>Total Current Debt</b>	
Guaranteed	-
Secured	-
Unguaranteed/Unsecured	-

**Total Non-Current Debt**

Guaranteed	-
Secured	-
Unguaranteed/Unsecured	-

**Shareholder Equity**

	29 February 2024
	(£)
Share capital	205,000
Share premium	1,846,000
Other reserves	(794,000)
<b>Total</b>	<b>1,257,000</b>

As at 22 May 2024, being the latest practicable date prior to the publication of this Prospectus, there has been no material change in the capitalisation of Cykel since 29 February 2024.

The following table sets out the indebtedness of Cykel as at 29 February 2024 and has been extracted without material adjustment from the unaudited management accounts of Cykel as at that date.

	29 February 2024
	(£)
A. Cash	1,006,000
B. Cash equivalents	-
C. Other current financial assets	-
D. Liquidity (A) + (B) + (C)	1,006,000
E. Current financial debt	-
F. Current portion of non-current financial debt	-
G. <b>Current financial indebtedness</b> (E) + (F)	-
H. <b>Net current financial indebtedness</b> (G) – (D)	(1,006,000)
I. Non-current financial debt (excl. current portion and debt instruments)	-
J. Debt instruments	-
K. Non-current trade and other payables	-
L. Non-current financial indebtedness (I) + (J) + (K)	-
M. Total financial indebtedness (H) + (L)	(1,006,000)

As at 29 February 2024, Cykel had no indirect or contingent indebtedness.

As at the date of the publication of this Prospectus, there has been no material change in the indebtedness of Cykel since 29 February 2024.

**Accounting policies and financial reporting**

The Company's financial year end is 31 December and the next set of audited financial statements will be for the year to 31 December 2024. The Enlarged Group will produce and publish half-yearly financial statements as required by the Disclosure Guidance and Transparency Rules. The Enlarged Group will present its financial statements in accordance with IFRS as adopted by the UK.

**4. Dividend policy**

The Company intends that its cash resources will be used for the Acquisition and Readmission, and the cash resources of the Enlarged Group will be used for its business, asset(s) and/or development following Readmission. As such, no dividends are intended to be paid in the short term. Any earnings in the short term are expected to be retained for use in business operations, not being distributed until the Enlarged Group has an appropriate level of distributable profits. Therefore, the Company intends to pay dividends on the Ordinary Shares at such times (if any) and in such amounts (if any) as the Board determines appropriate in its absolute discretion. The Company does not anticipate declaring any dividends in the foreseeable future. The declaration and payment by the Enlarged Group of any dividends and the amount of them will be in accordance with, and to the extent permitted by, all applicable laws and will depend on the results of the Enlarged Group, its financial position, cash requirements, prospects, profits available for distribution and other factors deemed to be relevant at the time. The Company has not paid any dividends to date.

## **PART V**

### **TAXATION**

The comments below are of a general and non-exhaustive nature based on the Directors' and the Proposed Directors' understanding of the current revenue law and published practice in the UK, which are subject to change, possibly with retrospective effect. The following summary does not constitute legal or tax advice and applies only to persons who are the absolute and direct beneficial owners of their Ordinary Shares (and the shares are not held through an Individual Savings Account or a Self-Invested Personal Pension) and who have not acquired their shares by reason of their or another person's employment. These comments may not apply to certain classes of person, including dealers in securities, insurance companies and collective investment schemes.

An investment in the Company involves a number of complex tax considerations. Changes in tax legislation the UK or in any of the countries in which the Company has assets (or in any other country in which a subsidiary of the Company is located), or changes in tax treaties negotiated by those countries, could adversely affect the returns from the Company to investors.

Prospective investors should consult their own independent professional advisers on the potential tax consequences of subscribing for, purchasing, holding or selling shares under the laws of their country and/or state of citizenship, domicile or residence including the consequences of distributions by the Company, either on a liquidation or distribution or otherwise.

#### **1. UK taxation**

The following information is based on UK tax law and His Majesty's Revenue and Customs ("HMRC") practice currently in force in the UK. Such law and practice (including, without limitation, rates of tax) is in principle subject to change at any time. The information that follows is for guidance purposes only. Any person who is in any doubt about his or her position should contact their professional advisor immediately. The tax legislation of an investor's Member State may have an impact on the income received from an investment in the Ordinary Shares.

##### *Tax treatment of UK investors*

The following information, which relates only to UK taxation, is applicable to persons who are resident in the UK and who beneficially own Ordinary Shares as investments and not as securities to be realised in the course of a trade. It is based on the law and practice currently in force in the UK. The information is not exhaustive and does not apply to potential investors:

- potential investors who intend to acquire Ordinary Shares as part of a tax avoidance arrangement or otherwise with a purpose of avoiding tax; or
- persons with special tax treatment such as pension funds or charities; or
- who are in any doubt as to their taxation position.

Such Shareholders should consult their professional advisers without delay. Shareholders should note that tax law and interpretation can change and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

Shareholders who are neither resident nor temporarily non-resident in the UK and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the UK with which the Ordinary Shares are connected, will not normally be liable to UK taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Ordinary Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

#### **2. Taxation of dividends**

Where the Company pays dividends, no UK withholding taxes are deducted at source. Shareholders who are resident in the UK for tax purposes will, depending on their circumstances, be liable to UK income tax or corporation tax on those dividends.

UK resident individual Shareholders who are domiciled in the UK, and who hold their Ordinary Shares as investments, will be subject to UK income tax on the amount of dividends received from the Company.

Dividend income received by UK tax resident individuals will have a £1,000 annual dividend tax allowance (reducing to £500 for tax year 24/25). Dividend receipts in excess of £1,000 are taxed at 8.75 per cent. for basic rate taxpayers, 33.75 per cent. for higher rate taxpayers, and 39.35 per cent. for additional rate taxpayers.

Shareholders who are subject to UK corporation tax should generally, and subject to certain anti-avoidance provisions, be able to claim exemption from UK corporation tax in respect of any dividend received but will not be entitled to claim relief in respect of any underlying tax.

Non-UK resident Shareholders may also be subject to tax on dividend income under any law to which they are subject outside the UK. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

### **Further information for Shareholders subject to UK income tax and capital gains tax**

#### ***“Transactions in securities”***

The attention of Shareholders (whether corporates or individuals) within the scope of UK taxation is drawn to the provisions set out in, respectively, Part 15 of the Corporation Tax Act 2010 and Chapter 1 of Part 13 of the Income Tax Act 2007, which (in each case) give powers to HMRC to raise tax assessments so as to cancel “tax advantages” derived from certain prescribed “transactions in securities”.

### **3. Disposals of Ordinary Shares**

Any gain arising on the sale, redemption or other disposal of Ordinary Shares will be taxed at the time of such sale, redemption or disposal as a capital gain.

UK resident individual Shareholders will be subject to capital gains tax to the extent their net gains exceed the annual exempt amount of £6,000, after taking account of any other available reliefs. The rate of capital gains tax on disposal of Ordinary Shares by basic rate taxpayers is 10 per cent., and 20 per cent. for upper rate and additional rate taxpayers.

For Shareholders within the charge to UK corporation tax, indexation allowance up until 1 January 2018 may reduce any chargeable gain arising on disposal of Ordinary Shares, but will not create or increase an allowable loss.

The corporation tax rate applicable to taxable profits is currently 25 per cent. applying to profits over £250,000. A small profits rate applies for companies with profits of £50,000 or less so that these companies pay corporation tax at 19 per cent. Companies with profits between £50,000 and £250,000 pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate.

### **4. Inheritance tax**

The Ordinary Shares will be assets situated in the UK for the purposes of UK inheritance tax. A gift of such assets by, or the death of, an individual holder of such assets may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax, even if the holder is neither domiciled in the UK nor deemed to be domiciled there (under certain rules relating to long residence or previous domicile). Generally, UK inheritance tax is not chargeable on gifts to individuals if the transfer is made more than seven complete years prior to death of the donor. For inheritance tax purposes, a transfer



of assets at less than full market value may be treated as a gift and particular rules apply to gifts where the donor reserves or retains some benefit. Special rules also apply to close companies and to trustees of settlements who hold shares in the Company bringing them within the charge to inheritance tax. Holders of shares in the Company should consult an appropriate professional adviser if they make a gift of any kind or intend to hold any shares in the Company through such a company or trust arrangement. They should also seek professional advice in a situation where there is potential for a double charge to UK inheritance tax and an equivalent tax in another country or if they are in any doubt about their UK inheritance tax position.

## **5. Stamp Duty and Stamp Duty Reserve Tax ("SDRT")**

The statements below summarise the current position and are intended as a general guide only to Stamp Duty and SDRT. Certain categories of person are not liable to Stamp Duty or SDRT, and special rules apply to agreements made by broker dealers and market makers in the ordinary course of their business.

No UK Stamp Duty or SDRT will be payable on the issue of Ordinary Shares, other than as explained below.

The transfer on sale of Ordinary Shares will generally be liable to ad valorem Stamp Duty at the rate of 0.5 per cent. (rounded up to the nearest multiple of £5) of the amount or value of the consideration paid. An exemption from Stamp Duty will be available on an instrument transferring Ordinary Shares where the amount or value of the consideration is £1,000 or less, and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. The purchaser normally pays the Stamp Duty. An unconditional agreement to transfer such shares will be generally liable to SDRT, at the rate of 0.5 per cent. of the consideration paid, but such liability will be cancelled or a right to a repayment in respect of the SDRT liability will arise if the agreement is completed by a duly stamped transfer within six years of the agreement having become unconditional. SDRT is the liability of the purchaser.

Paperless transfers of shares within the CREST system are generally liable to SDRT (at a rate of 0.5 per cent. of the amount or value of the consideration payable) rather than Stamp Duty, and SDRT on relevant transactions settled within the system or reported through it for regulatory purposes will be collected by CREST. Deposits of shares into CREST will not generally be subject to SDRT unless the transfer into CREST is itself for consideration.

The statements in this section relating to Stamp Duty and SDRT apply to any Shareholders irrespective of their residence, summarise the current position and are intended as a general guide only. Special rules apply to agreements made by, amongst others, intermediaries.

**PART VI**  
**FINANCIAL INFORMATION OF THE ENLARGED GROUP**  
**(A) HISTORICAL FINANCIAL INFORMATION OF THE COMPANY**

The following financial information on the Company is available at [www.mustangplc.com](http://www.mustangplc.com) and is incorporated by reference into this Prospectus, as detailed in Part IX of this Prospectus entitled 'Relevant Documentation and Incorporation by Reference', which can be found on page 126 of this Prospectus:

- Annual Report & Financial Statements for the period ended 31 December 2023;
- Annual Report & Financial Statements for the period ended 31 December 2022; and
- Annual Report & Financial Statements for the period ended 31 December 2021.

## (B) HISTORICAL FINANCIAL INFORMATION OF CYKEL



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23 May 2024

### Private and Confidential

The Directors  
Cykel AI plc  
16 Great Queen Street  
London  
WC2B 5DG

First Sentinel Corporate Finance Limited  
72 Charlotte Street  
London  
W1T 4QQ

Dear Sirs

### Cykel AI plc (the "Company")

### Historical financial information of Cykel AI plc

#### Introduction

We report on the financial information set out in Section B of Part VI. This financial information has been prepared for inclusion in the prospectus, dated 23 May 2024, of the Company (the "Prospectus") on the basis of the accounting policies set out in note 2 to the financial information. This report is in support of the Prospectus and for no other purpose.

#### Responsibilities

As described in note 2.1 to the financial information, the directors of Cykel AI plc are responsible for preparing the financial information in accordance with UK-adopted International Financial Reporting Standards and UK-adopted International Accounting Standards 34 "Interim Financial Reporting" (IAS 34).

It is our responsibility to form an opinion on the financial information and to report our opinion to you. To the fullest extent permitted by the law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement consenting to its inclusion in the Prospectus.

#### Basis of opinion

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. We are independent of Cykel AI plc in accordance with the Financial Reporting Council's Ethical Standard.

Our work included an assessment of evidence relevant to the amounts and disclosures in the financial information. It also included an assessment of significant estimates and judgements made by those responsible for the preparation of the financial information and whether the accounting policies are appropriate to the entity's circumstances, consistently applied and adequately disclosed.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial information is free from material misstatement whether caused by fraud or other irregularity or error. Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions outside the United Kingdom and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

### **Opinion**

In our opinion, the financial information gives, for the purposes of the Prospectus, a true and fair view of the state of affairs of Cykel AI Plc as at 31 December 2023 and of its results, cash flows and changes in equity for the period ended 31 December 2023 in accordance with UK-adopted International Financial Reporting Standards.

### **Declaration**

For the purposes of Prospectus Rule PRR 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and that the report makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of annex 1 of the UK version of Commission Delegated Regulation (EU) 2019/980.

Yours faithfully

*Kreston Reeves LLP*

Kreston Reeves LLP

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE AUDITED PERIOD 22 AUGUST 2023 TO 31 DECEMBER 2023  
COMPANY NO. 15088392**

	<b>Note</b>	<b>Audited Period ending 31 December 2023 £'000</b>
<hr/>		
<b>Continuing Operations</b>		
Administrative expenses	4	(1,567)
<hr/>		
<b>Operating loss</b>		<b>(1,567)</b>
<b>Loss before taxation</b>		<b>(1,567)</b>
<hr/>		
Taxation on loss of ordinary activities	5	-
<hr/>		
<b>Loss for the period from continuing operations</b>		<b>(1,567)</b>
Other comprehensive income		-
<hr/>		
<b>Total comprehensive loss for the period attributable to shareholders from continuing operations</b>		<b>(1,567)</b>
<hr/>		
Basic & dilutive earnings per share - pence	9	(0.97)
<hr/>		

The notes form an integral part of the historical financial information.

**STATEMENT OF FINANCIAL POSITION AS AT  
31 DECEMBER 2023  
COMPANY NO. 15088392**

**Audited**

**As at 31 December  
2023**

	Note	£'000
<b>NON-CURRENT ASSETS</b>		
Intangible assets	10	103
<b>TOTAL NON-CURRENT ASSETS</b>		<b>103</b>
<b>CURRENT ASSETS</b>		
Trade and other receivables	11	167
Cash and cash equivalents		1,387
<b>TOTAL CURRENT ASSETS</b>		<b>1,554</b>
<b>TOTAL ASSETS</b>		<b>1,657</b>
<b>EQUITY</b>		
Share capital	12	205
Share Premium	12	1,848
Share Based Payment Reserve	13	1,107
Retained Earnings		(1,567)
<b>TOTAL EQUITY</b>		<b>1,593</b>
<b>CURRENT LIABILITIES</b>		
Trade and other payables	14	64
<b>TOTAL CURRENT LIABILITIES</b>		<b>64</b>
<b>TOTAL LIABILITIES</b>		<b>64</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,657</b>

The notes form an integral part of the historical financial information.

The historical financial information was approved and authorised by the Board of Directors on 9 May 2024 and were signed on its behalf by:

**Nicholas Lyth**

**Director**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE AUDITED PERIOD 22 AUGUST 2023 TO 31 DECEMBER 2023  
COMPANY NO. 15088392**

	Share Capital £'000	Share Premium £'000	Share based payment reserve £'000	Retained Earnings £'000	Total Equity £'000
<b>Balance at 22 August 2023</b>	-	-	-	-	-
Loss for period	-	-	-	(1,567)	(1,567)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for period</b>	-	-	-	(1,567)	(1,567)
Transactions with owners in own capacity					
Ordinary shares issued	205	2,113	-	-	2,318
Share issue costs	-	(265)	-	-	(265)
Share-based payments	-	-	1,107	-	1,107
Transactions with owners in own capacity	205	1,848	1,107	-	3,160
<b>Balance at 31 December 2023</b>	<b>205</b>	<b>1,848</b>	<b>1,107</b>	<b>(1,567)</b>	<b>1,593</b>

**STATEMENT OF CASHFLOWS**  
**FOR THE AUDITED PERIOD 22 AUGUST 2023 TO 31 DECEMBER 2023**  
**COMPANY NO. 15088392**

	Note	Audited Period from 22 August to 31 December 2023 £'000
<b>Cash flow from operating activities</b>		
Loss for the financial period		(1,567)
<i>Adjustments for:</i>		
Share based payments		1,107
Decrease / (increase) in trade and other receivables		(167)
(Decrease) / increase in trade and other payables		64
<b>Net cash outflow from operating activities</b>		<b>(563)</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible assets		(103)
<b>Net cash flow from investing activities</b>		<b>(103)</b>
<b>Cash flows from financing activities</b>		
Proceeds from Issue of Shares		2,318
Share Issue Costs		(265)
<b>Net cash flow from financing activities</b>		<b>2,053</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>1,387</b>
Cash and cash equivalents at beginning of the period		-
Foreign exchange impact on cash		-
<b>Cash and cash equivalents at end of the period</b>		<b>1,387</b>



**NOTES TO THE HISTORICAL FINANCIAL INFORMATION  
FOR THE AUDITED PERIOD 22 AUGUST 2023 TO 31 DECEMBER 2023  
COMPANY NO. 15088392**

**1 General information**

Cykel AI Plc is a publicly listed company, limited by shares, and was incorporated on 22 August 2023 in England and remains domiciled there with Registered Number 15088392 under the Companies Act 2006.

The address of its registered office is 16, Great Queen Street, London, England, WC2B 5DG.

Cykel AI Plc does not have a principal place of business.

The principal activity of Cykel AI Plc during the period under review was the development of Artificial Intelligence software in relation to AI automation for the internet.

