

The information contained within this announcement is deemed by the Company to constitute inside information stipulated under the Market Abuse Regulation (EU) No. 596/2014, as retained as part of the law of England and Wales. Upon the publication of this announcement via the Regulatory Information Service, this inside information is now considered to be in the public domain.

#### Press Release

30 November 2023

#### StreaksAI PLC

("Streaks" or "the Company")

#### Interim results

StreaksAI PLC (LSE: STK), a UK-based generative Artificial Intelligence (AI) platform, announces its unaudited financial results for the six months ended 31 August 2023.

#### Operating and financial summary

- Launched second flagship product, 'Streaks Social', to create realistic chatbots based on high-profile influencers, allowing the influencers to scale and engage with their audience using AI and large language models (LLMs), as part of wider expansion into the lucrative artificial intelligence sector.
- Changed name to StreaksAI, reflecting the Company's expanded focus on AI technologies across both Streaks Gaming and Streaks Social.
- Partnered with community e-commerce platform WeShop to redefine customer service and engagement, enabling brands to build stronger connections with their audiences.
- Strengthened Board of Directors with appointment of Philip Blows as Chief Executive Officer.
- Signed advertising partnership with William Hill US to generate referral revenues, taking signed commercial partnerships for Streaks Gaming to 14.
- Loss before tax amounted to £0.93m reflecting investments in product development. (£3.35m at the start of the year; H1).
- Net cash amounted to £1.03m as at 31 August 2023 and £0.71m as at 27 November 2023.

#### Post-period highlights

- Launched 'Streaks Idols', a mass-market product enabling the public to generate their own AI characters with innate monetisation.
- Recorded promising early sign-ups to Streaks Idols, with 9,135 users and over 60,000 messages sent as at 2 November.
- User numbers rose to 15,736 and over 127,000 messages sent as at 23 November.
- Expanded AI offering with launch of 'Streaks Companion', a highly personalised AI chatbot service allowing for sophisticated humanlike companionship.
- Generated first revenues through sales of AI products.

#### Outlook

- Current trading remains in line with management expectations as Streaks expands into the AI sector. Positive momentum in sign-ups for Streaks Idols and Streaks Companion.
- The AI industry, especially conversational AI, is at its growth stage and will continue to develop over the next 12 months and Streaks is well positioned to take advantage of this.
- Costs expected to fall as one-off development expenses of AI products now completed.
- Streaks to explore how it can leverage Streaks Gaming's proprietary technology to generate further revenue.
- Streaks is focused on expanding its business model through building on current products and enhancing the current platform, strengthening the pipeline of partnerships and building consumer trust.

**Commenting on the results, Philip Blows, Chief Executive of Streaks said:** "The AI sector has grown rapidly in 2023 and Streaks has moved quickly to meet consumer demand. With significant appetite for chatbot products from corporate customers looking to improve their customer service, as well as consumers looking for entertainment or companionship, there is a great opportunity for Streaks to take advantage of AI's upward growth trajectory. I'm thrilled with the progress we've made in developing our AI products and we're already seeing consumer interest grow as we have now entered our revenue-generating phase.

"Streaks Gaming remains an important part of our business, and we were pleased to partner with William Hill to bring our total number of partners to 14. We're evaluating where best we can leverage our proprietary conversational gaming technologies to grow the Company and complement the burgeoning conversational AI side of our business."

For further information please contact:

StreaksAI PLC

<b>Philip Blows</b>	<b>via Tancredi</b>
Chief Executive	<b>+44 207 887 7633</b>
<b>Tennyson Securities</b>	
Corporate Broker	
<b>Peter Krens</b>	<b>+44 207 186 9030</b>
<b>First Sentinel</b>	
Corporate Broker	
<b>Brian Stockbridge</b>	<b>+44 203 989 2200</b>
<b>Tancredi Intelligent Communication</b>	
Media Relations	
<b>Helen Humphrey</b>	<b>+44 744 922 6720</b>
<b>Charlie Hobbs</b>	<b>+44 7897 557112</b>
<b>Neha Dhakal</b>	<b>+44 7915 035294</b>
<a href="mailto:stai@tancredigroup.com">stai@tancredigroup.com</a>	

#### **About Streaks:**

StreaksAI PLC is a provider of AI based conversational technologies. The Company offers two core products in the gaming and conversational AI space.

For more information on the Conversational Gaming AI product, please visit [www.playstreaks.com](http://www.playstreaks.com).

For more information on the Conversational AI product, please visit [www.streaks.ai](http://www.streaks.ai).

#### **Forward-looking statements**

This document contains forward-looking statements which are subject to known and unknown risks and uncertainties because they relate to future events, many of which are beyond the Company's control. These forward-looking statements include, without limitation, statements in relation to the Company's financial outlook and future performance. No assurance can be given that future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Company.

You are cautioned not to rely on these forward-looking statements, which speak only as of the date of this announcement. The Company undertakes no obligation to update or revise any forward-looking statement to reflect any change in its expectations or any change in events, conditions or circumstances. Nothing in this document is or should be relied upon as a warranty, promise or representation, express or implied, as to the future performance of the Company or the Group or their businesses.

#### **INTERIM MANAGEMENT REPORT**

##### **Overview**

The Company is in its first year, having listed in January 2023, and has quickly gained momentum, driven by the Company's entry into the growing conversational AI sector. Consumer interest in artificial intelligence grew rapidly in early 2023, with OpenAI's ChatGPT becoming the fastest-growing consumer application in history (*source: Reuters, 2023*). The Board identified an opportunity to leverage the Company's AI expertise from its work in conversational gaming to gain market share in the still nascent conversational AI space. Moreover, the Company has been able to capitalise on its intellectual property realised through its existing Streaks Gaming business to develop sophisticated new products in a short development timeframe. This additional pillar and revenue stream for the business is reflected in the Company's decision to change its name to StreaksAI, which took place on 10 July.

The loss before tax was £925,000 for the period ended 31 August 2023, attributable to several one-off investments into product development to greatly expand the Company's AI offering, with the intent of positioning Streaks plc as a leading company in the conversational AI industry.

##### **Operating Review**

Streaks expanded its AI offering first through the launch of Streaks Social, an influencer-focused product that utilises Natural Language Processing (NLP) text generators like GPT-4 to create a realistic AI facsimile of a real-world influencer. Influencer marketing is a \$21.1 billion industry (*source: Statista, 2023*) which is reliant on influencers' connection with their fans. Streaks Social allows fans to have personalised conversations with influencers, which the Company has monetised through sale of Streaks credits.

Streaks further expanded its conversational AI offering with the launch of Streaks Idols, a social product and AI character generator which offers a range of customisable AI-powered chatbots capable of sophisticated humanlike interaction. Streaks Idols has innate monetisation, allowing users to generate revenue through interactions with their chatbots. Alongside Streaks Idols, Streaks launched Streaks Companion, providing private chatbots designed for long-term conversations, offering companionship, mentorship and digital assistance services. Streaks Companion launched with a dedicated portal on the Company's state-of-the-art website. Streaks' conversational AI services have generated positive momentum, having seen it sign up over 15,700 registered users in its first few months of operation. Moreover, it surpassed 127,000 in aggregate messages sent across the platform userbase.

The Streaks platform is still developing further despite competitive market conditions. With Streaks' development of digital tie-ins including calendar integration, which are expected to release in Q1 2024, Streaks is well positioned to take advantage of the new opportunities ahead and create value for shareholders.

Alongside consumer-facing conversational AI, the Company is continuing to identify growth and partnership opportunities with commercial partners. In August 2023, Streaks partnered with WeShop, a community owned social commerce platform that combines shopping with social media, to deliver a human-like intuitive conversational interface for shoppers seeking in-

platform assistance including addressing queries, resolving issues, or receiving product information.