**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.

**2.1 Basis of preparation**

The historical financial information have been prepared in accordance with UK-adopted International Financial Reporting Standards (IFRS) and UK-adopted International Accounting Standards 34 "Interim Financial Reporting" (IAS 34).

The historical financial information has been prepared on the historical cost basis, except for assets and liabilities measured at fair value through profit and loss, and are presented in pounds sterling (£). All amounts have been rounded to the nearest £'000 pound, unless otherwise stated.

The historical financial information has been audited. The historical financial information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

The historical financial information is for the period from 22 August to 31 December 2023. The historical financial information does not include all the information and disclosures required in the annual financial statements. Cykel AI Plc has not disclosed comparative data, due to Cykel AI Plc having incorporated on 22 August 2023 and, therefore, no such comparatives exist.

The business is not considered to be seasonal in nature.

**New standards, amendments and interpretations adopted by the Company**

During the current period Cykel AI Plc adopted all the new and revised standards, amendments and interpretations that are relevant to its operations and are effective for accounting periods beginning on 1 December 2022. This adoption did not have a material effect on the accounting policies of Cykel AI Plc.

Standard	Impact on initial application	Periods commencing
IAS 1	Presentation of Financial Statements and Disclosure of Accounting Policies	1 January 2023
IAS 1	Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2024
IAS 1	Accounting policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 January 2023
IAS 8	Accounting estimates	1 January 2023
IAS 12	Deferred tax arising from a single transaction	1 January 2023
IAS 12	International Tax Reform – Pillar Two Model Rules	1 January 2023
IFRS 16	Lease liability in a Sale and Leaseback	1 January 2024
IFRS 17	Insurance contracts	1 January 2023

#### **New standards, amendments and interpretations not yet adopted by the Company**

The standards and interpretations that are relevant to Cykel AI Plc, issued, but not yet effective, up to the date of the historical financial information have been evaluated by the directors and they do not consider that there will be a material impact of transition on the financial statements.

This historical financial information of Cykel AI Plc has been prepared for the sole purpose of publication within this Prospectus. It has been prepared in accordance with the requirements of the Prospectus Rules and has been prepared in accordance with UK-adopted International Financial Reporting Standards (IFRS) and IFRS interpretations Committee (IFRS IC) interpretations (“IFRS”) and the policies stated elsewhere within the historical financial information. The historical financial information does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006.

## **2.2 Going concern**

The directors have assessed Cykel AI Plc’s ability to adopt the going concern basis of accounting and consider the adoption to be appropriate in the preparation of the historical financial information. At period end Cykel AI Plc had cash and cash equivalents of £1,387,214 which, when taking into consideration the costs associated with the announced acquisition by Mustang Energy plc at current cash burn rate is more than sufficient to last for at least 12 months and supports the adoption of the going concern. Sensitivity analysis has been undertaken on the underlying commercial assumptions regarding the development of the operations of the business and the Board are comfortable that, even if a pessimistic outlook is taken, Cykel AI Plc will have sufficient cash for at least 12 months from the date of signing of these statements.

## **2.3 Principle risks and uncertainties**

- **Competitor Risk**

There are many companies currently developing AI software. Many players that operate in the same

field as Cykel AI Plc are larger and more established, with access to substantial financial resources, larger operational capabilities, and longer track records in software development. These players may develop and deploy new technologies or features that could provide them with a competitive advantage. This could result in increased competition, pricing pressure, and potential erosion of Cykel AI Plc's market share. Cykel AI Plc may need to invest significant resources in developing and maintaining cutting-edge technologies, such as advanced trading algorithms or data analytics capabilities, to remain competitive. Failure to keep up with technological advancements or to differentiate itself in a saturated market could impact Cykel AI Plc's trading volumes, transaction fees, and overall revenues, potentially affecting its financial performance and market position. Competitors also have the opportunity to forge strategic partnerships and alliances with key stakeholders in the AI sector, including software developers, universities, and potential corporate clients potentially leading to enhanced competitive advantages. Cykel AI Plc may be at a disadvantage should it not form such partnerships.

- **Risk related to intellectual property and security breaches**

The ownership and protection of AI-related intellectual property, including algorithms and models, can be complex. Although its software is not patent-protected, Cykel AI Plc protects the intellectual property rights in its software by relying on legislative and other legal protections, as well as contractual restrictions such as non-disclosure and confidentiality provisions. Cykel AI will continually evaluate the requirements for trademark, copyright and patent protection with respect to its intellectual property assets against the related costs and reasonable necessity of obtaining them. As a company that will be heavily reliant on its software to generate revenue, there is the risk that if the algorithm and model are leaked or accessed by unauthorised parties, it could lead to intellectual property theft, the compromise of proprietary information, and loss of competitive advantage should Cykel AI Plc have such. Leaked algorithms and models could also enable malicious actors to identify vulnerabilities and exploit them, potentially leading to further security breaches or attacks. The consequences of these leaks could be severe, including financial losses, reputational damage, loss of trust among customers and partners, and potential legal actions.

- **Risks relating to data quality and data privacy**

Data is the cornerstone upon which AI models are built and trained. The accuracy, completeness, and relevance of the training data are critical to the performance of AI models. Poor data quality, such as missing, inaccurate, or noisy (or meaningless) data, can lead to unreliable predictions and unexpected model behaviour. If an AI system learns from incomplete or incorrect data, it might make incorrect decisions in real-world scenarios. Furthermore, AI requires access to large amounts of data, which can include sensitive personal information, If not properly secured, this data can be vulnerable to breaches, leading to privacy violations and potential legal consequences which could translate into reputational damage and affect the financial position of Cykel AI Plc.

- **Regulatory and legal risks**

The rapid advancement of AI has outpaced the development of comprehensive regulations and legal regulations to govern their use. Companies might face legal challenges or uncertain regulatory environments when developing and/or deploying AI systems. This translates into a lack of clear guidelines for companies in the AI field. Furthermore, there have been increasing ethical and social concerns around AI, specifically in relation to discrimination and inequality, as AI systems can sometimes make biased or discriminatory decisions, reflecting the biases present in the data they were trained on. This can lead to unfair treatment of certain groups or perpetuate societal inequalities. These issues could be addressed by policymakers in the short or medium term which in turn could potentially translate into costs and affect the financial position of Cykel AI Plc.

- **Risks relating to software development**

Some of Cykel AI Plc's activities, including software development, may require third parties to provide contracting services. There can be no assurance that these new business relationships will

be successfully formed or will continue to be maintained. A breach or disruption in these relationships or failure to engage contractors could be detrimental to the future business, operating results and/or profitability of Cykel AI Plc. Software development is complex; the developed software may contain design defects or errors that are not detected until after its release. Cykel AI Plc's business would be harmed if such defects caused its users to believe Cykel AI Plc's product is defective and could adversely affect the market's perception of Cykel AI Plc and potentially lead to a reduction in users.

- **Growth Risk**

There can be no guarantee that Cykel AI Plc will be able to effectively manage the growth of its operations or that Cykel AI Plc's current personnel, systems, procedures and controls will be adequate to support Cykel AI Plc's operations. Any failure of the Board to effectively manage Cykel AI Plc's growth and development may have material adverse effects on Cykel AI Plc's business, financial condition, results and/or future operations. There is no certainty that all, or indeed any, of the elements of Cykel AI Plc's current strategy will develop as anticipated and that Cykel AI Plc will be profitable.

- **Dilution of Shareholders' interests as a result of additional equity fundraising**

Whilst it is the opinion of the Directors that Cykel AI Plc's working capital is sufficient for its present requirements, further funding may be required by Cykel AI Plc to develop its business model and commercial activities. If additional funds are raised through the issue of new equity or equity-linked securities of Cykel AI Plc other than on a pro rata basis to existing Shareholders, the percentage ownership of the existing Shareholders may be reduced. Shareholders may experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to Ordinary Shares. Cykel AI Plc may issue Ordinary Shares as consideration for acquisitions or investments, which would result in a dilution of Shareholders' respective shareholdings. Equity issues may result in a change of control of Cykel AI Plc.

- **Dependence on Directors**

Cykel AI Plc's success may heavily depend on the skills, experience, and availability of its Directors and senior manager (the latter working on a consultancy basis), and the loss of key Directors and senior managers could disrupt operations and the strategic direction. Cykel AI Plc's performance, reputation, and ability to attract investment may be closely tied to the reputation and track record of its Directors. Changes in the regulatory or legal environment, industry or market conditions may require Cykel AI Plc to adapt its operations and depend on its Directors to effectively navigate such changes.

- **Risk Related to International Compliance**

Cykel AI Plc's growth could involve increasing trading activity in a wide range of territories. This may play a fundamental part in Cykel AI Plc's strategy and business plan. Some jurisdictions might pose a higher regulatory burden, including regulatory permissions for Cykel AI Plc to operate and more stringent data protections regulations. If Cykel AI Plc is unable to trade (for any of these reasons) in these territories, then this could detrimentally impact Cykel AI Plc's performance in the future by reducing the profit available due to lower revenue and/or increased costs.

- **Currency Risk**

Ongoing management and operational costs will be denominated in British pounds sterling. However, Cykel AI Plc's growth prospects include increasing trading activity in a wide range of territories. Cykel AI Plc may therefore be exposed to ongoing currency risk. Consequently, changes in the exchange rates of these currencies may negatively affect Cykel AI Plc's cash flows, operating results or financial condition to a material extent. Cykel AI Plc does not intend to hedge its cash resources against risks associated with disadvantageous movements in the currency exchange rates

for the time being. Therefore, currency exchange rate fluctuations may negatively affect Cykel AI Plc.

- **Growth company risks**

The share price of early-stage companies can be highly volatile and shareholdings illiquid. Once listed on the Aquis Stock Exchange, such volatility in the price of Ordinary Shares and the illiquidity could cause investors to lose all or part of their investment because they may not be able to sell their Ordinary Shares at or above the price they paid. The price at which the Ordinary Shares are traded and the price which investors may realise, or their Ordinary Shares will be influenced by several factors, some specific to Cykel AI Plc and its operations and some which may affect quoted companies generally. These factors could include the performance of Cykel AI Plc and/or large purchases or sales of the Ordinary Shares, legislative changes and general economic, political, or regulatory conditions. Notwithstanding the fact that application has been made for the Ordinary Shares to be admitted to trading on the AQSE Growth Market, this should not be taken as implying that there will be a "liquid" market in the Ordinary Shares. Continued admission to the AQSE Growth Market is entirely at the discretion of the Aquis Stock Exchange.

## **2.4 Taxation**

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

## **2.5 Intangible Assets**

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the company are recognised as intangible assets where the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available;
- The expenditure attributable to the software product during its development can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised, once brought into use, over their estimated useful lives, which do not exceed three years.

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

## **2.6 Equity**

Ordinary shares are classified as equity. Preference shares are classified as liabilities.

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.

Equity-settled share-based payments are credited to a share-based payment reserve as a component of equity until related options or warrants are exercised or lapse.

Unrealised changes in the fair value of investments are credited to the value of the investments with the balance transferred to a separate fair value reserve under equity.

Retained losses includes all current and prior period results as disclosed in the income statement.

## **2.7 Trade and other receivables**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

## **2.8 Trade and other payables**

Short-term creditors are measured at the transaction price. Other liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## **2.9 Share based payments**

Cykel AI Plc has made awards of warrants on its issued share capital to certain parties in return for services provided. The valuation of these warrants involved making a number of critical estimates relating to price volatility, future dividend yields, expected life of the warrants and interest rates. These assumptions have been integrated into the Black Scholes Option Pricing model in this instance to derive a value for any share-based payments.

## **3 Critical accounting estimates and judgements**

In the application of Cykel AI Plc's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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 areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed below:

### **Share Based Payments**

The company issues cash-settled share-based compensation benefits.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying the Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability. Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

Please refer to note 13 for the details on the assumptions made in calculating the charge made in the reporting period.

#### **Amortisation of intangible assets**

The company is developing AI software and incurring costs which it is recording as an intangible asset.

Amortisation of this asset will commence once the software is commercially available for use.

As the AI software is still currently in its development phase, no amortisation has been applied in the period.

#### **4 Operating loss**

Operating loss for Cykel AI Plc is stated after charging:

	<b>Period 22 August to 31 December 2023</b>
	£'000
Directors fees*	60
Salary and wages**	7
Professional fees	351
Share based payments	1,107
Other administrative expenses	42
Provision for doubtful debts	-
<b>Total</b>	<b>1,567</b>

\* *Director's fees paid through related parties. See note 16 for reference*

\*\* *Salary and wages relates to directors fees to Jonathan Hives and Nicholas Lyth that are processed through payroll.*

#### **5 Taxation**

**Period 22 August to  
31 December 2023**

	£'000
A reconciliation of the tax charge appearing in the income statement to the tax that would result from applying the standard rate of tax to the results for the period is:	
Loss per accounts	(1,567)

Tax credit /(charge) at the marginal relief rate of corporation tax in the UK of 19%	(298)
Adjustment for items disallowable for tax	-
Tax losses for which no deferred tax is recognised	298
Tax expense recognised in accounts	-
<b>Total</b>	<b>-</b>

Cykel AI Plc has total carried forward losses of £1,567,265. The taxed value of the unrecognised deferred tax asset is £297,780. No deferred tax assets in respect of tax losses have been recognised in the accounts because there is currently insufficient evidence of the timing of suitable future taxable profits against which they can be recovered.

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 made under the £250,000 threshold will continue to be taxed at a rate of 19%.

## 6 Auditor remuneration

**Period 22 August to  
31 December 2023**

	£'000
Fees payable to Cykel AI Plc's auditor for the audit of Cykel AI Plc's financial statements	20
<b>Total</b>	<b>20</b>

## 7 Directors' remuneration

**Period 22 August to  
31 December 2023**

	£'000
Wages and salaries	7
Directors' fees	60
Share based payments	808
<b>Total</b>	<b>875</b>

The highest paid director was remunerated as follows:

**Period 22 August to  
31 December 2023**

	£'000
Directors' fees	40
Share based payments	539
<b>Total</b>	<b>579</b>

## 8 Employees

The only employees of Cykel AI Plc during the period ending 31 December 2023 were directors.

**No employees 31 December  
2023**

Management	4
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## 9 Earnings per share

The calculation of the basic and diluted earnings per share is calculated by dividing the profit or loss for the period by the weighted average number of ordinary shares in issue during the period.

	<b>As at 31 December 2023</b>
Loss for the period from continuing operations – £'000	(1,567)
Weighted number of ordinary shares in issue (number)	162,278,523
<b>Basic earnings per share from continuing operations – pence</b>	<b>(0.97)</b>

There is no difference between the diluted loss per share and the basic loss per share presented due to the loss position of Cykel AI Plc. Share options and warrants could potentially dilute basic earnings per share in the future, but were not included in the calculation of diluted earnings per share as they are anti-dilutive for the year presented. See note 13 for further details.

## 10 Intangible Assets

	Intangible assets £'000	Total £'000
<b>Opening Balance – 22 August 2023</b>	-	-
Additions	103	<b>103</b>
<b>Closing Balance – 31 December 2023</b>	<b>103</b>	<b>103</b>

## 11 Trade and other receivables

	As at 31 December 2023 £'000
Prepayments	75
VAT	89
Sundry debtors	3
Total	167

## 12 Share capital and share premium

	Ordinary Shares #	Share Capital £	Share Premium £	Total £
<b>At 22 August 2023</b>	<b>1,000</b>	<b>10</b>	-	<b>10</b>
Movement	205,182,350	205,123	1,847,841	2,053,024
<b>At 31 December 2023</b>	<b>205,183,350</b>	<b>205,183</b>	<b>1,847,841</b>	<b>2,053,024</b>

On incorporation 1,000 ordinary shares of £0.01 were issued at par but unpaid to Mr Nicholas Lyth.

On 23<sup>rd</sup> August 2023, the 1,000 ordinary shares at £0.01 were sub-divided into 10,000 ordinary shares at £0.001.

There were 99,990,000 ordinary shares of £0.001 issued at par value in the period from 22 August to 31 December 2023.

An additional 105,183,350 ordinary shares of £0.001 were issued at between £0.01 and £0.03 in the period from 22 August to 31 December 2023.

### 13 Share based payment reserve

	£'000
Balance as at 22 August 2023	-
Warrants issued in the period <sup>1</sup>	1,107
Warrants lapsed/expired during the period	-
<b>Total</b>	<b>1,107</b>

<sup>1</sup> On 18 September 2023 Cykel AI Plc granted 48,000,000 warrants to staff and contractors. The warrants vested on grant, have an expiry date of 3 years from 25 October 2023, the date of the Initial Public Offering, and an exercise price of 1 pence. 39,000,000 of these warrants were issued to staff and include exercise conditions such that these can only be exercised 12 months after the IPO date. The remaining agreements have no exercise conditions.

On 25 October 2023 Cykel AI Plc granted 11,385,170 warrants to contractors. These warrants vested on grant, have an expiry date of 5 years from the date of agreement and an exercise price of 0.03 pence. These warrants have no vesting or exercise conditions.