Despite the Company's move into the conversational AI sector, conversational gaming remains an important part of Streaks' offering. In March, the Company signed an advertising partnership with William Hill US to generate referral revenues, taking the total number of signed commercial partnerships for Streaks Gaming to 14.

Beyond Streaks' successful partnerships with WeShop and William Hill in the e-commerce and betting sectors, the Company is exploring expanding into new areas such as HR and education where it can leverage its AI technologies and plans to add value by integrating the product for automation and assistance in these sectors. Streaks' management has seen positive momentum in user growth and messages sent on its conversational AI products, and the Company plans to roll out the Idols service on further platforms including WhatsApp and SMS text messaging.

#### **Outlook**

The Company considers that due to the growing size of the AI market, there is demand for conversational AI platforms which are tailored to the individual and useful in personal assistance. The Board is pleased with the positive momentum of the Company's social AI products, which have seen positive audience growth following launch and have generated Streaks' first revenues. The Board believes the AI sector will continue to grow and mature, evidenced by the increased presence of large institutional investors in the space. Streaks is in an excellent position to take advantage of the sector's growth.

The Directors are of the opinion that the Company has adequate working capital to meet its obligations over the next 12 months. The Company is focused on reducing administrative costs in relation to Streaks and anticipate and forecast that the Streaks Idols and Streaks Companion will be strongly cash generative, and the costs related to this revenue will be minimal.

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE 6 MONTH PERIOD ENDING 31 AUGUST 2023**

		<b>Unaudited</b>	<b>Audited</b>
		<b>Period ending</b>	<b>Year ending</b>
		<b>31 August</b>	<b>28 February</b>
	<b>Note</b>	<b>£'000</b>	<b>£'000</b>
<b>Continuing Operations</b>			
Administrative expenses		(925)	(3,351)
<b>Operating loss</b>		<b>(925)</b>	<b>(3,351)</b>
Finance Income		-	-
<b>Loss before taxation</b>		<b>(925)</b>	<b>(3,351)</b>
Taxation on loss of ordinary activities		-	-
<b>Loss for the year from continuing operations</b>		<b>(925)</b>	<b>(3,351)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the year attributable to shareholders from continuing operations</b>		<b>(925)</b>	<b>(3,351)</b>
Basic & dilutive earnings per share - pence		(0.24)	(1.24)

**STATEMENT OF FINANCIAL POSITION AS AT**  
**31 AUGUST 2023**

	Note	£'000	£'000
		As At 31 AUG 2023	As At 28 FEB 2022
<b>NON-CURRENT ASSETS</b>			
Intangible assets	6	63	63
<b>TOTAL NON-CURRENT ASSETS</b>		<b>63</b>	<b>63</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,032	2,070
Trade and other receivables		79	196
<b>TOTAL CURRENT ASSETS</b>		<b>1,112</b>	<b>2,266</b>
<b>TOTAL ASSETS</b>		<b>1,175</b>	<b>2,329</b>
<b>EQUITY</b>			
Share capital	4	379	378
Share Premium	4	4,880	4,880
Share Based Payment Reserve	5	704	704
Retained Earnings		(4,876)	(3,951)
<b>TOTAL EQUITY</b>		<b>1,086</b>	<b>2,011</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		89	318
<b>TOTAL CURRENT LIABILITIES</b>		<b>89</b>	<b>318</b>
<b>TOTAL LIABILITIES</b>		<b>89</b>	<b>318</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,175</b>	<b>2,329</b>

The condensed interim financial statements were approved and authorised by the Board of Directors on 24 November 2023 and were signed on its behalf by:

**Nicholas Lyth**  
Director

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE 6 MONTH PERIOD ENDING 31 AUGUST 2023**