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	Number of warrants	Share price	Exercise price	Expected volatility	Expected life	Risk free rate	Expected dividends
18 September 2023	48,000,000	£0.03	£0.01	46.59%	1.5	4.54%	0.00%
25 October 2023	11,385,170	£0.03	£0.03	46.59%	2.5	4.54%	0.00%

The following warrants over ordinary shares have been granted by Cykel AI Plc and are outstanding at 31 December 2023:

Grant date	Expiry period	Exercise Price	Outstanding at 31 December 2023	Exercisable at 31 December 2023
18 Sep 2023	24 Oct 2026	£0.01	48,000,000	-
25 Oct 2023	24 Oct 2028	£0.03	11,385,170	11,385,170
			59,385,170	11,385,170

#### As at 31 December 2023

	Weighted average exercise price	Number of options
Outstanding at the beginning of the period	-	-
Lapsed during the period (warrants)	-	-
Vested during the period	0.03p	11,385,170
Issued during the period	0.014p	59,385,170
Outstanding at the end of the period	0.014p	59,385,170

Exercisable at the end of the period	0.03p	11,385,170
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#### 14 Trade and other payables

	As at 31 December 2023 £'000
Accruals	33
Trade creditors	30
Other payables	1
<b>Total</b>	<b>64</b>

#### 15 Financial commitments & contingent liabilities

There were no capital commitments or contingent liabilities pertaining to Cykel AI Plc at 31 December 2023.

#### 16 Related party transactions

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

	Period 22 August to 31 December 2023 £'000
Toro Consulting Ltd <sup>1</sup> – Mr Jonathan Bixby	40
Dark Peak Services Ltd <sup>2</sup> – Mr Nicholas Lyth	15
Hunter Equity Management BV <sup>3</sup> – Mr Robert Mayfield	5
<b>Total</b>	<b>60</b>

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

On incorporation 1,000 ordinary shares of £0.01 worth £10 were issued but unpaid to Mr Nicholas Lyth.

Entities jointly controlled or significantly influenced by the entity:

##### <sup>1</sup>Toro Consulting Ltd

On 25<sup>th</sup> August 2023 Cykel AI Plc entered into a consultancy agreement with Toro Consulting Ltd, a company owned and controlled by Jonathan Bixby pursuant to which Toro agreed to provide the services of Jonathan Bixby so that Mr Bixby can lead the development and execution of Cykel AI Plc's long term strategy with a view to creating shareholder value and be responsible for day to day management decisions and for implementing Cykel AI Plc's long and short term plans. Cykel AI Plc paid an amount of £40,000 to Toro Consulting Ltd during the period. No amounts were outstanding at the end of the period.

##### <sup>2</sup>Dark Peak Services Ltd

On 25<sup>th</sup> October 2023 Cykel AI Plc entered into a consultancy agreement with Dark Peak Services Limited, (Dark Peak), a company owned and controlled by Nicholas Lyth pursuant to which Dark Peak agreed to provide the services of Nicholas Lyth to Cykel AI Plc as the finance director of Cykel AI Plc to provide financial management services including supervising accounting staff, overseeing internal controls, setting financial targets, implementing fund-raising strategies, engaging with investors, developing a financial strategy, conducting feasibility studies, monitoring expenditure, overseeing annual insurance, monitoring cash flow, evaluating investments, and managing tax compliance. In the period Cykel AI Plc paid £20,000 to Dark Peak Services Limited. No amounts were outstanding at the end of the period.

##### <sup>3</sup>Hunter Equity Management BV

On 25<sup>th</sup> October 2023 Cykel AI Plc entered into a consultancy agreement with Hunter Equity Management BV, a company owned and controlled by director Robert Mayfield. Under the terms of this

agreement Robert Mayfield agreed to provide services as a non-executive director to Cykel AI Plc. In the period Cykel AI Plc paid £4,900 to Hunter Equity Management BV. No amounts were outstanding at the end of the period.

#### **17 Events subsequent to period end**

On 18 January 2024 Cykel AI Plc announced that its shares were suspended on the Aquis Stock Exchange.

On 19 January 2024 Cykel AI Plc announced that it was in discussions and had entered into non-binding heads of terms with Mustang Energy plc, a London Stock Exchange listed company, to acquire the entire share capital of Cykel AI Plc.

#### **18 Ultimate controlling party**

As at 31 December 2023, there was no ultimate controlling party of Cykel AI Plc.

## (C) ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA STATEMENT OF NET ASSETS



Accountants &  
business advisers

The Directors  
Mustang Energy Plc  
48 Chancery Lane  
London  
WC2A 1JF

Dear Directors

### **Introduction**

We report on the unaudited pro forma statement of net assets at 31 December 2023 and the unaudited pro forma income statement for the year ended 31 December 2023 (the 'Pro Forma Financial Information') set out in Part VI (D) of the Company's Prospectus dated 23 May 2024.

### **Opinion**

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

### **Responsibilities**

It is the responsibility of the Directors of the Company to prepare the Pro Forma Financial Information in accordance with Annex 20 of the PR Regulation.

It is our responsibility to form an opinion, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you in accordance with Annex 20, section 3 of the PR Regulation.

Save for any responsibility arising under Prospectus Regulation Rule 5.3.2R(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Annex 1, Item 1.3 of the PR Regulation, consenting to its inclusion in the Prospectus.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

### **Basis of preparation**

The Pro Forma Financial Information has been prepared on the basis described in Part VI (D) of this document, for illustrative purposes only, to provide information about how the Acquisition of Cykel AI plc ("Cykel") might have affected the net assets and income statement presented on the basis of the accounting policies adopted by the Company in preparing the audited financial information for the year

ended 31 December 2023. This report is required by Annex 20, Section 3 of the PR Regulation and is given for the purpose of complying with that requirement and for no other purpose.

### **Basis of opinion**

We conducted our work in accordance with Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. We are independent of the Company and Cykel, in accordance with the FRC's ethical standard as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

The work that we have performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the Directors.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside the United Kingdom, including the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

### **Declaration**

For the purposes of Prospectus Regulation Rule 5.3.2R(2)(f) we are responsible for this report as part of the Prospectus and declare that, to the best of our knowledge, the information contained in this report is in accordance with the facts and this report makes no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 1 of the UK version of Commission Delegated Regulation (EU) 2019/980.

Yours faithfully



**PKF Littlejohn LLP**  
**Reporting Accountant**

**23 May 2024**

15 Westferry Circus  
Canary Wharf  
London E14 4HD

**(D) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF NET ASSETS AND INCOME  
STATEMENT FOR THE ENLARGED GROUP**

Set out below is an unaudited pro forma statement of net assets and income statement (the “Pro Forma Financial Information”) of Mustang and Cykel (together “the Enlarged Group”) as at 31 December 2023. The unaudited pro forma income statement of the Enlarged Group for the year ending 31 December 2023 has been prepared on the basis set out in the notes below to illustrate the impact of the acquisition of Cykel as if it had taken place on 1 January 2023. The pro forma financial information has been prepared in accordance with item 2.1, Annex 20 of the PR Regulation and in a manner consistent with the accounting policies to be adopted by the Enlarged Group.

The unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, by its nature, addresses a hypothetical situation and does not, therefore, represent the Enlarged Group’s actual financial position or results. Such information may not, therefore, give a true picture of the Enlarged Group’s financial position or results nor is it indicative of the results that may or may not be expected to be achieved in the future.

The unaudited Pro Forma Financial Information is based on the:

- Audited income statement and net assets of Mustang for the year to 31 December 2023, as shown in section (A) of Part VI of this Prospectus; and
- Audited income statement and net assets of Cykel from 22 August 2023 to 31 December 2023, as shown in section (B) of Part VI of this Prospectus.

No adjustments have been made to take account of trading, expenditure or other movements subsequent to 31 December 2023, being the date of the audited historical financial information of the Company.

The unaudited Pro Forma Financial Information does not constitute financial statements within the meaning of section 434 of the Act. Investors should read the whole of this Prospectus and not rely solely on the summarised financial information contained in this Part VI and Part III.

## Unaudited pro forma statement of net assets as at 31 December 2023

	The Company	Cykel	May 2024 CLNs Adjustment	CLN conversion adjustment	Unaudited pro forma adjusted aggregated net assets of the Enlarged Group on Admission
	Unaudited net Assets as at 31 December 2023	Audited net assets as at 31 December 2023			
	(Note 1) £	(Note 2) £	(Note 3) £	(Note 4) £	£
<b>Assets</b>					
<b>Non-current assets</b>					
Intangible Assets		103,000			103,000
Office equipment	1,000	-	-	-	1,000
	<b>1,000</b>	<b>103,000</b>			<b>104,000</b>
<b>Current assets</b>					
Cash and cash equivalents	9,000	1,387,000	107,000	-	1,503,000
Trade and other receivables	5,000	167,000	-	-	172,000
	<b>14,000</b>	<b>1,554,000</b>	<b>107,000</b>		<b>1,675,000</b>
<b>Total assets</b>	<b>15,000</b>	<b>1,657,000</b>	<b>107,000</b>		<b>1,779,000</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Convertible loan note	161,000	-	200,000	(361,000)	-
Trade and other payables	169,000	64,000	-	-	233,000
	<b>330,000</b>	<b>64,000</b>	<b>200,000</b>	<b>(361,000)</b>	<b>233,000</b>
<b>Total liabilities</b>	<b>330,000</b>	<b>64,000</b>	<b>200,000</b>	<b>(361,000)</b>	<b>233,000</b>
<b>Total net assets</b>	<b>(315,000)</b>	<b>1,593,000</b>	<b>(93,000)</b>	<b>361,000</b>	<b>1,546,000</b>

### Notes

The pro forma statement of net assets has been prepared on the following basis:

1. The unaudited net assets of the Company as at 31 December 2023 have been extracted without adjustment from the audited historical financial information as shown in section (A) of Part VI of this Prospectus.
2. The audited net assets of Cykel as at 31 December 2023 have been extracted without adjustment from the audited historic financial information section (B) of Part VI of this Prospectus.
3. An adjustment to reflect the issue of the May 2024 CLNs discussed in Paragraph 12.8 of Part VII. The May 2024 CLNs subscribed for had an aggregate nominal amount of £200,000 for a consideration of £107,000, with the difference being recognised as finance cost.
4. An adjustment has been made to reflect:



- a. The conversion, in full, of the Kamran Sattar CLN, into 3,506,849 Ordinary Shares at a price of 6 pence per share. This includes the nominal value and the accrued interest;
  - b. The conversion, in full, of the May 2024 CLNs, into 3,333,333 Ordinary Shares at a price of 6 pence per share
5. No adjustments have been made to reflect the trading or other transactions, other than described above.
  6. The pro forma statement of net assets does not constitute financial statements.
  7. None of the adjustments applied within the pro forma statement of net assets have a continuing impact.

#### Unaudited pro forma income statement for the unaudited period ended 31 December 2023

	The Company	Cykel	Readmissi on costs adjustmen t	May 2024 CLNs adjustment (Note 4)	Unaudited pro forma adjusted aggregated income statement of the Enlarged Group on Readmission
	Income statement for the year ended December 2023  (Note 1)	Income statement for the year ended December 2023  (Note 2)	(Note 3)		£
	£	£	£		£
Other operating income	79,000	-	-	-	79,000
Administration expenses	(470,000)	(1,567,000)	-	-	(2,037,000)
<b>Operating loss</b>	<b>(391,000)</b>	<b>(1,567,000)</b>	<b>-</b>	<b>-</b>	<b>(1,958,000)</b>
Readmission costs	-	-	(510,000)	-	(510,000)
Finance costs	(450,000)	-	-	(93,000)	(543,000)
Other (losses)/ gains	940,000	-	-	-	940,000
Gain on foreign exchange	70,000	-	-	-	70,000
<b>Profit/(Loss) before tax</b>	<b>169,000</b>	<b>(1,567,000)</b>	<b>(510,000)</b>	<b>(93,000)</b>	<b>(2,001,000)</b>
Tax	-	-	-	-	-
<b>Loss from continuing operations</b>	<b>169,000</b>	<b>(1,567,000)</b>	<b>(510,000)</b>	<b>(93,000)</b>	<b>(2,001,000)</b>
<b>Other comprehensive income</b>					
Items that may be subsequently reclassified to profit or loss	-	-	-	-	-

<b>Total comprehensive loss for the period</b>	<b>169,000</b>	<b>(1,567,000)</b>	<b>(510,000)</b>	<b>(93,000)</b>	<b>(2,001,000)</b>

## Notes

The pro forma income statement has been prepared on the following basis:

1. The audited net assets of the Company as at 31 December 2023 have been extracted without adjustment from the audited historical financial information as shown in section (A) of Part VI of this Prospectus.
2. The audited net assets of Cykel as at 31 December 2023 have been extracted without adjustment from the audited historic financial information section (B) of Part VI of this Prospectus.
3. An adjustment to reflect the payment in cash of Readmission costs estimated at approximately £510,000 inclusive of any non-recoverable sales tax.
4. An adjustment to reflect the finance cost associated with the May 2024 CLNs, discussed in paragraph 12.8 of Part VII.
5. No adjustments have been made to reflect the trading or other transactions of the Enlarged Group since 31 December 2023.
6. None of the adjustments applied within the pro forma income statement have a continuing impact.

**PART VII**  
**ADDITIONAL INFORMATION**

**1. Information about the Acquisition**

1.1 On 7 November 2023, the Company and Cykel entered into a non-binding heads of terms for the Acquisition (the “**Heads of Terms**”). Under the Heads of Terms, the Acquisition, if made, is conditional upon satisfaction or waiver (where relevant) the conditions, including the satisfactory completion by each of the parties of financial, legal and commercial due diligence. Further conditions are set out in the Scheme Document and in paragraph 1.4 of this Part VII.

On 19 January 2024 the Company and Cykel, pursuant to Rule 2.4 of the City Code, made a joint announcement of a possible offer for Cykel by the Company. The announcement by the Directors and the Proposed Directors pursuant to Rule 2.7 of the City Code of a firm intention of the Company to make an offer for Cykel (the “**Rule 2.7 Announcement**”) that the parties have reached agreement on the terms and conditions of the recommended Acquisition of Cykel by the Company has been made on 10 May 2024.

Under the terms of the Acquisition and as set out in the Rule 2.7 Announcement, each Cykel Shareholder will be entitled to receive 1.911 new Mustang shares in exchange for each Cykel Share (the “**Exchange Ratio**”). The Exchange Ratio has been calculated on the basis of a valuation of £1 million of the Company, and a valuation of Cykel at c £19.22 million based on a ten-day volume weighted average price (VWAP) up to 7 November 2023, being the date of the Head of Terms. On this basis, the Acquisition represents:

- a premium of approximately 1.30% to the closing price of 9.25 pence per Cykel Share on 17 January 2024 (being the last Business Day prior to suspension of trading in Cykel Shares); and
- a discount of approximately 3.20% to the three-month (less one week) VWAP of 9.68 pence per Cykel Share on 17 January 2024 (being the last Business Day prior to suspension of trading in Cykel Shares).

1.2 It is intended that the Acquisition will be effected by means of a Court-approved scheme of arrangement between Cykel and Cykel Shareholders under Part 26 of the Companies Act, although the Company reserves the right to implement the Acquisition by means of a Takeover Offer (subject to Panel consent). The Scheme is subject to a number of Conditions which are summarised in paragraph 1.4 of this Part VII. The full terms and conditions of the Scheme are set out in the Scheme Document, together with an explanatory statement providing details of the Acquisition, and the notices convening the Cykel Court Meeting and the Cykel General Meeting. The Scheme Document also contains the expected timetable for the Acquisition and specifies the necessary actions to be taken by Cykel Shareholders.

Once the necessary approvals from Cykel Shareholders and the Shareholders have been obtained and the other Conditions have been satisfied or (where applicable) waived and the Scheme has been sanctioned by the Court, the Scheme will become effective upon delivery of the Court Order to the Registrar of Companies for registration. Subject to the satisfaction or, where applicable, waiver of the Conditions, it is expected that the Scheme will become effective on 26 June 2024, with the Consideration Shares admitted to listing on the standard segment of the Official List and to trading on the Main Market by 8.00 a.m. on 27 June 2024.

Upon the Scheme becoming effective, it will be binding on all Cykel Shareholders, irrespective of whether or not they attended or voted at the Cykel Court Meeting or the Cykel General Meeting (and if they attended and voted, whether or not they voted in favour).

If the Scheme does not become effective on or before the Longstop Date, it will lapse and the Acquisition will not proceed (unless the Panel and, if applicable, the Court otherwise consents).

The Scheme is governed by English law and is subject to the jurisdiction of the Court. The Scheme is subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the FCA.

1.3 The Acquisition constitutes a Reverse Takeover for the Company for the purposes of the Listing Rules and, therefore, requires the approval of Shareholders. Accordingly, the General Meeting has been convened for 11 a.m. on 20 June 2024 at the offices of Druces LLP. The Shareholders will be asked to vote in favour of the Resolutions to approve the Acquisition and the issue and allotment of the Consideration Shares.

1.4 The Acquisition is subject to the terms and conditions set out in the Scheme Document, and shall only become effective, if, among other things, the following events occur on or before 11.59 p.m. on the Longstop Date:

- the approval of the Scheme by a majority in number of the Cykel Shareholders who are present and vote, whether in person or by proxy, at the Cykel Court Meeting and who represent 75 per cent. in value of the Cykel Shares voted by those Cykel Shareholders;
- the resolutions required to approve and implement the Scheme being duly passed by Cykel Shareholders representing the requisite majority or majorities of votes cast at the Cykel General Meeting (or any adjournment thereof);
- the approval of the Scheme by the Court (with or without modification but subject to any modification being on terms acceptable to Cykel and the Company);
- the delivery of a copy of the Court Order to the Registrar of Companies;
- the Company Resolutions being passed by the requisite majority of the Shareholders at the General Meeting; and
- the FCA having acknowledged that the application for admission of the Consideration Shares to the Official List has been approved and the London Stock Exchange having acknowledged that the Consideration Shares will be admitted to trading on the Main Market.

The Scheme will lapse if:

- the Cykel Court Meeting and the Cykel General Meeting are not held by 31 December 2024 (to be set out in the Scheme Document in due course (or such later date as may be agreed between the Company and Cykel);
- the Court Hearing is not held by 31 December 2024 (or such later date as may be agreed between the Company and Cykel); and/or
- the Scheme does not become effective by no later than 11.59 p.m. on the Longstop Date, provided, however, that the deadlines for the timing of the Cykel Court Meeting, the Cykel General Meeting and the Court Hearing as set out above may be waived by the Company, and the deadline for the Scheme to become effective may be extended by agreement between the Company and Cykel.

1.5 The Board considers the Acquisition and the Resolutions to be in the best interests of the Company and the Shareholders as a whole and unanimously recommends that the Shareholders vote in favour of the Resolutions. The Acquisition has also been unanimously recommended by the Cykel Board. The recommendation of the Cykel Board and the background and reasons for such recommendation are set out in full in the Scheme Document.

## 2. **Responsibility statement**

- 2.1 The Directors and the Proposed Directors, whose names appear on page 32 of this Prospectus, and the Company accept responsibility, individually and collectively, for the information contained in this Prospectus. To the best of the knowledge of the Directors, the Proposed Directors and the Company, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.
- 2.2 Each of the members of the Concert Party whose names appear on page 49 of this Prospectus, accept responsibility for the information contained in this Prospectus relating to themselves. To the best of the knowledge and belief of each member of the Concert Party (who have taken all reasonable care to ensure such is the case) the information contained in this Prospectus for which they are responsible is in accordance with the facts and there are no other facts the omission of which is likely to affect the import of such information.

### **3. Incorporation and status**

- 3.1 The Company was incorporated with limited liability and an indefinite life under the laws of England and Wales under the CA 2006 on 17 January 2018, with company number 11155663, under the name Mustang Energy PLC.
- 3.2 The legal and commercial name of the Company is Mustang Energy PLC.
- 3.3 The Company's registered office is at 48 Chancery Lane, c/o Keystone Law, London WC2A 1JF. The telephone number of the Company is +61 41 6220 007. The address of the Company's website is [www.mustangplc.com](http://www.mustangplc.com). The Company's principal activity is that of a holding company.
- 3.4 The Company's LEI is 213800QEO6L6JAS62H02.
- 3.5 As at the date of this Prospectus, the Company has no subsidiaries and it is not a member of a group. From Readmission, the Company will directly own the entire issued share capital of Cykel.
- 3.6 The principal legislation under which the Company operates, and which the Ordinary Shares have been created, is the CA 2006 and the regulations made there under.
- 3.7 The Company operates in conformity with its Articles and the laws of England and Wales.
- 3.8 The liability of the members of the Company is limited to the amount, if any, unpaid on the Ordinary Shares held by them.
- 3.9 On incorporation of the Company, the accounting reference date of the Company was 31 January. On 18 September 2019, the Company shortened its accounting period such that the accounting reference date is 31 December and will remain so on Readmission.
- 3.10 The Company's auditors during the period covered by the accountants' report set out in Part VI of this Prospectus were BDO LLP, followed by PKF Littlejohn LLP, who are each member of the Institute of Chartered Accountants of England and Wales. Please see paragraphs 23.1 and 23.2 of this Part VII for further information.
- 3.11 The Company has, since the date of its incorporation, operated in conformity with its constitution and with the laws of England and Wales.

### **4. Securities being admitted**

- 4.1 The Ordinary Shares are fully paid ordinary shares in the capital of the Company of £0.01 each.
- 4.2 The Ordinary Shares may be held in certificated form or under the CREST system. CREST is a paperless settlement procedure enabling securities to be evidenced and transferred, otherwise than by a written instrument in accordance with the CREST Regulations. The Registrar is responsible for keeping the Company's register of members.

4.3 The Ordinary Shares have no redemption or conversion provisions.

## 5. Share Capital

5.1 In accordance with CA 2006, the Company has no limit on its authorised share capital.

5.2 On incorporation of the Company, three fully paid subscriber Ordinary Shares were issued, credited as fully paid, to each of the Founders.

5.3 The following changes in the share capital of the Company have taken place between 17 January 2018 (being the date of the Company's incorporation) and 22 May 2024 (being the latest practicable date prior to the date of this Prospectus):

5.3.1 on 4 June 2018, the Company issued one Ordinary Share credited as fully paid up to Peter Wale;

5.3.2 on 15 July 2019, the Company issued 899,996 Ordinary Shares in aggregate to the Directors at 1 pence each;

5.3.3 on 29 July 2019, the Company issued 7,500,000 Ordinary Shares in aggregate pursuant to those investors which participated in the IPO at 10 pence each;

5.3.4 on 26 February 2021, the Company issued 210,000 Ordinary Shares to Optiva Securities Limited ("**Optiva**") at 10 pence each, pursuant to an exercise of warrants over Ordinary Shares granted to Optiva in connection with their acting as the Company's broker on the IPO;

5.3.5 on 7 April 2021, the Company issued 1,671,600 Ordinary Shares to Acacia at 10 pence each;

5.3.6 on 1 February 2023 at the annual general meeting 2023 of the Company:

(a) by an ordinary resolution passed by Shareholders, the Directors were generally and unconditionally authorised pursuant to and in accordance with section 551 of the CA 2006 to exercise all powers of the Company to allot shares or grant rights to subscribe for or to convert any security into shares up to a nominal amount of £68,544, such authority to expire at the end of the next annual general meeting of the Company or 15 months after the passing of this resolution, whichever is the earlier (unless previously renewed, varied or revoked by the Company at a general meeting), but, in each case, so that the Company may make offers and enter into agreements during the relevant period which would, or might, require shares to be allotted or rights to subscribe for or to convert any security into shares to be granted after the authority ends; and

(b) by a special resolution passed by Shareholders, subject to the passing of the above resolution, the Directors were generally empowered to allot equity securities wholly for cash pursuant to the authority given by the above resolution, or where the allotment constitutes an allotment of equity securities by virtue of section 560(3) of the CA 2006, in each case:

(i) in connection with a pre-emptive offer; and

(ii) otherwise than in connection with a pre-emptive offer, up to an aggregate nominal amount of £20,563.20, and as if section 561(1) of the CA 2006 did not apply to any such allotment, such power to expire at the end of the next annual general meeting of the Company or 15 months after the passing of this resolution, whichever is the earlier (unless previously renewed, varied or revoked by the Company at a general meeting), but so that the Company may make offers and enter into agreements during this period which would, or might, require equity securities to be allotted after the power ends.

- 5.3.7 on 16 November 2023, the Company issued 606,394 Ordinary Shares to Bushveld Minerals as a result of redemption of historic convertible loan notes, and 1,273,972 Ordinary Shares also to Bushveld Minerals in fully repayment of a loan agreement for working capital purposes entered into on 25 January 2022.
- 5.3.8 by resolutions of shareholders at a meeting to be held on 20 June 2024, the pre-emption rights in the Articles will be disapplied in respect of the issue of up to 400,345,563 Ordinary Shares for the principal purpose of facilitating the Acquisition (the "**Authority**");
- 5.3.9 on 27 June 2024 (i) the CLN Shares (pursuant to conversion in full of the May 2024 CLNs and the Kamran Sattar CLN) and (ii) the Fee Shares will be issued, conditional, *inter alia*, on Readmission;
- 5.3.10 further to the Authority and pursuant to a resolution of the Board at a meeting held on 9 May 2024, the Company will on 27 June 2024 (conditional, *inter alia*, on Readmission) issue 392,076,221 Ordinary Shares at an issue price of £0.049 each to Cykel shareholders in consideration for the Acquisition (the "**Consideration Shares**").
- 5.4 The issued share capital of the Company as at the date of this Prospectus, and the Enlarged Share Capital on Readmission (following completion of the Acquisition and issue of the New Shares) will be as follows:

	<b>Number of Ordinary Shares allotted and fully paid</b>	<b>Nominal value of Ordinary Shares credited as fully paid up</b>
Issued share capital of the Company as at the date of this Prospectus	12,161,966	£121,619.66
Enlarged Share Capital on Readmission	412,507,529	£4,125,075

- 5.5 The table set out below summarises the Director Options in issue on Readmission. Further details of the Director Options are set out in paragraph 12.2 of this Part VII.

<b>Option type</b>	<b>Number of Director Options on Readmission</b>	<b>Exercise Price per Director Option</b>	<b>Expiry Date</b>
2019 Director Options	1,250,000	10 pence	28 July 2024
2024 Director Options	7,425,000	5 pence	24 October 2026

- 5.6 The table set out below summarises the Warrants in issue on Readmission. Further details of the Warrants are set out in paragraphs 12.6 and 12.7 of this Part VII.

<b>Warrant type</b>	<b>Number of Warrants on Readmission</b>	<b>Exercise Price per Warrant</b>	<b>Expiry Date</b>
BMN Warrants	636,986	30 pence	15 November 2024
Cykel Exchange Warrants	102,927,582	1 penny	24 October 2026
	38,117,116	3 pence	24 October 2028

- 5.7 The Ordinary Shares will, with effect from Readmission, be admitted to listing on the standard listing segment of the Official List and to trading on the Main Market of the London Stock Exchange. No application has been or is being made for the admission of the Ordinary Shares to listing or trading, on any other stock exchange or securities market.
- 5.8 Save as set out in paragraph 1 of Part I and this paragraph 5 of this Part VII, since the date of incorporation of the Company: (i) there has been no change in the amount of the issued share or loan capital of the Company; and (ii) no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share capital of the Company.
- 5.9 Save as set out in this Prospectus:
- (a) the Company does not have in issue any securities not representing share capital;
  - (b) no shares in the capital of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived;
  - (c) the Company does not hold any treasury shares and no Ordinary Shares are held by, or on behalf of, the Company;
  - (d) no Ordinary Shares have been issued otherwise than as fully paid;
  - (e) no share or loan capital of the Company has, since incorporation to the date of this Prospectus, been issued or agreed to be issued, or is now proposed to be issued, fully or partly paid, either for cash or for a consideration other than cash, to any person;
  - (f) the Company has no outstanding convertible securities, exchangeable securities or securities with warrants;
  - (g) no commission, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any share or loan capital of any such company; and
  - (h) no share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.
- 5.10 The Company is not aware of any person who directly or indirectly, jointly or severally, exercises or could exercise control over the Company save for the Concert Party.
- 5.11 The Company will be subject to the continuing obligations of the FCA with regard to the issue of Ordinary Shares for cash. The provisions of section 561(1) of the CA 2006 (which confer on shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash other than by way of allotment to employees under an employees' share scheme as defined in section 1166 of the CA 2006) apply to the issue of shares in the capital of the Company except to the extent such provisions have been disapplied.
- 5.12 The ISIN number in respect of the Ordinary Shares is GB00BJ9MHH56. The Ordinary Shares are and will be created and issued under the CA 2006 and are denominated in pounds sterling.
- 5.13 The registrars of the Company are Share Registrars Limited, who are responsible for maintaining the register of members of the Company.
- 5.14 The Ordinary Shares will be in registered form. No temporary documents of title will be issued and prior to the issue of definitive certificates, transfers will be certified against the register. It is expected that definitive share certificates for the Ordinary Shares not to be held through



CREST will be posted to Shareholders by 9 July 2024. Ordinary Shares to be held through CREST will be credited to CREST accounts on Readmission.

## 6. Articles

The Company's objects are not restricted by its Articles, accordingly, pursuant to section 31(1) of the CA 2006, the Company's objects are unrestricted. The Articles contain provisions to the following effect. Subject to the passing of the resolutions, new articles of association would be adopted with effect from Readmission, which would contain more detailed provisions, in particular, in respect of general meetings (including electronic and hybrid meetings), disclosure of interests in shares, appointment and retirement of directors, directors fees (which, in addition to salaries, will be subject to an aggregate limit of £150,000 per annum or such additional sums as the Company may by ordinary resolution determine) and proceedings at Board and shareholders' meetings. The key provisions set out below would however not be affected.

### (a) *Share capital*

The Company's share capital currently consists of Ordinary Shares. The liability of the members of the Company is limited to the amount, if any, unpaid on the Ordinary Shares held by them. The Company may issue shares with such rights or restrictions as may be determined by ordinary resolution or as the Board shall determine, including shares which are to be redeemed, or are liable to be redeemed at the option of the Company or the holder of such shares.

Unless the Board determine otherwise, a member of the Company is not entitled to attend a general meeting, or, in respect of any shares held by him to vote at any general meeting of the Company if any amounts payable by him in respect of those shares have not been paid or if the member has a holding of at least 0.25 per cent. of any class of shares of the Company and has failed to comply with a notice under section 793 of the CA 2006.

### (b) *Voting*

The Shareholders have the right to receive notice of, and to vote at, general meetings of the Company. Each Shareholder who is present in person (or, being a corporation, by representative) at a general meeting on a show of hands has one vote and, on a poll, every such holder who is present in person (or, being a corporation, by representative) or by proxy has one vote in respect of every share held by him.

### (c) *Dividends*

The Company may, subject to the provisions of the CA 2006 and the Articles, by ordinary resolution from time to time declare dividends to be paid to members not exceeding the amount recommended by the Board. Subject to the provisions of the CA 2006 insofar as, in the Board's opinions, the Company's profits justify such payments, the Board may pay interim dividends on any class of shares except for shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. Any dividend, unclaimed after a period of 12 years from the date such dividend was declared or became payable shall, if the Board resolve, be forfeited and revert to the Company. The Company does not pay interest on any dividend unless otherwise provided by the terms on which the shares were issued or the provision of another agreement.

### (d) *Transfer of shares*

Each member may transfer all or any of his shares which are in certificated form by means of an instrument of transfer in any usual form or in any other form which the Board may approve. Each member may transfer all or any of his shares which are in uncertificated form by means of a relevant system (as defined in the CREST

Regulations) in such manner provided for, and subject as provided in, the CREST Regulations.

The Board may, in its absolute discretion, refuse to register the transfer of a share in certificated form unless: (i) it is only for one class of share; (ii) it is in favour of no more than four joint transferees; (iii) it is duly stamped or is duly certificated or otherwise shown to the satisfaction of the Board to be exempt from stamp duty; and (iv) it is delivered for registration to the registered office of the Company (or such other place as the Board may determine), accompanied (except in the case of a transfer by a person to whom the Company is not required by law to issue a certificate and to whom a certificate has not been issued or in the case of a renunciation) by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to prove the title of the transferor (or person renouncing) and the due execution of the transfer or renunciation by him or, if the transfer or renunciation is executed by some other person on his behalf, the authority of that person to do so.

The Board will not exercise such discretion if it would conflict with the Listing Rules.

The Board may refuse to register a transfer of uncertificated shares in any circumstances that are allowed or required by the CREST Regulations and the relevant system (as defined in the CREST Regulations).

(e) *Allotment of shares and pre-emption rights*

Subject to the CA 2006 and the Articles and in accordance with section 551 of the CA 2006, the Board shall be generally and unconditionally authorised to exercise for each prescribed period, all the powers of the Company to allot shares up to an aggregate nominal amount equal to the amount stated in the relevant special resolution passed pursuant to section 561 of the CA 2006, authorising such allotment.

Under and within the terms of the said authority or otherwise in accordance with section 570 of the CA 2006, the Board shall be empowered during each prescribed period to allot equity securities (as defined in the CA 2006): (i) in accordance with a rights issue; or (ii) otherwise than in connection with a rights issue up to an aggregate nominal amount equal to the amount stated in the relevant ordinary or special resolution passed pursuant to section 551 of the CA 2006, authorising such allotment.

(f) *Directors*

Unless otherwise determined by the Company by ordinary resolution, the number of directors (other than any alternate directors) shall not be less than two, but there shall be no maximum number of directors.

Subject to the Articles and the CA 2006, the Company may by ordinary resolution appoint a person who is willing to act as a director and the Board shall have power at any time to appoint any person who is willing to act as a director, in both cases either to fill a vacancy or as an addition to the existing Board.

At every subsequent annual general meeting any director who (i) has been appointed by the directors since the last annual general meeting or (ii) was not appointed or re-appointed at one of the preceding two annual general meetings, must retire from office and may offer themselves for reappointment by the Shareholders by ordinary resolution.

Subject to the provisions of the Articles, the Board, which may exercise all the powers of the Company, may regulate their proceedings as they think fit. A director may, and the secretary at the request of a director shall, call a meeting of the directors.

The quorum for a directors' meeting shall be fixed from time to time by a decision of the directors, but it must never be less than two and unless otherwise fixed, it is two.

Questions arising at a meeting shall be decided by a majority of votes of the participating directors, with each director having one vote. In the case of an equality of votes the chairman shall have a second or casting vote.

The directors shall be entitled to receive such remuneration as the directors shall determine for their services to the Company as directors and for any other service which they undertake for the Company provided that the aggregate fees payable to the directors must not exceed such amount as may from time to time be decided by ordinary resolution of the Company. The directors shall also be entitled to be paid all reasonable expenses properly incurred by them in connection with their attendance at meetings of Shareholders or class meetings, board or committee meetings or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Company.

The Board may, in accordance with the requirements in the Articles, authorise any matter proposed to them by any director which would, if not authorised, involve a director breaching their duty under the CA 2006 to avoid conflicts of interests.

A director seeking authorisation in respect of such conflict shall declare to the Board the nature and extent of his interest in a conflict as soon as is reasonably practicable. The director shall provide the Board with such details of the matter as are necessary for the Board to decide how to address the conflict together with such additional information as may be requested by the Board.