	Share Capital £'000	Share Premium £'000	Share based payment reserve £'000	Retained Earnings £'000	Total Equity £'000
Loss for period	-	-	-	(3,351)	(3,351)
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,351)</b>	<b>(3,351)</b>

Transactions with owners in own  
company

<u>capacity</u>					
Ordinary shares issued	224	4,432	-	-	4,656
Advisor warrants issued	-	-	-	-	-
Transactions with owners in own capacity	-	-	679	-	679
<b>Balance at 28 February 2023</b>	<b>378</b>	<b>4,880</b>	<b>704</b>	<b>(3,951)</b>	<b>2,011</b>
Loss for period	-	-	-	(925)	(925)
Other comprehensive income	0	(0)	-	-	-
<b>Total comprehensive income for year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(925)</b>	<b>(925)</b>
<u>Transactions with owners in own capacity</u>					
Ordinary shares issued	-	-	-	-	-
Advisor warrants issued	-	-	-	-	-
Share issue costs	-	-	-	-	-
Transactions with owners in own capacity	-	-	-	-	-
<b>Balance at 31 August 2023</b>	<b>379</b>	<b>4,880</b>	<b>704</b>	<b>(4,876)</b>	<b>1,086</b>

**STATEMENT OF CASHFLOWS**  
**FOR THE 6 MONTH PERIOD ENDING 31 AUGUST 2023**

	Note	Unaudited 6 month period ended 31 Aug 2023	Audited 12 month period ended 28 Feb 2023
		£'000	£'000
<b>Cash flow from operating activities</b>			
Cash used by operations		(1,037)	(2,631)
<b>Net cash outflow from operating activities</b>		<b>(1,037)</b>	<b>(2,631)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		-	-
Purchase of intangible assets		-	-
<b>Net cash flow from investing activities</b>		<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>			
Share issue, net of issue costs		-	4,656
<b>Net cash flow from financing activities</b>		<b>-</b>	<b>4,656</b>
<b>Net (decrease) in cash and cash equivalents</b>		<b>(1,037)</b>	<b>2,025</b>
Cash and cash equivalents at beginning of the period		2,070	45
Foreign exchange impact on cash		-	-
<b>Cash and cash equivalents at end of the period</b>		<b>1,032</b>	<b>2,070</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE 6 MONTH PERIOD ENDING 31 AUGUST 2023**

StreaksAI Plc is a public limited company incorporated in England and Wales and domiciled in the United Kingdom. The registered office and principal place of business is 16 Great Queen Street, London WC2B 5DG.

The Company was incorporated on 19 March 2021 and started trading on the LSE on the 5th January 2023.

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

## **2 Accounting policies**

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

### **2.1 Basis of preparation**

The condensed interim financial statements ("interim financial statements") have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34) as adopted by the European Union (EU). The interim financial statements have 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 pound, unless otherwise stated.

The interim financial statements have not been audited. The interim financial statements do not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The figures have been prepared using applicable accounting policies and practices consistent with those adopted in the audited annual financial statements ("annual financial statements") for the year ended 30 November 2021.

The interim financial statements are for the six months to 31 August 2023, being six months from the financial year end for the Company being 28 February 2023. The interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the period ended 28 February 2023. The Company has not disclosed comparative data for the period from 28<sup>th</sup> February to 31 Aug 2022 as required for disclosure by accounting standards due to the company having started trading on the LSE on the 5th January 2023 and no such data exists. The company has disclosed the audited figures from the annual financial statements.

The functional currency for the Company is determined as the currency of the primary economic environment in which it operates. Both the function and presentational currency of the Company Pounds Sterling (£).

The business is not considered to be seasonal in nature.

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

During the current period the Company 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 2021. This adoption did not have a material effect on the accounting policies of the Company.