Any authorisation by the Board will be effective only if:

- (i) to the extent permitted by the CA 2006, the matter in question shall have been proposed by any director for consideration in the same way that any other matter may be proposed to the directors under the provisions of the Articles;
- (ii) any requirement as to the quorum for consideration of the relevant matter is met without counting the conflicted director and any other conflicted director; and
- (iii) the matter is agreed to without the conflicted director voting or would be agreed to if the conflicted director's and any other interested director's vote is not counted.

(g) *General meetings*

The Company must convene and hold annual general meetings in accordance with the CA 2006.

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the choice or appointment of a chairman of the meeting which shall not be treated as part of the business of the meeting. Save as otherwise provided by the Articles, two Shareholders present in person or by proxy and entitled to vote shall be a quorum for all purposes.

(h) *Borrowing powers*

Subject to the Articles and the CA 2006, the Board may exercise all of the powers of the Company to: (i) borrow money; (ii) indemnify and guarantee; (iii) mortgage or charge; (iv) create and issue debentures and other securities; and (v) give security either outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(i) *Capitalisation of profits*

The directors may, if they are so authorised by an ordinary resolution of the Shareholders, decide to capitalise any undivided profits of the Company (whether or not they are available for distribution), or any sum standing to the credit of the Company's share premium account or capital redemption reserve. The directors may also, subject to the aforementioned ordinary resolution, appropriate any sum which they so decide to capitalise to the persons who would have been entitled to it if it were distributed by way of dividend and in the same proportions.

(j) *Uncertificated shares*

Subject to the CA 2006, the directors may permit title to shares of any class to be issued or held otherwise than by a certificate and to be transferred by means of a relevant system (as defined in the CREST Regulations) without a certificate.

The directors may take such steps as they see fit in relation to the evidencing of and transfer of title to uncertificated shares, any records relating to the holding of uncertificated shares and the conversion of uncertificated shares to certificated shares, or vice-versa.

The Company may by notice to the holder of an uncertificated share, require that share to be converted into certificated form.

The Board may take such other action that the Board considers appropriate to achieve the sale, transfer, disposal, forfeiture, re-allotment or surrender of an uncertificated share or otherwise to enforce a lien in respect of it.

(k) *Winding up*

If the Company is wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the CA 2006, divide among the Shareholders in specie any whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division should be carried out as between the Shareholders or different classes of Shareholder. The liquidator may, with the like sanction, vest the whole or any part of the assets in trustees upon such trusts for the benefit of the members as he with like sanction determines, but no member shall be compelled to accept any assets upon which there is a liability.

## 7. Major Shareholders

7.1 Except for the interests of those persons set out in this paragraph and the interests of the Directors and the Proposed Directors set out in paragraph 9.1 below, the Directors and the Proposed Directors are not aware of any person who has any interests, direct or indirect, which, at the date of this Prospectus and immediately following completion of the Acquisition and Readmission, would amount to three per cent. or more of the Company's issued share capital:

<i>Name</i>	<b>As at the date of this Prospectus</b>		<b>On Readmission</b>	
	<i>Number of Existing Ordinary Shares</i>	<i>Percentage of the Existing Ordinary Shares</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of the Enlarged Share Capital</i>
Toro Consulting Ltd	-	-	95,550,000	23.16%

Fidelio Partners Pte Ltd	-	-	38,220,000	9.27%
Crowdforn Ltd	-	-	19,110,000	4.63%
California Two Pizza Ventures Inc	-	-	13,377,000	3.24%
Acacia Resources Limited	2,471,600	20.32%	2,471,600	0.60%
Bushveld Minerals Limited	1,880,366	15.46%	1,880,366	0.46%
Dean Gallegos	1,630,000	13.40%	1,630,000	0.40%
Richard Corsie MBE	1,050,000	8.63%	1,350,000	0.33%
The Australian Special Opportunity Fund, LP	380,000	3.12%	380,000	0.09%

- 7.2 No major holder of Ordinary Shares, as set out in paragraph 6.1 above and as otherwise set out in paragraph 8.1 below, has voting rights different from other holders of Ordinary Shares. Any person who is directly or indirectly interested in three per cent. or more of the Company's issued share capital, is required to notify such interest to the Company in accordance with provisions of chapter 5 of the DTRs, and any such interest will be notified by the Company to the public. Those interested, directly or indirectly interested in three per cent. or more of the Company's issued share capital do not now, and following Readmission will not, have different voting rights from other holders of the Ordinary Shares.
- 7.3 So far as the Company is aware, there are no arrangements in place the operation of which may at a subsequent date result in a change of control of the Company.

## 8. The Directors and the Proposed Directors

- 8.1 The Directors and their respective functions are as follows:

Alan Broome (*Non-Executive Chairman*)  
Dean Gallegos (*Managing Director*)  
Peter Wale (*Non-Executive Director*)  
Simon Holden (*Non-Executive Director*)

- 8.2 On Readmission, each of Mr Broome, Mr Gallegos, Mr Wale and Mr Holden will resign on Readmission as directors.

- 8.3 The Proposed Directors, who will be appointed on Readmission, and their respective functions are as follows:

Jonathan Bixby (*Executive Chairman*)  
Nicholas Lyth (*Financial Director*)  
Jonathan Hives (*Non-Executive Director*)  
Robert Mayfield (*Independent Non-Executive Director*)

- 8.4 The business address of each of the Directors is the Company's registered office. The business address of each of the Proposed Directors is Cykel's registered office.

## 9. Directors', Proposed Directors' and other interests in Ordinary Shares

9.1 The interests of the Directors, the Proposed Directors and persons connected with them, within the meaning of sections 252 and 253 of the CA 2006, in the share capital of the Company, at the date of this Prospectus and immediately following Readmission, all of which are beneficial, are:

<i>Name</i>	<b>As at the date of this Prospectus</b>		<b>On Readmission</b>	
	<i>Number of Existing Ordinary Shares</i>	<i>Percentage of the Existing Ordinary Shares</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of the Enlarged Share Capital</i>
<i>Directors</i>				
Dean Gallegos	1,630,000	13.40%	1,630,000	0.40%
Alan Broome	140,000	1.15%	140,000	0.03%
Peter Wale	340,000	2.80%	340,000	0.08%
Simon Holden	340,000	2.80%	340,000	0.08%
<i>Proposed Directors</i>				
Jonathan Bixby*	-	-	95,550,000	23.16%
Nicholas Lyth	-	-	6,688,500	1.62%
Jonathan Hives	-	-	-	-
Robert Mayfield	-	-	-	-
<b>Total</b>	<b>2,450,000</b>	<b>20.15%</b>	<b>104,688,500</b>	<b>25.37%</b>

\* Held through Toro Consulting Ltd.

9.2 The Proposed Directors and persons connected with them will upon Admission hold warrants over Ordinary Shares as follows:

<b>Proposed Director</b>	<b>Number of Cykel Exchange Warrants</b>	<b>Exercise price per Ordinary Share</b>
Jonathan Bixby*	55,752,442	1p
Nicholas Lyth	19,298,922	1p
Jonathan Hives	4,288,649	1p
Robert Mayfield	4,288,649	1p

\* Held through Toro Consulting Ltd.

9.3 Save as set out in paragraphs 9.1 and 9.2 above, none of the Directors, the Proposed Directors nor any person connected with them, within the meaning of sections 252 and 253 of the CA 2006, is interested in the share capital of the Company or in any related financial products referenced to the Ordinary Shares.

9.4 Save for the Director Options, there are no outstanding loans or options granted by the Company to any Director or Proposed Director, nor has any guarantee been provided by the Company for their benefit.

9.5 No Director or Proposed Director has any interest in any transactions which are or were unusual in their nature or conditions or which are or were significant to the business of the Company and which were effected by any member of the Company in the current financial year and which

remain in any respect outstanding or unperformed. The Company has entered into the following arrangements with the Directors and the Proposed Directors:

*Directors*

(a) Alan Broome

Pursuant to a letter of appointment dated 17 July 2019 between the Company and Alan Broome, Mr Broome was engaged as a Non-Executive Director for an initial term of 12 months such term having been automatically extended. Mr Broome did not draw any directors' fees until 1 May 2021, such fees from thereon being paid on a gross basis at a rate of £2,500 per month pursuant to an addendum to the letter of appointment dated 24 April 2021. The appointment can be terminated by either party on six months' written notice. The letter of appointment is governed by English law.

(b) Dean Gallegos

Pursuant to a letter of appointment dated 17 July 2019 between the Company and Dean Gallegos, Mr Gallegos was engaged as the Managing Director for an initial term of 12 months such term having been automatically extended. Mr Gallegos did not draw any directors' fees until February 2020, such fees from thereon being paid on a gross basis at a rate of £5,000 per month. These fees were increased to £10,000 per month in May 2021 pursuant to an addendum to the letter of appointment dated 24 April 2021. The appointment can be terminated by either party on six months' written notice. The letter of appointment is governed by English law.

(c) Peter Wale

Pursuant to a letter of appointment dated 17 July 2019 between the Company and Peter Wale, Mr Wale was engaged as a Non-Executive Director for an initial term of 12 months such term having been automatically extended. Mr Wale did not draw any directors' fees until 1 May 2021, such fees from thereon being paid on a gross basis at a rate of £2,000 per month pursuant to an addendum to the letter of appointment dated 24 April 2021. The appointment can be terminated by either party on six months' written notice. The letter of appointment is governed by English law.

(d) Simon Holden

Pursuant to a letter of appointment dated 17 July 2019 (as amended pursuant to an addendum to the letter of appointment dated 24 April 2021) between the Company and Simon Holden, Mr Holden was engaged as a Non-Executive Director for an initial term of 12 months such term having been automatically extended. Mr Holden has not drawn any directors' fees since his appointment and has waived any entitlement to any such fees. The appointment can be terminated by either party on six months' written notice. The letter of appointment is governed by English law.

*Proposed Directors*

(a) Jonathan Bixby

A consultancy agreement dated 10 May 2024, made between the Company (1) and Toro Consulting Ltd (2) pursuant to which Toro Consulting Ltd agreed to provide the services of Jonathan Bixby to the Company to provide services as a consultant to the Company, from Readmission. Toro Consulting Ltd may, with the prior written consent of the Company, provide the services of a suitably qualified and skilled person in place of Jonathan Bixby. The agreement will continue until terminated by either party giving to the other not less than twelve months' notice in writing. The fee payable under the agreement is £120,000 plus VAT per annum. It is expected that Jonathan Bixby will spend a minimum of eight days a month on work for the Company.

(b) Nicholas Lyth

On 10 May 2024, the Company entered into an executive service agreement with Nicholas Lyth, pursuant to which Nicholas Lyth will, from Readmission, be appointed, and provide services to the Company as the Company's Finance Director in consideration of a fee of £30,000 per annum. Either party may terminate the appointment upon three months' written notice. Nicholas Lyth's appointment is subject to the Company's Articles and the usual rules on the rotation of directors. It is expected that Nicholas Lyth will spend a minimum of two days a month on work for the Company.

A consultancy agreement dated 10 May 2024 made between the Company (1) and Dark Peak Services Limited, (**Dark Peak**), a company owned and controlled by Nicholas Lyth (2) pursuant to which Dark Peak agreed to provide the services of Nicholas Lyth to the Company to provide financial management services, from Readmission. Dark Peak may, with the prior written consent of the Company, provide the services of a suitably qualified and skilled person in place of Nicholas Lyth. The agreement will continue until terminated by either party giving to the other not less than three months' notice in writing. The fee payable under the agreement is £30,000 plus VAT per annum.

(c) Jonathan Hives

On 10 May 2024, Mr Hives entered into a new letter of appointment with the Company as a Non-Executive Director of the Company effective from the date of Readmission. Either party may terminate the appointment upon three months' written notice. Mr Hives' appointment is subject to the Company's Articles and the usual rules on the rotation of directors. It is expected that Mr Hives will spend a minimum of one day a month on work for the Company. Mr Hives will be paid £12,000 per annum from Readmission.

(d) Robert Mayfield

On 10 May 2024, Mr Mayfield entered into a new letter of appointment with the Company as a Non-Executive Director of the Company effective from the date of Readmission. Either party may terminate the appointment upon three months' written notice. Mr Mayfield's appointment is subject to the Company's Articles and the usual rules on the rotation of directors. It is expected that Mr Mayfield will spend a minimum of one day a month on work for the Company. Mr Mayfield will be paid £24,000 per annum from Readmission.

9.6 The arrangements entered into by the Company with the Proposed Directors will replace the existing arrangements between Cykel and the Proposed Directors, which are on the same terms. Save as set out in this paragraph 9.6 and paragraph 9.5 above, there are no existing or proposed service contracts between the Company and any of the Directors which are not terminable on less than six months' notice, nor have any of their letters of appointment been amended in the six months prior to the date of this Prospectus.

9.7 There are currently no pensions or similar arrangements in place with the Directors or the Proposed Directors.

## 10. Additional information on the Directors and the Proposed Directors

10.1 The Directors and the Proposed Directors have no interest, whether direct or indirect, in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company taken as a whole and which was effected by the Company during the current financial year, or since incorporation, and which remains in any respect outstanding or



unperformed other than as disclosed in the related parties disclosure/s in the audited annual financial statements.

10.2 The Directors and the Proposed Directors hold or have held the following directorships or have been partners in the following partnerships within the five years prior to the date of this Prospectus in addition to their directorships of the Company:

	<i>Current directorships and partnerships</i>	<i>Previous directorships and partnerships in the past 5 years</i>
<i>Directors</i>		
Alan Broome	B&H Consulting & Engineering Pty Ltd Broome Family Investment Co Pty Ltd Critical Minerals Group Limited Micromine Pty Ltd Mining Software Holdings Pty Ltd New Age Exploration Limited New Pilbara Gold Pty Ltd Ocean Guardian Limited Strategic Minerals plc Stone Cottage Vineyard Pty Ltd Nuenz NZ Ltd UON Pty Ltd	CRL Australia Pty Ltd – 9 June 2021 Clarofy Pty Ltd Interlate Pty Ltd Interlate Mining Pty Ltd Interlate Management Services Pty Ltd Mining Excellence Alliance Pty Ltd Mining Excellence Alliance (Processing) Pty Ltd Tait Electronics (Aust) Pty Ltd Tait Electronics (Network) Pty Ltd DDH1 Limited
Dean Gallegos	-	HG3 Capital Pty Ltd VRFB Holdings Limited
Peter Wale	Strategic Minerals plc Cornwall Resources Limited	-
Simon Holden	Golden Sky Advisory Limited	Alteration Earth PLC Tokenhouse VB Limited ( <i>In Administration</i> ) <sup>1</sup> VAT Bridge Limited ( <i>In Administration</i> ) <sup>2</sup> Brightlane Corp. Escrow Custodian Services Limited ( <i>In Liquidation</i> ) <sup>3</sup> LF Technology Development Corporation Limited PICPICID Limited SCP Investment Partners Limited Any Other Business Enterprises LLP
<i>Proposed Directors</i>		
Jonathan Bixby	Clarify Pharma plc Phoenix Digital Assets PLC CBRN Technologies Limited Kondor AI PLC Haymarket Investments Inc. Kahle Ohana Holdings Inc.	Argo Blockchain PLC Guild Esports plc Supernova Digital Assets PLC Motto Technologies plc Ora Technology PLC Punter Finance PLC

	Paidia eSports Inc. Possibilities Training Group Ltd. Stanley Park Ventures 2017 Financial Ltd. Stanley Park Ventures Ltd Ecoation Innovative Solutions Inc. Hack Capital Ventures Inc.	
Nicholas Lyth	Clarify Pharma PLC Dark Peak Services Ltd Supernova Digital Assets PLC Ora Technology PLC StreaksAI PLC Phoenix Digital Assets PLC CBRN Technologies Limited	Altona Rare Earths Plc Dkg Holding Ltd Dkg Capital Plc Food Forward Global Operations Plc Taihua Ltd Sealand Capital Galaxy Ltd Univision Engineering Ltd Kondor AI PLC ChallengerX plc
Jonathan Hives	Ora Technology PLC First Sentinel Wealth Limited Phoenix Digital Assets PLC Clarify Pharma plc Umgawa Ltd	-
Robert Mayfield	Libertatis Ergo Holding BV Leiden Centre for Entrepreneurship UNIIQ BV InOvo BV VitroScan BV Exit71 BV Bimini Biotech BV Advanced Material Solutions BV Oncolize BV Doser IP BV Cantoni Therapeutics BV Flex Labs Inc.	

<sup>1</sup>Simon Holden was appointed as a director of Tokenhouse VB Limited (In Administration) (formerly VAT Bridge 7 Limited) (“VB7”) on 8 August 2019. VB7 entered administration on 29 July 2020 and Mr Holden resigned on 14 September 2020. A secured creditor has a claim in administration in excess of £25.4 million and the administrators are, as at the date of this Prospectus, unable to determine the quantum or timing of any distribution to such creditor. Unsecured claims are currently estimated to be approximately £26,000. It is currently estimated that there will not be sufficient funds available to make a distribution to unsecured creditors, other than by way of the prescribed part.

<sup>2</sup>Simon Holden was appointed as a director of VAT Bridge Limited (“VB”) on 6 March 2019 and resigned as a director on 25 August 2020. VB entered into a creditors’ voluntary liquidation and appointed a liquidator on 30 March 2022. In the latest liquidators’ progress report dated 23 May 2023 for the period ended 29 March 2023, there was an estimated deficiency regarding non-preferential creditors of £506,453.21.

<sup>3</sup>Escrow Custodian Services Limited (“ECS”) entered compulsory liquidation and appointed a liquidator on 9 August 2022. Simon Holden was appointed as a director of ECS, having not consented to act, on 15 August 2019. Having discovered the error and having notified the

directors of ECS of such error, Mr Holden's appointment as a director was terminated on 20 September 2019.