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

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

### **2.2 Going concern**

The Company has not yet commenced trade from which it will generate revenue. However, having successfully had its shares listed on the London Stock Exchange on 5 January 2023, the Directors are of the opinion that the Company has adequate working capital to meet its obligations over the next 12 months. The Directors have focused on reducing

sufficient working capital to meet its obligations over the next 12 months. The Directors have focused on reducing administrative costs in relation to StreaksAI and anticipate and forecast that the Streaks Social business will be strongly cash generative, and the costs related to this revenue will be minimal. As a result, the Directors have adopted the going concern basis of accounting in the preparation of the interim financial statements.

## **2.3 Risks and uncertainties**

The principal risks and uncertainties relevant to the Company have not changed materially since the release of the annual financial statements for the period ending 28 February 2023. These risks can be referenced in the strategic report contained within the annual financial statements.

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

In the application of the Company'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 measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. There have been no dilutive instruments issued in the period and the value remains equal to that in the annual financial statements as at the last reporting period.

## **4 Share capital and share premium**

	Ordinary Shares #	Share Capital £	Share Premium £	Total £
<b>At 28 February 2023</b>	<b>378,312,535</b>	<b>378,313</b>	<b>4,880,411</b>	<b>5,258,724</b>
<b>At 31 August 2023</b>	<b>378,732,535</b>	<b>378,733</b>	<b>4,879,991</b>	<b>5,258,724</b>

## **5 Share based payments and Other reserves**

	As at 31 Aug 2023 £	As at 28 Feb 2023 £
Share based payments Reserve	703,816	24,800
Warrants issued in the period	-	679,016

Warrants cancelled in the period

<b>Total</b>	<b>703,816</b>	<b>703,816</b>
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**6 Intangible assets**

	Development costs £'000	Total £'000
<b>Cost as at 28 Feb 23</b>	<b>63</b>	<b>63</b>
Additions	-	-
<b>Cost as at 31 Aug 23</b>	<b>63</b>	<b>63</b>
<b>Amortisation and impairment as at 28 Feb 23</b>	<b>-</b>	<b>-</b>
Charge for the period	-	-
<b>Amortisation and impairment as at 31 Aug 23</b>	<b>-</b>	<b>-</b>
<b>Carrying amount as at Feb 23</b>	<b>63</b>	<b>63</b>
<b>Carrying amount as at Aug 23</b>	<b>63</b>	<b>63</b>

Intangible assets includes £52,000 in relation to the acquisition of the business and intangible assets on 15 November 2021 of StreaksAI from Flatiron Labs Inc

The following warrants over ordinary shares have been granted by the Company and are outstanding at 31 August 2023:

	Number of Warrants	Exercise Price	Expiry date
<b>On incorporation</b>	-	-	-
Issued on 18 October 2021	26,700,000	£0.01	17 Oct 2024
Issued on 5 January 2023	45,499,000	£0.06	4 Jan 2026
Issued on 5 January 2023	4,501,000	£0.06	4 Jan 2026
Issued on 5 January 2023	6,000,000	£0.03	4 Jan 2026
<b>At 31 Aug 2023</b>	<b>82,700,000</b>		

There were no dilutive instruments issued in the 6 month period ending 31 Aug 2023.

The fair value of the share warrant rights granted are valued using the Black-Scholes option pricing model. The option pricing model assumptions can be referenced in the annual financial statements.

**7 Financial commitments & contingent liabilities**

There were no capital commitments or contingent liabilities pertaining to the Company at 31 Aug 2023.

**8 Related party transactions**

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

	Period 1 Mar to 31 Aug 2023	Year ended 28 Feb 2023
	£	£
Carraway Capital Corp - Mr Mark Rutledge	30,000	32,500
Dark Peak Services Ltd - Mr Nicholas Lyth	18,000	60,000
Marallo Holdings Inc - Mr Michael Edwards	48,000	16,000
Infinity Growth Digital Inc. - Mr David Raphael	45,000	15,000
Gordon Silvera	30,000	7,500
	171,000	131,000

**9 Events subsequent to period end**

There were no material events subsequent to period end that require disclosure.

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