10.3 As at the date of this Prospectus, save as disclosed in paragraph 10.2 above, none of the Directors or the Proposed Directors has at any time within the last five years:

- (a) had any convictions (whether spent or unspent) in relation to offences involving fraud or dishonesty;
- (b) been the subject of any official public incrimination and/or sanctions by any statutory or regulatory authorities (including any designated professional bodies) or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- (c) been a director or senior manager of a company which has been put into receivership, compulsory liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors;
- (d) been the subject of any bankruptcy or been subject to an individual voluntary arrangement or a bankruptcy restrictions order.

10.4 The Directors and the Proposed Directors do not currently have any actual conflicts of interest between their duties to the Company and their private interests or other duties that they may also have. The Directors do not currently have any potential conflicts of interest between their duties to the Company and their private interests or other duties that they may also have. The non-executive Proposed Directors are however engaged in other business endeavours and are not obliged to devote any significant number of hours to the Company's affairs. Potential conflicts may arise if non-executive Proposed Directors' other business affairs require them to devote more substantial amounts of time to such affairs, which could limit their ability to devote time to the Company's affairs.

10.5 Furthermore, some of the Proposed Directors are engaged or may engage in other businesses developing AI powered products. Further detail on the potential conflicts of interest that may arise from such engagements is set out in paragraph 6 (*Conflicts of interest*) of Part II (*Directors, Proposed Directors and Corporate Governance*) of this Prospectus.

## 11. Employees

As at the date of this Prospectus, in addition to the Directors and the Proposed Directors, the Company has no employees. Following completion of the Acquisition and Readmission, the Enlarged Group will have one employee.

## 12. Mustang material contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company within the two years immediately preceding the date of this Prospectus and are, or may be, material:

### *Head of Terms*

12.1 On 7 November 2023, the Company and Cykel entered into the Heads of Terms for the Acquisition, on the basis of 1.911 new Mustang share for each Cykel share. This ratio has been calculated on the basis of a valuation of £1,000,000 of MUST, and a valuation of Cykel at c £19.22 million based on a ten day volume weighted average price (VWAP) up to 7 November 2023, being the date of the Head of Terms.

Under the Heads of Terms, the Acquisition, if made, is conditional upon satisfaction or waiver (where relevant) the conditions, including the satisfactory completion by each of the parties of financial, legal and commercial due diligence. Further conditions are set out in the Scheme Document and in paragraph 1.4 of this Part VII.

## 12.2 *Director Option Deeds*

On 17 July 2019, the Company and the Directors (excluding Jacqueline Yee) entered into option deeds which granted the 2019 Director Options to the Directors, pursuant to which each 2019 Director Option entitles the Director to subscribe for one Ordinary Share at a price per Ordinary Share of 10 pence (being the placing price that investors subscribed for Ordinary Shares in conjunction with the IPO). Jacqueline Yee, a former director of the Company, was granted 2019 Director Options on 18 May 2020. The 2019 Director Options vested on or around 16 December 2020, when the share price of the Ordinary Shares reached 15 pence. The Directors must exercise the 2019 Director Options within a five year period from the date of the IPO.

On 1 May 2024, the Company and the Directors entered into option deeds which granted the 2024 Director Options to the Directors, pursuant to which each 2024 Director Option entitles the Director to subscribe for one Ordinary Share at a price per Ordinary Share of 5 pence. The 2024 Director Options will vest when the share price of the Ordinary Shares is equal to or exceeds 7.5 pence. The Directors must exercise the 2024 Director Options by 24 October 2026.

## 12.3 *Bushveld Minerals Loan Agreement*

On 25 January 2022, the Company and Bushveld Minerals entered into a loan agreement pursuant to which Bushveld Minerals agreed to originally lend US\$220,000 (approximately £176,000) to the Company, interest-free, for general working capital purposes (the “**Loan**”). The Loan commenced on 25 January 2022 and ran to and including 31 December 2023 (the “**Term**”).

The Company had to repay any amount outstanding on the Loan to Bushveld Minerals in full on 31 December 2023. The Company also had the option to repay the Loan during the course of the Term by way of a single cash payment or by way of an issue of new ordinary shares in itself to Bushveld Minerals equivalent to the amount of the Loan at an issue price of the greater of (i) 20 pence per share; and (ii) the average volume weighted average price of a share for the consecutive 10 dealing days ending on the dealing day immediately preceding the repayment date, together with warrants for every two new ordinary shares issued.

The agreement was amended and restated on 10 January 2023, pursuant to which the amount of the Loan was increased to US\$320,000. An additional tranche amount of US\$100,000 was agreed to be made available for drawdown on 13 January 2023 increasing the Loan to US\$420,000.

The Company announced on 12 September 2023 and 20 November 2023 that it agreed to repay the Loan in full by the issue 1,273,972 shares to Bushveld Minerals. The Company also announced it would issue Bushveld Minerals with 1 warrant for every two shares issued, with an exercise price of 30 pence and an exercise period of 12 months after issue.

The agreement was governed by the laws of England and Wales.

Further details of the issue of warrants to Bushveld Minerals are set out below.

## 12.4 *Druces Engagement Letter 2022*

On 13 April 2022, the Company entered into an engagement letter with Druces LLP (“**Druces**”), its solicitors as to English law, pursuant to which Druces were engaged to act on a proposed reverse takeover transaction involving the attempted VRFB-H acquisition, details of which are set out on pages 34-35 of this Prospectus.

Pursuant to this engagement letter, Druces agreed to accept partial settlement of their fees by the issue of 700,000 fully paid Ordinary Shares at 6 pence per share (the “**Druces Fee Shares**”), such Druces Fee Shares to be issued on 27 June 2024. Druces also agreed to a lock-in of the Druces Fee Shares issued to them, details of the lock-in are set out at paragraph 12.12 below.

## 12.5 *First Sentinel Engagement Letter 2023*

On 9 January 2023, the Company entered into an engagement letter with First Sentinel Corporate Finance Limited ("**First Sentinel**"), pursuant to which First Sentinel were engaged as corporate adviser to provide advice and services relating to a Rule 9 waiver procedure of the City Code involving the attempted VRFB-H acquisition, details of which are set out on pages 34-35 of this Prospectus.

Pursuant to this engagement letter, First Sentinel agreed to accept partial settlement of their fees by the issue of 400,000 Ordinary Shares at 6 pence per share (the "**First Sentinel Fee Shares**"), such First Sentinel Fee Shares to be issued on 27 June 2024. First Sentinel also agreed to a lock-in of the First Sentinel Fee Shares issued to them, details of the lock-in are set out at paragraph 12.12 below.

#### 12.6 *BMN Warrant Instrument*

On 26 February 2024, the Company executed a warrant instrument constituting the 636,986 BMN Warrants, granting the BMN Warrants to BMN. The BMN Warrants are exercisable in whole or in part, with an exercise price of 30p and with an exercise period until 15 November 2024.

The instrument is governed by the laws of England and Wales.

#### 12.7 *Cykel Exchange Warrant Instrument*

On 10 May 2024, the Company executed a warrant instrument constituting the Cykel Exchange Warrants, pursuant to which the Cykel warrant holders exchanged, conditional on Readmission, their 59,385,170 warrants in Cykel issued pursuant to the Cykel Warrant Instrument for 141,044,698 warrants in the Company (the "**Cykel Exchange Warrants**"). 102,927,582 Cykel Exchange Warrants are exercisable in whole or in part, with an exercise price of 1p on or before 25 October 2026 and 38,117,116 Cykel Exchange Warrants are exercisable in whole or in part, with an exercise price of 3p on or before 25 October 2028.

The instrument is governed by the laws of England and Wales.

#### 12.8 *May 2024 Convertible Loan Note Instruments*

On 21 May 2024, the Company executed convertible loan note instruments pursuant to which Jonas Chow, Matthew Lumb and Penelope Szeto subscribed for the notes with an aggregate principal nominal amount of £200,000 (the "**May 2024 CLNs**"), for a consideration of £106,666.40. The notes were subscribed for in (i) one tranche of nominal amount of £90,000 by Jonas Chow; (ii) one tranche of nominal amount of £56,250 by Matthew Lumb; and (iii) one tranche of nominal amount of £53,750 by Penelope Szeto, all on 21 May 2024. The subscription is conditional on the approval of the Company's and Cykel's shareholders of the Acquisition and Readmission. The notes have a conversion price of 6 pence and are to be redeemed either by Jonas Chow, Matthew Lumb or Penelope Szeto serving a conversion notice in relation to their respective convertible loan notes, or the Company serving a conversion notice to Jonas Chow, Matthew Lumb or Penelope Szeto in relation to their respective convertible loan notes, any such notice to take effect no later than 7 July 2024. If conversion of the notes would have the effect of potentially triggering the requirement to make a mandatory offer under the City Code, conversion of the notes shall not be permitted without the prior approval of the Panel.

The notes will be converted in full by the Company and 3,333,333 Ordinary Shares (the "**May 2024 CLNs Shares**") will be issued to the noteholders, subject to shareholder approval at the General Meeting, on 27 June 2024.

The instrument is governed by English law.

#### 12.9 *Kamran Sattar Convertible Loan Note Instrument*

On 22 November 2023, the Company executed a convertible loan note instrument pursuant to which Kamran Sattar subscribed for a principal amount of £200,000 (the "**Kamran Sattar**

**CLN**). The notes were subscribed for in one tranche of £200,000 on 22 November 2023. The notes have an interest rate of 10% per annum, a conversion price of 6 pence and are to be redeemed either by Kamran Sattar serving a conversion notice, or the Company serving a conversion notice to take effect no later than 7 July 2024. If conversion of the notes would have the effect of potentially triggering the requirement to make a mandatory offer under the City Code, conversion of the notes shall not be permitted without the prior approval of the Panel.

The notes will be converted in full by the Company and 3,506,849 Ordinary Shares (the "**Kamran Sattar CLN Shares**") will be issued to the noteholder, subject to shareholder approval at the General Meeting, on 27 June 2024.

The instrument is governed by English law.

#### 12.10 *Corporate Adviser Engagement Letter*

On 3 January 2024, the Company and Guild Financial Advisory Limited ("**Guild Financial**") entered into an engagement letter, pursuant to which Guild Financial was appointed as corporate adviser in relation to the Acquisition, specifically with respect to providing advice and services relating to the Rule 9 waiver procedure of the City Code.

The Company agreed to pay Guild Financial fees for the engagement, payable as follows:

- an initial fee of £15,000 plus VAT upon signing the engagement letter;
- a fee of £15,000 plus VAT upon the posting of the scheme document and waiver circular (payable on the earlier posting date if these documents are not posted simultaneously); and
- such further fees as may be agreed, acting reasonably, for any additional work.

The engagement letter is governed by the laws of England and Wales.

#### 12.11 *Finder's Fee Agreement*

On 4 January 2024 the Company entered into a finder's fee letter agreement (the "**Finder's Fee Agreement**") with Mr Richard Corsie MBE (the "**Finder**"), pursuant to which the Company agreed to pay the Finder a fee of £18,000 (the "**Finder's Fee**") for the introduction of the Company to Cykel and the proposal by which the Company will acquire the entire issued and to be issued share capital of Cykel (the "**Proposal**") by way of a scheme of arrangement.

The Finder's Fee is to be satisfied by the issue of 300,000 fully paid Ordinary Shares at 6 pence per share (the "**Finder's Fee Shares**"), conditional upon the following:

- Company shareholder approvals in respect of a Rule 9 waiver under the Takeover Code, the allotment and issue of shares and to disapply pre-emption rights in connection with the Proposal.
- the entering into a lock-in agreement by the Finder for a period of 6 months from the date the Company is readmitted for all of Finder's shares in the Company as at the date of readmission, including the Finder's Fee Shares.
- successful completion by the Company of the acquisition of Cykel by way of a scheme of arrangement.
- the provision by the Finder of an invoice to the Company in the amount of £18,000.

The Finder's Fee Shares will be issued on 27 June 2024.

The letter is governed by the laws of England and Wales.

#### 12.12 *Lock-in Agreements*

The Directors, Acacia, Bushveld, Druces and Mr Richard Corsie MBE (with respect to his 750,000 Ordinary Shares) have entered into lock-in agreements with the Company pursuant to which they each undertook to the Company that, subject to Readmission, they shall not, except in certain specified circumstances, sell, transfer, mortgage, charge, assign, grant any option over or otherwise dispose of the legal, beneficial or any other interest in any Ordinary Shares held by them or their respective associates (Mr Richard Corsie MBE with respect to his 750,000 Ordinary Shares) prior to the six month period commencing on the date of Readmission.

Nicholas Lyth, Toro Consulting Ltd, First Sentinel, Mr Brian Stockbridge, Fidelio Partners Pte Ltd, California Two Pizza Ventures Inc, Crowdfom Ltd have entered into lock-in agreements with the Company pursuant to which they each undertook to the Company that, subject to Readmission, they shall not, except in certain specified circumstances, sell, transfer, mortgage, charge, assign, grant any option over or otherwise dispose of the legal, beneficial or any other interest in any Ordinary Shares held by them or their respective associates prior to the three month period commencing on the date of Readmission.

The lock-in agreements are governed by the laws of England and Wales.

### **13. Cykel material contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by Cykel within the two years immediately preceding the date of this Prospectus and are, or may be, material:

#### *13.1 IP Assignment*

Pursuant to an IP assignment deed dated 4 October 2023 between Crowdfom and Cykel, Crowdfom sold and Cykel purchased all of intellectual property rights generated by Crowdfom in connection with the natural language processing artificial intelligence software platform known as Cykel AI for USD \$1. Crowdfom gave warranties as to their ownership of such rights and the lack of any infringement.

#### *13.2 Crowdfom Agreement*

A retained support services agreement dated 18 October 2023 between Cykel and Crowdfom (the "**Crowdfom Agreement**") under which Crowdfom agreed to provide software support and maintenance services to Cykel for a term expiring on 31 December 2024 (and thereafter the term continues until the Crowdfom Agreement is terminated on six months' notice on either side. Cykel has agreed to pay Crowdfom a monthly retainer of £10,000 plus VAT. All intellectual property rights in all materials created by Crowdfom during its engagement will be owned by Cykel, upon payment of fees due under the agreement. Crowdfom has agreed not to provide similar services to the Cykel's competitors whilst it remains a shareholder in Cykel, unless Cykel agrees otherwise.

#### *13.3 Cykel Warrant Instrument*

On 18 September 2023 Cykel executed a warrant instrument pursuant to which Cykel authorised the grant of up to 60,000,000 warrants over its ordinary shares at such exercise price and on such terms (including as to vesting, exercise and lock-in) as are from time to time agreed by the directors of Cykel.

#### *13.4 Cykel Lock-In Agreement*

The lock-in agreement dated 18 October 2023 between (1) the Cykel Locked-In Directors (2) the Cykel Locked-in Shareholders (3) Cykel and (4) First Sentinel (the "**Cykel Lock-In Agreement**"), pursuant to which the Cykel Locked-In Directors and Cykel Locked-in Shareholders agreed with First Sentinel and the Cykel not to dispose of any Cykel Ordinary Shares held by them for a period of 12 months from Cykel's admission to AQSE and, for a further period of 12 months, that any disposal shall be subject to orderly market arrangements. Certain disposals are excluded from the Cykel Lock-In Agreement, including those relating to acceptance of a general

offer made to all Cykel shareholders, pursuant to a court order, in the event of the death of the shareholder, or as otherwise agreed to by the AQSE Growth Market and First Sentinel. The Cykel Lock-In Agreement also contains covenants given by the shareholder to use its reasonable endeavours to ensure that any persons deemed to be connected with them also adhere to the terms of the Cykel Lock-In Agreement.

The Cykel Lock-In Agreement will be terminated with effect from Readmission. The Company, Fidelio Partners Pte Ltd and Crowdforn Ltd have agreed to enter into a new lock-in agreement which will be for a period of three months from the date of Readmission.

#### 13.5 *Relationship Agreement*

An agreement dated 18 October 2023 between Cykel and Toro Consulting Ltd pursuant to which the parties agreed certain matters, including but not limited to undertakings from the shareholder to ensure that Cykel will be capable at all times of carrying on its business independently of the influence from Toro Consulting Ltd. The agreement will terminate upon the shareholder owning less than 20 per cent of the issued share capital of Cykel. This agreement will terminate with effect from Readmission. The Company and Toro Consulting Ltd have agreed to enter into a new relationship agreement on the same terms as those of the relationship agreement between Cykel and Toro Consulting Ltd.

### 14. **Related party transactions**

14.1 Other than as set out in this Prospectus, in particular the Directors' and Proposed Directors' appointment letters (as described in paragraph 9.4 of this Part VII) and paragraph 14.2 below, there have been no related party transactions between the Company and any Director or Proposed Director.

14.2 Cykel and Crowdforn are parties to a Crowdforn Agreement, as set out in paragraph 13.2 of this Part VII, under which the Cykel pays Crowdforn a monthly retainer fee of £10,000 plus VAT. Crowdforn is a subsidiary of Neo Exchange quoted Pioneer Media Holdings Inc, a company of which Mike Edwards is a significant shareholder. Mike Edwards and the Company's proposed chairman, Jonathan Bixby, are business associates.

### 15. **Dilution of Ordinary Shares**

15.1 The Acquisition and Readmission, including the issue of 400,345,563 New Shares will result in the existing shareholders being diluted from owning 100 per cent. of the Existing Ordinary Shares as at the date of this Prospectus so as to constitute 2.95 per cent. of the Enlarged Share Capital.

15.2 The issue of 150,356,684 Ordinary Shares to be issued on full exercise of the Director Options, the BMN Warrants and the Cykel Exchange Warrants will result in the existing shareholders being diluted from owning 100 per cent. of the Existing Ordinary Shares as at the date of this Prospectus so as to constitute 2.16 per cent. of the Enlarged Share Capital.

### 16. **Litigation**

#### 16.1 **The Group**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during a period covering at least the previous 12 months which may have or have had in the recent past significant effects on the Company's or the Group's financial position or profitability.

#### 16.2 **Cykel**

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Cykel is aware) during a period covering at least the



previous 12 months which may have or have had in the recent past significant effects on Cykel's financial position or profitability.

#### **17. Working capital**

The Company is of the opinion that the working capital available to the Enlarged Group is sufficient to cover its present requirements, that is, for at least 12 months from the date of this Prospectus.

#### **18. Material uncertainty**

18.1 On 22 November 2023 the Company raised £200,000 through the Kamran Sattar CLN and on 21 May 2024 the Company raised an additional £106,666.40 through the May 2024 CLNs (together with the Kamran Sattar CLN, the "**New CLNs**"). The conversion notice date of the New CLNs is 7 July 2024 or such later date as may be agreed between the Company and the holders of the respective CLNs (the "**Conversion Notice Date**"). Further details regarding the Kamran Sattar CLN and the May 2024 CLNs are set out in paragraphs 12.7 and 12.8 of this Part VII.

18.2 The New CLNs are automatically convertible into new Ordinary Shares if Readmission occurs on or before the Conversion Notice Date. If Readmission occurs on or before the Conversion Notice Date, the Directors, having assessed cash flow forecasts prepared for a period of at least 12 months from the date of this Prospectus, are of the opinion that the Company will have sufficient funds to meet the overhead costs of the Enlarged Group and given that upon Readmission the Acquisition will be unconditional.

18.3 If Readmission does not occur by the Conversion Notice Date, the Company would need to raise additional funds through the issuance of debt or equity to pay overhead costs. This would likely include funding of diligence costs for a potential new acquisition, preparation of a new prospectus and proposed readmission of the Company to listing and trading. These events or conditions indicate the existence of a material uncertainty that may cast doubt on the Company's ability to continue as a going concern. The Directors consider that despite this material uncertainty it remains appropriate to prepare the Company's financial statements on a going concern basis as the Company is preparing for Readmission.

18.4 On Readmission, the Enlarged Group will have access to the existing cash balances of Cykel, which the Company did not have access to as at the date of the financial statements dated 31 December 2022. The Enlarged Group will be able to realise its assets and discharge its liabilities in the normal course of business, allowing the Enlarged Group to make a clean working capital statement in paragraph 17 (*Working capital*) of this Part VII.

#### **19. No significant change**

##### **The Group**

Save for the expenses in relation to the Acquisition and Readmission amounting to approximately £201,350 (exclusive of VAT), there has been no significant change in financial

position or performance of the Group since 31 December 2023, being the date of the end of the last financial period for which historical financial information has been published.

## **Cykel**

There here has been no significant change in the financial position or performance of Cykel Group since 31 December 2023, being the date to which Cykel's financial information set out in Part VI (B) of this Prospectus was prepared.

### **20. Takeover regulation**

- 20.1 Other than as provided by the City Code and Chapter 28 of the CA 2006, there are no rules or provisions relating to mandatory bids and/or squeeze-out and sell-out rules that apply to the Ordinary Shares.
- 20.2 The City Code is issued and administered by the Takeover Panel.
- 20.3 The City Code applies to the Company and will continue to do so from Readmission, and Shareholders are entitled to the protection afforded by the City Code.
- 20.4 There have been no public takeover bids for the Company's shares.
- 20.5 Under Rule 9 of the City Code, when: (i) any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons in which he is already interested and in which persons acting in concert with him are interested) carry 30 per cent. or more of the voting rights of a company subject to the City Code; or (ii) any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30 per cent. but not more than 50 per cent. of the voting rights of such a company, and such person or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then, except with the consent of the Takeover Panel, that person, and any person acting in concert with him, must make a general offer in cash to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights to acquire the balance of the shares not held by him and his concert party.
- 20.6 Immediately following Readmission, the Concert Party will hold Ordinary Shares carrying more than 30 per cent. of the voting share capital of the Company and will be subject to the provisions set out in Note 4 on Rule 9.1 of the City Code. Accordingly, if as a result of an acquisition of an interest in Ordinary Shares from another member of the Concert Party a single member comes to be interested in Ordinary Shares carrying 30 per cent. or more or, if already interested in Ordinary Shares carrying over 30 per cent., acquires an interest in any other Ordinary Shares carrying voting rights, the factors which the Panel will take into account in considering whether to waive the obligation to make an offer include (i) whether the leader of the Concert Party or the member with the largest individual interest in Ordinary Shares has changed and whether the balance between the interests in the Concert Party has changed significantly; (ii) the price paid for the interest in Ordinary Shares acquired; and (iii) the relationship between the persons acting in concert and how long they have been acting in concert. In addition, given that the Concert Party will hold Ordinary Shares carrying more than 30 per cent. of the voting share capital of the Company but will not hold Ordinary Shares carrying more than 50 per cent. of such voting capital, an offer obligation will arise if an interest in any other Ordinary Shares carrying voting rights is acquired from non-members of the Concert Party.

In case the members of the Concert Party exercise all of their respective warrants following Readmission, the Concert Party members would be beneficially interested in approximately 61.05 per cent. of the Enlarged Share Capital. As the Concert Party will hold more than 50 per cent. of the voting rights in the Company, any member of the Concert Party would not be able to acquire any further Ordinary Shares without incurring an obligation to make a general offer for the Company in accordance with Rule 9 of the City Code unless: (i) that member of the Concert Party is interested in Ordinary Shares carrying 30 per cent. or more of the voting rights

in the Company but does not hold shares carrying more than 50 per cent. of the voting rights in the Company; or (ii) that member of the Concert Party's interest in Ordinary Shares would increase to shares carrying 30 per cent. or more of the voting rights in the Company, in which case the Takeover Panel may deem such an obligation to have arisen.

- 20.7 Except where the Takeover Panel permits otherwise, an offer under Rule 9 of the City Code must be in cash and at the highest price paid within the 12 months prior to the announcement of the offer for any shares in the company by the person required to make the offer or any person acting in concert with him. Offers for different classes of equity share capital must be comparable; the Takeover Panel should be consulted in advance in such cases.
- 20.8 Under the CA 2006, if a 'takeover offer' (as defined in section 974 of the CA 2006) is made for the Ordinary Shares and the offeror were to acquire, or unconditionally contract to acquire, not less than 90 per cent. in value of the Ordinary Shares to which the offer relates and not less than 90 per cent. of the voting rights carried by the Ordinary Shares to which the offer relates, it could, within three months of the last day on which its takeover offer can be accepted, compulsorily acquire the remaining 10 per cent. The offeror would do so by sending a notice to outstanding members telling them that it will compulsorily acquire their Ordinary Shares and then, six weeks later, it would execute a transfer of the outstanding Ordinary Shares in its favour and pay the consideration for the outstanding Ordinary Shares to the Company, which would hold the consideration on trust for outstanding members. The consideration offered to the minority shareholder whose shares are compulsorily acquired must, in general, be the same as the consideration that was available under the original offer unless a member can show that the offer value is unfair.
- 20.9 The CA 2006 also gives minority members a right to be bought out in certain circumstances by an offeror who has made a takeover offer. If a takeover offer related to all the Ordinary Shares and, at any time before the end of the period within which the offer could be accepted, the offeror held or had agreed to acquire not less than 90 per cent. in value of the Ordinary Shares and not less than 90 per cent. of the voting rights carried by the Ordinary Shares, any holder of Ordinary Shares to which the offer related who had not accepted the offer could by a written communication to the offeror require it to acquire those Ordinary Shares. The offeror is required to give any member notice of its right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority members to be bought out, but that period cannot end less than three months after the end of the acceptance period or, if later, three months from the date on which notice is served on members notifying them of their sell-out rights. If a member exercises its rights, the offeror is entitled and bound to acquire those Ordinary Shares on the terms of the offer or on such other terms as may be agreed.

## **21. Trend information**

- 21.1 The Company is a cash shell which has not yet made the Acquisition. Cykel has carried out limited commercial activity since its incorporation. As a result, there has been limited activity regarding production, sales, inventory and costs and selling prices from which to form a trend.
- 21.2 At the time the Company completes the Acquisition, the Enlarged Group will be exposed to the trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the prospects of its business (a software business engaged in the development of advanced artificial intelligence products).

## **22. Regulatory Environment**

- 22.1 The rapid advancement of AI has outpaced the development of comprehensive regulations and legal regulations to govern their use. Companies might face legal challenges or uncertain regulatory environments when developing and/or deploying AI systems. This translates into a lack of clear guidelines for companies in the AI field.
- 22.2 Furthermore, there have been increasing ethical and social concerns around AI, specifically in relation to discrimination and inequality, as AI systems can sometimes make biased or discriminatory decisions, reflecting the biases present in the data they were trained on. This

can lead to unfair treatment of certain groups or perpetuate societal inequalities. These issues could be addressed by policymakers in the short or medium term which in turn could potentially translate into costs and affect the financial position of the Enlarged Group.

- 22.3 Companies developing and deploying AI are already subject to a wide range of international laws and regulations. In the UK, applicable laws include those relating to copyrights (Copyrights, Patents and Designs Act), privacy and data protection (UK GDPR), and discrimination and equality (Equality Act) as well as various consumer protection laws and regulations. Similar existing laws apply across the EU (such as the EU GDPR).
- 22.4 In the UK, the government has consulted on the regulation of AI but has not yet introduced legislation, signalling in a White Paper published on 3 August 2023 that it is proposing a “contextual, sector-based regulatory framework”, anchored in the UK’s existing, diffuse network of regulators and laws. On 22 November 2023, the Artificial Intelligence (Regulation) Bill (the “**Bill**”) was introduced to the UK Parliament and passed the first reading in the House of Lords. The Bill seeks to establish a central AI authority to oversee the UK’s regulatory approach to AI, as well as setting out 5 regulatory principles to be followed when regulating AI (safety, security and robustness; appropriate transparency and explainability; fairness; accountability and governance; and contestability and redress.) The Bill is a private members bill (introduced by Lord Holmes of Richmond) and unless the UK government steps in to support its progress through the legislative process, it is unlikely to become law.
- 22.5 In the EU, the EU AI Act (in conjunction with the EU AI Liability Directive and the revised Product Liability Directive) is expected to provide a comprehensive framework for AI regulation. Political agreement on the Act was reached on 8 December 2023 although the text of the EU AI Act must still be finalised by the European Parliament and the Council. The text is expected to be published in the Official Journal of the European Union by Q1 2024 and to fully apply as of Q1 2026. The EU AI Act will introduce a risk-based regulatory framework which will require registration of, and conformity assessments to be carried out for, high-risk systems placed on the EU market, overseen by a system of market surveillance and backed up by significant fines for serious breaches. Minimal or low-risk AI systems will be subject to lesser requirements, whilst some AI systems deemed to represent an unacceptable risk will be banned from the EU altogether.
- 22.6 In the US, the presidential Executive Order on Safe, Secure and Trustworthy AI (issued 30 October 2023) requires AI manufacturers to provide the US federal government with an assessment of their applications’ vulnerability to cyber-attacks, the data used to train and test the AI and its performance measurements. The Executive Order also covers required protections against a wide range of potential risks of AI systems such as the risk of engineering dangerous biological materials, the risk of AI-enabled fraud, and risks to privacy and identity, and addressed a widespread ethical and other issues including algorithmic discrimination, protection for consumers, and fairness in the criminal justice system. Further, various US State laws also apply to the development and deployment of AI. For example, a number of States have enacted their own privacy laws including California, Virginia, Colorado, Connecticut, and Utah with impacts for AI use; although these laws may be supplanted by the proposed American Data Privacy & Protection Act if enacted.
- 22.7 In the People’s Republic of China (PRC), several detailed regulations governing AI have been enacted, including the Algorithm Recommendation Regulation (effective 1 March 2022), the Deep Synthesis Regulation addressing synthetically generated content (effective 10 January 2023), and Generative AI Regulation (effective 15 August 2023). These regulations impose obligations on AI service providers, technical supporters, and users, as well as certain other entities, including online platforms and ultimately aim to address the risks related to AI-generated content and to protect national and social security in the PRC.
- 22.8 At the UK’s AI Safety Summit, held on 1 and 2 November 2023, 28 countries including the US, UK and China, alongside the European Union, signed the Bletchley Declaration signalling the likelihood of more robust regulatory frameworks addressing so-called frontier AI (i.e. highly

capable general purpose AI models) and covering issues such as safety testing, monitoring, and mitigation measures designed to prevent AI misuse and loss of control.

## **23. General**

- 23.1 PKF Littlejohn LLP has given and not withdrawn its consent to the inclusion in this Prospectus of its report on the financial information of the Company incorporated by reference for the years ended 31 December 2023 and 31 December 2022 into Part VI and its report on the unaudited pro forma statement of net assets in Part VI(C) of this Prospectus in line with item 1.3 of Annex 1 of the UK version of Commission Delegated Regulation (EU) 2019/980 and has authorised the contents of these reports for the purposes of this Prospectus. In addition, PKF Littlejohn LLP has given and not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of the references to its name in the form and context in which they appear.
- 23.2 BDO LLP has given and not withdrawn its consent to the inclusion in this Prospectus of its report on the financial information of the Company incorporated by reference for the years ended 31 December 2021 into Part VI of this Prospectus in line with item 1.3 of Annex 1 of the UK version of the Commission Delegated Regulation (EU) 2019/980 and has authorised the contents of this report for the purposes of this Prospectus. In addition, BDO LLP has given and not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of the references to its name in the form and context in which they appear.
- 23.3 Kreston Reeves LLP has given and not withdrawn its consent to the inclusion in this Prospectus of its report on the financial information of Cykel for the period from 22 August 2023 to 31 December 2023 set out in Part VI(B) of this Prospectus in line with item 1.3 of Annex 1 of the UK version of Commission Delegated Regulation (EU) 2019/980 and has authorised the contents of this report for the purposes of this Prospectus. In addition, Kreston Reeves LLP has given and not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of the references to its name in the form and context in which they appear.
- 23.4 The Directors and the Proposed Directors accept responsibility for the financial information incorporated by reference into Part VI of this Prospectus. To the best of their knowledge, the information incorporated by reference into Part VI of this Prospectus is in accordance with the facts and the Prospectus makes no omission likely to affect its import.
- 23.5 PKF Littlejohn LLP, whose address is 15 Westferry Circus, Canary Wharf, London E14 4HD, are the auditors of the Company. PKF Littlejohn LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.
- 23.6 BDO LLP, whose address is 55 Baker Street, London, W1U 7EU, are the previous auditors of the Company. BDO LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.
- 23.7 Kreston Reeves LLP, whose address is 168 Shoreditch High St, London E1 6RA, are the auditors of Cykel. Kreston Reeves LLP is registered to carry out audit work by the Institute of Chartered Accountants in England and Wales.
- 23.8 Save as otherwise set out in this Prospectus, there are no patents or other intellectual property rights, licences, industrial, commercial, or financial contracts or new manufacturing processes which are material to the Company's profitability.
- 23.9 The Company's accounting reference date is 31 December.
- 23.10 The financial information relating to the Company contained in this Prospectus does not constitute statutory accounts for the purposes of section 434 of the CA 2006.
- 23.11 The New Shares will be issued and allotted under the laws of England and Wales and their currency will be pounds sterling.

## **24. Documents available for inspection**

Copies of the following documents will be available and can be obtained free of charge from the Company's website ([www.mustangplc.com](http://www.mustangplc.com)) or may otherwise be inspected, during normal office hours on any weekday (Saturdays, Sundays and public holidays excepted), at the offices of Druces LLP at Suite 425, Salisbury House, London Wall, London EC2M 5PS and at the registered office of the Company from the date of this Prospectus:

- (a) the Articles;
- (b) this Prospectus;
- (c) the Circular;
- (d) the Scheme Document;
- (e) the accountants' report on the historical financial information of the Company and the historical financial information of the Company incorporated by reference as set out in Part VI(A) and Part IX of this Prospectus;
- (f) the audit report on the historical financial information of Cykel and the historical financial information of Cykel contained in Part VI(B) of this Prospectus;
- (g) the accountants' report on the unaudited pro forma statement of net assets contained in Part VI(C) of this Prospectus;
- (h) the unaudited pro forma statement of net assets contained in Part VI(D) of this Prospectus;
- (i) the consent letter of PKF Littlejohn LLP;
- (j) the consent letter of Kreston Reeves LLP;
- (k) the service agreements and letters of appointment of the Directors and the Proposed Directors referred to above in paragraph 9.5 of this Part VII; and
- (l) the material contracts referred to above in paragraphs 12 and 13 of this Part VII.

## PART VIII DEFINITIONS

The following definitions apply throughout this Prospectus, unless the context requires otherwise.

<b>"2019 Director Options"</b>	a total of 1,250,000 options over Ordinary Shares granted by the Company to the Directors and to a former director of the Company, Jacqueline Yee, further details of which are set out in paragraphs 5.5 and 12.2 of Part VII ( <i>Additional Information</i> ) of this Prospectus.
<b>"2024 Director Options"</b>	a total of 7,425,000 options over Ordinary Shares granted by the Company to the Directors, further details of which are set out in paragraphs 5.5 and 12.2 of Part VII ( <i>Additional Information</i> ) of this Prospectus.
<b>"Acacia"</b>	Acacia Resources Limited, a non-cellular company incorporated in Guernsey with registered number 48113 with its registered office at PO Box 282, Oak House, Hirzel Street, St Peter Port, Guernsey GY1 3RH.
<b>"Acquisition"</b>	the acquisition by the Company of the entire issued share capital of Cykel as described in Part I of this Prospectus.
<b>"Admission" or "Readmission"</b>	admission of the Enlarged Share Capital to the standard listing segment of the Official List and to trading on the London Stock Exchange's Main Market for listed securities.
<b>"AIM"</b>	AIM, a market operated by the London Stock Exchange.
<b>"AQSE"</b>	the Aquis Stock Exchange, a recognised investment exchange under section 290 FSMA.
<b>"Articles"</b>	the articles of association of the Company.
<b>"BMN Warrant Instrument"</b>	the warrant instrument executed by the Company constituting the BMN Warrants, further details of which are set out at paragraph 12.6 of Part VII ( <i>Additional Information</i> ) of this Prospectus.
<b>"BMN Warrants"</b>	the 636,986 warrants issued pursuant to the BMN Warrant Instrument;
<b>"Board"</b>	the directors of the Company from time to time.
<b>"Bushveld Minerals" or "BMN"</b>	Bushveld Minerals Limited, a non-cellular company incorporated in Guernsey with registered number 54506 with its registered office at PO Box 282, Oak House, Hirzel Street, St Peter Port, Guernsey GY1 3RH.
<b>"Business Days"</b>	a day (other than a Saturday, Sunday or public holiday) on which banks are open for business in London, England.
<b>"CA 2006"</b>	the Companies Act 2006.
<b>"certificated" or "in certificated form"</b>	an Ordinary Share which is not in uncertificated form.
<b>"City Code"</b>	the UK City Code on Takeovers and Mergers, as amended from time to time.
<b>"CLN Shares"</b>	the May 2024 CLNs shares and the Kamran Sattar CLN Shares

<b>“Closing Price”</b>	closing middle market price of 30.6p for Existing Ordinary Shares on 22 May being the last practicable day before publication of this Prospectus, taken from the Daily Official List.
<b>“Crowdforn”</b>	Crowdforn Limited.
<b>“Crowdforn Agreement”</b>	an agreement dated 18 October 2023 between Cykel and Crowdforn under which Crowdforn agreed to provide software support and maintenance services to Cykel for a term expiring on 31 December 2024.
<b>“Company” or “Mustang Energy”</b>	Mustang Energy PLC, a company incorporated in England and Wales with company number 11155663.
<b>“Concert Party”</b>	Toro Consulting Ltd (beneficially owned by Jonathan Bixby (a director and the founder of Cykel) and Shannon Wall (Jonathan Bixby’s wife)), Fidelio Partners Pte Ltd, California Two Pizzas Ventures Inc, Nicholas Lyth (a director of Cykel), First Sentinel Corporate Finance Ltd, Brian Stockbridge (director of First Sentinel Corporate Finance Ltd), Alpha Capital Group Ltd (company controlled by Andrew Blaylock, director of Clear Capital Markets Ltd), AB Trading and Investing Ltd (company owned by Andrew Blaylock, director of Clear Capital Markets Ltd), B Roberts Equity Trading Ltd (company owned by Bob Roberts, director of Clear Capital Markets Ltd), Daniel Pellard (director of Clear Capital Markets Ltd), Clear Capital Markets Ltd, Robert Mayfield (a director of Cykel) and Jonathan Hives (a director of Cykel), who will together hold in aggregate approximately 48.74 per cent. of the Enlarged Share Capital.
<b>“Conditions”</b>	the conditions to the implementation of the Acquisition, as detailed in this Prospectus and set out in the Scheme Document.
<b>“Consideration Shares”</b>	the 392,105,381 new Ordinary Shares to be issued by the Company to the Cykel Shareholders at a price of £0.049 per Ordinary Share.
<b>“Court”</b>	the High Court of Justice in England and Wales.
<b>“Court Order”</b>	the order of the Court sanctioning the Scheme under section 899 of the Companies Act.
<b>“Court Hearing”</b>	the order of the Court to sanction the Scheme pursuant to section 899 of the Companies Act and any adjournment, postponement or reconvening thereof.
<b>“CREST”</b>	the relevant system (as defined in the CREST Regulations) for the paperless settlement of share transfers and the holding of shares in uncertificated form.
<b>“CREST Regulations”</b>	The Uncertificated Securities Regulations 2001 (SI 2001 No. 3755), as amended from time to time.
<b>“Cykel”</b>	Cykel AI PLC, a company incorporated in England with company number 15088392.
<b>“Cykel Court Meeting”</b>	the meeting or meetings of the Cykel Shareholders (or any class or classes thereof) to be convened by order of the Court pursuant to section 899 of the Companies Act (notice of which will be set out in the Scheme Document) for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment) and any adjournment, postponement or reconvention thereof, notice of which is to be contained in the Scheme Document;



<b>“Cykel Exchange Warrants”</b>	the 141,044,698 warrants in the Company granted pursuant to the Cykel Exchange Warrant Instrument;
<b>“Cykel Exchange Warrant Instrument”</b>	the warrant instrument executed by the Company constituting the Cykel Exchange Warrants, pursuant to which the Cykel Warrant holders exchanged, conditional on Readmission, their 59,385,170 warrants in Cykel for the 141,044,698 Cykel Exchange Warrants, further details of which are set out at paragraph 12.7 of Part VII ( <i>Additional Information</i> ) of this Prospectus;
<b>“Cykel Fundraise”</b>	the direct subscription by sophisticated and high net worth investors, raising £1,750,000.50 for Cykel.
<b>“Cykel General Meeting”</b>	the general meeting of Cykel Shareholders (including any adjournment thereof) to be convened in connection with the Scheme for the purpose of considering and, if thought fit, approving the Cykel Resolutions.
<b>“Cykel Group”</b>	Cykel and any of its subsidiaries.
<b>“Cykel Lock-In Agreement”</b>	the lock-in agreement dated 18 October 2023 between the Cykel Locked-In Directors, the Cykel Locked-in Shareholders, Cykel and First Sentinel, further details of which are set out in paragraph 13.4 of Part VII ( <i>Additional Information</i> ) of this Prospectus.
<b>“Cykel Locked-In Directors”</b>	each of Jonathan Bixby, Nicholas Lyth, Jonathan Hives and Rob Mayfield;
<b>“Cykel Locked-In Shareholders”</b>	each of Toro Consulting Ltd, Fidelio Partners Pte Ltd and Crowdform Ltd;
<b>“Cykel Resolutions”</b>	such shareholder resolutions of Cykel as are necessary to enable Cykel to approve, implement and effect the Scheme and the Acquisition.
<b>“Cykel Shares”</b>	fully paid ordinary shares of 0.1 pence each in the capital of the Cykel.
<b>“Cykel Shareholders”</b>	the holders of Cykel Shares.
<b>“Daily Official List”</b>	a daily publication of official quotations for all securities on the London Stock Exchange.
<b>“Director Options”</b>	the 2019 Director Options and the 2024 Director Options.
<b>“Directors”</b>	the directors of the Company as at the date of this Prospectus, whose names are set out in paragraph 1 of Part II of this Prospectus.
<b>“Disclosure Guidance and Transparency Rules” or “DTR”</b>	the Disclosure Guidance and Transparency Rules made by the FCA pursuant to section 73A of FSMA, as amended from time to time.
<b>“Druces Fee Shares”</b>	the 700,000 Ordinary Shares to be issued as settlement for fees pursuant to the engagement letter with Druces LLP, further details of which are set out in paragraph 12.4 of Part VII ( <i>Additional Information</i> ) of this Prospectus.
<b>“Enlarged Group”</b>	the Company and its Subsidiary, Cykel, following completion of the Acquisition.
<b>“Enlarged Share Capital”</b>	the issued share capital of the Company following completion of the Acquisition and the issue of the New Shares.

<b>“Existing Ordinary Shares” or “Existing Share Capital”</b>	the Ordinary Shares in issue as at the date of this Prospectus.
<b>“EU Prospectus Regulation”</b>	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
<b>“Exchange Act”</b>	the US Securities Exchange Act of 1934, as amended.
<b>“FCA”</b>	the UK Financial Conduct Authority.
<b>“Fee Shares”</b>	the Druces Fee Shares, the Finder’s Fee Shares and the First Sentinel Fee Shares.
<b>“Finder”</b>	Mr Richard Corsie.
<b>“Finder’s Fee Agreement”</b>	the letter agreement pursuant to which the Company agreed to pay the Finder a fee of £18,000 for the introduction of the Company to Cykel and the proposal by which the Company will acquire the entire issued and to be issued share capital of Cykel by way of a scheme of arrangement, further details of which are set out at paragraph 12.11 of Part VII ( <i>Additional Information</i> ) of this Prospectus.
<b>“Finder’s Fee Shares”</b>	the 300,000 Ordinary Shares to be issued as settlement for a fee pursuant to the Finder’s Fee Agreement, further details of which are set out in paragraph 12.11 of Part VII ( <i>Additional Information</i> ) of this Prospectus.
<b>“First Sentinel”</b>	First Sentinel Corporate Finance Limited, a company incorporated in England and Wales with company number 07832675.
<b>“First Sentinel Fee Shares”</b>	the 400,000 Ordinary Shares to be issued as settlement for fees pursuant to the engagement letter with First Sentinel Corporate Finance Limited, further details of which are set out in paragraph 12.5 of Part VII ( <i>Additional Information</i> ) of this Prospectus.
<b>“Founders”</b>	Dean Lloyd Gallegos, Alan John Broome and Peter Verdun Wale.
<b>“FSMA”</b>	the Financial Services and Markets Act 2000, as amended from time to time.
<b>“General Meeting”</b>	the general meeting of the Company (including an annual general meeting) to be held at the offices of Druces LLP at 11 a.m. on 20 June 2024.
<b>“Group”</b>	the Company and its subsidiaries from time to time.
<b>“HMRC”</b>	HM Revenue & Customs.
<b>“IFRS”</b>	International Financial Reporting Standards, as adopted by the UK.
<b>“IPO”</b>	the initial public offering of the Company on 29 July 2019.
<b>“ISIN”</b>	International Securities Identification Number.
<b>“Kamran Sattar CLN”</b>	the convertible loan executed by the Company pursuant to which Kamran Sattar subscribed for a principal amount of £200,000, further details of which are set out in paragraph 12.9 of Part VII ( <i>Additional Information</i> ) of this Prospectus.
<b>“Kamran Sattar CLN”</b>	the 3,506,849 Ordinary Shares to be issued pursuant to Kamran Sattar, further details of which are set out in paragraph 12.9 of Part VII ( <i>Additional Information</i> ) of this Prospectus.

<b>Shares"</b>	<i>Information</i> ) of this Prospectus.
<b>"LEI"</b>	Legal Entity Identifier.
<b>"Listing Rules"</b>	the listing rules made by the FCA pursuant to section 73A of FSMA, as amended from time to time.
<b>"London Stock Exchange" or "LSE"</b>	London Stock Exchange plc.
<b>"Longstop Date"</b>	31 December 2024.
<b>"Main Market"</b>	the LSE's main market for listed securities.
<b>"March 2021 Placing"</b>	the placing of the March 2021 Placing Shares completed by the Company on 12 March 2021 at the placing price of 10 pence per share which raised £167,160 before expenses.
<b>"March 2021 Placing Shares"</b>	the 1,671,600 Ordinary Shares issued pursuant to the March 2021 Placing.
<b>"May 2024 CLNs"</b>	the convertible loans executed by the Company pursuant to which Jonas Chow, Matthew Lumb and Penelope Szeto subscribed for the notes with an aggregate principal amount of £200,000 for a consideration of £106,666.40, further details of which are set out in paragraph 12.8 of Part VII ( <i>Additional Information</i> ) of this Prospectus.
<b>"May 2024 CLNs Shares"</b>	the 3,333,333 Ordinary Shares to be issued pursuant to the May 2024 CLNs, further details of which are set out in paragraph 12.8 of Part VII ( <i>Additional Information</i> ) of this Prospectus.
<b>"New Shares"</b>	the Consideration Shares, the CLN Shares and the Fee Shares.
<b>"Non-Executive Directors"</b>	as at the date of this Prospectus, Alan Broome, Peter Wale and Simon Holden, and from the date of Readmission, Jonathan Hives and Robert Mayfield, as the context requires.
<b>"Official List"</b>	the Official List of the FCA.
<b>"Ordinary Shares"</b>	fully paid ordinary shares of £0.01 each in the capital of the Company; and " <b>Ordinary Share</b> " shall mean any one of them.
<b>"Overseas Shareholders"</b>	holders of Ordinary Shares who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the UK or persons who are nominees or custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the UK which may be affected by the laws or regulatory requirements of the relevant jurisdictions.
<b>"Panel"</b>	the UK Panel on Takeovers and Mergers.
<b>"Premium Listing"</b>	a premium listing in accordance with Chapter 6 of the Listing Rules.
<b>"Proposed Directors"</b>	the persons who are to be appointed as directors of the Company upon completion of the Acquisition, whose names are set out in paragraph 2 of Part II of this Prospectus.

"Prospectus"	this Prospectus, issued by the Company in connection with the Acquisition and Readmission.
"Prospectus Regulation Rules"	the Prospectus Regulation Rules of the FCA made pursuant to Part VII of FSMA, as amended from time to time.
"QCA Code"	the Quoted Companies Alliance Corporate Governance Code published by the Quoted Companies Alliance (as amended from time to time).
"Registrar"	Share Registrars Limited.
"Registrar Agreement"	the agreement between the Company and the Registrar dated 11 July 2018, pursuant to which customary registrar services are being provided to the Company.
"Reverse Takeover"	a transaction defined as a reverse takeover under Listing Rule 5.6.4 (1) and (2).
"Scheme Document"	the document to be dispatched to Cykel Shareholders and persons with information rights setting out, among other things, the details of the Acquisition, the full terms and conditions of the Scheme and containing the notices convening the Cykel Court Meeting and the Cykel General Meeting.
"Scheme Effective Date"	the time and date at which the Scheme becomes effective in accordance with its term.
"Scheme Record Time"	the time and date specified as such in the Scheme Document, expected to be 6.00 p.m. on which the Court makes the Court Order.
"SEC"	US Securities and Exchange Commission.
"Securities Act"	the US Securities Act of 1933, as amended from time to time.
"Sellers"	the Cykel Shareholders.
"Shareholder"	holders of Ordinary Shares.
"Standard Listing"	a Standard Listing in accordance with Chapter 14 of the Listing Rules.
"Subsidiary"	a subsidiary undertaking (as defined by section 1162 of the Companies Act 2006 (as amended)) of the Company and " <b>Subsidiaries</b> " shall be construed accordingly.
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland.
"UK Corporate Governance Code"	the UK Corporate Governance Code issued by the Financial Reporting Council in the UK from time to time.
"UK Market Abuse Regulation" or "UK MAR"	Regulation EU 596/2014 of the European Parliament and the Council of the European Union on market abuse, as supplemented by The Market Abuse (Amendment) (EU Exit) Regulations 2019 (SI 2019/310).
"UK Prospectus Regulation"	the UK version of the EU Prospectus Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (as amended and supplemented from time to time (including but not limited to, by the UK Prospectus Amendment Regulations 2019 and The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019)).

<b>“uncertificated” or “in uncertificated form”</b>	a share or other security recorded on the relevant register of the relevant company concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST.
<b>“US” or “United States”</b>	the United States of America, its territories and possessions, any state or political sub-division of the United States of America, the District of Columbia and all other areas subject to the jurisdiction of the United States of America.
<b>“VRFB-H”</b>	VRFB Holdings Limited, a private limited company incorporated in Guernsey with registered number 68500 with its registered office at Oak House, Hirzel Street, St Peter Port, Guernsey, Channel Islands, GY1 3RH.
<b>“Warrants”</b>	the BMN Warrants and the Cykel Exchange Warrants.
<b>“£”</b>	pounds sterling, the lawful currency of the UK.
<b>“\$”</b>	US dollars, the lawful currency of the US.

*Any reference to any statute, statutory provision or to any order or regulation shall be construed as a reference to that statute, provision, order, or regulation as extended, modified, amended, replaced or re-enacted from time to time (whether before or after the date of this Prospectus) and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.*

*In this Prospectus any reference to any EU directive, EU regulation, EU decision, EU tertiary legislation or provision of the EEA agreement (an “EU Matter”) which forms part of domestic law by application of the European Union (Withdrawal) Act 2018 shall be read as reference to that EU Matter as it forms (by virtue of the European Union (Withdrawal) Act 2018) part of domestic law and as modified by domestic law from time to time. For the purposes of this paragraph: (i) ‘domestic law’ shall have the meaning given in the European Union (Withdrawal) Act 2018; and (ii) any other words and expressions shall, unless the context otherwise provides, have the meanings given in the European Union (Withdrawal) Act 2018.*

## PART IX

### RELEVANT DOCUMENTATION AND INCORPORATION BY REFERENCE

The table below sets out the information which is incorporated by reference in this Prospectus, to ensure Shareholders and others are aware of all information which is necessary to enable Shareholders and others to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Company and the rights attaching to the Ordinary Shares.

<i>Information incorporated by reference into this Prospectus</i>	<i>Description of incorporation</i>	<i>Page number in this Prospectus</i>
The Company's Annual Report & Financial Statements for the period ended 31 December 2021	Entire document	66
The Company's Annual Report & Financial Statements for the period ended 31 December 2022	Entire document	66
The Company's Annual Report & Financial Statements for the period ended 31 December 2023	Entire document	66